



## Removing Regulatory Barriers to Affordability – A Snapshot

### **General:**

Over the past 20 years, the City of Bozeman has:

- Reduced maximum lot sizes by 60%.
- Reduced setbacks by over 50%.
- Reduced requirements on minimum home size.
- Increased maximum building heights.
- Allowed Accessory Dwelling Units (ADUs) in all residential zoning districts.

### **Action Plan:**

Bozeman is currently rolling out its Community Housing Action Plan which has 75+ action items that address the entire scope of housing affordability. This plan can be viewed here. [BZN Action Plan 10.16.19\(FINAL\) Amended 4.09.20 \(bozeman.net\)](#)

Reducing regulatory barriers is only one of those 75+ action items, but we are making major strides in identifying and reducing barriers to affordability in our codes and policies.

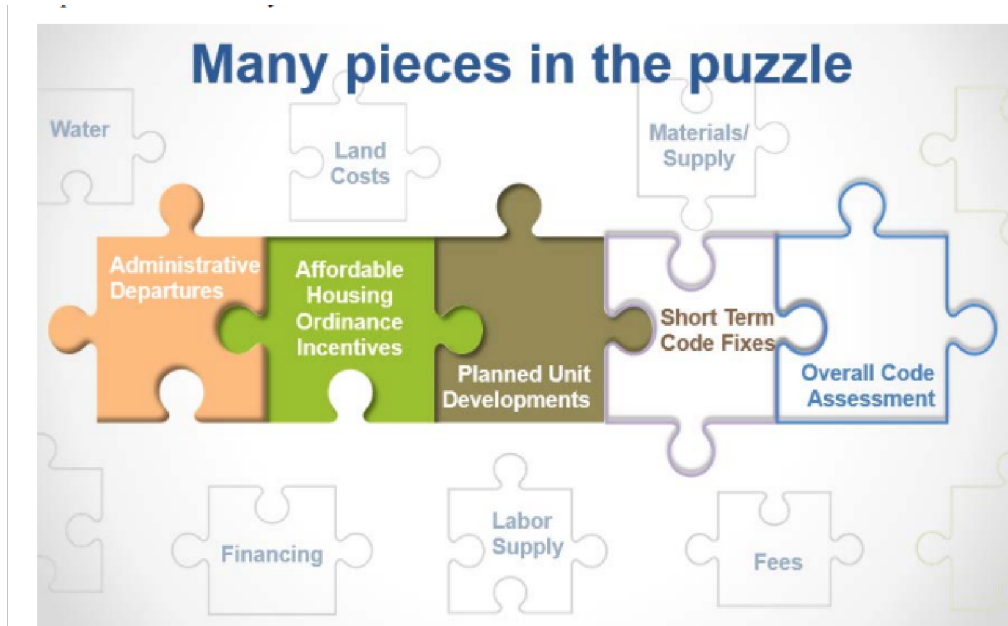
### **Recent Actions:**

Bozeman is also in the process of an extensive overhaul of its codes and policies in an effort to remove regulatory barriers and streamline the development process, which is one of 75 different action items in our recently adopted Community Housing Action Plan.

We hired a nationally-recognized affordable housing firm- Clarion Associates – to evaluate our codes and policies and to make specific recommendations regarding how to increase community housing stock and to promote the creation of workforce housing and missing middle housing. We are following their recommendations in an expedited fashion. On March 1, 2022 the Bozeman City Commission approved moving forward with Clarion’s key recommendations. The entire range of actions can be found in the following:

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Here is how the process is graphical represented by our Community Development Department:



Here are some examples of the actions we have taken to ensure that our codes and policies are not impeding home construction, driving up the cost of housing construction or impeding the construction of workforce housing and missing middle housing:

**Administrative Departures:**

The City of Bozeman has authorized the Community Development Director the authority to grant several administrative departures in cases where the departures will result in additional residential dwelling units, missing middle housing or infill development. These departures include:

- 10% reduction from minimum setbacks.
- 5 feet additional building height.
- 10% additional maximum lot coverage.
- Reduced parking requirements.
- 20% less open space.

**Overhaul of Planned Unit Development Policies:**

Bozeman’s Planned Unit Development process offers the development community to “write their own code” in exchange for providing a significant public benefit. One of the four public benefits that the city has identified is Affordable Housing. To encourage developers to commit to producing a minimum of 10% of residences at no greater than 80% of Area Median Income (“AMI”) for rental units and no greater than 120% AMI for for-sale units, we will allow the developer to request relief from any development / building policy that the City of Bozeman has discretion over. Provided the developer can demonstrate that the public benefit (in this case, affordable housing) is achieved, the requested relaxations / exceptions will be granted.

