

City of Missoula,
Montana

Program Year 2020 Community Needs Assessment Report

Online Survey: January 3 – February 8, 2020

Community Meeting: March 4, 2020

Report Released: March 18, 2020

John Engen, Mayor

Office of Housing & Community Development

435 Ryman St., Missoula, MT 59802

(406) 552-6399



Table of Contents

Key Findings from the 2020 Survey & Community Meeting	3
Missoula’s Housing Challenges	5
Top Housing Priorities	6
Final Thoughts	8
Profile of Survey Respondents	9
Community Meeting on Housing Needs	11

Key Findings from the 2020 Survey & Community Meeting

During the winter and spring of 2020, the Office of Housing & Community Development conducted an online survey and in-person meeting to get feedback from the community about major challenges and priorities in the realm of housing. This feedback informs the office's use of U.S. Department of Housing & Urban Development (HUD) entitlement funds through the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME).

- A total of 767 people responded to the annual community housing needs assessment survey. Respondents came from every neighborhood in Missoula, with the University District (76), Heart of Missoula (73), Northside (65), and Franklin to the Fort (62) neighborhoods having the most respondents.
- A majority of respondents agreed that the biggest housing challenges facing Missoula are a lack of affordable rental homes (577) and a lack of affordable homes to purchase (562). There was less agreement that poor quality housing stock (216), accessible homes (212), or a lack of diverse home types (138) are major challenges for Missoula.
- Survey respondents identified the construction of housing that is affordable for Missoulians who earn less than the median wage as their top priority for both the city as a whole (413) as well as in their neighborhoods (300). When responding for the city as a whole, two initiatives tied for second most important – financial rental assistance (245) and homelessness services (245).
- When responding about top priorities for their own neighborhoods, the second and third most common responses were financial rental assistance (253) and down payment assistance (195).
- When asked whether they are satisfied with their current housing options, 73% of the 658 who answered the question said no (483). A total of 468 elaborated as to why they are not satisfied. A majority simply commented again about general lack of affordable housing options (281). Many discussed frustration at a lack of affordable entry-level homeownership options (75). Smaller numbers discussed the low quality of homes in Missoula, both rental and homeownership (28), their desire for more accessory dwelling units (12), and more transit-connected or walkable options (11). The remaining comments varied with no particular themes.
- A total of 19 survey respondents consistently commented that high taxes are the biggest challenge for Missoula and that reducing taxes would be their top priorities.

“Missoula still needs more housing for desperately poor people, but it also needs opportunities for working poor & lower middle class to BUY small homes. Owning your home is a proven step to a better quality of life and even better educational and future employment opportunities for a family's children. Builders no longer see any profit in the type of small starter house that was common after WWII. But they're still needed. How can we make that happen?”

-
- The Office hosted a community meeting to solicit additional feedback on March 4, 2020 at City Council Chambers. Seventeen people attended, mostly from partner housing service providers. Some key themes that arose are:
 - That one of the biggest housing challenges folks see is simply the lack of housing stock; we do not have enough affordable homes in Missoula to meet the need of our community, especially for the large proportion of our population who rent their homes. Relatedly, the groups talked about how the housing stock we do have does not meet needs, including accessibility and options for folks to age in place.
 - There is a disconnect and frustration between Missoula landlords and renters. Some attendees brought up fair housing concerns and others talked about the need for landlords to have some resource to mitigate their risks in renting to high barrier populations.
 - Priority housing initiatives according to the group should be homelessness services, downpayment assistance, and construction of new home types, including accessory dwelling units and entry-level homeownership options.
 - Lastly, attendees talked about innovative housing solutions they would like to see in Missoula. Some talked about finance tools like linkage fees and other revenue sources like the gas tax. Many innovative solutions discussed touched on ways to build more homes, and spread the absorption of these homes throughout all neighborhoods in Missoula; currently development of residential and affordable housing is concentrated in a few low-income neighborhoods that are zoned for higher density. In the rental market, groups talked about a universal application and application fee service and renter education courses that come with an application fee waiver.

