

# Big Sky Community Housing Action Plan

June 2018

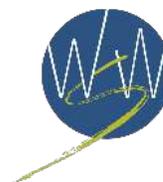


Developers  
Employers  
Community  
Members  
Counties

Service Providers  
Local Organizations  
& Institutions  
Elected Officials/Bodies  
EVERYONE

Community Housing Program

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## Executive Summary

The *Big Sky Community Housing Action Plan* identifies housing goals and a plan of action to address community housing objectives. Strategies to meet objectives have been identified and prioritized; roles and responsibilities have been assigned. A timeline for achieving priority strategies has been established, recognizing that this Plan will have life beyond this timeline and will continue to evolve and meet changing community housing needs over the long term.

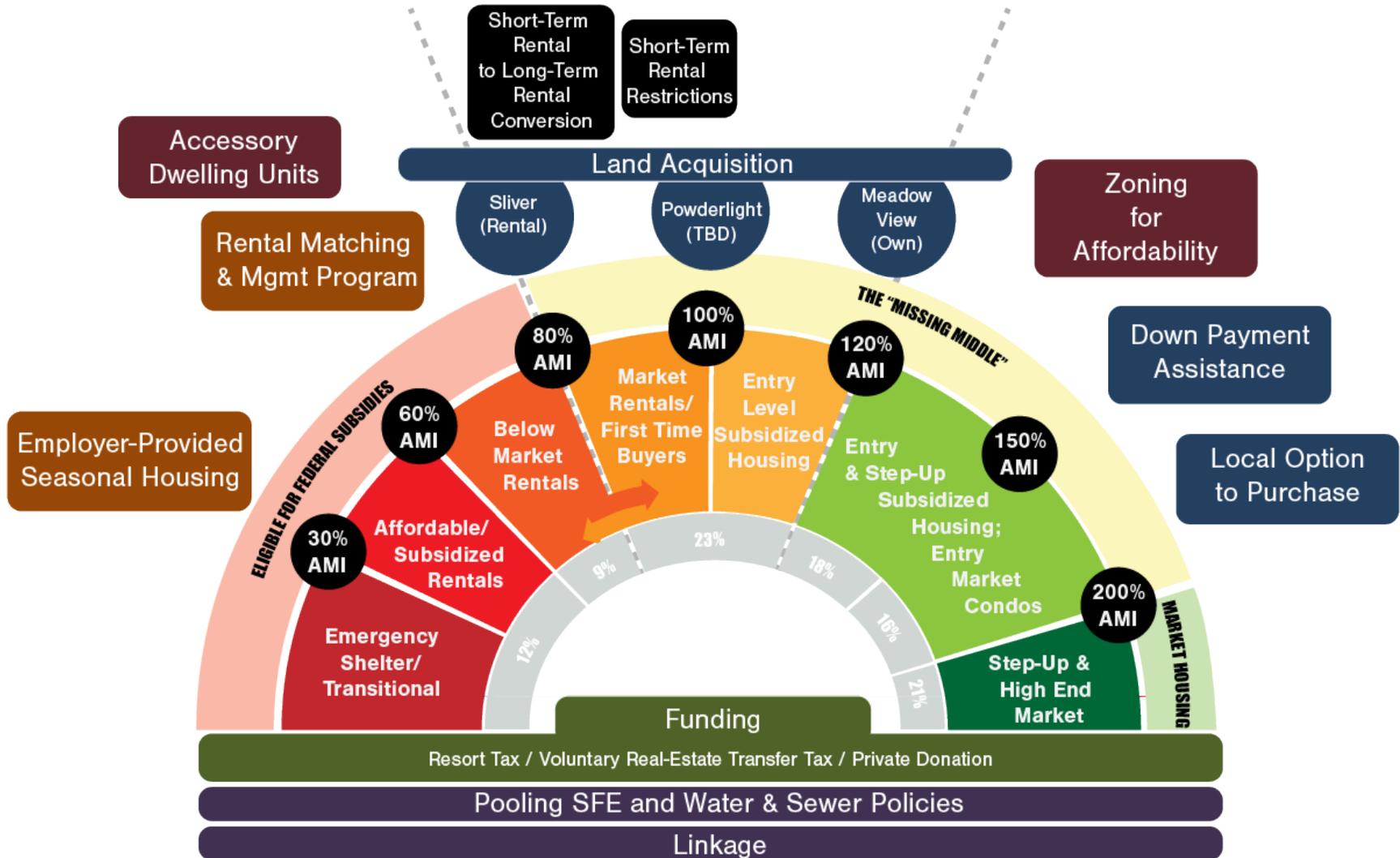
Utilizing a community survey and findings from the *Big Sky Community Housing Assessment and Needs, February 2018*, report to define housing goals, objectives, and priorities, an over 20-member Housing Working Group comprised of Big Sky community stakeholders created this plan. The Plan recognizes that Big Sky is just starting its community housing program. It utilizes existing capacity and relationships to achieve early successes, and recommends increased investment in staff and capacity, relationship building, land acquisition, and local funds to grow the program over time. By including various community members in its implementation (employers, institutions, community organizations, and stakeholders), the Plan recognizes that community involvement is necessary for the Plan's success – it takes a community to build a community.

