

To: City of Hamilton Working Group  
From: James R. Olsen

September 18, 2025

This is a comment to the Draft Zoning Amendments.

## CONSTRAINTS

- WATER

- The Bitterroot Basin is a watershed: the available water is from rain and snow between the Continental Divide to the South, the drainage into the valley from the Bitterroot Mountains to the West, and the drainage from the Sapphire Mountains to the east.
- Multi-year droughts have recently led to Ravalli County Health Board suspending/modifying criteria for ground water monitoring. (Briar 2025)
- Hamilton heights proposed subdivision become controversial because of availability for water and water rights.

- WATER RIGHTS FOR HAMILTON

- The City of Hamilton Growth Plan: well capacity (water rights) **supports 10,000 residents.**
- The population is estimated to be around 5,385.
- A 2018 article in the Star indicated that 2/3 of the water rights were being used - though this has probably changed as the City has pursued water rights since then. Water rights limited by the fact that the basin has been closed to new surface water rights, which is effected by wells. (Howell 2018)
- The City has a three decade long problem: water pipes are leaking about 45% of the water.

- WATER - *what to do about it*

- # Zero Water = Water Rights

- 
- Water Rights**
- Fix Leaky Pipes**
- Annexations**
- Business use**
- Population Growth**
- OUT OF WATER**

## CONSTRAINTS (continued) § = Change in Zoning Needed gpd = Gallons per Day

- WATER - *what to do about it*

- **Projection needed**

Population growth due to zoning to increase density over time in existing neighborhood

Plus the effect of zoning insides City Limits of empty land.

What year will we run out of water?

- Annexation needs to stop or slow down

§ Any new annexation requires and assessment on water availability to existing users.

- Zoning plans need to be coordinated with commitment is City Budget esp. water pipes.

§ Business use of city water beyond water for normal office use needs to be by a conditional permit

- Institutional users: RML est. 100,000 gpd, GSL 54,746 gpd, Hospital, ??? (US EPA 2022, Wheeland 2009)

- Residential users 156 gpd per capita. Commercial multifamily 96 gpd per capita (Caparara 2010)

- Institutional users use the same water as about 1,000 residents.

- Crypto-mining and server warehouses are going from air cooled to water cooled.

- Agriculture - The Montana Legislature has declared preserving farmland as a priority

§ No city water allowed for crop or grazing land - must be irrigated from a separate water right.

§ Ag land only annexed if less than 10% will be used for housing.

## CONSTRAINTS (continued) § = Change in Zoning Needed

- SEWAGE

750,000 gallons per day

Will need increased capacity

What are institutional users putting down the drain?

- SEWAGE - *what to do about it.*

Start planning for doubling sewage capacity.

§ Impact fees especially for annexation and new institutional users

- SURFACE TRANSPORTATION and PARKING

Increase road usage in residential areas by a factor of 2 or 3 with current plan

Car crashes are mostly cars going in different directions. Increase use of intersections.

- Need for more traffic control at intersections in residential areas and onto arterials.

With new state legislation restricting the cities for demanding off street parking, what is the impact on street parking

§ Impact fees especially for annexation and new institutional users

## RESIDENTIAL ZONING § = Change in Zoning Needed

- INCREASED DENSITY DOES NOT CREATE AFFORDABLE HOUSING

While increased density may pull down cost for the high end of the market, it does nothing on the low end, the affordable end of the market (Stacy 2023)

- HOUSE SIZE MATTERS

§ The current size limit on ADUs should be retained. The code should be updated to accommodate larger size if it is a converted use, such as a garage or shop.

§ Size limit on units for increased density residential designs such as cottage courts.

- SHORT TERM RENTALS

Short rentals take long term rentals off the market.

- If demand exceeds supply for the long term rental, market pressures increase the rent across the local market.
- Short term rentals of ADUs take affordable housing off the market
- Short term rentals of houses increase housing rental prices

§ In residential zones, short term rentals should be conditional use.

- Criteria based on available long term rentals and demand based on rental surveys
- ADUs renewed every year, houses every 3 years.

## RESIDENTIAL ZONING (continued) § = Change in Zoning Needed

### • TRADITIONAL NEIGHBORHOODS

Westside (currently single family (RS) Zoned)

- Already has mixed use that evolved over the years, including duplexes, apartments, and large home sized apartments due to variances and grandfathered.
- There is a duplex across the street and an apartment a block over from my house.

Newer RS subdivisions Arbors, Stonegate

New plan is to replace RS with R-1 allowing duplex's, fourplex's, and unlimited short term rentals

The effect on house value has not been analyzed for disclosed.

**The Fourplex next door will destroy the traditional neighborhood**

**The eventual conversion of exist homes to fourplex's will urbanize what is now single family.**

**The Fourplex next door is not needed in the grand scheme of the city.**

*It is amazing how few people in this neighborhood at the door know this is the plan.*

The Legislature mandated duplexes in cities with a census over 5,000

- This will kick for Hamilton in 2030

There is plenty of undeveloped land in Hamilton to accommodate growth.

