



2019 City Council Candidate Questionnaire

The Missoula Organization of REALTORS® is the voice of the Missoula real estate industry. Our more than 700 members would like to know your thoughts on important issues that affect them. We thank you for completing the survey.

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 MOR Board of Directors.

Please return the questionnaire by **Friday, July 26** to Dwight Easton at deaston@missoularealestate.com.

BACKGROUND

Name: Gwen Jones

Office You Are Seeking: City Council Ward 3

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CAMPAIGN ORGANIZATION

Treasurer's Name, Address and Phone Number:

Lori Webster, same address as listed above

Will you accept PAC contributions? No

ISSUES

- 1) Between 2014 and 2018 the median home price in the Missoula urban area increased 28.9% from \$225,000 to \$290,000. Over that same period, the median income for a four-person household in Missoula increased 8.6%, from \$64,800 to \$70,400; however, the affordability index declined from 122 to 93. 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. The City of Missoula Office of Housing and Community Development recently presented a city housing policy. The policy outlines several private and public sector

regulatory reform and development incentives. **As a member of the City Council which specific policy changes would you support?**

As generally written in the Policy that we passed, I support all five components. Implementing them will be a much bigger challenge, though...it is much harder to go from the general to the specific. For example, I support the ADU section...but from the point of view of a City Councilor representing Ward 3, which includes the University District, I think we need to tailor it accordingly. I will be looking closely at modifying the ADU proposal to include parking for the U Dist, since parking is already an issue; and to preserve neighborhood character, I would like to see ADU's scaled in height, as well as match the style, exterior material and color scheme of the house in the front of the lot.

- 2) Inclusionary zoning (IZ) 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 be offered at below market price for lower income consumers. In some cases, the developer may be granted a density bonus or other regulatory incentives in return. Proponents argue that market-based incentives are not effective in creating affordable housing units and cities must mandate IZ to increase stocks. Critics say that while IZ may create affordable housing units for a few, the cost of these affordable units is transferred to consumers of market rate housing. Consequently, in the eyes of its critics, IZ may not help or may even worsen the housing affordability issue it was designed to address. **What is your opinion of inclusionary zoning and is it an appropriate policy tool for addressing Missoula's lack of housing affordability?**

I first want to acknowledge that Affordable Housing policy and concepts such as Inclusionary Zoning are very complex; I do not have a PhD in Economics to bring to the table on these issues. However, I have worked to educate myself the past 3-4 years, reading books on Affordable Housing and attending talks. I know just enough to be dangerous. So I do defer to our Housing Dept and staff that have done in depth research and outreach in our community.

My opinion on IZ at this point in time is that:

- 1. Our Missoula economy is not at a point which would warrant this measure, as it is a strong measure, which creates a point of no return;*
- 2. While IZ can create more affordable housing units, it can also potentially cause housing prices to rise, and can squeeze the middle housing costs that we so strongly want to build more of;*
- 3. It will be kept as a point of discussion, and a possible tool if we need it in the future. I understand that there can be modifications of IZ that lessen its impact on middle housing, and could potentially be of use in Missoula. But in general, I believe it is a road we want to avoid going down, unless there is no other effective tool in the future to address a severe housing situation.*

- 3) Physical and regulatory constraints on developable land including flood hazards, the Airport Influence Area, slopes greater than 25%, farmland of importance, public land,

land under conservation easement, managed land, and developed land, leaves approximately 6% of land in and around the city that is suitable and capable for residential development. Providing over 60,000 jobs, Missoula is an employment anchor in western Montana, but a quarter of Missoula's workforce lives outside Missoula County. Having a large percentage of Missoula's workforce that commutes causes monetary and social costs. These costs include fuel and vehicle maintenance, road maintenance and replacement, congestion, pollution, long commute times, quality of life and community character, health and environmental concerns, and worker productivity. Further, it is estimated that the lost property tax from commuters who live outside of the county is approximately \$6.6 million per year. **As a member of the City Council, which specific policy changes, if any, would you support to increase development in Missoula?**

We have a thoughtful Growth Policy in place that favors creating more density within City limits. Not only does our Focus Inward aspect of our Growth Policy help to preserve many values (open space, community, environmental concerns, road wear and tear, agricultural land, view sheds, etc) but it helps to keep the cost of construction down, as some of the infrastructure is already in place, and it helps to house more within our community that work and go to school in our community.

I will note again that what sounds great in theory can be harder in application; Council consistently hears from citizens who support affordable housing, yet also comment that nonetheless more density does not fit in with the character of their neighborhood. Growing pains in a community can be painful. I think we are starting to experience a paradigm shift in how we look at housing in our community. The traditional suburban development no longer works well for our society, so as a result we need to start embracing more dense development such as TED's, row houses, condominiums...development which allows people to own and build equity, yet still live in the City of Missoula.

To specifically answer your question as to what policy changes I would support to increase development in Missoula, I think we need to continue to implement our Growth Policy; I think we need to use TIF strategically when it can be used within an URD to create or upgrade infrastructure; and I think we need to work on implementing our Affordable Housing policy, which is complementary to our Growth Policy. Taking next steps to modify zoning, and create good zoning for areas we are annexing are critical. Additionally, proposing more creative zoning tools can create the environment for better development that is more affordable and better uses the infrastructure we have in place.

