From: Eva Killenberg

To: <u>Bozeman Public Comment</u>

Subject: [EXTERNAL] Middle housing examples to inform the UDC mass and scale work session

Date: Tuesday, June 17, 2025 12:14:41 PM

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Dear Commissioners,

My name is Eva Killenberg.

I want a UDC that encourages incremental development of neighborhoods through the creation of middle housing, a concept that I have seen broad support for in the community. I think there are two key questions we should be asking: one, does the UDC **legalize** a variety of effective middle housing types, and two, does it **incentivize** the market to create them? In my research into these questions, two projects have stood out, which I would like to share with you today.

The first project, which speaks to the question of legalizing middle housing, is close to home. A few weeks ago, I attended the Fowler Housing Project open house. I am so excited to see the city collaborating with local architects to design a housing project that fits the needs of our community. The proposal has thoughtful integration into the surrounding area while incorporating meaningful density - 84 housing units at 18 units per acre. One of the design choices that stuck out to me was what they called "skinny townhomes."

Comprising 51 units of the proposed development, these townhomes are "skinny" because they are only 12 feet wide and 3 or 4 stories tall. Stepbacks on the fourth story mitigate the height of the buildings to pedestrians on the street. The design was inspired by a development in Utah that was featured by the Urban Land Institute, and chosen because they creatively and efficiently use the available space, allowing for more affordable units.

This design also has personal significance to me. When attending college in Philadelphia, I happily lived in a 3-story narrow row home with 3 housemates. Our house was lively and communal, in large part due to the design. Because the home was only one room wide, it was impossible to climb the stairs to my 3rd-story bedroom without passing the common area and my friends' rooms, making it a habit for my housemates and me to stop and chat about our days when we got home. Our block had 20 of these homes, housing almost 100 people, and had a strong sense of community. I made some of my closest college friends from living on this block. I recognize that the "skinny" townhome may not work for everyone, but it is a great example of a type of dense, efficient middle housing that can contribute to the social fabric of our neighborhoods.

However, this design would not be **legal** in Bozeman under the draft UDC. The Fowler

project proposes that the city annex this parcel with RB zoning, which, in its current form, includes a 15-foot minimum lot width and a 25-foot maximum wall plate height. I support the Community Development Board's recommendation to remove minimum lot area in the updated UDC, and I wonder if there should be additional discussion about minimum lot width. The CDB has also recommended eliminating or raising the wall plate height in RB, which was also suggested in the Bozeman Architects UDC recommendations, and is something I believe is essential to make RB an effective middle housing zone. I am not advising that we optimize the code for skinny townhomes, nor does this specific housing type work for everybody. Rather, I think this is a good case study in how the code might be more flexible and amenable to a variety of middle housing.

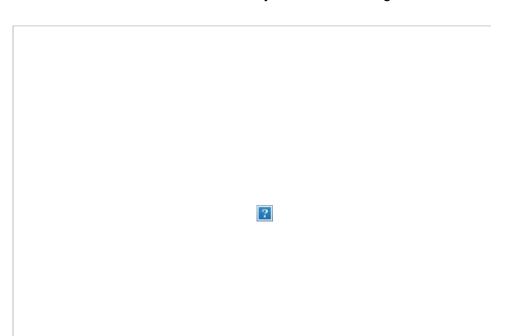
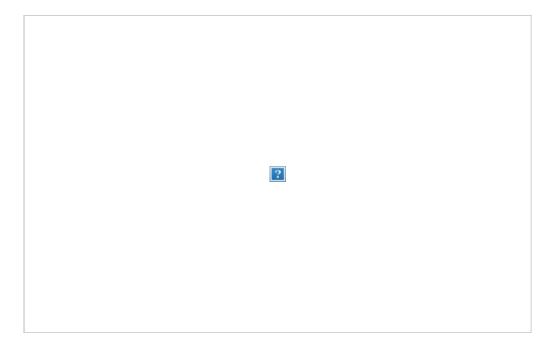


Illustration from the Fowler open house, showing the "skinny" townhomes from the street.

