



INTERIM PLANNING COMMISSION
CITY OF BILLINGS, MONTANA



AGENDA

February 5, 2026 TIME: 4:30 p.m.
City Council Chambers, 5th Floor
316 N 26th St, Billings MT

NOTICE TO THE PUBLIC

Citizens are invited to:

. Review the Agenda Packet on the City's website at: <https://ci.billings.mt.us/117/Agendas-Minutes>
Public comment will be taken only during the Public Comment periods as indicated on the agenda and during the Public Hearings, if any are scheduled, under the Regular agenda. Comments may be sent to the Board via email before 12:00 pm on the meeting date. All emails received prior to this time will be entered into the record for the public hearing. Comments may be submitted by:

- . Mail: Planning Division PO Box 1178, Billings MT 59103
- . Email: plnonline@billingsmt.gov
- . NOTICE: All meetings and official activities of the MPO are held in buildings and locations that comply with accessibility standards according to the Americans with Disabilities Act (ADA). A TTY number for the hearing impaired, 406-657-3079, is available upon request. Special arrangements for participation in the public hearings by individuals with hearing, speech, or vision impairment may be made upon request at least three days prior to the hearing. Please notify Brenda Berns, Planning Clerk at bernsb@billingsmt.gov or call 406-247-8610.

1. **CALL TO ORDER - Interim Planning Commission President:** Welcome and Introduction of Commission Members and Staff.
2. **APPROVAL OF AGENDA*** - including any additions or deletions to agenda. The agenda for a regular meeting will be closed at 5:00 p.m. three (3) working days prior to the date of the meeting.
3. **MEETING MINUTES:**
 - a. Approval of the Meeting Minutes for January 15, 2026
4. **PUBLIC COMMENT PERIOD** -- As required (3 minute maximum per person). *Any member of the public may be heard on any subject that is not on the agenda. The Interim Planning Commission will not take any action on these items at this time, but could choose to add an item to the next meeting's agenda for discussion.*
 - 4a) **Comments on items not on agenda and requests to add items to future agendas**
 - 4b) **Comments on items on the non-public hearing agenda items**
5. **DISCLOSURE OF CONFLICT OF INTEREST**
6. **DISCLOSURE OF EX PARTE COMMUNICATION**
7. **OLD BUSINESS:**
 - a. Review Housing Development Encouragement Matrix
 - b. Review of Land Use Plan and Future Land Use Map Project Status
Drafting Elements
Economic Analysis
FLUM Review
8. **NEW BUSINESS:**
 - a. Discuss Dave Nordel's Housing Affordability Framework

9. **OTHER BUSINESS**

10. **ADJOURNMENT**

FUTURE AGENDA ITEMS

Date: 02/05/2026
Title:
Presented by:
Department: Planning & Community Services
Presentation:

RECOMMENDATION

Meeting Minutes of January 15, 2026

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

ALTERNATIVES

City Council may:

- Approve; or,
- Not Approve

FISCAL EFFECTS

Attachments

Minutes of January 15, 2026



INTERIM PLANNING COMMISSION

Thursday, January 15, 2026 at 4:30pm

| Commission Members | Position | 01/15/2026 | 02/05/2026 | 03/05/2026 | 04/02/2026 | 05/07/2026 | 06/04/2026 | 07/02/2026 | 08/06/2026 | 09/03/2026 | 10/01/2026 | 11/05/2026 | 12/03/2026 | | |
|---------------------|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|--|
| Dennie Stephenson | Chair | 1 | | | | | | | | | | | | | |
| Kimberly Welzenbach | Vice Chair | 1 | | | | | | | | | | | | | |
| Daniel Brooks | Commission Member | 1 | | | | | | | | | | | | | |
| Roger Gravgaard | Commission Member | 1 | | | | | | | | | | | | | |
| David Nordel | Commission Member | V | | | | | | | | | | | | | |
| Amber Parish | Commission Member | 1 | | | | | | | | | | | | | |
| Josh Sayer | Commission Member | 1 | | | | | | | | | | | | | |
| John Staley | Commission Member | 1 | | | | | | | | | | | | | |
| Jim Ronquillo | Commission Member | A | | | | | | | | | | | | | |
| Wyeth Friday | PCSD Director | 1 | | | | | | | | | | | | | |
| Anna Vickers | Planning Div Manager | 1 | | | | | | | | | | | | | |