The primary goal of this plan is to grow and retain a strong base of residents and employees living in Big Sky by integrating community housing as a priority in Big Sky as it continues to build out. This Plan identifies several community housing strategies that will help Big Sky meet this goal and achieve the following objectives:

- Provide 250 to 300 community housing units within 5 years, through a combination of new development, redevelopment, housing programs and strategies. The Plan will have life beyond 5-years and goals will be updated as dictated by needs;
- Target the range of community housing needs currently not being met by the market. This includes rentals for households earning less than 100% AMI (about \$70,000 per year) and ownership housing for households earning up to 200% AMI (about \$120,000 per year); and
- Provide community housing at a rate that keeps up with job growth in the near term, but strive to increase the provision of community housing as capacity grows.

The following graphic summarizes the strategies Big Sky will pursue over the next five years, including incentivizing more community housing development, ensuring community housing is part of the build-out of Big Sky, incorporating short-term rental regulatory and conversion policies, increasing local funding capability, acquiring land for and developing community housing, and helping residents and the workforce get into homes. The primary affordability level that each strategy will address is illustrated below and represents the provision of a diversity of housing for community members across multiple income levels and at various life stages.

### Big Sky Community Housing Action Plan Bridge



## Big Sky Community Housing Action Plan

This section presents the *Big Sky Community Housing Action Plan*. This Plan will focus the community housing program and increase the ability to meet community housing needs.

The primary components of the Plan are discussed below, which include:

1. Goals and objectives. Plan goals and objectives are established to help monitor progress. Objectives should be revisited as community housing needs evolve.
2. Action Strategies. The action strategies represent the prioritized strategies that have been developed to meet housing goals and objectives. The action strategies include defined roles and responsibilities and a timeline for achievement. This is the Action part of the Plan. Because not every strategy can be implemented at once, the sequence of strategies was based on multiple criteria:
  - Housing Needs – does the strategy address a community need? Which needs are most urgent?
  - Current Capacity – what can we do now? What expertise do we need to grow before taking on certain efforts?
  - Building Blocks – which steps need to be taken first to ensure the success of later strategies?
  - Ease of Implementation – are there political or capacity limits? Ability for a successful outcome?
  - Extent of Impact – how much community housing can it provide?
3. Foundational Structure. The foundational structure represents the core operational needs of the Plan. This structure is needed for successful implementation.

The Appendix contains a summary of the Action Plan process, defined terms used in this Plan, and acknowledgements to Plan participants.

This Plan is also accompanied by Technical Documentation, which contains important information for Plan implementation. The Technical Documentation contains detail on the foundational structure needed and each housing action strategy. The Technical Documentation should be referenced by implementing parties to understand the detailed background behind the formation of each strategy, best practices for each strategy, other communities implementing the strategy, and detailed implementation steps and roles specific to Big Sky.

## 1. Goals and Objectives

The Big Sky Community Housing Action Plan presents a set of actions that address a range of community housing needs. The *2018 Big Sky Community Housing Assessment and Needs* study showed that up to 655 housing units are needed over the next five years to address the current housing shortfall for residents and the workforce and to keep up with job growth. About 360 of these units need to be priced below-market to meet the full range of community housing needs. This includes a mix of one-, two-, and three-bedroom housing units, with prices ranging primarily between \$200,000 and \$475,000 for ownership and \$650 to \$1,500 per month for rent. Seasonal dorms should primarily target \$500 or less per bed. As community housing needs change and are updated, the Housing Action Plan will evolve accordingly.

The actions identified in this Plan are designed to help Big Sky achieve its primary goal:

*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.*

The following objectives for meeting this goal will be tracked to monitor progress and revisited as community housing needs evolve:

- **Build-Out.** Ensuring residents and developers recognize that community housing is a priority by incorporating community housing as a necessary component in the build out of Big Sky. This includes allocating existing water and sewer service (SFE) capacity, as well as any future gained capacity, to community housing by:
  - Finding and reserving currently allocated SFE for community housing production in Big Sky in increments, with a preferred goal of up to 300 SFE over the next five years; and
  - Introducing a policy that requires a numerical or percentage allocation of annexed developments and increased service area/capacity be for community housing.
- **Income Levels.** Meeting the needs of a diversity of incomes. Currently, this means renter households earning below 100% AMI (about \$70,000 per year) and owner households earning below 200% AMI (about \$120,000 per year). The relative provision of ownership and rental housing should address needs, but take advantage of opportunities – both are needed.
- **Jobs-Housing Relationship.** Providing between 250 to 300 community housing units by mid-2023 to keep up with the number of units needed to accommodate new job growth. Strive to increase community housing production as capacity grows.
- **Resident Occupancy.** Increasing the resident-occupancy rate of housing units in Big Sky above the current 30%.

## 2. Housing Action Strategies

Over ten (10) strategies have been developed and targeted for implementation within 5-years to begin providing a diversity of community housing in Big Sky. These strategies are built on tools that have been used in communities throughout the intermountain west to address community housing needs. The strategies cover a range of categories and target a variety of incomes and housing types, ensuring that community housing needs are being addressed from multiple angles. This includes:

Funding	Incentives
Housing Programs	Employer Assisted Housing/Partnerships
Development Requirements	Short-Term Rental Programs

This Plan recognizes that there is no silver bullet – no one strategy can do it all. Some strategies will be more effective than others as housing markets, investments, development, resources, opportunities and capacities change. The diverse approach builds flexibility into the Plan and will help provide community housing in multiple environments.