The second example I want to share today speaks to how middle housing can be **incentivized** through code in a way that begets real results. In 2022, Portland, Oregon, passed its expanded Residential Infill Plan with the goal of stimulating affordable middle housing creation. Portland's Residential Infill Plan included many pro-middle housing reforms, which I hope the commission will give consideration to in future UDC work sessions. The one that cut deepest into financial **incentives** for middle housing is a mass and scale tool: a sliding scale floor area ratio that limits square footage of single-unit homes while allowing for larger structures with more units.



Other cities have passed code reforms that legalize middle housing, but often, that is not enough to stimulate the production of these types of homes in the housing market. Portland's sliding scale FAR took these reforms a step further to make the housing that their city needed more attractive to developers. Quoting the Sightline Institute Analysis of this policy, "The idea is for that extra square footage to work like a sluice gate for Portland's housing market, rechanneling investment away from luxury remodels and McMansions and toward new homes that are affordable to the middle class on day one."



Three years later, we can see that this has worked! According to a recent report, in low-density neighborhoods, more middle housing units are now being built than single-family

homes, and those units are selling for \$250,000 to \$300,000 less than a new, market-rate detached house. In the first 6 months of 2024 alone, 1,400 permits were issued for infill middle housing. I encourage the commission to review both the Portland Residential Infill Plan and the full 2025 report if they have not already.

I support recommendation of the CDB and the analysis of the staff to remove floor area ratios from the code, which don't work as effectively for the varied lot sizes in Bozeman, but believe that the Graduated Square Foot Cap proposed by Forward Montana and uplifted by the CDB will serve the same function of **incentivizing** middle housing over large, single unit homes.

I am excited to uplift these promising examples of middle housing creation, and hope they give some color and direction to the upcoming discussion of mass and scale on June 24th. Sources / Recommended Reading

- Urban Land Institute article on "skinny" townhomes:
 https://urbanland.uli.org/development-business/thin-micro-townhouses-optimize-density
- Portland Residential Infill Plan (RIP) Summary 2019: https://www.portland.gov/bps/planning/rip/documents/recommended-draft-august-2019-summary/download
- Sightline Institute RIP Analysis 2020: https://www.sightline.org/2020/08/11/on-wednesday-portland-will-pass-the-best-low-density-zoning-reform-in-us-history/
- Portland RIP Report 2025:
 https://www.portland.gov/bps/planning/rip2/news/2025/2/4/portland-sees-significant-production-middle-housing-resulting
- Strongtowns article covering the RIP report 2025: https://www.strongtowns.org/journal/2025/6/4/portlands-quiet-housing-revolution-is-starting-to-pay-off

From: <u>Eva Killenberg</u>

To: <u>Bozeman Public Comment</u>

Subject: [EXTERNAL]Public comment supporting graduated square foot cap in the UDC

Date:Monday, June 23, 2025 10:42:11 PMAttachments:E Killenberg Grad Sqft Cap.pdf

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Please see the attached document.

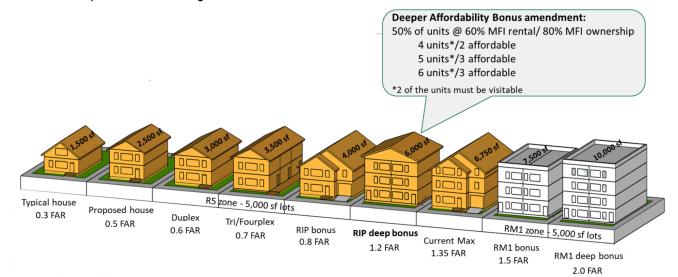
Dear Bozeman City Commissioners,

My name is Eva Killenberg. On 6/17, I submitted a comment on how a graduated square foot cap (GSFC) could incentivize the production of middle housing. It seems that there was a formatting error of the images included in that comment. This comment includes images and further information in support of the GSFC policy.