Please note: "A" stands for excused absence, "1" stands for present, "V" stands for Zoom participation, "C" stands for cancelled

Call the Meeting to Order:

Chairman Stephenson called the meeting to order at 4:30 p.m.

Introduction of Planning Board Members and Planning Department Staff

Chairman Stephenson called for introductions of the members of the Interim Planning Commission and Planning staff.

Attending Staff: Wyeth Friday, PCSD Director; Anna Vickers, Planning Division Manager; Brenda Berns, Planning Clerk

1. Others in Attendance – Nicole Cromwell, Billings MT

2. Approval of Agenda

Motion

Motion by Commission member Staley to approve the agenda, second by Commission member Sayer.

Motion was carried unanimously.

3. Approval of Minutes of December 4, 2025

Motion

Motion by Commission Member Brooks to approve the December 4, 2025 meeting minutes with corrections to the meeting schedule, which showed duplicate months and did not include a “c” indicating a cancelled meeting. **Second** by Commission Member Welzenbach.

With the stated corrections, the motion was carried unanimously.

4. Public Comment

Nicole Cromwell, Billings MT – Ms. Cromwell noted that there did not appear to be any emerging issues or strong consensus across the various products presented, and that public opinion did not seem cohesive. It was observed that many participants had not yet formed clear ideas or opinions or were uncertain about what they were seeking. There was optimism expressed that the committee would be able to analyze the available data further and identify meaningful conclusions.

A question was raised regarding the lack of conformity in responses. In response, it was noted that, based on the presentation, survey results were not fully available and did not provide a comprehensive, big-picture view.

5. Disclosure of Outside (Ex-Parte) Communication. There were no Outside Communication.

6. Disclosure of Conflicts of Interest. There were no Conflicts of Interest.

7. Old Business. There was no Old Business.

8. New Business

a. Update on Survey Responses Statistics/Public Input –

Anna Vickers provided an overview of the project timeline. She noted that Planning Week attendance was lower than anticipated; however, staff gathered substantial input through surveys, comment cards, visual preference boards, mapping exercises, and community canvassing. All feedback collected will be formally incorporated into the Plan to the greatest extent possible. Public comments reflected a desire for a beautiful, green, and well-maintained city, with development that is “the right thing in the right place.” Participants shared concerns about difficulty traveling across town and frustration with uneven investment, particularly between the Heights and the West End. At the same time, there was strong appreciation for existing parks, local businesses, and community spaces. Residents expressed that Billings’ small-town feel, community pride, and local character are important values to preserve.

Community members also voiced interest in improved public transportation, more mixed-use development, and the reduction of vacant or underused spaces. Many noted that Billings’ future depends on inclusivity, support for young people and families, and a willingness to embrace thoughtful change.

Results from the visual preference exercise showed diverse opinions across housing and commercial development types, reinforcing that no single housing type meets all community needs.

Board Discussion

The Board discussed housing preferences, noting a continued preference for single-family homes alongside openness to diverse housing types and neighborhood-scale commercial uses. While larger homes are of interest, affordability remains a key concern.

Feedback indicated lower support for heavy industrial uses, RV parks, and manufacturing-related housing, and higher support for mixed-use development, middle housing, and neighborhood-scale commercial uses. Mixed-use development was also discussed in relation to its connection to transportation planning. Overall, the results were not viewed as surprising, as they were generally consistent with past feedback. However, interest in “missing middle” housing was highlighted as a particularly encouraging outcome.

