



Department Source: Housing & Neighborhood Services

To: City Council

From: City Manager & Staff

Council Meeting Date: December 16, 2024

Re: REPORT – Recommendations from the Boone County and City of Columbia Housing Study

Executive Summary

At the November 18, 2024 City Council Meeting, Mayor Barbara Buffaloe requested a staff report on what Housing Study recommendations could be accomplished in the short-term and what next steps would be needed for implementation. This report is not intended to provide a comprehensive analysis of the Housing Study recommendations. Instead, the goal is to point out those straightforward recommendations from the housing study that will allow the City to begin making progress in the short-term as it continues to strategizes methods for tackling the more complex, long-term recommendations.

Addressing the community's housing needs in a rational, thoughtful and efficient way is a long-term challenge that will involve balancing many factors such as population growth, economic conditions, infrastructure capacity and social equity. Sustainable solutions will require coordinated efforts across multiples sectors; they will take time and will require substantial investment, thoughtful planning and ongoing adjustments to ensure solutions remain effective and equitable.

Discussion

Background

In October 2024, Amarach Planning Services completed the Boone County and City of Columbia Housing Study. The Housing Study was conducted to provide a comprehensive understanding of housing market conditions, community housing needs, and the gaps between housing supply and demand that should be addressed in Boone County and the City of Columbia. Based on the data gathered, the Housing Study put forth 24 recommendations for addressing the community's housing needs, divided into the following four strategic categories: (1) Development; (2) Preservation; (3) Empowerment; and (4) Sustainability. A table setting forth the Study's recommendations as well as the recommended responsible stakeholders and implementation timeframe is attached (Attachment 1). Many of the recommendations include multiple responsible stakeholders, including the City, County, builders, mortgage lenders, non-profits, and other municipalities within Boone County.

On October 24, 2024, the City and County hosted a Housing Summit to present the results of the study and gather community feedback on how to move forward. The full-day summit was attended by 181 community members that spanned many sectors touching the housing industry. The first half of the day involved a presentation by Dr. David Boston (owner of Amarach Planning Services) and two panel discussions, one focused on housing



development and one focused on social services. The second half of the day consisted of breakout sessions that allowed the attendees to discuss the recommendations as broken down into the four strategic categories. A summary of the common themes that emerged from the breakout session discussions is attached (Attachment 2).

The following will discuss the Study's recommendations that City staff believe can be worked on, by the City, in the immediate future to begin making progress in the short-term as we collectively strategize methods for tackling the more complex, long-term recommendations.

Development

(1) Create Predictable and Streamlined Review Processes: The Housing Study states that the development review process is an often over-looked factor that determines the cost of new homes and recommends addressing issues to make the review process less confusing, more predictable and less reliant on discretionary hearings. Staff recommends the following short-term actions related to this:

- **Approval Process Flow Chart:** Develop a flow-chart of zoning, subdivision, and building processes to assist developers through the steps required for a given project. This chart may also help identify where bottle-necks occur and inform where internal, administrative adjustments in the processes could be made. Additionally, it may help inform which discretionary approvals could be replaced with administrative, "by-right" approvals consistent with the Housing Study recommendations. The Community Development Department and Project Management Office are currently working on charts of the several development and building permit processes.
- **Zoning Code Changes:** Community Development staff and Planning and Zoning Commission to address to the following two topics that will reduce the reliance on board of adjustment and rezoning approvals (i.e., discretionary hearings) and will bring ordinances forward to council for approval:
 - **Definition of Family:** The study recommends that the local governments abolish definitions of family that set arbitrary limits on numbers of adults that may live together (p. 177). In Columbia, the zoning definition of family varies by zoning district, regardless of dwelling unit size, with the more intense multi-family and two-family classifications permitting four unrelated adults and the single-family zoning district permitting only three unrelated adults. The Council has already requested that the staff and Planning & Zoning Commission draft a suitable revision. The essence of a definition of single family is a group of persons living together as a single housekeeping unit, regardless of whether the "family" consists of people related by blood, marriage, domestic partnership, or unrelated roommates. Only the size of the dwelling space would limit the size of the "family" occupying it. Placing limits of three and four adults limits the potential for housing sharing and extended family occupancies, which are traditional responses to housing need. The City Council in 1991 created the four adult/three adult solution in response to concerns regarding student and other rental occupancies in single-family homes. The Housing Study suggests reliance



on nuisance codes to control problems associated with larger numbers of occupants.