The proposed code includes a maximum building size in square feet in RA and RB zones. A GSFC would set the maximum building size based on the number of units in the building. In 2021, Portland, Oregon, implemented a comparable tool, a sliding scale floor area ratio based on the number of units, as part of their Residential Infill Plan (RIP), which also implemented a variety of pro-middle housing reforms. This policy applied to traditionally low-density, "single-dwelling" zones.



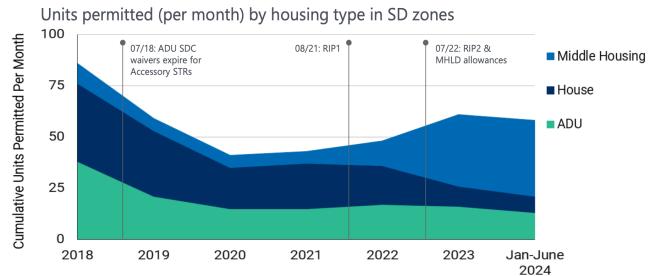
Portland's RIP pro-middle housing reforms



Visual representation of Portland's sliding-scale FAR on a 5000 square foot lot.

After 3 years, Portland reports impressive results. In low-density areas, they have seen a remarkable increase in middle housing production. Consider the following statistics:

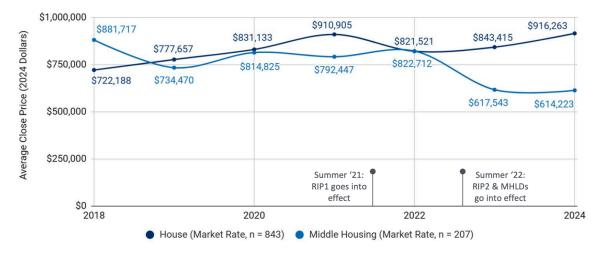
- Middle housing is now the most prominent housing type being built in low-density areas
- As a proportion of total citywide housing production, new units in low-density areas have risen from a historical average of 15% to 23% in 2023 and 43% in the first half of 2024
- There has been no corresponding increase in the number of demolitions. When demolition has
 occurred, the number of units built per unit demolished has more than doubled from 1.64 in
 2018 to 3.88 in the first half of 2024.



The availability of middle housing has also led to impactful affordability gains.

- In 2023 and 2024, the average sales price of a new market-rate middle housing unit was \$250,000 to \$300,000 less than that of a new market-rate single detached house
- The average fourplex sells at a price affordable to those making 80% of Median Family Income (MFI), compared to the average single-family house at 170% MFI

Average closing price (2024 dollars) by housing type

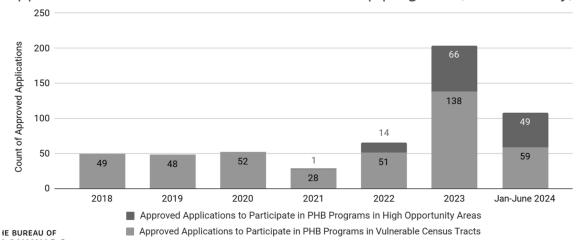




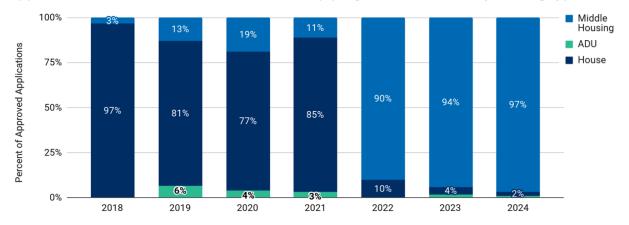
The rise in affordable housing has bolstered Portland's affordable homeownership program, making homeownership accessible to those under a 120% MFI income threshold.

- Applications for the program have risen from a historical average of 50 applications per year to 200 applicants in 2023, and 100 in the first half of 2024.
- Over 90% of these applications are for middle housing.