Staff explained that “missing middle” housing refers to housing types between single-family homes and large apartment buildings, such as duplexes, fourplexes, row homes, and townhomes. While some of these housing types are currently allowed, they are often introduced through zone changes, and broader implementation is still evolving.

It was reported that 1,169 surveys were received, representing a significant increase in participation following changes in outreach messaging. Participants also discussed survey questions related to preserving agricultural land and promoting urban agriculture. Future planning efforts are expected to begin with the Infill Plan following completion of MLUPA work, reflecting feedback that preserving agricultural and residential land while promoting infill development is a priority for the community.

Discussion also touched on urban livestock, noting that smaller livestock such as chickens are already allowed, while larger livestock would require further analysis.

Community engagement levels were discussed, with varying attendance across planning events. It was noted that meetings tied to controversial topics or specific neighborhood plans tended to have higher participation.

Finally, the board discussed infill landownership, including questions regarding railroad-owned properties, and suggested initiating conversations with major landowners as part of future infill planning efforts.

It was noted that there have been productive discussions with BNSF regarding land use. Questions were raised about whether environmental constraints, including EPA considerations, may be influencing development patterns. In discussions related to commercial and industrial uses, it was noted that public feedback suggested locating these uses near the riverfront. However, some conflicting feedback was also received regarding preserving trails while simultaneously promoting river access and gateway development. It was observed that these themes have been consistent over many years, with a desire expressed to see tangible progress on river access within the next decade. The board discussed whether the public has provided specific suggestions regarding desired outcomes, particularly related to underutilized river access areas. Additional feedback highlighted concerns related to healthcare, public safety, and housing costs, along with the view that zoning’s most important role should be protecting landowners’ property rights. It was noted that as survey participation increased, a broader range of issues were raised by respondents.

Public safety was discussed generally, with clarification that survey responses did not specify particular services. It was noted that residents want greater transparency about what is being built, where development is occurring, and how zoning decisions align with overall planning goals, with an emphasis on avoiding incompatible or disjointed development patterns.

Staff noted that a transportation corridor plan is underway, separate from MLUPA requirements, and that future updates will be provided regarding roadway planning and traffic movement across

the city. Questions were raised about emergency response times in different areas of the community, though it was clarified that this issue was not specifically addressed in the survey.

Upcoming outreach efforts were discussed, including participation in the HBA Remodeling Expo, where staff will seek additional input on appropriate housing types at the neighborhood scale. Infill development was emphasized, with questions framed around compatibility of housing types—such as duplexes and fourplexes—on vacant lots within existing neighborhoods.

Discussion also addressed housing affordability, including the gap between affordable housing thresholds and median home prices. It was noted that state-provided affordability benchmarks have not been met and that public concern regarding public safety often focuses on law enforcement services. Participants observed that public safety is a common campaign topic, though its definition varies.

Participants emphasized the importance of clearly communicating community needs on meeting agendas and in public materials. It was noted that for many residents, homeownership is increasingly unattainable, making townhomes and condominiums a more realistic option for first-time buyers. Examples from other cities were cited where townhome development has been used to address similar challenges.

Finally, concerns were raised about inconsistent infrastructure improvements in different parts of the city, with an expressed desire to prevent uneven development patterns and ensure more uniform standards for roads and services.

The board discussed the widening gap between household income and affordable housing, noting that a significant portion of households cannot afford housing without subsidies. It was observed that there is little natural market ability for many residents to purchase homes, contributing to multigenerational living arrangements and a shift away from long-term renting. Short-term rentals were cited as increasingly common in residential neighborhoods, further impacting housing availability.

Discussion addressed the prevalence of luxury apartment construction, with the observation that many residents have given up on homeownership and are instead turning to rental options. Rising rents were described as consuming a substantial portion of household income. Participants questioned how housing can be prioritized effectively and how land use decisions influence outcomes, including concerns about certain commercial uses.