- **Small Lot Integration:** Staff and the Planning and Zoning Commission are in the process of drafting ordinance changes to integrate small lots into the existing zoning district structure that reduces the regulatory barriers associated with obtaining a rezoning approval. The Commission has arrived at consensus on a set of proposed dimensional standards for “small” and “medium” lots. Additionally, the Commission is creating use-specific standards that would be applied to the new lots such that concerns surrounding compatibility are addressed. With respect to the “small” and “medium” lots, the Commission envisions these lot types being **integrated** as a “by-right” form of development into the R-1, R-2, and R-MF zoning districts. “Small” lots are proposed to be as narrow as 30-feet wide and contain a minimum of 3000-4999 sq. ft. – they would be added to the R-1, R-2 and R-MF zoning districts. “Medium” lots are proposed to be as narrow as 30-feet and contain a minimum of 5000-6999 sq. ft. and would be integrated into the R-1 district only and serve as a “bridge” between a “small lot” and the traditional 7,000 sq. ft. lot allowed in the R-1 district. If approved, this integration could promote better utilization of available land and infrastructure and increase development density. Greater development density is associated with reduced development cost on a per lot basis which ultimately may be reflected in the purchase price of new home.
- **Additional Considerations:** Additional development review processes and zoning-related recommendations are found on pp 153-154 and 176-178 of the Housing Study. As a first step in making as many uses as possible allowed by-right (p. 154), staff has identified a number of locations in the city that are zoned Planned Development (both residential and mixed-use) that have not commenced development or are incomplete. Replacing several of these Planned Developments with base zoning districts (i.e., by-right zoning) would eliminate lengthy, as well as risky, discretionary reviews, and might induce greater housing production. The Council has approved a number of applications to rezone Planned Developments to base districts since the Unified Development Code was approved in 2017, and staff expects this trend to continue.

(2) Create a Local Housing Trust Fund: The Housing Study recommends that a local housing trust fund should be created by both Boone County and the City of Columbia. A housing trust fund is a locally established funding mechanism that can be used to support a variety of affordable housing development activities. As part of the FY 2025 budget, the City included one million dollars of general fund excess reserves for a local housing trust fund. As stated in the Housing Study, “management of the fund will be a large and important responsibility and setting up policies and procedures for administering the fund merits a lot of planning and thought.” City Staff are in the process of establishing proposed parameters for the fund, including eligible activities, funding priorities and program administration. Housing and Neighborhood Services anticipates the need for one additional full-time staff to assist in administering the fund.



- **Eligible projects:** All projects must facilitate affordable rental opportunities for households at or below 60% area median income (AMI) and affordable homeownership opportunities for households at or below 80% AMI.
- **Two Categories of Funding:** At this time, staff recommends that the fund be used for two general categories:
 - **Capital Subsidies for Affordable Housing Developments (80% of annual funds):**

The bulk of the housing trust fund will be used to provide capital subsidies for targeted affordable housing development projects. Applications will be received annually, with the Housing and Community Development Commission (HCDC) recommending the projects to be funded and City Council giving final approval. Potential eligible activities could include:

 - Acquisition (land & existing structures)
 - New construction of Affordable housing, both rental and homeownership housing (30-year minimum affordability)
 - Rehabilitation, renovation, and adaptive reuse
 - Accessibility modifications for low-to-moderate income households
 - Housing vouchers for low-income households; Eviction prevention or rental assistance for those experiencing homelessness or at risk of homelessness (not a capital subsidy, but staff anticipates an increased need here as COVID relief funds expire).

