



2017 Mayoral Candidate Questionnaire

The Missoula Organization of REALTORS® is the voice of the Missoula real estate industry. Our more than 600 members would like to know your thoughts on important issues that affect them. We thank you for being specific in your responses.

MOR has endorsed candidates in past elections, and may do so in these elections. If we consider an endorsement in your race, we may ask you and your opponent(s) to each meet with us for candidate interviews. Endorsement decisions are made by the Board of Directors.

Please return the questionnaire by **Friday, July 28** to Sam Sill at ssill@missoularealestate.com.

BACKGROUND

Name: John Engen

Office You Are Seeking: Mayor

Mailing Address: Post Office Box 5423

City & Zip Code: Missoula, MT 59806

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CAMPAIGN ORGANIZATION

Treasurer's Name, Address and Phone Number:

Emily Bentley, 1433 S 1st St W, Missoula, MT 59801 406.546.6552

Will you accept PAC contributions? YES

ISSUES

- 1) The median home price in the Missoula urban area increased from \$209,700 in 2012 to \$255,000 in 2016. Over that same period, the median income for a four-person family in Missoula decreased from \$62,800 to \$61,600. As a result, homeownership is increasingly out of reach for many Missoula families. This rapid increase in home prices is primarily because of a shortage of homes in affordable price ranges. This shortage is due in part to increasing costs of land, lot development, infrastructure, and building costs. To address this lack of affordability, the City of Missoula intends to formulate a city housing policy. For this policy to be successful, it must be arrived at through private and public sector collaboration, and focus on both regulatory reform and development incentives. **As Mayor, which specific policy changes, if any, would you support to help increase the affordability of housing?**

Safe affordable housing has been a challenge and an opportunity during my tenure as mayor, and we have taken deliberate steps over the years to provide a foundation for a

healthy housing market in Missoula. Today, we can begin to build upon that foundation by creating policies that intentionally support housing types that the market demands in the right places.

First, a little history: In 2005, while serving on the Missoula City Council, I witnessed firsthand the dysfunction that our antiquated zoning code created in the community. Neighbors were worried about community degradation, developers had limited tools and confusing rules with unpredictable processes and outcomes, and folks simply didn't trust each other, the process or city government.

Over the course of a couple of years, with lots of stakeholders at the table, we crafted and approved a new zoning code that reflects modern Missoula. Later, when it became clear after the third study of the Office of Planning and Grants that the City of Missoula wasn't properly structured to facilitate quality development, we engaged in the arduous process of dismantling OPG, bringing permitting, licensing and entitlements under municipal leadership and under one roof.

We created Development Services, a city department accountable to the mayor and council, which was designed to serve as a one-stop shop for citizens and the business and development communities. Armed with a new, understandable zoning code and the mission of serving as a resource for quality development, the department has thrived and the level of development in Missoula is proof of that.

With those foundational pieces in place, I hired Missoula's first housing director, who works directly with me and the Missoula Redevelopment Agency, on all housing issues.

So, what's next? Working in partnership with MOR, we're studying the marketplace to determine real needs and opportunities. When our report is complete, the housing director will begin to advance policies, in cooperation with our community partners, that allow us to meet those needs and take advantage of those opportunities. And we'll make adjustments accordingly. If land prices are an impediment to affordable housing, how do we bring community resources to bear and remove that obstacle? There are policy answers to that question, and to many others. On the other side of the coin, we continue to work through the Missoula Economic Partnership and our redevelopment agency to ensure that we're encouraging, supporting and enhancing the jobs market, because, as someone once told me, lots of houses are affordable if you make enough money.

- 2) How to best preserve agricultural land continues to be a subject of debate. In 2016, Missoula County Commissioners unanimously rejected a proposal to require developers of lands with soils designated as important to agriculture to pay a per-acre mitigation fee or set aside one acre of similar land for each acre developed. A coalition of the development community, business community, farm families, and a conservation group opposed the proposal because it would create an undesirable development pattern, hurt farm families, worsen housing affordability, and jeopardize voluntary conservation of agricultural land. Consider how such a policy would fit the urban fringe area where we have already invested in schools, parks, trails, roads, sewer, and other infrastructure. **Should the City of Missoula adopt regulations similar to what was proposed for the**

county in order to preserve agricultural land? Or should the city focus on supporting voluntary conservation efforts?