Economic development and industrial uses were also discussed. Board members emphasized the need for well-paying jobs while balancing concerns related to noise, water usage, pollution, and long-term environmental impacts. Specific concerns were raised about potential cleanup responsibilities associated with abandoned industrial uses, such as data centers and electronic waste. It was noted that safeguards are necessary to protect the community from environmentally harmful activities.

The board acknowledged that not all industrial uses necessarily employ local residents but emphasized the importance of planning for economic adaptation and change. Industrial

development was identified as a significant ongoing and future consideration, with a need to ensure appropriate locations and accommodations.

Water availability and infrastructure planning were discussed, including concerns related to water rights, annexation, and the potential need for additional city services. Participants emphasized the importance of planning for communities that may seek annexation in order to access municipal services.

Zoning and regulatory tools were discussed, including whether codes or resolutions can guide where certain uses are allowed. Concerns were raised about past variances contributing to current land use conflicts. It was noted that while protections and review boards exist, zoning regulations limit the ability to restrict specific uses once they are permitted. The importance of compatibility between residential areas, agricultural uses, and industrial activities was emphasized.

Participants reflected on legacy land use decisions, noting that some uses previously allowed—such as gas stations and dry cleaners—have resulted in long-term environmental impacts that were not fully understood at the time. The need to apply current knowledge to future planning decisions was emphasized.

Finally, discussion focused on land use compatibility near sensitive areas such as schools, with agreement that planning efforts should prioritize appropriate transitions between uses and ensure residents are informed about what types of development may occur near their neighborhoods.

b. In Depth Discussion of Montana Land Use Planning Act, Housing Criteria in MCA 76-25-302 -

Staff explained that duplexes are permitted in areas where single-unit dwellings are allowed, subject to meeting a set of qualifying criteria. Of the fourteen identified criteria, at least five must be satisfied for eligibility. It was noted that this approach originated with DNRC and warrants further, broader discussion.

The process and timeline for zone changes were discussed, with staff noting that zone changes can typically be completed in approximately three months in Billings, compared to longer timelines in other jurisdictions. Staff expressed an interest in positioning the community as a leader in implementing these approaches.

Board members discussed the inclusion of multiple housing-related options, noting that their inclusion is intended to support housing supply and affordability. It was suggested that all identified options merit discussion and consideration, while also acknowledging that some proposals may be more ambitious or unconventional.

- (a) Allow, as permitted use, for at least a duplex where a single-unit dwelling is permitted

This is already allowed.

(b) Zone for higher density housing near transit stations, places of employment, higher education facilities, and other appropriate population centers, as determined by the local government.

The staff cited Stewart Park transfer centers and development along major transit corridors as examples of areas where coordinated planning efforts have been effective. Discussion emphasized that increasing housing supply alone does not automatically result in affordability, though greater housing quantity can help moderate prices over time. It was noted that construction costs continue to limit the pace at which housing can be built.

Board members and staff discussed park dedication requirements and the option to provide cash in lieu of land dedication. It was clarified that cash-in-lieu payments may be directed toward larger parks serving multiple subdivisions, and that this practice is already occurring. Staff confirmed that this approach is documented within the subdivision regulations – all are in favor.

(c) Eliminate or reduce off-street parking requirements to require no more than one parking space per dwelling unit-

Participants discussed parking requirements and expressed concern that reducing parking without providing alternative solutions can lead to ongoing parking issues, noting that residents will continue to park vehicles regardless of reductions. Examples were cited of existing apartment developments experiencing parking shortages.

It was also noted that developers typically provide parking levels they believe will meet market demand. Questions were raised about maintaining current parking standards, and staff explained that recent legislative direction indicates that minimum parking requirements are no longer required in certain circumstances.