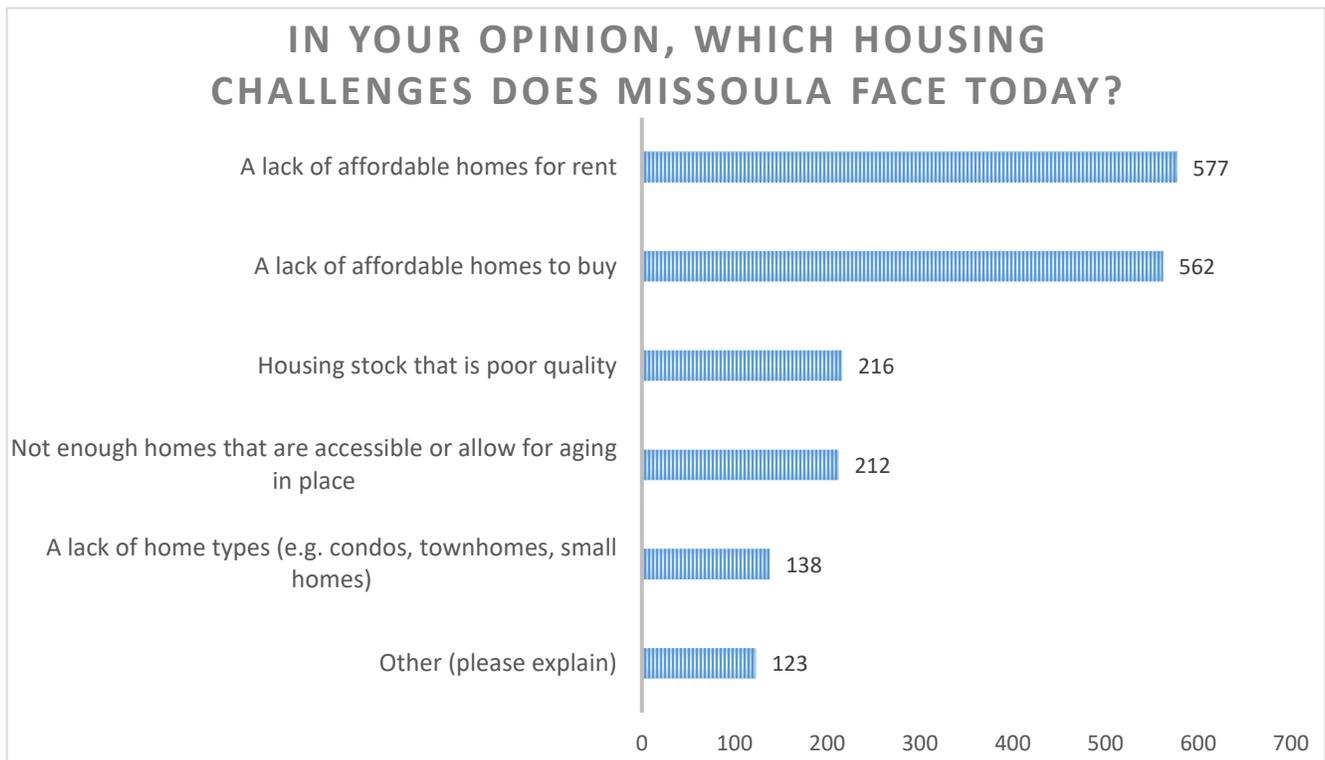
“Vertical, Urban development downtown! We should be building UP in the areas that are already paved/developed, and limited our open space development. We are increasing our flood risk and losing valuable green spaces.”

Missoula's Housing Challenges

Survey respondents were asked a series of questions about the housing challenges facing Missoula today.

- A majority of survey respondents agreed that Missoula faces two major housing challenges:
 - A lack of affordable homes to rent (577)
 - A lack of affordable homes to buy (562)
- A smaller proportion of respondents identified poor-quality housing stock (216) and not enough accessible homes that allow for aging in place (212) as major challenges for Missoula.

Figure 1 – Missoula's Major Housing Challenges



- The survey asked those who identified poor-quality housing stock, lack of accessible/visitable homes, and lack of diversity of home types just how urgent they feel these problems are.
 - Of the 205 people who responded about quality housing stock, 43% of respondents identified poor-quality housing stock as somewhat urgent and 54% said it was very urgent.
 - Of the 203 that responded about accessibility, 37% of respondents said that a lack of accessible/visitable homes is somewhat urgent and 62% said it is very urgent.
 - Of the 139 people who responded about diversity of home types, 40% of respondents said that the lack of diverse home types is somewhat of an urgent problem in Missoula, and 53% said it is very urgent.