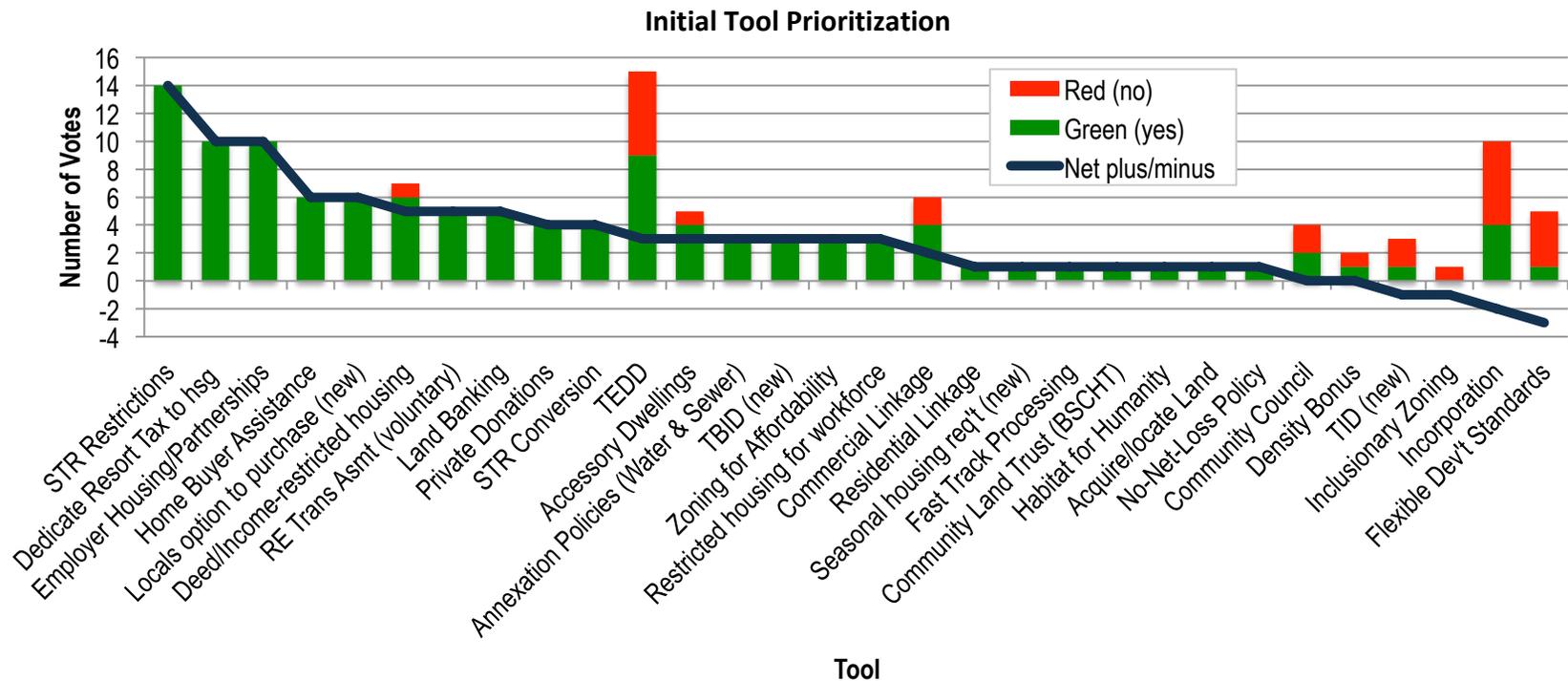
The graphic on page two of this Plan (*Executive Summary – Big Sky Community Housing Action Plan Bridge*) summarizes the housing strategies that that Big Sky will implement over the next five years and the primary affordability level that each strategy will address.

This section provides more detail on the developed strategies, as follows:

- Housing tool priorities: Presents the initial prioritization by the Housing Working Group of over 30 housing tools. The top-ten tools were the primary focus in following work sessions through which detailed housing strategies for implementation were developed (see *Appendix A – Methodology* for more information).
- Timeline for implementation: Shows the anticipated schedule for implementation for each community housing strategy over the next five years.
- Action strategy descriptions: Provides more detail on each housing strategy, presented in order of implementation. A definition is provided for each strategy, along with each strategy’s purpose and a summary of the proposed action steps.
- Roles and responsibilities: Identifies the Big Sky entities or members that will be responsible for implementing each strategy. Lead and supporting roles are identified.

### Housing Tool Priorities

The prioritization of over 30 housing tools by the Housing Working Group is shown in the below chart. A few tools stood out as being particularly contentious, including TEDD for funding and incorporation. Generally, items receiving net positive three (3) or more were retained for consideration for implementation within the first five years of the housing program. Commercial and residential linkage were exceptions. These development requirements were retained for further consideration despite receiving less than three net-positive votes due to their potential effectiveness in Big Sky.



\*Excludes tools that received no votes (either positive or negative). All tools receiving the same number of votes should be interpreted as being at an equal level of priority (e.g., four tools received a net-positive of three votes: these are all at the same priority level).

### *Timeline for Implementation*

The majority of the prioritized tools were developed into housing strategies for implementation within the next several years. Strategies will be monitored and modified as needed to ensure effectiveness. The schedule for implementation is shown in the following timeline.

Some unique features of the strategy implementation schedule are important to highlight:

- The timeline recognizes that Big Sky is just beginning its community housing program. The first year strategies are designed to work within capacity and management limits, take advantage of opportunities, and build support and expertise to undertake more complex strategies in the future.
- Early strategies are also designed to utilize the relationships that exist in Big Sky, by relying on partnerships and voluntary programs to facilitate community housing. The most successful housing programs have both carrots and sticks (mandates and incentives); however, the implementation of two components can make Big Sky successful with voluntary partnerships where others have failed. This includes:
  1. “Pooling SFE/Water & Sewer policies” (year one) to incorporate community housing into the build-out of Big Sky. By finding and reserving water and sewer capacity for community housing, this will inform the public it is a priority to Big Sky’s elected officials and institutions, inform developers that it is a priority, and ensure water and sewer service is available for community housing as Big Sky builds out; and
  2. “Voluntary real estate transfer assessment” (year two) to provide a recurring source of revenue for the community housing program. High-cost, majority second-homeowner markets benefit significantly from this funding strategy.