(d) Eliminate impact fees for accessory dwelling units or developments that include multi-unit dwellings or reduce the fees by at least 25%–

Participants discussed system development fees (SDFs) for water and sewer infrastructure, noting that these fees are necessary to support new development, particularly in the West End, but do not currently apply in the same way to infill development. It was suggested that adjustments to SDFs could benefit infill projects, and that the board may consider making recommendations on this topic. Concerns were raised regarding the potential fiscal impacts of reducing SDFs, including how reduced revenue would be offset. It was noted that no formal analysis has yet been conducted and that further evaluation would be necessary before pursuing any changes. Participants acknowledged that this issue could not be fully addressed within the current timeline.

Discussion also addressed the distinction between new development and infill or redevelopment on existing properties. It was noted that upcoming City Council members have expressed interest in reviewing infill-related policies. Staff indicated that efforts would begin following adoption of MLUPA, at which point infill policies could be more fully developed.

It was noted that state law may supersede certain local directives; however, participants discussed the option for the board to formally recommend consideration of SDF adjustments as part of a broader infill policy. Reducing development costs through such incentives was identified as a potential benefit.

(e) Allow, as permitted use, for at least one internal or detached accessory dwelling unit on a lot with a single-unit dwelling occupied as a primary residence –

Staff noted that certain practices discussed are already being implemented and emphasized the need for clearer public communication about them. Questions were raised regarding whether these practices could be overridden by covenants, conditions, and restrictions (CCRs), and it was noted that CCRs still apply.

Participants also discussed the need to analyze where such restrictions and conditions exist throughout the community as part of ongoing planning efforts.

(f) Allow for single-room occupancy developments –

Staff discussed housing types such as dormitory-style housing, boarding houses, extended-stay lodging, and shared kitchen or bathroom arrangements, noting that these uses are allowed through a special review process. A question was raised regarding whether examples currently exist in the community, and it was noted that there are existing facilities that function similarly to traditional boarding houses.

Participants observed that historically, particularly in the early 20th century, shared housing models enabled greater housing affordability. Staff emphasized that such housing types are evaluated in context, with consideration given to compatibility with surrounding development, and clarified that these uses have been permitted for many years and should continue without restrictions.

(g) Allow, as a permitted use, a triplex or fourplex where a single-family dwelling is permitted-

Participants discussed the incorporation of triplexes and fourplexes as part of the “missing middle” housing strategy.

It was noted that triplexes are generally considered residential, where typically four units and greater, trigger certain commercial requirements in the building code.

The importance of transition zones was emphasized, given public concern about introducing duplexes or multifamily units near single-family neighborhoods. It was suggested that multifamily development is most appropriate near downtown areas, college neighborhoods, and medical corridors, while single-family areas may be less suitable.

Options for implementing multifamily housing were discussed, including zoning changes, overlays, or designating specific districts to allow triplexes and fourplexes without requiring developers to pursue a zone change. The use of overlays and strategic placement was noted as a preferred approach to manage expectations while maintaining flexibility for the market.

Participants emphasized that while the land use code provides multiple options, careful consideration is needed to balance developer flexibility, market realities, and community expectations. It was agreed that changes to the zoning map are not being proposed at this time, but code adjustments and potential overlays could guide where multifamily housing is appropriate, particularly in infill districts.

Consensus indicated a preference to explore how developers will utilize existing options rather than automatically changing zoning, and to focus on strategic, targeted approaches for accommodating missing middle housing while maintaining the integrity of the future land use map.

(h) Reduce min lot sizes or reduce the existing minimum lot size required by at least 25%-

Participants discussed lot coverage, buildable area, and lot width standards across different zoning districts.

It was observed that lot width and maximum buildable area vary by zone, and some participants suggested leaving current standards unchanged. The importance of these standards in helping reduce housing size and cost was noted, while potential risks such as increased fire spread in denser areas were also discussed. Overall, consensus favored maintaining the current lot coverage and buildable area standards unless future adjustments are warranted.