## RESIDENTIAL ZONING (continued) § = Change in Zoning Needed

- TRADITIONAL NEIGHBORHOODS *what to do about it*

### LEAVE IT ALONE

§ Consider conditional use for one story high density, small unit size designs

- Criteria based on limit number such one every four square blocks

- Set backs

§ Conditional use to allow more innovative designs while retaining 40% coverage.

- Criteria: maintains look and feel of the purpose of setbacks.

## AFFORDABLE HOUSING § = Change in Zoning Needed

- AFFORDABLE HOUSING IS A HARD PROBLEM

- Homelessness in Ravalli County

There is very little voluntary homelessness in the county - these are working people and families  
Sleeping in a place that was not meant for normal human sleeping arrangements

- Car, tent, or outside

Housing Insecure - strategies for housing

- RV/Trailer: RV Park, Forest Service Campgrounds, Private land, National Forest not campground
- Doubling up in apartments or homes
- “Couch sharing”
- Shelters

- CURRENT SOLUTIONS NOT ENOUGH

Section 8 Housing has been and is being built in Hamilton

- Two to three year waiting list
- For many this means homeless, sharing, or leaving town

Shelters (not enough in the valley: eg. SAFE, Family Shelter, Big Sky Christen Church complex)



## AFFORDABLE HOUSING (continued) (Rentals Zillow, Apartments.com. Cardinal Properties)

- WHAT IS AFFORDABLE RENT?

30% of income for housing costs including utilities (Chapman 2024)

Median household income Ravalli County \$5,885/mo. (FRED 2024)

- Rent and utilities \$1,786 • 2 Two br rentals available

Jobs listed in Indeed non-professional with 30 miles

- Lowest \$11/hr (Server, elder resident home)

- Rent & Utilities \$570/mo. None

- Approximate median \$16/hr (Retail, Retail Store)

- Rent & Utilities \$830/mo. One available, another \$850.

- Highest \$24/hr (Attic blower insulation)

- Rent & Utilities \$1,245/mo 12 available

- **CHALLENGE \$600 one br. \$850 two br. per month with no subsidies**

Rent control or rent limits as a condition for approval illegal in Montana

Incentives legal • Bozeman is trying incentives based on reduced lot size and increase height

Reduced permit fees and reduce property taxes for defined period may be possible

## AFFORDABLE HOUSING (continued)

### • CHALLENGE \$600 one br. \$850 two br. per month with no subsidies (continued)

Zone for smaller square foot size as stated above

Municipal Housing Authority

- Must be voted on
- Often start with no money
  - Class 1 and 2 cities required to fund first year administration
  - Hamilton is a class 3 city but could choose to do it
    - Minimize admin cost for authority by collocation in Bedford Building
  - Could provide initial funding by selling or ceding real estated and buildings
    - The property on 3rd and State.
    - Cede the Fire Hall addition to the Library District  
and the original City Hall to the Authority
- See if the County wants to go in on it

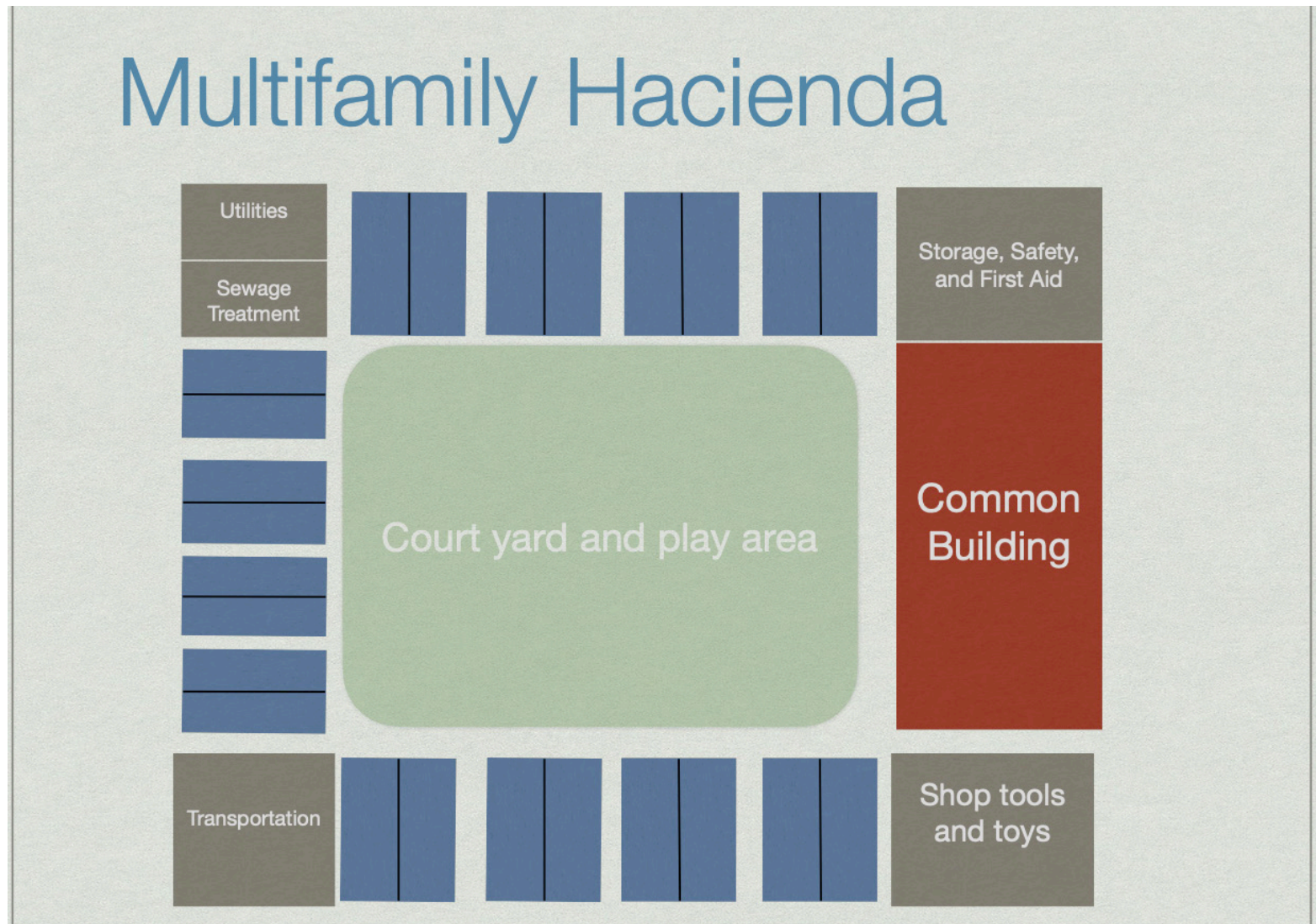
The authority could work with local developers to implement and manage affordable housing that does not need subsidies.

