



City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Land Use and Planning

Item: Affordable Housing Development Agreement

Date: December 2, 2020

Sponsor(s): Eran Pehan

Prepared by: Eran Pehan

Ward(s) Affected:

<input type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input checked="" type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

Action Required:

Approve Affordable Housing Development Agreement

Recommended Motion(s):

I move the City Council: Authorize the Mayor to execute an affordable housing development agreement with Pupaw LLC/Cade LLC to construct permanently affordable homes for purchase for households earning under 120% area median income.

Timeline:

Referral to committee:	November 23, 2020
Committee discussion:	December 2, 2020
Council action (or sets hearing):	December 7, 2020
Public Hearing:	n/a
Deadline:	n/a

Background and Alternatives Explored:

On November 18th, 2019 the Missoula City Council adopted Resolution 8395, declaring their intention to close and vacate a portion of right-of-way located near Ronald Ave. north and South 4th Street east to support a residential development. The City Council place six conditions on this right-of-way vacation, one of which addressed housing affordability.

The condition as approved states that, "the developer shall address housing affordability by executing a Development Agreement, prior to building permit approval of the first structure that includes a voucher preference for new multi-dwelling rental units or constructing permanently affordable homeownership units, subject to review and approval by the Office of Housing and Community Development. The developer will work with the Office of Housing and Community Development on the terms of the Development Agreement to include appropriate pricing for affordable units for 20% of the dwelling units for purchase rounded up".

The developer has opted to construct permanently affordable homeownership units, as outlined in the submitted Affordable Housing Development agreement. A key strategy of the adopted housing policy, A Place to Call Home, is incentivizing affordable housing development. This developer agreement enables the city to test an incentives structure using the Right of Way Vacation in return for permanent affordability for seven homes. Additionally, it is important to the

housing policy and its ultimate goal of improving housing affordability in Missoula to create new homeownership opportunities for Missoulians making below 120% of Area Median Income (AMI). This project includes a significant number of permanently affordable homeownership opportunities in a Missoula neighborhood that trends as one of the most expensive.

Financial Implications:

n/a

Links to external websites:

n/a