Without these two components, mandated commercial and residential linkage will be revisited by year three to ensure community housing development and/or financing occurs concurrent with commercial (and job) growth and market residential development – not five or ten years later, or never as the case may be.

The bottom of the timeline also shows existing programs that will continue and be monitored as part of this Plan. This includes the 2012 changes to the Accessory Dwelling Unit program, pursuit of state and federal financing for community housing, and production of seasonal dorms/beds by employers.

### Timeline of Priority Tools

Strategies and Tools	Tool Type	2018		2019				2020				2021				MID TERM			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023	2024	2025
Resort tax for housing	Funding	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Land acquisition for housing - Meadowview	Program	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Pooling SFE / Water & sewer policies	Requirements	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Homebuyer assistance - down payment	Program	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
STR Conversion to long term rentals	STR	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
STR Restrictions	STR	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Zoning for Affordability	Incentives	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Land acquisition for housing - evaluation (Sliver, Powderlight, etc.)	Program	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Land acquisition for housing - purchase	Program	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
TEDD for housing	Funding	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Voluntary RE Transfer Assmt	Funding	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Employer Assisted Housing - rental program	Partnership	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Local option to purchase	Program	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Private donations	Funding	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Linkage - commercial and residential	Requirements	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
TBID	Funding	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Seasonal housing requirement (beds)	Requirements	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Fast Track Processing	Incentives	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Habitat for Humanity	Programs	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
No-Net Loss/Redevelopment Policy	Preservation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
<b>On-going programs - to continue</b>																			
Accessory Dwelling Units (ADU)	Incentives	Changes made in 2012; monitor development; include in "rent local" campaign																	
Federal/State - Grants/Loans/LIHTC	Funding	Already occurring (HRDC) - continue																	
Seasonal housing (beds) - voluntary	Development	Already occurring (employers) - continue																	

**Key:**  
 Action Phase  
 Ongoing Phase

if needed

To be evaluated for potential implementation

### Action Strategy Descriptions

The following tables summarize each priority strategy, presented in order of implementation. Strategies are color-coded based on the primary tool type shown in the timeline (e.g. funding, incentives, programs, etc.). A definition is provided for each strategy, along with each strategy’s purpose and a summary of the proposed actions. This provides a short summary of the Action Strategies, with more specific information provided in the Technical Documentation for this Plan.

### Big Sky Action Plan Strategies

Strategy	Definition	Purpose	Proposed Actions
<b>Resort Tax for Housing</b>	Sales, property, lodging, real estate transfer, excise tax can be dedicated sources for community housing efforts.	<ul style="list-style-type: none"> <li>Provide local funding for housing to serve the full range of housing price/income needs.</li> <li>Pair/leverage local funding with private investments, state and federal resources; build community housing and support programs; seed money for housing program capacity (BSCHT).</li> </ul>	<ul style="list-style-type: none"> <li>Request funds from Resort Tax Board on an as-needed basis.</li> <li>BSCHT coordinates request.</li> <li>If state raises the tax limit by 1%, explore whether any of the 1% should be dedicated to housing through vote.</li> </ul>
<b>Land Acquisition for Housing</b>	Acquiring land through purchase or trade for eventual community housing development.	<ul style="list-style-type: none"> <li>Identify and prioritize parcels or redevelopment opportunities suitable for affordable ownership and rental housing.</li> </ul>	<ul style="list-style-type: none"> <li>Pursue Meadowview (ownership), Sliver (rental), and Ace parcels.</li> <li>Analyze other parcels for future acquisition.</li> <li>Coordinate/negotiate with owners for purchase/community housing development.</li> <li>Request Resort Tax Funds as needed; explore other funding sources: state, federal, local (e.g. LIHTC, CDBG, Foundations, etc.).</li> </ul>

Strategy	Definition	Purpose	Proposed Actions
<b>Pooling Existing SFE / Water &amp; Sewer Policies (annexation and expansion)</b>	Incorporate community housing as an upfront component in the SFE build out of Big Sky – present and future.	<p>This sets the stage for Big Sky’s housing program. It ensures that:</p> <ul style="list-style-type: none"> <li>• Community housing will be an integrated component of future development.</li> <li>• Informs the public that Big Sky intends to produce community housing and has planned for that housing within its water and sewer service capacity.</li> <li>• Informs developers that community housing is a priority and that SFE is available for community housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Find and set-aside SFE among existing allocations for community housing development.</li> <li>• Devise Water and Sewer annexation policy requiring community housing as part of request – up to 30% discussed.</li> <li>• Devise Water and Sewer District expansion policy that reserves SFE for community housing concurrent with expansion.</li> <li>• Identify receiving areas for transfer of SFE for community housing development.</li> </ul>
<b>Homebuyer Assistance – Down Payment</b>	Down payment assistance of grants or second mortgages for qualified buyers.	<ul style="list-style-type: none"> <li>• Expand funding sources to enable BSCHT to serve higher income households (earning up to 150%+ AMI) and allow higher home purchase prices than existing state/local (e.g., HRDC) programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize CRA/EQ2 management with BSCHT and Neighbor Works Montana (qualified Community Development Financial Institution).</li> <li>• Seek/coordinate local funding: CRA/EQ2 funds, Resort Tax, Yellowstone Club Community Foundation, others.</li> <li>• Refine loan/repayment terms.</li> <li>• Community and employer/employee education and outreach.</li> </ul>
<b>STR Conversion to Long Term Rentals</b>	Incentivizing conversion to long term rentals (LTR) may include providing rent guarantees and property management in exchange for renting units long term that were vacant or rented short term. Other options may include property tax breaks or other incentives.	<ul style="list-style-type: none"> <li>• Reduce the loss of year-round rentals for residents to STR conversion.</li> <li>• Encourage STR and vacant-unit owners to rent long term to local employees.</li> </ul>	<ul style="list-style-type: none"> <li>• “Rent Local” outreach program to educate homeowners of the need for housing for employees.</li> <li>• Combine with the Employer Partnership program to provide a pool of renters for interested homeowners and possible employer master-lease/rent guarantees to incentivize participation.</li> </ul>

