Assessment and Action Plan

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Presented by:

Wendy Sullivan - WSW Consulting, Inc.
Housing Spectrum: Big Sky
Housing Spectrum: 2018

Abut 600 units needed by 2023:

- Ownership (40% of stock)
- Rental (60% of stock)
- 55% below-market
Primary Needs

30% of income for rent/mortgage

<table>
<thead>
<tr>
<th>AMI</th>
<th>Household Income (2.5-persons)</th>
<th>Max Rent</th>
<th>Max Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>$18,105</td>
<td>$455</td>
<td>$71,000</td>
</tr>
<tr>
<td>50%</td>
<td>$30,175</td>
<td>$755</td>
<td>$118,300</td>
</tr>
<tr>
<td>60%</td>
<td>$36,210</td>
<td>$905</td>
<td>$142,000</td>
</tr>
<tr>
<td>80%</td>
<td>$48,280</td>
<td>$1,205</td>
<td>$189,300</td>
</tr>
<tr>
<td>100%</td>
<td>$60,350</td>
<td>$1,510</td>
<td>$236,700</td>
</tr>
<tr>
<td>120%</td>
<td>$72,420</td>
<td>$1,810</td>
<td>$284,000</td>
</tr>
<tr>
<td>150%</td>
<td>$90,525</td>
<td>$2,265</td>
<td>$355,000</td>
</tr>
<tr>
<td>200%</td>
<td>$120,700</td>
<td>$3,020</td>
<td>$473,400</td>
</tr>
</tbody>
</table>
Study Process: Step 1

Housing Assessment (information)

- Identifies employee housing needs
  - How much, what type, price, for whom
- Information:
  - Community outreach (survey)
  - Interviews/focus groups (local knowledge)
  - Local data (DOR, construction, etc)
  - Secondary sources (Census, ACS, jobs – BEA, etc)
Big Sky Community Survey:

“How do you feel about the issue of people who work in Big Sky being able to find housing they can afford?”

Findings

MOST CRITICAL problem 51%

More SERIOUS problem 34%

A problem among others 12%

Lesser or not a problem 3%
How did we get here?

1. Underproduction of housing

Jobs/Housing Changes Since 2012

- 1,200 New jobs
- 510 New housing needed
- 577 New housing units built
- 157 Units valued under $1 Million
- 122 New resident households
How did we get here?

2. Loss of Rentals

- Over 400 renters forced to move in past 5 years
  - 26% - unit sold by owner
  - 23% - unit converted to short-term rental
  - 9% - inability to pay rent
  - 8% - owner moved in

“In a 24-month time frame our rent increased from $1800/mo to $2400/mo to $3000/mo..... We have had to move three times ... due to the owner selling the property... The current rate of increase is unsustainable for our family.”

Survey comment
How did we get here?

3. Rising Housing Prices vs. Incomes/Wages

<table>
<thead>
<tr>
<th>% Increase since 2012</th>
<th>Wages</th>
<th>Rents</th>
<th>Sale Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.4%/year</td>
<td>6%/year</td>
<td>6 to 10%/year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Median rent</th>
<th>Vacancy rate</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Increase since 2012</td>
<td>Available units: &gt;$2,500</td>
<td>&lt;3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20%/year (about 100 units)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FOR SALE</th>
<th>Single-Family Homes</th>
<th>Condominiums/Attached</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Price</td>
<td>$1,030,000</td>
<td>$390,000</td>
</tr>
<tr>
<td>AMI Affordability</td>
<td>360%</td>
<td>165%</td>
</tr>
</tbody>
</table>
How did we get here?

4. In-Commuting

About 1,560 workers (50%) commute in for work;
About 40% would prefer to move

<table>
<thead>
<tr>
<th># of Employees</th>
<th>Live in Big Sky area</th>
<th>Live elsewhere (commute in)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,530</td>
<td>1,560</td>
</tr>
</tbody>
</table>
Challenges – Jobs/Wages

Jobs and Wages by Industry: Big Sky 2016

% of Total Jobs

- Retail Trade
- Accommodation and...
- Other Services
- Educational Services
- Administrative Services
- Real Estate, Support...
- Finance and Insurance
- Professional, Scientific...
- Health Care and Social...
- Construction
- Manufacturing

% of Total Jobs

- $0
- $20,000
- $40,000
- $60,000
- $80,000
- $100,000
- $120,000

% of Total Jobs

- 0%
- 10%
- 20%
- 30%
- 40%
- 50%
- 60%

Average Yearly Wage

- $0
- $20,000
- $40,000
- $60,000
- $80,000
- $100,000
- $120,000
Findings

Employer Problems

• Recruiting employees
• Growing/retaining employees: training is expensive!
• Loss of units (unstable housing) = loss of employees
• Providing quality service

“We are good at training [teachers, food/beverage employees, lodging staff, etc.] for jobs in Bozeman.”