Of all 767 survey respondents, 123 added additional qualitative feedback on Missoula’s housing challenges.

- The biggest theme from these qualitative responses was additional comments about the high cost of housing in Missoula (23);
- Fifteen (15) respondents talked about the barriers that renters face in the Missoula market, including noting the higher barriers that folks who have criminal records face and the barrier that landlords create by requiring significant deposits or high application fees;
- Some respondents noted the general lack of housing stock as a major challenge in Missoula (13);
- Several respondents said that high taxes are a major barrier in Missoula to housing (10).

Top Housing Priorities

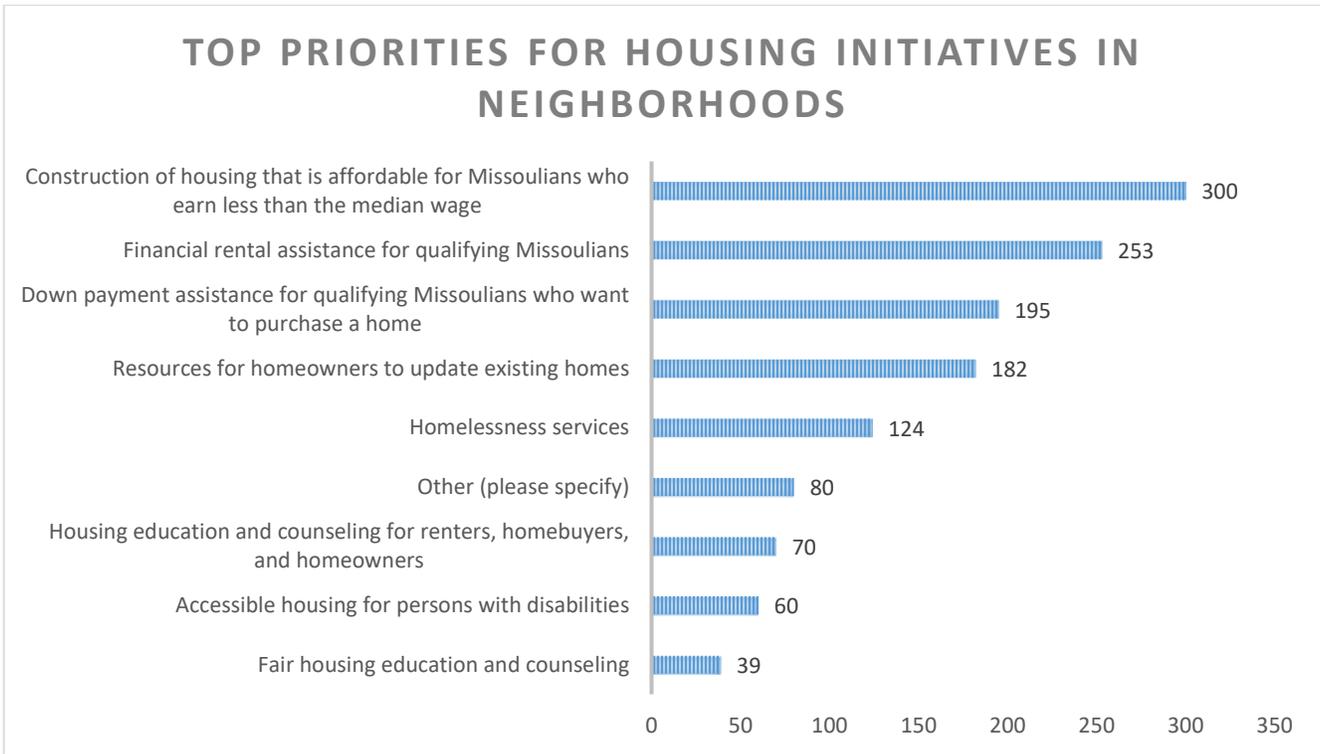
Survey respondents were asked, from a list of housing initiatives, which they would prioritize for the city as a whole and which they would prioritize for their own neighborhoods.

