



# 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](mailto:deaston@missoularealestate.com).

## **BACKGROUND**

Name: Nick Shontz

Office You Are Seeking: Missoula City Council Ward Six

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City & Zip Code: Missoula 59801

Phone: 406-531-7636

Email: [nick@shontzformissoula.com](mailto:nick@shontzformissoula.com)

## **CAMPAIGN ORGANIZATION**

Treasurer: Michelle Cares

My Address: 2309 Sherwood Ln, Missoula, MT 59801

Phone: (406) 531-7636

Will you accept PAC contributions?

Yes.

## **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?**

I am generally in support of this policy which has now been passed, especially with the understanding that this is a guideline for future implementation. At the very least, gathering data and setting up a process to analyze the market and how it's impacted will help us make better decisions.

Some of the key things I support are easing of restrictions on ADUs, minimum parcel size and infrastructure requirements. A piece I was pleased to see included was the "Equity of Land Use". The River Road and Franklin to the Fort neighborhoods have been disproportionately targeted as having the capability for higher density. Diversity in housing stock and in neighborhood residents is important to ensure healthy growth in Missoula.

I support efforts to make building new housing stock easier for developers and I think looking at the requirements as well as ensuring that the processes in Development Services are streamlined to help solve issues as they arise.

In funding the housing trust fund, I appreciate that mill levies and bonds have to be approved by voters, and Missoula has been very supportive of taxing ourselves where we see a community need, but I think the enthusiasm is waning. I would struggle to support a SID unless it was clear that the affected residents were really in favor. Using existing funding sources, private equity and other non-tax payer money (grants?) should be the priority before assessing more taxes.

If a mill levy was the selected path, I would support a sunset date in line with the idea that it would not need to be perpetual. "...the ongoing annual funding needs should diminish over time as the total asset base of the pool grows and past investments are repaid and become available to be recycled into new housing activities."

A part of the housing trust fund plan that we should really look at is the re-aligning of existing funding sources. It may not cover all of the funding needs but we shouldn't short change how much existing money we're spending and we should make sure that it is all working in the same direction. TIF money and some key pieces of city-owned real estate could generate revenue or be home to permanently affordable housing and I see this as a first step, before dipping into the well again.

- 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 attended several presentations on the housing policy, and I was pleased that they addressed their thought process behind not including IZ. Besides being seemingly against Montana state law, inclusionary zoning also further increases the costs of housing. It's important to keep all of the options available, but it seems like while IZ can be useful, it has drawbacks that should be carefully considered.

- 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 are geographically isolated and that is a challenge that Missoula faces more so than other communities in Montana. Developing on undesirable or unsafe areas is not the answer to long term sustainable growth. We need to ramp up the communication and education and communication around the kinds of housing stock that are needed and can be expected in Missoula. I support the housing plan, and some specific details are outlined above. I do support the inward focused Growth Policy adopted by the current city council. In some cases we may need to shift the expectations of what a starter home is, and that we can create appealing, safe places with adjacent green space (like the townhouses on Wyoming and Montana streets) for first time buyers. I'm pleased that Missoula has adopted an annexation plan. This will give the city, county and the affected residents a framework to work on and plan for future growth outside of our current city limits.

- 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?**

Yes. I believe that our city managers and members of the city council have worked very hard to weigh each issue to determine its merit and how it fits into the city budget and how it gets paid for. The decisions are hard, and they take careful thought. The city employs people, many of whom are experts and may be one of only a handful of people in Montana that are capable of doing their jobs. These folks deserve, at the very least, cost of living increases, and I'm sure they would tell you that their departments are underfunded. These existing costs plus calls for new and expanded services like street maintenance balanced with ensuring people aren't taxed out of their homes requires careful, level headed consideration.

Property tax assessment values do translate into higher property taxes, this is an area where the city and county leaders need to increase their communication and outreach. It's also important to note that when large property holders successfully appeal their property's assessed value and therefore pay less taxes proportionally than their residential counterparts that hurts Missoula.

It's also the case that we need to work with our partners at the state level to advocate for tax reform. Our economy is changing, we're seeing businesses with fewer capital investment in favor of high tech growth, and a state legislature that has further reduced taxes on capital expenditures. The city is also seeing increased costs, as funding for services get cut at the state and federal level. For example deep cuts to the Montana Department of Public Health and Human Services have resulted in increased calls to Missoula's first responders.

I'd also note that over the past ten plus years the citizens of Missoula have time and time again have gone to the polls and voted to increase spending on open space, parks and trails, schools and our library.

- 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 support the BUILD grant request. I appreciate that every detail hasn't been ironed out, but I with the opportunity to get a grant of this size it seems irresponsible to the citizens of Missoula not to apply. I also have faith in those working on the infrastructure that details can be worked on throughout the process. There is a key balance between analysis paralysis and being too prone to action, I believe that the BUILD grant application process has found this balance.

I also believe it's critical that the city and the county work together in coordinating a growth policy for Missoula and its surrounding area. Residents who live so close to the city of Missoula still rely on easy access to transportation, school access, and they also have to contend with expanding businesses relocating outside of the city limits and the potential for future annexation.