Strategy	Definition	Purpose	Proposed Actions
<b>STR Restrictions</b>	Restrictions may include prohibitions in zones where residents and employees reside, limiting the number in defined areas, requirements that units be occupied as primary residences part time or while short-term rented, prohibiting STR of deed restricted housing.	<ul style="list-style-type: none"> <li>• Reduce the loss of year-round rentals for residents to STR conversion.</li> <li>• Retain neighborhood integrity by ensuring resident neighborhoods do not become transient-occupant zones.</li> <li>• Support increased enforcement of state STR license and tax collection requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with HOAs and Zoning Advisory Board to reach out to neighborhoods; locate where changes/restrictions are desired.</li> <li>• Explore ability for local STR permit/fee (e.g. HOA and/or County) to track units, possibly support housing.</li> <li>• Explore ability to link Resort Tax Board “scraping” of STR units with State licenses to locate unlicensed units - enforce.</li> </ul>
<b>Zoning for Affordability</b>	Ensure that local regulations support development of community housing and increase the supply and diversity of housing choices for community residents, (e.g. allow small lots for modest/tiny houses, live/work opportunities, multi-family by-right).	<ul style="list-style-type: none"> <li>• Promote flexibility in zoned areas for community housing and provide incentives for its development.</li> <li>• Increase the opportunity for moderate density, affordable residential development to occur without the multiple variances that are presently required to develop this product.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore Affordable Housing Zoning District or Affordable Housing Overlay District that provides a package of incentives by right in exchange for permanence of affordability/occupancy by local workers (fast track; access flexibility; reduced parking, setbacks, ROWs; smaller lots, etc.). <ul style="list-style-type: none"> <li>○ Determine best path: Zone or Overlay.</li> <li>○ Advisory committee to recommend changes, help draft code.</li> </ul> </li> </ul>
<b>Targeted Economic Development District (TEDD) – for housing</b>	Allocation of new property and/or sales tax in defined districts. County can define through a Targeted Economic Development District (TEDD).	<ul style="list-style-type: none"> <li>• Provide an additional revenue source for housing, with incremental tax dollars remaining in Big Sky as development occurs.</li> </ul>	<ul style="list-style-type: none"> <li>• TEDD is controversial and requires County coordination to establish.</li> <li>• Explore legislative change to allow housing as a defined TEDD investment.</li> <li>• Lower priority – to be pursued after other options, above.</li> </ul>

Strategy	Definition	Purpose	Proposed Actions
<b>Voluntary Real Estate Transfer Assessment (RETA)</b>	Voluntary/negotiated fee on real estate sales. May occur through a development agreement, covenant, or other. May limit to higher-priced properties that are unaffordable for most locals. Useful revenue in resort communities.	<ul style="list-style-type: none"> <li>• Provide a recurring source of revenue to support community housing in Big Sky.</li> <li>• A voluntary assessment (recurring payment upon transfer) would replace the need for a mandatory residential linkage fee (one time payment at time of construction).</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate with resorts and developers of new high-end/second homeowner product to voluntarily place a covenant requiring up to a 1% transfer assessment to a 501(c)(3) for housing.</li> <li>• Legal review/drafting of covenant.</li> <li>• Outreach to HOAs and Real Estate Community through a “donate to local housing” campaign at property transfer.</li> </ul>
<b>Employer Assisted Housing - Rental Matching and Management Program</b>	Support for employers that provide/desire to provide housing: contracting to manage rental units; linking employers/ employees with housing.  Examples: Whistler, BC, Home Run program; Santa Barbara Coastal Housing Partnership, CA	<ul style="list-style-type: none"> <li>• Coordinate current independent employer efforts being taken to locate, master-lease, purchase/manage, and/or supplement housing for their employees into a central service that links employers (and their employees) to rentals.</li> <li>• Encourage home owners to participate through low-risk master-lease agreements and property management/tenant placement services.</li> <li>• Incentivize short-term rental owners to convert to long-term.</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach to employers to target the program, establish structure, define components.</li> <li>• Set up central property management system for employer membership.</li> <li>• Research property management options – existing local companies or new capacity.</li> <li>• Begin with employer assistance; expand to incentivize short-term rental conversion (“Rent Local” campaign).</li> <li>• Explore ability for employers to pool resources and assist construction of affordable rental product (e.g. pre-master lease; partnerships; land; etc.)</li> </ul>
<b>Local Option to Purchase</b>	Allow residents/ workforce to better compete for housing by providing upfront opportunity to buy. Voluntary.	<ul style="list-style-type: none"> <li>• Allow locals to better compete for housing with second homeowners/ investment buyers.</li> </ul>	<ul style="list-style-type: none"> <li>• “Sell Local” campaign – Realtor and seller outreach and education.</li> <li>• Explore incentives to encourage sellers to market first to locals – pre-listing, reduced commission, etc.</li> <li>• Combine with BSCHT down payment program to link qualified buyers with sellers.</li> </ul>