- Respondents identified the construction of housing that is affordable for Missoulians who earn less than the median wage as their top priority for both the city as a whole (413) as well as in their neighborhoods (300).
- When responding for the city as a whole, two initiatives tied for second most important – financial rental assistance (245) and homelessness services (245).
- When responding for their own neighborhoods, the second and third most common responses were financial rental assistance (253) and down payment assistance (195).

Figure 2 – Respondent Priorities for Citywide Housing Initiatives



Figure 3 – Respondent Priorities for Housing Initiatives for their Neighborhoods



Several respondents provided qualitative comments regarding their priorities for housing initiatives in the city and in their neighborhood. For the city as a whole, comments were wide-ranging, from asking for code changes to lower taxes, to additional renter protections.

“Removing restrictive ADU requirements in city code.”

“Senior housing for couples, to free up our empty nest homes.”

“Tax or other incentives for landlords that provide affordable housing. A number of us are in the ‘in between’ place of qualifying for assistance but not making enough. Wages do not keep pace with rental increases.”

Some respondents also provided qualitative comments regarding their priorities for housing initiatives in their own neighborhoods. These responses tended toward solutions for individuals, like rental assistance, rehabilitation funds, as well as discussion of updating city regulations and lowering taxes.

“Housing that supports small scale agricultural activities.”

“I would like resources for homeowners to add ADU’s or somehow create more rental housing in our neighborhood.”

“Design standards and better long term planning for growth and infill. If we’re going to do it, we need to do it with some oversight on the part of the city in regards to the developers.”

Final Thoughts

At the end of the survey, respondents were asked whether they are satisfied with the housing options available to them today. A vast majority of the 658 who answered the question (73%) said no.

Figure 4 – Satisfaction with Current Housing Options



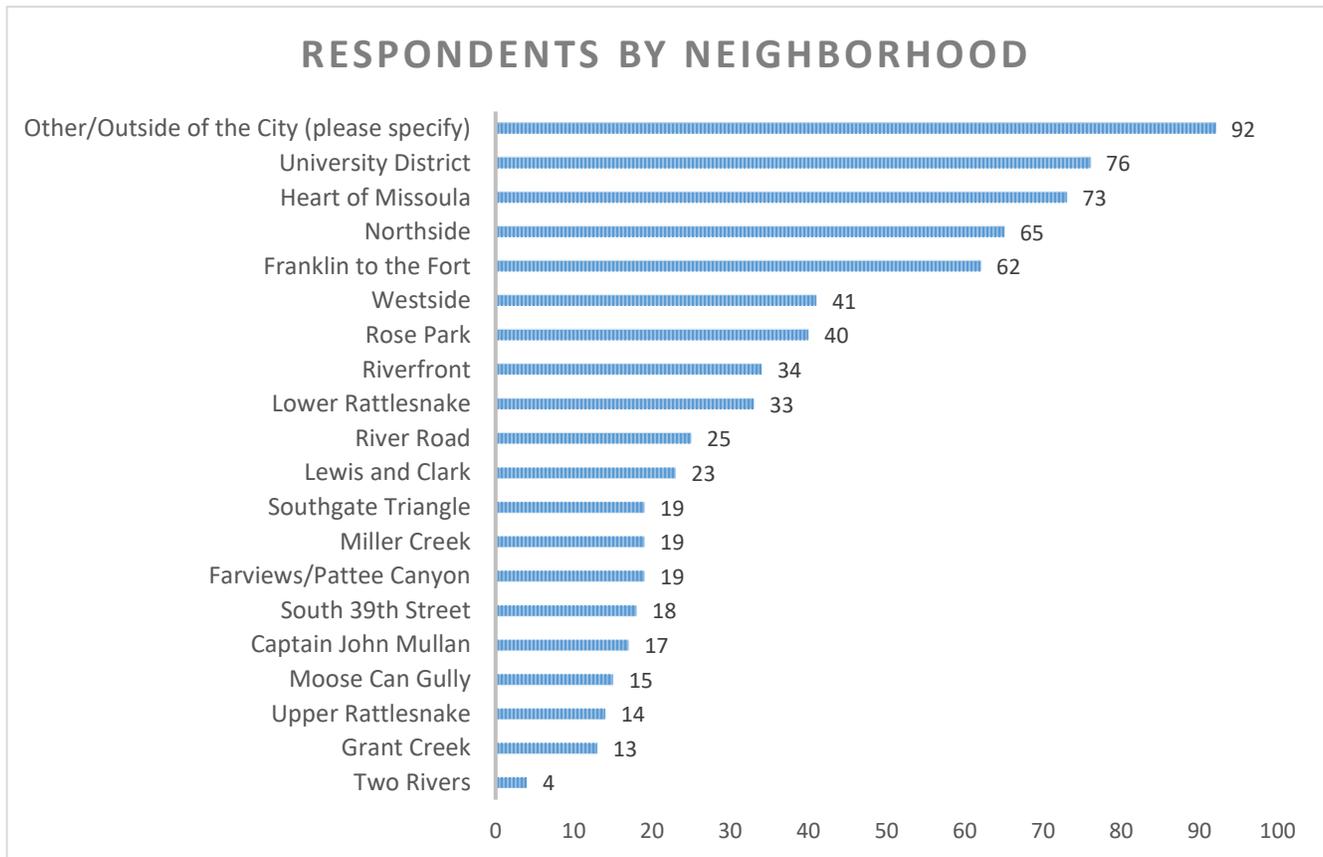
For those who responded “no” we asked what is missing from their options; 485 people provided qualitative feedback.