Smart, passionate folks on all sides of this question have been toiling for years trying to crack the case, but haven't met with success to date. While I don't have a perfect solution, I do think that Missoula's planning strategy is a key tool in preserving ag land, inasmuch as we're all about growing inward and avoiding new greenfield development when possible and practical. Economic realities make ag land preservation less attractive to landowners if there aren't viable alternatives to plowing rich soils for building foundations, which is why all of our planning documents encourage the development or redevelopment in the urban core, where infrastructure is readily available.

We also put our resources behind those policies through our transportation funds and redevelopment dollars. Fundamentally, I think the city should focus on voluntary conservation efforts and continue to work with Missoula County to provide incentives for conservation of ag lands and encourage growth in the urban boundary.

I also think we could have a thoughtful, productive community conversation around ag production. Are we doing enough to support local ag production and working farms? Can we create local markets and food systems that make it more financially attractive to farm or lease to an agricultural producer than it is to subdivide? Can we "bank" ag soils? As I say, I don't have the solution, but if it's more attractive to grow within the urban boundary, ag land is less at risk.

- 3) Inclusionary zoning is a controversial policy tool some local governments have used to try to increase the supply of affordable housing. Essentially, a jurisdiction changes its zoning to require that a certain percentage of housing units within a proposed development are affordable for lower income consumers. In some cases, the developer may be granted a density bonus or other regulatory incentives in return. Critics say that while inclusionary zoning may create affordable housing units for a few, the cost of these affordable units is passed on to consumers of market rate housing. Consequently, in the eyes of its critics, inclusionary zoning may not help or may even worsen the housing affordability issue it was designed to address. **Is inclusionary zoning an appropriate policy tool for addressing Missoula's lack of housing affordability?**

So-called "inclusionary zoning" is among a suite of incentives that Missoula may consider as it works toward a comprehensive housing policy, but we've not had great experience with "one-size-fits-all" solutions to complex challenges in our community.

Fundamentally, the price of new housing stock depends on land, materials and labor. The more intensively we use the land, the lower the cost per unit, so providing incentives for well-designed density is reasonable and should make financial sense for a developer. I think there are any number of ways we can work with the public and private development community to do good while they do well. If an inclusionary-zoning policy that doesn't have unintended consequences is among those tools, it's worth considering.

- 4) Property taxes are the primary source of funding for Montana cities. The City of Missoula's property tax rate has steadily increased since the end of the recession.

Consider the balance between providing services and infrastructure and city taxpayers' ability to pay. **In your opinion, has the City of Missoula struck the right balance?**

Yes. I've participated in the municipal budgeting process for 16 years, the last 12 as the city's chief executive. There's a long, complicated answer, but I'll offer my abridged version here.

Missoula is a community of constituents who demand a high level of service, which we work to deliver daily in the most effective way possible. Those services, and most importantly, the people who provide them, cost a bit more every year. Add the increasing cost of infrastructure, which must be maintained after it's built, and the community's election to tax itself for new facilities, and the tax investment we all make is going to increase.

Barring new sources of revenue, which we continue to pursue with some success at the state level (such as the gas tax approved by the 2017 Legislature), we'll likely see increases in municipal property taxes. The good news is that as high-quality development comes on the tax rolls and our base expands, those increases will be tempered. I've been through a "belt-tightening" process during the depths of the recession, and can tell you that cuts to services that citizens expect, and I believe are willing to pay for, are not sustainable. We can always improve, but there's very little waste at the city.

- 5) The city recently formed the Office of Housing and Community Development. The office is tasked with addressing housing affordability, homelessness, and economic development through public and private partnerships. As mayor, you would oversee city departments and execute city policy. **Do you support the mission as described above? If so, how would you propose the Office of Housing and Community Development carry out its mission, particularly in terms of utilizing both public and private partnerships and relationships? If not, what would you propose to do with the office?**

My answer to question #1 largely answers this question. I created the office and intend to use it to do great things for our community.