Strategy	Definition	Purpose	Proposed Actions
<b>Private Donations</b>	Tax deductible contributions to a non-profit organization to support housing.	<ul style="list-style-type: none"> <li>• Create or collaborate with an existing entity to support private donations to a housing fund.</li> <li>• Link to Housing Action Plan efforts.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine/form receiving entity/organization.</li> <li>• Spending plan for use of funds.</li> <li>• Education/outreach campaign.</li> </ul>
<b>Linkage – Commercial and Residential</b>	Commercial and residential linkage requires new development to provide housing or fees for a portion of employees needed to fill jobs created by new development. Residential is typically limited to fees. Applies at building/occupancy permit time – not dependent upon having zoning in place. Nexus required.	<ul style="list-style-type: none"> <li>• Ensure that community housing is being provided or compensated for (fee) at the time of commercial and market-rate/second homeowner residential development, rather than as an afterthought.</li> <li>• Ensure fees collected represent net-neutral impact (development pays for its impacts – no more, no less)</li> <li>• Use fees to build units – leverage other local/state/federal funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial linkage will only be explored if the Water and Sewer Capacity goals, above, are not met. To be revisited in two years.</li> <li>• Residential linkage will only be explored if the voluntary RETA covenants are not implemented. To be revisited in two years.</li> <li>• Will require: <ul style="list-style-type: none"> <li>○ Nexus study.</li> <li>○ Legal review; possible impact fee legislative change to allow housing.</li> <li>○ Ordinance or resolution drafting.</li> </ul> </li> </ul>

## On-Going Programs

Strategy	Definition	Program Goal	Proposed Actions
<b>Accessory (Secondary) Dwelling Units (ADUs)</b>	A second smaller home sharing a lot with a single-family or townhome residence. Some examples of ADUs include an apartment over a garage, a tiny house in the backyard, or a basement apartment.	<ul style="list-style-type: none"> <li>• Promote infill development and increased opportunities for housing for locals by incentivizing/stimulating ADU development.</li> </ul>	<ul style="list-style-type: none"> <li>• 2012 changes to ADU codes reduced many of the regulatory barriers and ADUs are being constructed.</li> <li>• Incorporate ADUs in SFE actions.</li> <li>• Include ADUs in “Rent Local” campaign.</li> </ul>
<b>Federal/State Funding (Grants/Loans/LIHTC)</b>	Applying for state/federal grants/loans for affordable housing. Typically limited to below 80% AMI. Low-income housing tax credits (LIHTC) provide project equity for public, non-profit and private developers to construct low-income rentals.	<ul style="list-style-type: none"> <li>• Continue to assess opportunity to utilize state/federal financing for programs, projects.</li> </ul>	<ul style="list-style-type: none"> <li>• HRDC present activity to continue.</li> <li>• Assess ability for future low-income housing tax credit projects (LIHTC).</li> </ul>
<b>Employer-Provided Seasonal Housing (beds) - voluntary</b>	Units built, owned or master-leased by employers for transient, seasonal employees.	<ul style="list-style-type: none"> <li>• About 40% of transient seasonal workforce is provided with housing (most through dorms/lodging units) – retain at least this level of service locally for transient seasonal workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Employers to continue production of seasonal dorms/beds.</li> <li>• Construct units as specified within Resort development plans.</li> <li>• Produce units as employment growth/needs dictate.</li> </ul>

### *Roles and Responsibilities*

The Housing Working Group recognized the need for a coordinating entity to facilitate implementation. For all except four (4) strategies, this placed BSCHT in the lead, with the objective of forming community-member work groups and committees with the skills, contacts and interest to undertake implementation. By pooling the strengths of community members and stakeholders, strategies can be more effectively implemented. More specific community involvement for each strategy is summarized in the Technical Documentation for this Plan.

#### **Matrix of Responsibilities: Strategies**

<b>STRATEGIES (in order of implementation)</b>	<b>LEAD</b>	<b>SUPPORT</b>
Resort tax for housing	BSCHT, RTB	Community leaders
Land acquisition for housing - Meadowview	BSCHT	Development community, RTB
Pooling of SFE; and Water and sewer policies	Boyne, Cross Harbor, Town Center/Simkins; W&S	BSCHT
Homebuyer assistance - down payment	BSCHT Big Sky Western Bank	NWMT, Local businesses, lenders, real estate community
STR Conversion to long term rentals	BSCHT	Real estate community, PR firm ("rent local")
STR Restrictions	BSCHT, BSOA	Other HOAs, ZAB, Counties, RTB
Zoning for Affordability	Advisory Committee (ZAB, developers, leaders)	BSCHT Gallatin County Planning
Land acquisition for housing – evaluation and purchase	BSCHT	Development community, RTB, Donations
TEDD for housing	Community leaders	Other organizations, County/Counties
Voluntary Real Estate Transfer Assessment	BSCHT	Resorts, Developers, Real Estate community, HOAs PR firm ("donate local")
Employer Assisted Housing - rental program	BSCHT	Advisory Committee (Chamber, property management, employers), PR Firm ("rent local")
Local option to purchase	BSCHT	Real estate community, PR firm ("sell local")
Private donations	YCCF	MBCF, SPCF, BSCHT, PR Firm ("donate local")
Linkage - commercial and residential	BSCHT	Community leaders, ZAB, Advisory committee