Relaxation / exceptions can be provided that include reduced setbacks, greater lot area coverage, smaller street widths, narrower sidewalks, less open space, parking relaxations, building heights, open space %, etc. Here's an excerpt from the code.

**38.430.050 Specific PDZ Eligibility Requirements**

The proposed PDZ district must, as determined by the review authority, comply with the eligibility criteria of at least one of the following five types of PDZ.

A. Affordable Housing PDZ

1. Eligibility. An affordable housing PDZ application must predominantly include residential dwelling units and must propose:
  - a. That all parcels on which single-household detached dwelling units will be constructed are permitted to construct an accessory dwelling unit either within the primary building or in a freestanding accessory building in compliance with the provisions of 38.360.040; and
  - b. The following amounts and levels of affordable housing:
    - (1) Between [Effective Date] and that date on which the city commission adopts an ordinance or resolution establishing a different required amount of affordable housing or a different required level of income-restriction or both, the PDZ must propose to provide:

Table 38.430.050: Affordable Homes Required				
Type of Housing	Minimum Percentage of Homes	Maximum Percentage of AMI		Duration
		Rental Dwellings	For-Sale Dwellings (includes condominiums)	
Single-Household Detached Dwelling	=>10%	80% of AMI	120% of AMI	=>30 years
Single-Household Attached Dwelling	=>10%	80% of AMI	120% of AMI	=>30 years
Multi-Household Dwelling	=>10%	80% of AMI	120% or AMI	=>30 years

- (2) After the date on which the city commission adopts an ordinance or resolution establishing a different required amount of affordable housing or a different required level of income-restriction, the PDZ must provide:
  - (a) The amounts of housing and the levels of income-restriction required by those ordinances or restrictions, for a period of at least 30 years; or

A full discussion of the topic and attachments can be found at:

[Bozeman Cover Page \(d2kbkoa27fdvtw.cloudfront.net\)](https://d2kbkoa27fdvtw.cloudfront.net) **Affordable**

**Housing Ordinance Re-Write:**

Bozeman's affordable housing ordinance was gutted with the elimination of inclusionary zoning by the Legislature and the Governor's office. Given the paucity of tools any Montana municipality has in its toolbox (as a result of pre-emption by the legislature of tools that are widely used in other states) to address affordable housing, we must rely on an incentive-driven policy rather than one that requires developers to produce housing that provides true affordability.

Bozeman is currently in the process of re-writing its affordable housing policy. Here is a general description of the proposed re-writes:

1. Repeal Division 38.380, Affordable Housing, in its entirety. Replace with a new Division 38.380, Affordable Housing. This change is required to align city regulations with recent changes in state law that prohibited local governments from requiring new developments to include affordable housing. The new wording describes how and when incentives can be used to encourage rather than require affordable housing in new developments. It also outlines how the program is administered, and what incentives are provided. Incentives are applicable to both rental and purchase housing. Incentives include, but are not limited to, more permissive form and intensity standards such as building height and lot sizes, parking, and concurrent construction of homes and infrastructure.
2. Remove old code wording about affordable housing throughout Chapter 38, Unified Development Code.
3. Revise requirements for residential uses to align with the new 38.380, and reduce parking requirements for all residential districts. All incentives are now located in the new text of 38.380.
4. Amend required lot area for some types of dwellings in a development to require less land, Table 38.320.030.A.
5. Create new standards for transitioning building height to lessen visual effects for developments that use height incentives under the new division 38.380, Section 38.320.060.
6. Remove requirement for owner occupancy for accessory dwellings in the residential suburban and residential low density zoning districts, Table 38.360.040.
7. Amend required parking standards for residential uses to require fewer parking spaces per home, Table 38.540.050
8. Amend several definitions in Division 38.700 to conform to the proposed amendments.

**Short-Term Code Fixes:**

To address existing codes or policies that might be fighting against affordability, the Community Development Department recommended a series of ‘short term fixes’ that the City Commission approved unanimously. They are as follows:

Drafting Effort	Title	Article	Section	Subject	Intended Change	Process Change	Standard Change	Clarion Page	Growth Policy STAL, p. 63	Res 5368 UDC overall review priorities	Benefit	Drafting Effort
1	38	220	420	Noticing	Drop requirement for extra notice in NCOD for additional home - Removes delay from review process, treat similar development the same throughout the community. Simplifies ADU review.	X				Facilitate density	Med	1 Simple
2	38	230	110	Conditional Use Process	Remove CUP process entirely from code, use Special Use instead where appropriate to have more than site plan review if needed - Increases administrative review (Coordinates w/ PUD amend)	X		p. 1		Predictable review process	High	2 Medium
1	38	230	040	Design Review Board (DRB)	Remove DRB from application review process - simplifies review process. Related edits in Chapter 2 will be needed.	X		p. 49		Predictable review process	High	3 Complex
1	38	340	020		Strike footnote which limits townhomes and rowhouses in R1 and RS - opens housing alternatives with gradual effect			pp. 18, 23, 47	#1	Facilitate density	Low	
1	38	310	030	R-O percentage of use	Drop footnote 1 and change to ground floor non-residential instead - provides additional flexibility in design and simplifies standard.		X	pp. 19, 48		Predictable review process	Low	
1	38	320	020	Residential FAR requirement	Delete standard entirely		X	p. 23, 27		Facilitate density	Med	
1	38	320	020	Lot area	Change R4 townhome to match lower lot sizes in less intense districts.		X			Facilitate density	Med	
2	38	320	030	Minimum residential district densities	Increase required minimum densities for residential districts		X	p. 17-19	#12	Facilitate density	High	
1	38	340	050	NCOD Guidelines	Clarify application of local guidelines and updated Secretary of Interior standard only - local guidelines are outdated to SOI standards		X	p. 23, 27, 43		Predictable review process	Med	
1	38	360	170	Manufactured homes on individual lots - special standards	Delete section entirely - The ability to place the manufactured home remains but the review process is simplified		X	p. 55		Predictable review process	Low	
2	38	260		Midtown NCOD ZMA	Implement the 2018 Commission directed zone map amendment to remove the Midtown area from the Neighborhood Conservation Overlay District		X			Predictable review process	Med	
1	38	540	050	Table 2 shared use parking	Revise parking table to allow shared spaces to count either for homes or businesses Parking Commission recommendation - supports additional flexibility in design and operation		X			Sustainable building practices	High	
1	38	540	060	Joint use of parking facilities	Clarify that joint use of parking facilities is allowed for all uses		X			Facilitate density	Low	
1	38	540	060	Off-site parking	Standardize the allowable distance to off-site parking for all uses		X			Facilitate density	Low	
1	38	540	050	Number of parking spaces required.	Reduce and simplify residential parking requirements in line with Clarion recommendations and in balance with any new affordable housing incentives		X	p. 39-41		Sustainable building practices	High	

### Community Plan Action Items:

Bozeman recently revised its Community Plan per state statute and adopted many policies that will encourage increased residential density and address issues that are fighting against affordability. Some of those action items include:

- [Downtown Improvement Plan – 2019](#)
- [Housing Needs Assessment – 2019](#)
- [Midtown Action Plan – 2017](#)
- [Neighborhood Conservation Overlay District \(NCOD\) – 2019](#)
- [Northeast Neighborhood Urban Renewal Plan – 2005](#)



## THEME 2 | GOALS, OBJECTIVES, AND ACTIONS

### Goal N-1: Support well-planned, walkable neighborhoods.

- N-1.1** Promote housing diversity, including missing middle housing.
- N-1.2** Increase required minimum densities in residential districts.
- N-1.3** Revise the zoning map to lessen areas exclusively zoned for single-type housing.
- N-1.4** Promote development of accessory dwelling units (ADUs)
- N-1.5** Encourage neighborhood focal point development with functions, activities, and facilities that can be sustained over time. Maintain standards for placement of community focal points and services within new development.
- N-1.6** Encourage urban agriculture as part of focal point development, in close proximity to schools, and near dense or multi-unit housing.
- N-1.7** Review and where appropriate, revise block and lot design standards, including orientation for solar power generation throughout city neighborhoods.
- N-1.8** Install, replace, and maintain missing or damaged sidewalks, trails, and shared use paths.
- N-1.9** Ensure multimodal connections between adjacent developments
- N-1.10** Increase connectivity between parks and neighborhoods through continued trail and sidewalk development. Prioritize closing gaps within the network.
- N-1.11** Enable a gradual and predictable increase in density in developed areas over time.
- N-1.12** Encourage major employers to provide employee housing within walking/biking distance of place of employment.

### Bozeman has also committed to:

1. A complete review of **engineering standards** for neighborhood development to allow developers to obtain by right relaxations that previously required relaxations. Local engineering from DOWL is currently working on the engineering standards review.
2. A complete overhaul of our **Unified Development Code** to:
  - Make the code easier to understand and implement.
  - Identify & eliminate code requirements that fight against affordability. This process is scheduled to come before the commission in late 2023.