(i) Eliminate aesthetic, material, shape, bulk, size, floor area, and other massing requirements for multi-unit dwellings or mixed-use developments or remove at least half of those requirements-

Exterior building materials and aesthetics—such as color or brick—were also discussed, with clarification that regulation of these elements is limited to what is addressed in the building code. It was noted that certain design standards are not considered appropriate for the broader community context, and that recommendations for housing should focus on areas such as the East Billings Urban Renewal District (EBURD). Participants emphasized that while exterior design elements can be considered, regulatory authority is constrained to building code requirements. There was consensus regarding not pursuing this.

(j) Provide for zoning that specifically allows or encourages the development of Tiny Homes, as defined in Appendix Q of the International Residential Code as it was printed on January 1, 2023 –

Participants discussed tiny home communities, noting that a few already exist in the city and that they are permitted in any residential district as long as they meet building code requirements. Consideration of school district impacts was mentioned.

It was observed that while tiny homes are allowed and could serve as an incentive for more affordable housing, they are not widely implemented. Challenges to affordability were noted, including the cost of land, which can offset the lower cost of the homes themselves.

(k) Eliminate setback requirements or reduce existing setback requirements by at least 25%--

Participants discussed lot setbacks, including potential reductions on all sides of a lot. It was noted that while some setbacks could theoretically be reduced to zero, doing so could create fire hazards without appropriate firewalls. Recent adjustments to setback requirements were mentioned, and it was noted that the discussion includes consideration of different zoning designations (e.g., N2 versus N3) as they relate to setback standards. No change to these standards is recommended.

(l) Increase building height limits for dwelling units by at least 25%- –

Participants discussed building height standards, including the use of stepped heights as a transitional approach between residential and multifamily structures. Questions were raised regarding how percentage increases in height translate to additional stories, noting that, for example, a four-story building could gain an additional floor under certain calculations.

Concerns were expressed about practical limitations, including fire department access, which generally cannot accommodate buildings above four stories. Setback requirements, particularly at rear property lines, were noted to influence height considerations. It was clarified that height requirements are measured in stories rather than feet, and there is no fixed maximum in feet. Participants emphasized balancing practical building considerations with flexibility for transitional height increases. The majority of the concerns expressed do not evidence favoritism.

(m) Allow multi-unit dwellings or mixed-use development as a permitted use on all lots where office, retail or commercial are primary permitted uses-

This is already in practice with SB245 in 2023.

(n) Allow multi-unit dwellings as permitted use on all lots where triplexes or fourplexes are permitted uses-

The board discussed the appearance of zoning designations, noting that some areas appear entirely multifamily, but that multifamily zoning may be appropriate in infill or park-adjacent areas. It was agreed that this should be explored further in future discussions.

It was suggested that future meetings review code changes from other jurisdictions, such as Missoula, regarding allowing commercial use in residential areas.

Participants expressed interest in gaining additional context regarding public safety survey responses, including clarification on whether feedback relates to law enforcement or other safety concerns. Some participants preferred not to conduct additional surveys specifically on public safety, while others emphasized the need for discussion on board processes and how decisions are evaluated.

The board agreed that the meeting was productive and expressed interest in meeting more frequently. Staff will provide additional information and materials to guide future discussions.

9. Other Business: Next IPC meeting will be February 5, 2026 @ 4:30pm

Adjournment: 7:30pm

Brenda J Berns, Planning Clerk

Date: 02/05/2026
Title:
Presented by:
Department: Planning & Community Services
Presentation:

RECOMMENDATION

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

ALTERNATIVES

City Council may:

- Approve; or,
- Not Approve

FISCAL EFFECTS

Attachments

Development Encouragement Matrix

MCA 76-25-302 Encouragement of development of housing.