- A majority (281) simply commented again about general lack of affordable housing options.
- Many (75) discussed frustration at a lack of affordable entry-level homeownership options.
- Smaller percentages discussed the low quality of homes in Missoula, both rental and homeownership (28), their desire for more accessory dwelling units (12), and more transit-connected or walkable options (11). The remaining comments ranged in their topic area with no other significant themes. Many provided more information about their own particular circumstance and challenges. A few comments are excerpted below.
 - “I wish there were more mixed use neighborhoods and less purely residential ones.”
 - “Lower prices (either by new construction or rental assistance). My partner and I both attend graduate school full time. My partner works full time and I work 3 different jobs (about 30 hours/week) and we struggle to think about staying in Missoula because we will likely be priced out of buying housing.”
 - “Affordable housing. Housing options are too expensive -- both to buy and rent -- in comparison to wages. We make the median household income and it is still hard, with our housing making up nearly 40 percent of our monthly expenses. I can't imagine what it is like for those considered low-income.”
 - “Affordability. Many people in my age range feel that they will never have the opportunity to own their own home. We watch helplessly as out of state money floods in causing property values to skyrocket and destroying local culture.”

Profile of Survey Respondents

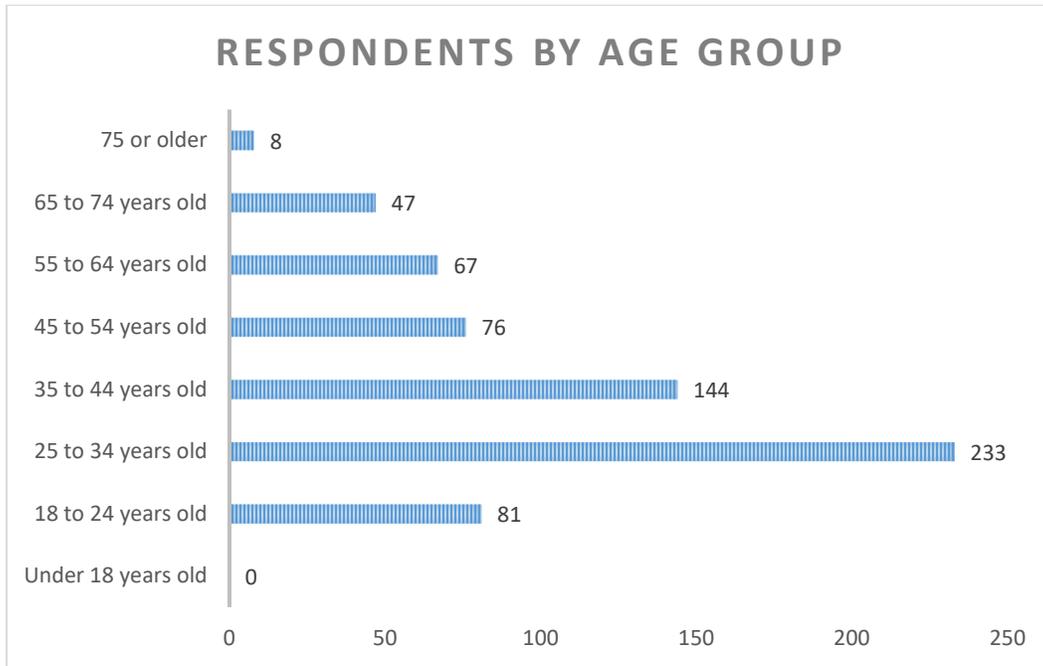
- 767 individuals responded to the Community Needs Assessment survey in 2020.
- Every neighborhood in Missoula was represented in respondents, with the University District, Heart of Missoula, Northside, and Franklin to the Fort neighborhoods having the most respondents.
- Of the 92 respondents from outside the city of Missoula, 70 reside in Missoula County, 10 reside in Ravalli County, 4 were individuals experiencing homelessness, 1 was from Lake County, 1 was from out of state, and 6 declined to specify their residence.

