

**Department New Request Form
Fiscal Year 2024**

Program	CPDI	Title of New Request:	Rank: 13
Department	Community Development		
Request Category	New	Voluntary Affordable Housing Incentives Program Startup	
Request Rating	Request/Service/Feature		
Request Rating	New Program		
Department Goal	Community Design & Livability Goal 2: Provide for equitable growth while preserving our sense of place and creating reasonable expectations for change.		

1. How will request assist in achieving Department Goal and benefit the customer

A Place to Call Home, Missoula's current housing policy call for creation of a voluntary affordable housing incentives program. Staff have been working on the program guidelines and parameters for the past two years. This program would offer developers and builders city resources to offset the cost of development in exchange for set-aside income restricted units. Incentives include Right of Way vacations, utility/infrastructure postponements and/or subsidies, land subsidies, development fee payment, parking reductions, and density bonuses. Financial incentives and parking reductions have proven to be the most enticing, however, parking reductions may no longer be available as an incentive as of the close of the 2023 legislative session, making financial incentives even more important.

We are working to connect these incentives to the Our Missoula code reform process, but code-based incentives alone are not enough to kickstart the program. We know that there are a number of projects currently in development that would make use of this program if it had a component of financial incentives. Our proposal is to operate this program through a separate activity code within the Affordable Housing Trust Fund to keep the program funds separate and protected from the annual trust fund competitive application round and reserve balance set-aside. This funding amount we estimate could support two projects to test out the program.

This request directly supports City Strategic Plan Community Design and Livability Goal 2: Provide for equitable growth while preserving our sense of place and creating reasonable expectations for change; a. Develop action strategies to address displacement and gentrification; and b. Create regulations and incentives that support sustainable and equitable development that support a diversity of housing types, including housing that meets unique and basic needs.

2. What specifically is needed to achieve this goal?

One-time pilot funding to support kick off of the Voluntary Affordable Housing Incentives program, directed through fund 2700, Affordable Housing Trust Fund.

3. Cost Impact of New Program:

Account #	Item	Qty	Unit Cost	Requested One-Time	Requested Ongoing	FY 2024 Unfunded	FY 2024 Funded	Proposed FY 2025 Ongoing
Ongoing Expenses								
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
One-time Expenses								
2700	Housing Incentives	1	500000	500,000	—	500,000	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
				—	—	—	—	
Expense Sub-Total				500,000	—	500,000	—	—

Revenue Offset:

Account #	Revenue Description				Proposed One-time Revenue	Proposed Ongoing Revenue
1000	T			Tax Funded Revenue	500,000	
Revenue Sub-Total				500,000	—	—

4. What sort of data will be used to report results and outcomes of request?

Detailed outcome data are collected for all Affordable Housing Trust Fund projects, including numbers served, demographic data, number of units created or preserved, etc. Incentives program outcomes would also be reported in the Annual Housing Landscape Assessment.

SEE ATTACHMENT

Requested/Proposed Funding Source

	One-time	Ongoing
Tax or Assessment	500,000	—
Non-tax	—	—
Fund Balance	—	—
Total	500,000	—