(1) The zoning regulations authorized in 76-25-301 must include a minimum of five of the following housing strategies, applicable to the majority of the area, where residential development is permitted in the jurisdictional area:

| Requirement | Status in Billings Zoning Code | Discussion with IPC |
|---|--|--|
| (a) Allow, as a permitted use, for at least a duplex where a single-unit dwelling is permitted | Legislative Session 2023-SB 323 already implemented this and is practice. Code will be updated to reflect this during MLUPA revisions. | Already allowed |
| (b) Zone for higher density housing near transit stations, places of employment, higher education facilities, and other appropriate population centers, as determined by the local government | Not within the code, but we would like to implement. | Want an overlay. Examples are Stewart Park and Medical Corridor with focus on Schools, colleges, and parks. Gentle zoning to make it work. All in favor |
| (c) Eliminate or reduce off-street parking requirements to require no more than one parking space per dwelling unit | Will be implemented - HB492 Requires 1 space for each residential du unless the du is under 1200sqft than only 1/2 space. No minimum parking requirement for: -childcare facilities, existing building undergoing change of use, deed-restricted affordable housing, assisted living facilities. | This will be implemented, current state law states 1 per 1200sqft, less than 1200 equals a 1/2 parking space. May have ADA issues. Parking will be built as developers deem necessary. |
| (d) Eliminate impact fees for accessory dwelling units or developments that include multi-unit dwellings or reduce the fees by at least 25% | We have system development fees which are the same as impact fees - only for water and sewer. These are handled by Public Works and have been brought up from the City's Infill Policy regarding incentivizing infill development. This is a discussion that could move forward and be part of future MLUPA implementation. | IPC recommending on existing property only; not new developments - part of the infill policy. |
| (e) Allow, as a permitted use, for at least one internal or detached accessory dwelling unit on a lot with a single-unit dwelling occupied as a primary residence | We do this already based on a zoning coordinator interpretation in N3, N2, N1, NX1, and RMH. Need to reflect this in the code during MLUPA revisions. | Already allowed. Need to get the message out. All in favor |
| (f) Allow for single-room occupancy developments | We allow for boarding houses with Special Review in N1-NX3. | Allow with no restrictions. |
| (g) Allow, as a permitted use, a triplex or fourplex where a single-unit dwelling is permitted | We remain concerned about this alternative in regard to transitional areas in the community. | Commercial at 4-plex (overlay district?) This is the 'Missing Middle' but perhaps not right in a new suburban neighborhood. Don't need to adopt, implement where it fits. Look into further. |
| (h) Eliminate minimum lot sizes or reduce the existing minimum lot size required by at least 25% | We could consider reducing minimum lot widths, but this was done in 2021 code rewrite. N3 would be one where a change might be beneficial since it is no longer a SF zoning district. | Study done in Texas, showed reduced costs. Setbacks stay the same. Denser communities potentially increase fire hazard. Currently working, let's not change. |
| (i) Eliminate aesthetic, material, shape, bulk, size, floor area, and other massing requirements for multi-unit dwellings or mixed-use developments or remove at least half of those requirements | We do not have a lot of aesthetic requirements with the exception of the EBURD. Some that exist are associated with Mechanical Equipment Screen, Outdoor Storage Fencing Color/Design Coordination, Internally illuminated fascia/canopy prohibition. Do not think this is an issue to address, | Community did not want this. Only regulate what is regulated in the building code. Not being pursued for now. |
| (j) Provide for zoning that specifically allows or encourages the development of tiny houses, as defined in Appendix Q of the International Residential Code as it was printed on January 1, 2023 | Allowed currently, amending code to specifically state this during MLUPA revisions | Allowed use. Affordable option for communities. Must meet building codes. |
| (k) Eliminate setback requirements or reduce existing setback requirements by at least 25% | Most of our residential districts have build-to zones to provide flexibility. We receive many variance applications associated with alleged inability to hit build-to zones - this seems to be mostly related to lack of design work to accommodate building sites. Existing setbacks are associated with rear and side of buildings and some align closely with building codes to avoid firewalls or provide space between neighboring property/structures. | No change. |
| (l) Increase building height limits for dwelling units by at least 25% | We are concerned about transitional areas in the community. | Do not want to do this. |
| (m) Allow multi-unit dwellings or mixed-use development as a permitted use on all lots where office, retail, or commercial are primary permitted uses | Strategy already implemented - SB245, 2023 | Done |
| (n) Allow multi-unit dwellings as a permitted use on all lots where triplexes or fourplexes are permitted uses | Again, we are concerned about having transitional areas in the community. | Discuss in detail at future meeting. |