Figure 5 – Survey Respondents by Neighborhood



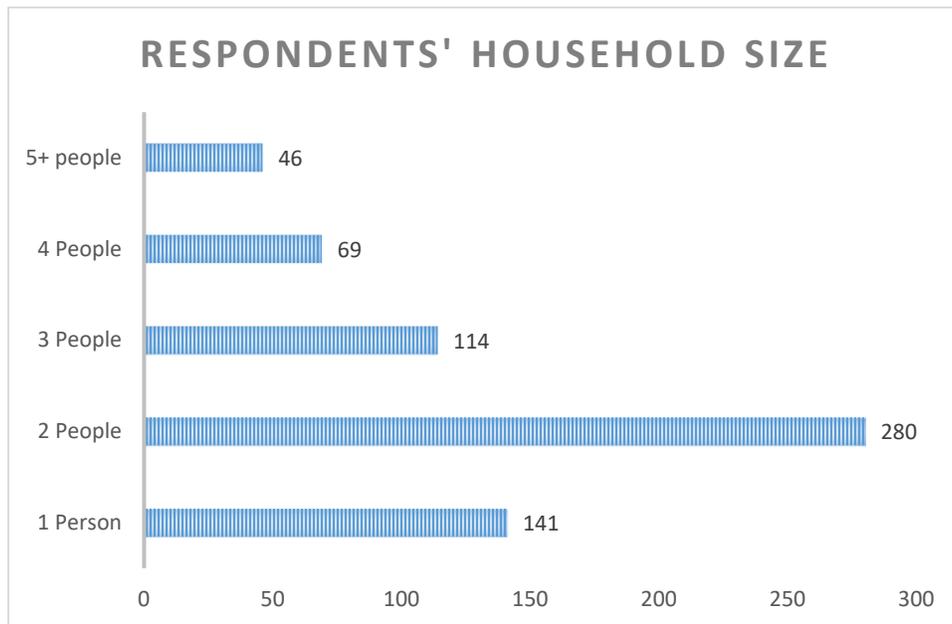
- A majority of survey respondents were 25 years old to 44 years old (377). Eighty-one respondents were between 18 and 24 years old. Fifty-five respondents were over 65 years old.