**Matrix of Responsibilities: Strategies (continued)**

<b>On-Going Programs</b>	<b>LEAD</b>	<b>SUPPORT</b>
Accessory Dwelling Units (ADU)	BSCHT	W&S, PR Firm ("rent local")
Federal/State - Grants/Loans/LIHTC	BSCHT/HRDC	Community members
Seasonal housing (beds) - voluntary	Employers	

Abbreviations: BSCHT = Big Sky Community Housing Trust; HRDC = Human Resources Development Council; RTB = Resort Tax Board; W&S = Big Sky Water and Sewer; NWMT = Neighbor Works Montana; PR = Public Relations; ZAB = Zoning Advisory Board; BSOA = Big Sky Owners Association; HOA = Home Owners Association; YCCF = Yellowstone Club Community Foundation; MBCF = Moonlight Basin Community Foundation; SPCF = Spanish Peaks Community Foundation.

### 3. Foundational Structure

Big Sky is just getting started with its housing program. A strong foundational structure needs to be established as the first action item. Most of the foundational structure should be in place within the first two-years of Action Plan implementation, as shown below.

**Foundational Structure Timeline**

FOUNDATIONAL STRUCTURE	2018		2019				2020				LONGER TERM
	Quarter 3	4	1	2	3	4	1	2	3	4	2021+
Plan Administration	[Darker Blue]		[Darker Blue]				[Darker Blue]				[Darker Blue]
Capacity	[Darker Blue]		[Darker Blue]		[Darker Blue]		[Darker Blue]				[Darker Blue]
Program Management	[Darker Blue]		[Darker Blue]				[Darker Blue]				[Darker Blue]
<i>Housing guidelines</i>	[Darker Blue]		[Darker Blue]		[Darker Blue]		[Darker Blue]				[Darker Blue]
<i>Deed restrictions</i>	[Darker Blue]		[Darker Blue]		[Darker Blue]		[Darker Blue]				[Darker Blue]
<i>Unit management/housekeeping</i>	[Darker Blue]		[Darker Blue]				[Darker Blue]				[Darker Blue]
<i>Inventory tracking</i>	[Darker Blue]		[Darker Blue]				[Darker Blue]				[Darker Blue]
Public Outreach/Education	[Darker Blue]		[Darker Blue]				[Darker Blue]				[Darker Blue]

\*Darker blue = the action phase for each element; lighter blue = on-going phase.

Each item is generally defined below, followed by the recommended implementation for each foundational item. For more detail, please reference the Technical Documentation for this Action Plan:

- Plan Administration – includes responsibility for establishing priorities, defining roles and responsibilities, ensuring accountability, defining communication, monitoring progress and adapting the Plan as needs and opportunities change.

The first step of administration will be to submit the plan for acceptance by the BSCHT Board; incorporating the Plan into any MOUs or contracts for implementation; and presenting the Plan to the Counties for recognition.

Big Sky Community Housing Trust (BSCHT) Board and staff will have primary oversight for plan implementation, with support from community leaders. Administration will evolve along with BSCHT; building a stronger local presence as the capacity and resources of the housing program grow.

## EVOLUTION OF ADMINISTRATION STRUCTURE



- Capacity – having sufficient staffing and expertise to ensure effective oversight and implementation of the Plan.  
BSCHT currently has one half-time staff person. This barely covers current tasks of the entity. BSCHT will add a full-time senior housing staff person within the first year of Plan implementation and a support staff person by year three.
- Program Management – ensuring clear tracking, monitoring and management of units to retain community housing goals:
  - *Housing guidelines* – providing information on community housing development specifications, affordability levels, ownership and rental qualification procedures, sale/resale and rental standards, compliance and grievance processes, unit management, etc.;
  - *Deed restrictions* – ensuring consistency, clarity, and that community housing goals are met. Two types of deed restrictions will be produced: one with income- and local employee-restrictions, one with only local employee restrictions;
  - *Unit management/housekeeping* – having a central structure in place to monitor and manage the sales/rental occupancy, qualifications, maintenance, compliance monitoring, waitlists, etc. of community housing units.
  - *Inventory tracking* – maintaining a database of deed restricted units to track their effectiveness, continued affordability, turnover, and occupancy to ensure the housing program and units are meeting goals.

BSCHT will be responsible for developing program management capacity, inventory tracking and establishing the guidelines and deed restrictions for Big Sky. Examples from other communities may provide guidance, but will be tailored for Big Sky.

- Public Involvement, Outreach and Education – ensuring transparency, public engagement, and public education of the housing program. Transparency builds trust, which builds support.

BSCHT will have primary responsibility for program education, outreach and public engagement. Representatives of Yellowstone Club Community Foundation and Highline Partners will provide support.

**Matrix of Responsibilities: Foundation**

<b>FOUNDATIONAL STRUCTURE</b>	<b>LEAD</b>	<b>SUPPORT</b>
Plan Administration	BSCHT	Community leaders
Capacity	BSCHT	
Program Management:		
<i>Housing Guidelines</i>	BSCHT	Consultant, HRDC
<i>Deed Restrictions</i>	BSCHT	Consultant, HRDC
<i>Unit Management/Housekeeping</i>	BSCHT	Property management
<i>Inventory Tracking</i>	BSCHT	Consultant (web and database support)
Public Outreach/Education	BSCHT	YCCF, Highline Partners, PR Firm

Abbreviations: BSCHT = Big Sky Community Housing Trust; HRDC = Human Resources Development Council; YCCF = Yellowstone Club Community Foundation; PR = Public Relations

## **APPENDIX A – Action Plan Process, Definitions and Acknowledgements**

## Community Housing Action Plan Process

The Action Plan process began with an update to the 2014 Housing Development Plan to:

- Identify how much, what type, at which price points, and for whom community housing is needed both currently and projected over the next five years;
- Inventory existing resources and capacity; and
- Understand current housing achievements.

