

Memorandum

REPORT TO: City Commission

FROM:

Susana Montana, Senior Planner

Chris Saunders, Community Development Manager

Erin George, Director of Community Development

Renata Munfrada, Housing Division Manager

David Fine, Economic Development Urban Renewal Manager

Britt Fontenot, Economic Development Department Director

SUBJECT:

Ordinance 2025-### to Repeal and Replace Division 38.380 of the Bozeman Municipal Code in Support of Affordable Housing Production

MEETING DATE:

January 28, 2025

AGENDA ITEM TYPE:

Community Development - Legislative

RECOMMENDATION:

Consider the Motion: *Having reviewed and considered the staff report, draft ordinance, public comment, Economic Vitality Board and Planning Commission recommendations, and all information presented, I hereby adopt the findings presented in the staff report for application 24529 and move to approve the proposed Affordable Housing Ordinance 2025, as reflected in the staff report.*

STRATEGIC PLAN:

4.5 Housing and Transportation Choices: Vigorously encourage, through a wide variety of actions, the development of sustainable and lasting housing options for underserved individuals and families and improve mobility options that accommodate all travel modes.

BACKGROUND:

On August 20, 2024, the City Commission held a [work session](#) to consider amendments to the Bozeman Municipal Code (BMC) affordable housing program and its incentives to produce affordable housing. The City Commission directed staff to amend existing non-cash financial incentives for the production of below-market affordable dwelling units to respond to current market forces and to ensure affordability of targeted dwellings for

fifty (50) years rather than 30 years.

The ordinance, if adopted as proposed, is expected to induce developers to incorporate below-market-rate dwellings within their market-rate housing or mixed-use development in the city. For more information see the Executive Summary and Appendix A in the attached staff report. The amendment applies to new subdivision, master site plan and site plan applications and to applications undergoing development review under Chapter 38 of the City's Unified Development Code (UDC).

Project documents are available at this direct link to the public [Laserfiche folder](#) for application 24529 with direct links to individual documents provided below:

A draft of the replacement Affordable Housing [Ordinance](#) contains the proposed language for the Chapter 38 amendments.

Additional materials are also available on the City's [Affordable Housing Dashboard](#)

UNRESOLVED ISSUES:

Policy Issue: Whether the flexibility allowed by the citywide incentives of the revised 2025 Affordable Housing Ordinance (AHO) are too broad to be assured that utilizing the parking and height incentives on "in-fill" projects, in particular, would result in a project that may not be in "character" with the existing neighborhood or may have negative impacts on the site environs. *Is this impact an acceptable exchange for the public benefit of providing long-term (50 years) affordable housing units within that development?*

ALTERNATIVES:

See attached staff report.

FISCAL EFFECTS:

None at this time.

Attachments:

[Affordable Housing Ordinance DRAFT for 01 28 25 CC mtg.pdf](#)
[24529 AHO update CC Staff Report 01 22 25.pdf](#)

Report compiled on: January 21, 2025