Date: 02/05/2026
Title:
Presented by:
Department: Planning & Community Services
Presentation:

RECOMMENDATION

Discuss Dave Nordel's Housing Affordability Framework

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

ALTERNATIVES

City Council may:

- Approve; or,
- Not Approve

FISCAL EFFECTS

Attachments

Housing Affordability Framework

Defining Affordability & Building a Zoning Decision Framework City of Billings, Montana

Prepared for: City of Billings Planning Department & Zoning Commission

Statutory Deadline: May (per Montana state law)

Primary Policy Issues: Housing Affordability & Public Safety

Executive Summary

Billings does not suffer from a lack of housing production; it suffers from a misalignment between housing supply and local incomes. While new units continue to be built, most are delivered at price points that exceed what the local workforce can afford.

Zoning alone cannot solve housing affordability. However, zoning decisions that are disconnected from income realities, infrastructure capacity, and public safety considerations can guarantee continued failure.

Income Reality & Affordable Entry Price

Median household income in Billings is approximately \$65,000. Core workforce incomes generally fall between \$45,000 and \$60,000. First-time homebuyers often earn below the median.

Using standard affordability thresholds (housing costs at or below 30% of income, current interest rates, and minimal down payments), true entry-level affordability in Billings falls between **\$180,000 and \$250,000**. Homes priced above approximately \$275,000 are not affordable starter homes for most local residents.

Why Increased Production Alone Does Not Solve Affordability

New construction in Billings is concentrated between \$325,000 and \$450,000. Rising land, infrastructure, material, and financing costs push builders toward higher price points. Zoning that permits density without influencing achievable pricing does not produce affordability.

Defining Affordable Housing for Policy Use

Affordable housing in Billings is defined as housing attainable by households earning 60–100% of Area Median Income, without reliance on subsidies beyond existing state or federal programs. This definition is measurable, defensible, and aligned with lending standards.

What Zoning Can and Cannot Control

Zoning can: reduce minimum lot sizes, enable missing-middle housing, reduce parking minimums, allow mixed-use by right, shorten approval timelines, and implement form-based standards.

Zoning cannot: control interest rates, reduce material costs, offset wage stagnation, or guarantee affordability without aligned incentives.

Charter-Driven Zoning Decision Framework

The purpose of zoning decisions should be to align land use, housing supply, and public safety with the economic realities of Billings residents. Each decision should be evaluated by asking:

- 1) Does this zoning enable housing under \$250,000?
- 2) If not, does it support workforce rental housing?
- 3) What is the infrastructure cost per unit?
- 4) What public safety service load is created?
- 5) Who benefits financially?
- 6) Who is excluded?

Practice Session (Dry Run Model)

A structured practice session allows commissioners to simulate zoning outcomes before formal votes. Scenarios test multiple zoning options against affordability, infrastructure cost, public safety impact, and time to occupancy, with blind review to minimize bias.

Public Safety as a Co-Equal Constraint

Affordability without safety undermines stability. Density must align with law enforcement and fire response capacity, street connectivity, lighting, and design standards that reduce calls for service.

Measuring Success

Success should be measured by outcomes, not intent. Key metrics include the percentage of new units priced under \$250,000, workforce rental availability, time from zoning to occupancy, public safety calls per unit, and infrastructure cost per delivered unit.

Closing Statement

Billings does not need perfect zoning. It needs zoning decisions grounded in income realities, tested before adoption, transparent in outcome, and aligned with public safety capacity.