*Is it feasible - I don't know - but it is worth looking into*

## CONCEPT FOR AFFORDABLE HOUSING COALITION FROM 2018

[https://www.jamesrolsen.com/\\_files/ugd/a90e3d\\_58a7ff319fc14d9a9e52c1324d0a33f2.pdf](https://www.jamesrolsen.com/_files/ugd/a90e3d_58a7ff319fc14d9a9e52c1324d0a33f2.pdf)

### SOME EXCERPTS





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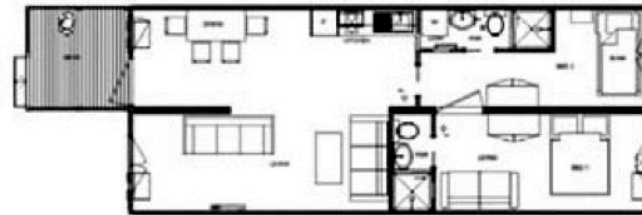
### SOME EXCERPTS

# Shipping Container Layouts

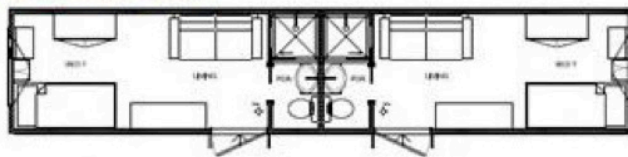
1 Bedroom Unit



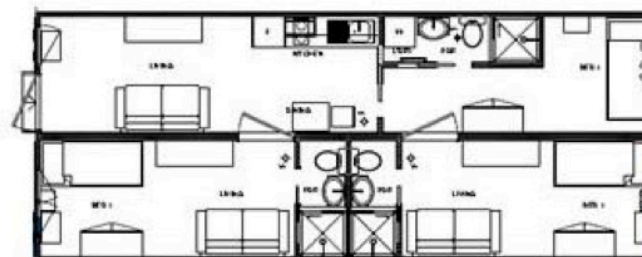
2 Bedroom Unit with Open Plan Living



2 Bedroom Unit



3 Bedroom Unit



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### SOME EXCERPTS

# Making Small Space Elegant

- Higher ceilings
- Light Pipes
- Quiet Design
  - \* (interior insulation, double stud walls)
- Passive Solar
  - \* South windows, eve placement
- Super insulated
- Passive Air Circulation & Attic Fan
- HEPA Filter
- Space savers
  - \* Murphy Beds, fold out tables, pull out desks, kitchen on a wall, storage overhead





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### SOME EXCERPTS

# Could You Live Here?



## CONCEPT FOR AFFORDABLE HOUSING COALITION FROM 2018

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SOME EXCERPTS ESTIMATE ARE OUTDATED

# Monthly Cost - JUST HOUSING

*Rough Estimate*

*Includes \$80K land. 32 Units. \$3.4 million  
With common area*

	Size	Mo. Cost
1 person 1 bedroom	200 sq ft	\$220
A couple 1 bedroom	400 sq ft	\$441
Small family 2 bedrooms	600 sq ft	\$661
Family 2+ bedrooms	800 sq ft	\$882
Large Family 3 bedrooms	1,000 sq ft	\$1,102



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Regards,

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