We need more housing if we want to maintain morale and provide high quality service to our customers.

“You should feel rewarded just to live here” only goes so far when you have kids, want to grow a family or purchase a home.

Local employers
Importance

“All employees are essential for a functioning Big Sky!”

“It’s nice that people with power are listening, but we need them to start acting .... Take away the workers, take away Big Sky.”

“We need to do better to create opportunities for working class people to live here.”

Employee survey comments
Study Process

Housing ACTION Plan

- How do we address community housing needs:
  - Goals and objectives
  - Strategies
  - Roles and responsibilities
  - Regular program evaluation – “living document”

There is NO silver bullet!

No one entity is the solution: it is a community problem!
Community Housing Action Plan

Goals and Objectives

To provide a diversity of housing affordable for the community in order to grow and retain a strong base of residents and employees living in Big Sky, which will support the local economy and enhance the character of the community.

- 250-300 Community Housing Units through 2023
- Range of incomes: <100%AMI rental; <200%AMI ownership
- Incorporate Community Housing into build-out
- Resident housing occupancy above 30% of units
Community Housing Action Plan

- Accessory Dwelling Units
- Rental Matching & Mgmt Program
- Employer-Provided Seasonal Housing
- Short-Term Rental to Long-Term Rental Conversion
- Silver (Rental)
- Powderlight (TBD)
- Meadow View (Own)
- Zoning for Affordability
- Down Payment Assistance
- Local Option to Purchase
- Emergency Shelter/Transitional
- Below Market Rentals
- Affordable/Subsidized Rentals
- Market Rentals/First Time Buyers
- Entry Level Subsidized Housing
- Entry & Step-Up Subsidized Housing; Entry Market Condos
- Step-Up & High End Market

Funding:
- Resort Tax / Voluntary Real-Estate Transfer Tax / Private Donation
- Pooling SFE and Water & Sewer Policies
- Linkage
Progress Being Made

Developers
Employers
Community Members
Counties

Service Providers
Local Organizations & Institutions
Elected Officials/Bodies
EVERYONE

Community Housing Program
Questions?

- Thank You -

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303-579-6702

Christine Walker
Christine@navigatejh.com
307-690-4487
# Area Median Income (AMI) Defined

Gallatin County AMI: 2017

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>1-person</th>
<th>2-person</th>
<th>3-person</th>
<th>4-person</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>$14,910</td>
<td>$17,040</td>
<td>$19,170</td>
<td>$21,300</td>
</tr>
<tr>
<td>60%</td>
<td>$29,820</td>
<td>$34,080</td>
<td>$38,340</td>
<td>$42,600</td>
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<tr>
<td>80%</td>
<td>$39,760</td>
<td>$45,440</td>
<td>$51,120</td>
<td>$56,800</td>
</tr>
<tr>
<td>100%</td>
<td>$49,700</td>
<td>$56,800</td>
<td>$63,900</td>
<td>$71,000</td>
</tr>
<tr>
<td>120%</td>
<td>$59,640</td>
<td>$68,160</td>
<td>$76,680</td>
<td>$85,200</td>
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<tr>
<td>150%</td>
<td>$74,550</td>
<td>$85,200</td>
<td>$95,850</td>
<td>$106,500</td>
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<tr>
<td>200%</td>
<td>$99,400</td>
<td>$113,600</td>
<td>$127,800</td>
<td>$142,000</td>
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Employee Household Characteristics