Additional priorities should be determined to guide decision-making on which projects to fund with capital subsidies, e.g., priority will be given to projects involving the production of units for occupancy by very low-income households (<50% AMI); projects that align with the Housing Study's development targets (see Housing Study pp 106-113); projects that ensure long-term affordability (greater than 50 years); projects leveraging Low Income Housing Tax Credit (LIHTC) financing, etc.
 - **Building and Utility Fees (20% of annual funds):** A smaller portion of the housing trust fund will be used to offset development related fees, including building and utility connection fees for affordable housing projects, both new development and renovations, as well as occasional, unexpected costs incurred to bring an affordable housing project/home into regulatory compliance (the criteria for this latter category will need to be determined). Applications for these funds would be accepted year-long, on a rolling basis. The total amount spent per year on this category as well as the total amount per project would be capped (e.g., \$200,000 per year, with a cap of \$10,000 per project). Payment of building and utility connection fees would be on a reimbursement basis. Each agreement would be approved by resolution at Council, but this won't be a competitive process. Each year, applications are accepted until the cap is hit. Staff could also consider including additional soft costs in this category, such as design services, environmental reviews, etc.
- **Dedicated Revenue Source:** To ensure the long-term sustainability and effectiveness of the housing trust fund, the City will need to secure a dedicated revenue source for the fund. This will provide a stable and predictable stream of



funding that can be used to support the development, preservation, and rehabilitation of affordable housing. Having a dedicated revenue source will reduce reliance on fluctuating government budgets and allow for more strategic planning that promotes housing affordability and stability for residents. Staff recommends: (1) the City included an additional one million dollars of general fund excess reserves for a local housing trust fund in the FY 2026 budget; and (2) that elected officials, City and County staff, and community members start the conversation now about possible dedicated revenue streams and be prepared to move forward with a proposal by Summer 2025. Possible dedicated revenue sources put forth in the Housing Study include: an economic development sales tax; a linkage fee policy; and increases to various permit and licensing fees. See page 157 of the Housing Study for a full list of possible revenue streams.

(3) Benefits Provided for Affordable Housing Development: Another theme throughout the Housing Study recommendations is to provide benefits to encourage developers to build a certain percentage of affordable homes as part of any new housing development (versions of such policies are often referred to as “voluntary inclusionary zoning” policies). Two of the benefits recommended to be provided is reduced building/permitting fees and project subsidies. Staff recommends addressing these incentivizing tools through the parameters established with the Housing Trust Fund as discussed above. Additional recommended benefits include density bonuses, in which the number of dwelling units exceed the typical density in return for affordable units, and lower parking requirements for dwelling unit types and locations that have less parking demand (there are some mechanisms for the latter in the code but some revisions would help). If directed, Staff could evaluate the effectiveness and practicality of these approaches to encouraging the development of affordable housing within the City.

(4) Prioritize and Incentivize the Study’s Development Targets: The Housing Study reveals what many of us knew – that our community desperately needs more homes. But helpfully, it provides the data to support the specific housing targets for Boone County. The greatest need is for single family homes for sale (price range of \$155,00-\$368,000), single-family homes for rent (price range \$1,490-\$2,800/month) and multifamily units for rent (price range \$1,280-\$1,980/month). When deciding what projects to prioritize for funding and what aspects of the development process could be streamlined, these development targets should initially guide the City’s decision-making.

Preservation

(1) Create a Housing Preservation Inventory: The Housing Study recommends a housing preservation inventory for the purpose of identifying and protecting affordable housing. The inventory would identify and catalog existing affordable housing units that are at risk of being lost due to factors like market pressure, physical deterioration or the expiration of mandatory affordability periods, which are a common feature of federal subsidies.

The initial step in establishing such an inventory would be compiling a list of all affordable housing units in the community, including public housing, subsidized housing, and those with



expiring affordability agreements (e.g., LIHTC properties or HUD-subsidized units). (Note: It would need to be determined whether the scope of the inventory would include naturally occurring affordable housing (NOAH), which refers to privately owned housing that is affordable to low- and moderate-income households without any government subsidies or affordability restrictions. If included, this would be a much larger undertaking and likely require the use of new data analytics tools). The data that could be collected on each property includes: ownership details; number of units; affordability restrictions; expiration dates of affordability agreements; physical condition and tenant demographics. The City could work with the County, the Columbia Housing Authority, non-profit organizations, developers, and property owners to gather information and verify data. Having this data collected in one place would allow for the stakeholders to monitor those properties most at risk of losing their status as an affordable unit due to physical deterioration, expiration of affordability restrictions or subsidies, or market pressures. By tracking this data, local governments can develop strategies to intervene early to prevent the loss of affordable housing.

