

Dear Governor's Housing Task Force,

The City of Bozeman is grateful for the opportunity to share with the Task Force our efforts and progress to increase housing supply and affordability. Our efforts are the result of years of collaboration, planning, and creative problem solving with local organizations, agencies, and community partners to understand the issues at play and address them with local solutions. Our plans, policies, regulations, and funding solutions focus on reducing the many barriers that exist in developing housing across the spectrum of need for residents in the City of Bozeman.

The following summary includes:

- **Existing efforts** in place that have already been established through plans, policies, zoning, development standards, and funding mechanisms
- **Current efforts underway** to change zoning, adjust development standards and implement funding solutions
- **Future opportunities** the city is pursuing

Existing efforts:

Existing zoning regulations that encourage residential development across the city:

1. All residential zoning districts allow for multiple forms of housing. No districts are limited to single households only. (38.310.030)
2. 60% of all residentially zoned property is explicitly zoned for multi-household buildings
3. City has approved 59 Zone Map Amendments since 1/1/2018 – all requested by land owner and increased allowed intensity of development
4. All residential uses in residential districts allowed by-right, except cooperative households and transitional and emergency housing. (38.310.030 Table 38.310.030.A)
5. Accessory dwelling units allowed by-right in 8 of 9 residential districts. The exception is the district for manufactured home parks. (38.310.030 Table 38.310.030.A)
6. Multiple mixed use districts created and applied on the zoning map
7. Affordable housing gets priority review in the event we can't simultaneously process all submitted applications (38.320.050.E)

Existing development standards that allow more flexibility for residential projects:

8. Requirements for land area per home and setbacks from property line have been decreased by up to 60% (38.320.030)
9. Allowable building heights have been increased in residential districts (38.320.030)
10. Removed numeric density caps separate from other standards.
11. Manufactured and modular homes allowed in all residential districts by-right
12. Capped park dedication requirements on higher density residential projects

13. No minimum home size beyond what building code requires (a single detached home can be approved by building code at <300 sq. ft. and we have issued construction permits for that size of homes)
14. Reduced parking requirements for affordable housing
15. Narrowed lot width requirements (38.320.030)
16. Allowable lot coverage has been increased and in some residential districts is unlimited. (38.320.030 Table 38.320.030.C)
17. No requirement for covered or enclosed parking areas
18. Zoning standards created to address all subdivision primary review criteria from 76-3-608.
19. Concurrent construction of homes and public infrastructure is authorized. (38.270.030)
20. Created housing departures to enable additional flexibility in set standards to create additional housing (Ordinance 2111 adopted summer 2022)

Existing subdivision regulations that simplify review processes:

21. Created zoning standards to address all state required subdivision primary review criteria enabling City to adopt subdivisions for review under 76-3-616 MCA which removes all public hearings from subdivision review process
22. Created 'cash-in-lieu of infrastructure' program to simplify development requirements for construction of infrastructure and enable more cost effective construction processes
23. Created 'improvements in lieu of parkland' to improve functionality of public parks and meet state required park mitigation requirements at no additional cost to subdividers
24. Created zoning standards adequate to not require subdivision review for rent or lease developments (38.240.200)
25. Concurrent construction of homes and infrastructure authorized (38.270.030)
26. Created processes to facilitate phasing of subdivision and associated infrastructure to coordinate timely work and enable home construction to begin sooner in larger projects

Existing plans and policies that prioritize adequate public infrastructure, housing supply and affordability, and smart growth practices:

27. Growth policy completed that encourages increased intensity of development, redevelopment and infill, mixed uses and housing. Affordability an important theme in the document
28. Growth policy explicitly identifies how to apply the zoning amendment criteria of 76-2-304 to make review of Zone Map Amendments and annexations more predictable
29. Growth policy coordinates expansion area of community with utility and transportation planning to increase predictability of land development process

30. Capital improvement programming – Annually updated, coordinated across different types of infrastructure to support adequate infrastructure and avoid restrictions on ability to develop land
31. Impact fees provide funds in support of annual capital projects, remove barriers from individual projects delayed by infrastructure constraints, substantially reduce case by case development exactions, improve predictability of development review, cost effective installation in partnership with development thereby lowering overall cost of infrastructure for new growth
32. Coordinated cost sharing processes

Existing funding mechanisms for community housing:

33. **Low Income Housing Tax Credit (LIHTC) program:** The City provided \$500k in grant funds to support 232 units of LIHTC housing in the Arrowleaf and Perennial Park apartment complexes.
34. **Tax Increment Financing (TIF):** The City entered into a development agreement to reimburse \$2.1M in related infrastructure upgrades to support 90 workforce housing units in an urban renewal district.
35. The City Commission designated 7 General Fund mills for affordable housing efforts, totaling \$1.25M in FY 22-23.

Current efforts underway:

Zoning changes that are currently being processed

1. Created new Planned Development Zone process to support additional development flexibility in exchange for price limited housing and other identified public benefits. (Ordinance 2104, being prepared for final adoption process)
2. Created new incentive based affordable housing provisions to replace inclusionary zoning requirements prohibited by MT legislature in 2021 (Ordinance 2105, being prepared for final adoption process)
3. Remove conditional use process from zoning standards so that the only public hearing requirements for development will be those required by the state
4. Overall update to all zoning regulations is now underway with expected completion in December 2023

Funding solutions for community housing projects that are currently underway

5. **Tax Increment Financing (TIF):** The City designated \$1.6M in urban renewal funds to support the development of workforce housing development at its former fire station site

6. The City is under contract to sell the site of a former fire station at below appraised value to support the development of workforce housing

Future Opportunities:

1. The City is looking for opportunities to offer underutilized parcels of City land for workforce housing development
2. Continued use of TIF and urban renewal funds