Term of Job Held: Live in Area Year-Round

- Year Round job only: 60%
- Year round and seasonal job: 20%
- Seasonal job(s) only: 20%
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<tr>
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<tbody>
<tr>
<td>Resort tax for housing</td>
<td>Q3 Q4</td>
<td>Q1 Q2</td>
<td>Q3 Q4</td>
<td>Q1 Q2</td>
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<tr>
<td>Land acquisition for housing - Meadowview</td>
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<tr>
<td>Pooling SFE / Water &amp; sewer policies</td>
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<tr>
<td>Homebuyer assistance - down payment</td>
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<tr>
<td>STR Conversion to long term rentals</td>
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<tr>
<td>STR Restrictions</td>
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<tr>
<td>Zoning for Affordability</td>
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<tr>
<td>Land acquisition for housing - evaluation</td>
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<tr>
<td>Land acquisition for housing - purchase</td>
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<tr>
<td>TEDD for housing</td>
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<tr>
<td>Voluntary RE Transfer Assmt</td>
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<tr>
<td>Employer Assisted Housing - rental program</td>
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<tr>
<td>Local option to purchase</td>
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<tr>
<td>Private donations</td>
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<tr>
<td>Linkage - commercial and residential</td>
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</tbody>
</table>

if needed
## Action Strategies

### On-Going Strategies

<table>
<thead>
<tr>
<th>On-going strategies - to continue</th>
<th>Changes made in 2012; monitor development; Include in &quot;rent local&quot; campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessory Dwelling Units (ADU)</td>
<td></td>
</tr>
<tr>
<td>Federal/State - Grants/Loans/LIHTC</td>
<td>Already occurring (HRDC) - continue</td>
</tr>
<tr>
<td>Seasonal housing (beds) - voluntary</td>
<td>Already occurring (employers) - continue</td>
</tr>
</tbody>
</table>

### Additional Considerations

<table>
<thead>
<tr>
<th>Additional Considerations</th>
<th>To be evaluated for potential implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBID</td>
<td></td>
</tr>
<tr>
<td>Seasonal housing requirement (beds)</td>
<td></td>
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<tr>
<td>Fast Track Processing</td>
<td></td>
</tr>
<tr>
<td>Habitat for Humanity</td>
<td></td>
</tr>
<tr>
<td>No-Net Loss/Redevelopment Policy</td>
<td></td>
</tr>
</tbody>
</table>
## Community Housing Action Plan

### Roles/Responsibilities

<table>
<thead>
<tr>
<th>BSCHT LEAD</th>
<th>Others LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resort tax for housing</td>
<td>Pooling SFE; Water &amp; Sewer District Policies</td>
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<tr>
<td>Voluntary Real Estate Transfer Assessment</td>
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<tr>
<td>Employer Assisted Housing - rental program</td>
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<td>Local option to purchase</td>
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<td></td>
</tr>
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</table>
Action Plan Administration

- BSCHT Board – accept Plan, set priorities, contracts
- Present to Counties for recognition
- BSCHT evolution:
  - Add staff: senior housing staff; administrative staff
  - Local entity/presence
- Management items: deed restrictions, guidelines, unit & application management, inventory database
- Public education/outreach
- Updates and Adaptation – living document
What Has/Is Being Done

<table>
<thead>
<tr>
<th>Housing Assistance Provided by Employers: 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay higher wages than other employers in the counties</td>
</tr>
<tr>
<td>Build or purchase units/rooms occupied by employees</td>
</tr>
<tr>
<td>Master lease units that are rented to employees</td>
</tr>
<tr>
<td>Assist employees with housing search; negotiate more affordable lease terms</td>
</tr>
<tr>
<td>Salary stipend/rent assistance (typically $200 to $600/month)</td>
</tr>
<tr>
<td>Down payment assistance (grant/loan)</td>
</tr>
<tr>
<td>Employer provides temporary housing within their own home or with others</td>
</tr>
</tbody>
</table>

“We could not function without the housing that we provide for our employees.”

Local Employer
Why is Community Housing Important?

- More Demand for Commercial Space
- Increased Business Success
- Reduced Seasonal Fluctuation in Business Income
- Produce Housing with Job Growth/Development
- Employees Can Find Homes
- More Stable Workforce
- Less $ Spent on Recruitment/Training /Turnover
- Better Service for Visitors
- More Year-Round Residents Spend Wages in Big Sky
How did we get here?

4. Almost No Dedicated Community Housing (i.e., with Occupancy-/income-/price-limits)