

DRAFT - FOR DISCUSSION PURPOSES ONLY

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The Local Issues Subtask has identified four areas for potential reforms to improve housing supply and affordability in Montana:

- Reforming state barrier to more, lower-cost housing
- Setting limits on local restrictions to housing construction
- Incentivizing localities to permit more, lower-cost housing
- Promoting best practices

We are still zeroing in on the top ideas that will be included in the Local Issues Subtask portion of the Report, but here are some of the ideas in each category that performed well in our survey, have been repeatedly mentioned in task force meetings, and that have come up in the co-leads' discussions with stakeholders. Of course at this stage, ideas on this list may not make it into the Report, and other ideas that are not on this list may ultimately be included.

Reforming state barriers to more, lower-cost housing

- Reform state law that limits localities from using building permit review fees to hire planners
- Put recent DEQ reforms to subdivision review process in statute
- Streamline review and eliminate duplication
- Add teeth to SB 161 review requirements
- Amend Section 76-2-302 of state statute to not permit localities to treat manufactured housing differently than site-built housing
- Create state matching funds for 4% projects

Incentivizing localities to permit more, lower-cost housing

- Reward localities that permit substantial housing construction, particularly relatively low-cost types of housing
- These rewards could include:
 - Tie infrastructure grants to local zoning and/or local housing market outcomes
 - Tie state affordable housing tax credit to local zoning reform
 - Tie affordability mitigation to by-right development processes

Setting limits on local restrictions to housing construction

- Rewrite state zoning enabling act to include limits on local authority; one potential area of reform could be a rewrite that excludes parking requirements from local authority to regulate land use
- Statutory time limits for city county building permit review
- Require accessory dwelling units to be permitted on residential lots across the state
- Require 2-4 units to be permitted where single-family houses are currently permitted in areas that are served by wet utilities

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- Set limits on allowable minimum lot size requirements in areas that are served by wet utilities
- Require denser development to be permitted in areas close to downtown and other job centers
- Create opportunities for mixed-use development and small neighborhood commercial development
- Require parkland / open space dedication (if any) to be tied to building size, not per dwelling unit

Promoting best practices

- Improve opportunities for development on reservations and by Native American development companies
- Provide guidelines for a by-right approval process
- Develop best practices in zoning based on the ideas under “Setting limits on local restrictions to housing construction”