Applications for PHB's affordable homeownership programs (SD zones only)

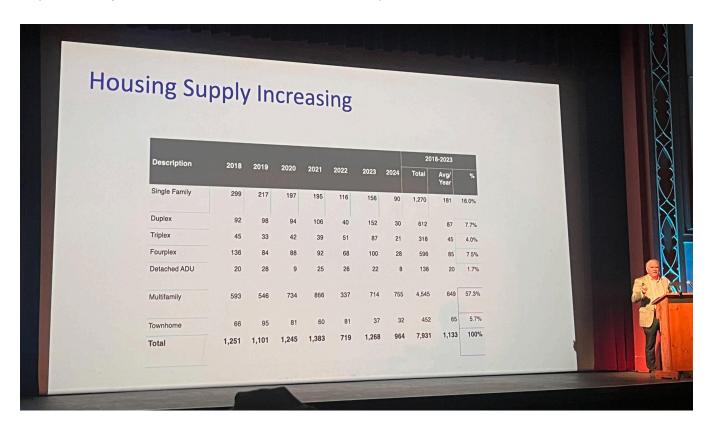


Applications for PHB's affordable homeownership programs in SD zones by housing type

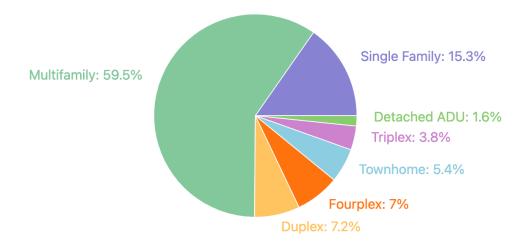


After just 3 years, these are indicators of a wildly successful zoning intervention that significantly impacts housing variety, affordability, and accessibility.

This outcome meets Bozeman's need for a greater variety of new homes at affordable price points. Mayor Cunningham presented these statistics in his mayoral address this Winter.



Housing Type Distribution (2018-2024 Total)



Data from the above table visualized in a pie chart.

Duplexes, triplexes, and fourplexes exist in many Bozeman neighborhoods and play an essential role in our housing ecosystem. However, we see from this data that they have been underrepresented in new construction over the past 6 years. These types of housing contribute to the incremental growth of existing low-density neighborhoods, provide more housing options to current and future residents of Bozeman, and can offer a more affordable price point than other low-density development.

The Portland example shows sliding scale FAR incentivizes these types of affordable middle housing when applied to infill development in low-density zones. When considering a GSFC in Bozeman, this tool could be piloted for infill development only in RA and RB zones to assess its impact. This limited initial scope would also make calibration of the maximum building size per number of units more straightforward.

Forward Montana's GSFC proposal has additional creative ideas that I would also like the commission to engage with.

- A developer could have the option to bypass the GSFC and pay "cash-in-lieu" to build a larger home than what the policy allows. This money could be redirected to the Community Housing Fund and put towards city affordable housing initiatives.
- 2. Additional square footage could be granted for developments that preserve the existing structure, reuse salvaged materials, or apply other sustainable development practices that we would like to see more of in Bozeman.
- 3. The Affordable Housing Ordinance could work on top of a GSFC, offering additional units and square footage if a percentage of the developed units are deed-restricted affordable housing. This was done in Portland for 6- and 8-plexes.

Although GSFC is a more nuanced policy than a simple building size maximum, I believe this concept and its proof of efficacy present a compelling opportunity to stimulate the type of housing that the community of Bozeman needs. I hope you share my excitement for this policy and its potential to deliver affordable and accessible housing that we all want to see in Bozeman.

Thank you for your consideration and continued efforts!