(2) Code Enforcement that Prioritizes Keeping Housing Well Maintained. The Study emphasizes that code enforcement is a critical component of any housing strategy and enables a community to ensure that residential properties meet minimum health and safety standards and don't slip too far into a state of disrepair. The Study recommends strategic code enforcement, with proactive, regular inspection and emphasizes voluntary compliance. Neighborhood Services handled 5,957 code enforcement cases in FY24 with seven inspectors, primarily on residential properties. Of those cases, approximately 70% were initiated by staff, with the remaining 30% initiated by citizen complaint. Staff recommends the City start/continue with the following actions to ensure effective, proactive code enforcement.

- **Dumpster Days:** The neighborhood dumpster program has been expanded due to additional funding. Neighborhood Services has been placing dumpsters in neighborhoods where a need is observed and are holding events where residents can visit with City staff and enjoy pizza on their street one night when dumpsters are available. Staff recommends that the City continue "Dumpster Days" by providing dumpsters for strategic neighborhoods and high need areas coupled with litter pick up on surrounding streets.
- **Property Condition Scoring Project:** In fall of 2024, Neighborhood Services staff began a Property Condition Scoring Project to evaluate residential properties in central and northeast Columbia. Staff plans to provide a report of their observations by early 2025. This effort has generated numerous code violations for follow-up and other observations about our neighborhoods. Staff recommends that this project be an ongoing, annual effort rotating through neighborhoods where additional property evaluation and code enforcement is of value.
- **Additional Inspectors:** Historical data has demonstrated that when staff is added, code enforcement efforts (including case number) increase. Additional staff would also allow more time to identify violations and send notices, communicate with complainants and violators, and develop cases for prosecution. Staff would recommend adding positions in this priority:



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- (1) Two additional Code Enforcement Specialist II position, one to work on health codes related to residential properties (including trash, debris, inoperable cars, and vegetation issues including dead trees) and one to focus on property maintenance; (2) Fully fund two seasonal Code Enforcement Assistants to address landscape management cases, like tall grass and weeds, from May to September. Historically, the City has had two people in this role. Current funding only allows the hiring of one staff person; (3) One Rental Compliance Specialist to work on unlawful rentals and rental compliance, including short-term rental compliance.
- **Increase Tenant Education and Public Education on Code Enforcement:** Tenant education can be improved by raising awareness on tenant rights and responsibilities with information provided on when and how to file a complaint with the City. Staff can also focus on increasing public education on code enforcement, both on what code violations are (to gain proactive voluntary compliance and additional resident complaints) and what work the City is doing to address code violations. Historically, there has been space dedicated to this in The City Source newsletter but this can also be shared through our social media channels and video production.
- **Prosecution of Residential Property Owners in Violation of City Code:** The City of Columbia Municipal Court added a docket in 2024 focused specifically on property maintenance code violations. The time allotted for this docket will be expanded in 2025 to allow time to handle additional cases where voluntary compliance was not initially achieved. Over the last year, Neighborhood Services submitted 122 cases to the prosecutor.

(3) Replicate the City's Home Rehab and Energy Efficiency Program: The Study recommends that Boone County and other municipalities replicate the City's Home Rehab and Energy Efficiency Program. This program plays a vital role in preserving the existing housing stock and City staff are currently in the process of evaluating its program to find ways to increase its efficiency and utility. This will include streamlining application and eligibility processes, targeting resource, and better connecting eligible households identified through code enforcement to the programs.

Empowerment

(1) Expand Homeowner Education; Financial Literacy; and Skilled Labor Training: The City should continue to use its CDBG and HOME funds to support local non-profits that provide housing counseling, vocational and workforce training, and technical assistance to small businesses.

(2) Utilize Existing Resources Effectively: The City should analyze ways it can support more efficiency and effectiveness through the utilization of existing resources and affordable housing programs. These efforts could include:

- Encouraging more landlords to participate in voucher programs;
- Repurpose vacant properties for infill affordable housing development; and
- Supporting second chance leasing programs.