Figure 6 – Survey Respondents by Age



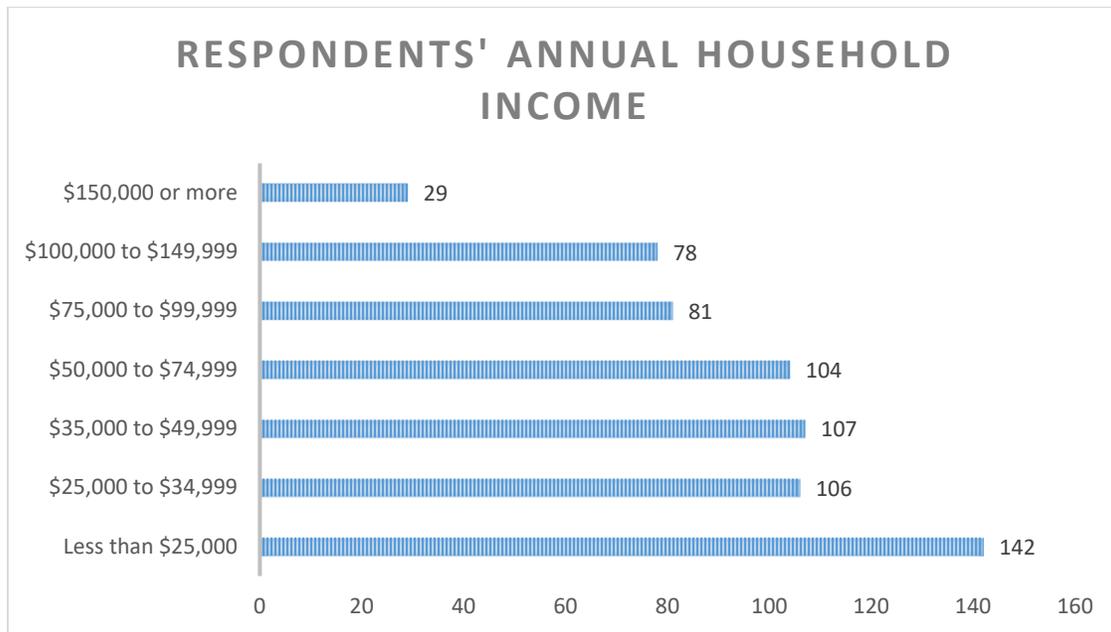
- A majority of respondents reside in households of 2 or fewer people (421). One-hundred and eighty three respondents live in households of 3-4 people. Lastly, 46 respondents live in households of five or more people.

Figure 7 – Survey Respondents by Household Size



- Over half of the survey respondents reported an annual household income below \$49,999 (355), while a small proportion (4%, or 29 respondents) reported annual household incomes above \$150,000.

Figure 8 – Survey Respondents’ Annual Household Income



Community Meeting on Housing Needs

The Office hosted a community meeting to solicit additional feedback on March 4, 2020 at City Council Chambers. Seventeen people attended, mostly from partner housing service providers. Some key themes arose from the small group conversations at the meeting, including:

- That one of the biggest housing challenges folks see is simply the lack of housing stock; we do not have enough affordable homes in Missoula to meet the need of our community, especially for the large proportion of our population who rent their homes. Relatedly, the groups talked about how the housing stock we do have does not meet needs, including accessibility and options for folks to age in place.
- There is a disconnect and frustration between Missoula landlords and renters. Some attendees brought up fair housing concerns and others talked about the need for landlords to have some resource to mitigate their risks in renting to high barrier populations.
- The groups discussed that we have to also talk about wages when talking about housing affordability; Missoula’s wages have not kept pace with increasing costs.
- When thinking about specific housing initiatives that should be prioritized, many attendees talked about homeless services, which makes sense since many attendees work with the homeless. Services discussed include transitional housing and services for at-risk populations on the verge of homelessness.
- Attendees also talked about housing in general as a human right, and as very important to community health.
- At the other ending of the housing needs continuum, many attendees talked about the importance of downpayment assistance and construction of new home types, including accessory dwelling units, and priority housing initiatives. A recurring theme was the need to construct new homes that are

affordable to entry-level homeowners and the fact that we do not see that price point much in Missoula right now.

- Lastly, attendees talked about innovative housing solutions they would like to see in Missoula. Most attendees talked about solutions related to getting new development to help financially support affordable housing like linkage fees, mandatory inclusionary zoning, and other revenue sources like the gas tax.
- Many innovative solutions discussed touched on ways to build more homes, and spread the absorption of those homes throughout the community rather than just concentrating them in low income neighborhoods. Some included accessory dwelling unit incentives, reducing regulatory “red tape,” and finding ways to create infill opportunities in nonconforming lots around Missoula.
- Several folks talked about the need for more and new financing options to support housing, and that led to a conversation about the need for advocacy at the state-level. Some even advocated for an overall tax increase in Missoula on property taxes, paired with a refund for those who file income taxes in Montana in order to increase the contribution from out of state second home owners.
- In the rental market, some innovative solutions discussed included a universal application and application fee service and renter education courses that come with an application fee waiver.