Source/Recommended further reading: Full 2025 Portland Residential Infill Plan Progress Report

From: Anja Lincke

To: Bozeman Public Comment; jmadjic@bozeman.net; Emma Bode; Joey Morrison; Terry Cunningham; Douglas

Fischer; Chuck Winn

Cc: Alison Sweeney

Subject: [EXTERNAL][SENDER UNVERIFIED]Collaborative UDC Recommendations

Date: Tuesday, May 13, 2025 5:39:29 PM

Attachments: sq ft cap proposal.pdf

Collaborative Policy Agreements-3.pdf

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Good evening commissioners and staff,

Alison and I have gotten together to illuminate the policies and ideas we agree on, and will be commenting about them tonight. See attached.

Hopefully this gives you all enough time to consider them in advance of next week's meeting.

Best, Anja



Anja Lincke

She/They | Housing Campaign Manager

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Anja Lincke, Housing Campaign Manager, Forward Montana.

Generally, Forward Montana supports the idea of graduated FAR or graduated sq. ft. caps. We have learned that FAR might make it difficult to build small starter homes on small lots, and might accidentally incentivize lot assemblage. Here is an alternative idea that uses a graduated sq ft. cap. Additionally, there might be creative ways to move closer to some secondary community goals. Below is a proposal/idea for what this might look like.

Goals:

- ★ Allow for the flexibility of homes on small lots
- ★ Allow for bigger buildings if they have more units
- ★ Encourage the restoration or re-use of existing structures
- ★ Dis-incentivize the building of large single family homes, especially where that means redeveloping existing housing
- ★ Potentially leverage the building of bigger homes on greenfields to fund affordable housing, social housing, or a revolving housing fund.

By...

- ★ Regardless of lot size (making sure that small lots don't prevent the building of starter homes), capping buildings' square footage based on how many units.
 - Start at a cap of ~2500 for a 1 unit building, and +500 sf/ additional unit.
 - This initial 1 unit sq. ft. cap could be reduced in historic overlay or where redevelopment would be required
 - Both attached or detached homes should be allowed!
- ★ Adding incentives to keeping existing structures or reusing materials
 - +1000 sq ft for preserving existing structure, no permitting fees.
 - +300 sq ft for reusing the majority of salvageable materials.
- ★ In projects that would not require the redevelopment of any structures, allow for a "cash-in-lieu" of base sq ft cap.
 - For example, if you want to build a one unit home that is larger than 2,500 sq ft, you can pay. That money could then go into a pot to fund social housing, affordable housing, or a revolving fund.
 - In established neighborhoods, vacant lots can be developed using cash-in-lieu through a variance.

We recognize that there are many state law restrictions that might apply to this idea. Additionally, before implementation, these numbers should be expertly assessed for feasibility.

Collaborative Policy Agreements

May 13th, 2025

To: The Bozeman City Commission and Staff

From: Anja Lincke and Alison Sweeney

We have come together and identified a few areas of policy where we have alignment, and hope that these policies are represented in the final UDC.

- Allow internal subdivision of existing buildings by right, and eliminate any related fees and parking requirements.
- Eliminate language about "4 unrelated occupants".
- Consider this sq ft cap proposal.
- Policies that support the formation of "community nodes" with neighborhood scale commercial.
- Consider moderate code departures to make ADU projects more feasible.
 - Strengthen ordinances that ensure that ADUs do not turn into short term rentals.
 - Where possible, leverage any incentives (TIF, favorable loans from a revolving fund, etc.) to require long term rentals.
 - Consider removing the requirement for ADUs/ tiny homes to be on permanent foundations while still ensuring homes are safe to live in.
- Ensure manufactured homes are allowed in every zoning district.
- We generally support the policies outlined in the Strong Towns Housing Ready Policy Toolkit¹

Signed,

anja Jincke

Anja Lincke, Housing Campaign Manager at Forward Montana

Alison Sweeney, Chair of the Better Bozeman Coalition

¹https://static1.squarespace.com/static/53dd6676e4b0fedfbc26ea91/t/67b744f40b30173eed3dfca0/1740064010957/The+Housing-Ready+City.pdf