(3) Improve and Consolidate the Transit System: The Housing Study recommends that the City's transit system, Go CoMO Transit, be improved to reduce headways and better connect low-income families to employment opportunities and the stores and services necessary for daily living. Consultant's for the City are nearing the end of a comprehensive study to identify ways to improve Go CoMo and the recommendations of that study should be implemented.

Sustainability

(1) Create a Land Bank: The Study recommends that the City should establish a land bank to acquire, hold and maintain derelict or undeveloped property with strategic value for future infill housing development opportunities. In 2024, the Missouri legislature passed land bank legislation (House Bill 2062) to address issues surrounding vacant, abandoned, and tax-delinquent properties. The legislation allows any county or municipality with more than 1,500 residents to establish a land bank that can serve as a repository for properties that are tax-delinquent or abandoned, allowing them to be redeveloped with clear titles and no lingering tax obligations. The new law simplifies the procedure for clearing tax liens and title issues, making properties attractive for redevelopment by allowing local officials to handle these issues and relieving buyers from having to resolve them themselves. Land banks can also encourage the productive use of properties by conditioning the sale of the properties on certain improvements (e.g., affordable housing).

Staff recommends moving forward with researching and laying out the process for creating a land bank coupled with a judicial tax sale system in order to more easily rehabilitate vacant and tax-delinquent properties. The Housing Study recommends a short-term (0-2 years) implementation timeframe and Staff anticipates the end of this timeframe being most realistic.

(2) Bolster the Land Trust: The Study states that the Columbia Community Land Trust (CCLT) would be an excellent partner to work closely with the land bank to develop properties acquired and maintained by the land bank, but it notes that the CCLT currently lacks the capacity to engage in large-scale affordable housing development. The Study recommends that in the meantime, the CCLT should partner with more experienced development organizations, like the Columbia Housing Authority (CHA).

The CCLT does not currently operate independently. Instead, all staffing is provided by City Staff in the Housing and Neighborhood Services Department though an annually renewed Administrative Services Agreement. The administrative services provided include support at monthly CCLT meetings, supervision of daily operations (including check deposits and bill pay), determining eligibility of program participants, issuing RFPs for development projects and managing the projects through construction, stewardship of properties in the program, and many other related services.

While the City played an important role in the establishment of the CCLT, the structure and capacity of the City's support to the CCLT are not equipped to operate a fully functioning



land trust engaged in development activities. In the Ordinance establishing the CCLT (Ordinance No. 022919), it is stated that the primary mission of the CCLT is preserving long-term affordability of housing units created through public subsidies and that in most cases, the CCLT will not act as a developer. The CCLT’s receipt of American Rescue Plan Act funding (ARPA) funding for affordable housing development, while positive, has further highlighted the need for the CCLT to have dedicated, independent staff. The intent for the CCLT has always been that it become a fully functioning land trust with independent and sustainable governance and operations. City Staff recommends that it work with the CCLT board to develop next steps for the CCLT to achieve independent governance and operation, which may include: conducting an organizational sustainability work session with the Columbia City Council to identify complimentary actions to execute in partnership to move towards organizational sustainability; developing a job description for a future CCLT Executive Director Position; and developing a feasibility assessment plan for the CCLT becoming an independent 501(c)3 organization.

(3) Cost-benefit Analysis for Regulations Impacting Housing: The City should do a cost-benefit analysis before putting additional code restrictions on housing development to determine and quantify the potential impact of the regulation on housing affordability. This will be of particular importance as the City proceeds with its Conservation District Overlay Project and as it undertakes review of the 2024 International Codes, including the Building Code, Residential Code, Property Maintenance Code, and Energy Conservation Code.

Fiscal Impact

Short-Term Impact: N/A. For informational purposes only at this time.
Long-Term Impact: N/A. For informational purposes only at this time.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Inclusive and Equitable Community, Tertiary Impact: Reliable and Sustainable Infrastructure

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Environmental Management, Tertiary Impact: Tertiary

Legislative History

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Suggested Council Action

None at this time.