I would point to the recently proposed Adaptive Reuse Zoning Overlay brought to Council by Historic Preservation Officer Emy Scherrer as a great example of a creative approach to create more density that is accepted within the community. Additionally, our Office of Development is working on new zoning for the Mullan Road area which would allow for new development that has various levels of density within one development, something we have not seen a lot of in Missoula yet.

- 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 and recently Missoulians have expressed surprise at increases in property tax assessment values by the Department of Revenue. 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?**

I don't know that the term "balance" can be applied to the situation we are currently in, as it is far more complex than a one word definition. First, I would state that local entities across the board are underfunded. MCPS would not have had to ask for a 158 million dollar bond for updates and deferred maintenance if they were sufficiently funded; teachers and staff at MCPS are paid low wages, a teacher's salary is considered a secondary income in a two income family. For decades teachers from MCPS have not been able to buy a home in the City on their sole salary. The County has numerous infrastructure needs that continually are short changed. The City has done a good job of keeping lids on numerous boiling pots of water. But we have many needs that go unmet, because we cannot fund them, and we are doing too much short term maintenance on our infrastructure, such as our roads, instead of long term repairs. Another example is that the Office of Development for the City of Missoula cannot hire and keep sufficient staff because they are not paying enough in today's market. So all of these entities funded by our local property tax are scrimping to cover services, and often are doing the absolute least minimum to get by. Personally, I don't like running a railroad this way.

On the other hand, to continue to answer your question, taxes have gone up dramatically – my house in the year 2000 had a tax bill of \$1500; this fall I anticipate that the tax bill will be \$4800 or so. (Granted, we remodeled in 2003, installing a bathroom and a carport. But still!) I think taxes accelerating at that rate are unacceptable, unsustainable, and basically we have created regressive property taxes, hurting those on fixed incomes as well as those who have low wages.

I have cut and pasted a section of my platform below that addresses the history of property tax and why we are seeing such elevations in taxes while also funding issues for local government.

- **Tax Reform** Property taxes are rising in Missoula. Yet our local governmental entities of the County, the City and Missoula County Public Schools struggle to keep up with the needs of a growing population. We need to do a better job of explaining how our archaic, obsolete and dysfunctional tax system must be reformed, as it is based on historical natural resource industries such as timber and mining, which have receded. Our future depends on pulling dollars from our growth industry in Montana: Tourism.

Further, we need to acknowledge that legislative decisions made for the last few decades have shifted the burden onto commercial and residential property taxes. For example, for decades the legislature has pared back Business Equipment taxes, in order to grow business in Montana. Yet when a source of revenue is cut, but not replaced with a new source, the burden shifts to the remaining taxes (property tax), in order to fill the void.

Additionally, federal and state cuts in spending in numerous areas have pushed costs down to the local level. For example, three years ago the legislature severely cut the Department of Public Health and Human Services, eliminating many mental health services in Montana. The City of Missoula has experienced high increases in calls for police and fire specifically because of this state action.

When combined with a tax system tied to property values, our rising Missoula property values create the perfect storm. We will continue to see dramatically rising property taxes, yet have difficulty funding our local schools, county and city government. It is not fair to our citizens for local government to be the backstop on taxes. But if we are the backstop, then we should be given tools by the legislature so we can broaden our tax base and get revenue from sources other than property taxes. This means being able to decide, as a community, if we want a local option sales tax targeting tourism dollars and luxury spending. Revenue from this type of local option sales tax would go far to sufficiently fund local government, while also refunding up to 25% of property taxes, thus making property taxes lower, and less need to raise taxes in the future.

As a second term city councilor, I intend to communicate with other communities in Montana to push for necessary changes at the state level, to make our tax system function well again. The Legislature passed a tax study bill this last session, and I plan on giving public comment in that committee this fall as to the urgent need for tax reform.

My short answer is that the City is doing the best it can with the revenues it has. But a more diverse tax revenue base would be a much healthier, sustainable way to fund our local schools, County and City government, and would benefit our citizens greatly.

- 5) City Council recently passed a resolution in support of Missoula County's federal BUILD grant application to help fund streets and infrastructure west of Reserve Street between Mullan and Broadway. Support for the resolution, at the committee level, was not unanimous and there was discussion regarding where development infrastructure should be targeted. **What is our opinion of the BUILD grant request and how much involvement do you believe the council should take in coordinating growth policy with the County?**

I was highly supportive of the BUILD Grant application, and hope we receive it. I understand why some on council want to approach it differently; however we don't live in a perfect world where we can have a perfect roll out on development. Rather, we have to do the best we can with the resources and tools that we have at any one point in time. \$18 million in federal funds to build infrastructure is looking a gift horse in the mouth. The City can never pull that type of money from our general fund, nor can the County.

As for coordinating growth policy with the County, yes we need to do this, and frankly in my four years on council I have seen good movement towards this coordination (it has not always happened in the past.) I think constructive relationships have been promoted between local government officials as well as department heads from both the County and the City. These types of working relationships create the base to communicate, cooperate and collaborate, while both entities can still serve their constituents who oftentimes can have differing value systems.

Finally, to me it is just common sense to coordinate growth policy, otherwise we can easily cancel each other's efforts via unintended consequences. With the City's Focus Inward tenet of the Growth Policy, in order to effect it we must be communicating with

the County so that we are not simply pushing people out into the County, but are providing realistic alternatives to being a commuter from the Bitterroot, Frenchtown or the East I-90 corridor. Additionally, we need work with the County on transportation grid on the fringe of the City, so that both the City and County's long range transportation plans are served well.