Using the *Big Sky Community Housing Assessment and Needs* report and survey as the foundation, the *Big Sky Community Housing Action Plan* process kicked off in March 2018. The process included five work sessions with the Housing Working Group over an intense two-month period. The consultant team provided technical assistance and expertise on housing solutions in the intermountain west; the over twenty (20) elected board members, employers, institutions, and community stakeholders comprising the Housing Working Group made decisions and crafted strategies to make the Plan “Big Sky.” Through this process, the community led the Plan’s development, resulting in the *Big Sky Community Housing Action Plan*.

More specifically, the process:

- Began with an overview of key findings from the *Big Sky Community Housing Assessment and Needs* report and community survey to shape the goals, objectives, and priorities of the community housing Action Plan. Housing Working Group members were presented with information on the necessary components of successful housing programs; core needs for housing plan implementation; and how other high-cost, mountain resort communities have been addressing housing necessary to maintain their communities.
- At the second session, the Housing Working Group was presented with over 30 tools that other communities have used to address community housing needs. Through input from the consultants and discussion among community members, the Housing Working Group voted on tools they felt would be most effective for Big Sky.
- The Housing Working Group then spent two technical work sessions on the prioritized tools to develop action strategies. Through this process, the Housing Working Group learned about best practices in comparable communities, developed strategies, and discussed roles and responsibilities for implementation.
- The final session established a timeline for strategy implementation, targeted roles and responsibilities, established a framework for Action Plan administration and community housing management, and finalized goals and objectives.

## Definitions

The following definitions are provided and coincide with those used in the *Big Sky Community Housing Assessment and Needs (February 2018)*.

Affordable housing - As used in this report, housing is affordable if the monthly rent or mortgage payment is equal to or less than 30% of gross household income (before taxes).

Area Median Income (AMI) - A term that generally refers to the median incomes published annually for counties by the US Department of Housing and Urban Development (HUD). AMI varies by household size. AMI is used to set income and rent limits for housing programs statutorily linked to HUD income limits (e.g. low-income housing tax credit rentals).

Community Housing - Used in this report to define housing that is intended to be occupied by and affordable to residents of and persons employed in Big Sky. The report *Big Sky Community Housing Assessment and Needs (February 2018)* identifies community housing needs in Big Sky in 2018 through 2023.

Community Housing Unit – Ownership or rental housing suited to and affordable for a household living year-round in Big Sky. Community Housing Unit is differentiated from seasonal housing dorms or “beds” in that community housing targets households residing in Big Sky year-round, as opposed to transient, summer- or winter-only seasonal workers.

Missing Middle - Generally refers to ownership housing needed for residents and employees earning over 80% AMI, yet that cannot afford market-rate housing. In Big Sky, this generally refers to households earning between about 80% AMI up to 200% AMI (an average-sized 2.5-person household earning between \$70,000 to \$120,000 per year).

Resort Tax - A 3% tax in the Big Sky Resort Tax District that is charged on "luxury" items and services, meaning items and services that are not deemed necessities of life. The tax is collected by local businesses within the defined Resort Area. The elected Resort Tax Board of Directors appropriates the funds to critical local community services on an annual basis.

Seasonal housing – Employer-provided dorms or “beds” that house transient, summer- or winter-only seasonal workers. Local employers will continue to provide beds for their seasonal workforce as part of this Plan.

Workforce Housing - Housing intended for and affordable to employees and households earning local wages.

## Acknowledgements

We would like to thank everyone who gave their time and assistance to create the *Big Sky Community Housing Action Plan*. Input from local employers, Realtors and property managers (through targeted interviews) and about 1,000 local employees and residents (through a community survey), were central to identifying the community housing needs and several strategies that are the focus of this Plan.<sup>1</sup> Development of Plan specifics relied on extensive participation from community stakeholders, leaders, and residents that formed the Housing Working Group:

<b>Name</b>	<b>Primary Affiliation*</b>	<b>Name</b>	<b>Primary Affiliation*</b>
Brian Hurlbut	Big Sky Arts	Al Malinowskii	Gallatin Partners, Inc.
Candace Carr Strauss	Big Sky Chamber of Commerce	Heather Budd	Highline Partners
Sarah Gaither	Big Sky Food Bank	Heather Grenier	Human Resource Devel. Council (HRDC)
Janet Storey	Big Sky Owners Association	Brian Guyer	Big Sky Community Housing Trust/HRDC
Brian Wheeler	Big Sky Resort	Kevin Germain	Lone Mountain Land Co.
Rick Simkins	Big Sky Town Center	Christina Calabrese	Lone Mountain Land Co.
Ryan Hamilton	Big Sky Town Center	Charity Fechter	Madison County Planning Dept.
Timothy Kent	Big Sky Western Bank	David Kirken	Yellowstone Club
Mathieu Menard	Gallatin County Planning Dept.	Cindy McPheeters	Yellowstone Club
Tim Skop	Gallatin County Planning Dept.	Britt Ide	Yellowstone Club Community Foundation
Steve Johnson	Gallatin Canyon/Big Sky Zoning Advisory Committee		

\*Most working group members are affiliated with multiple organizations in Big Sky (e.g., Resort Tax Board, Big Sky Water and Sewer District, BSCHT Board, Big Sky Chamber of Commerce, etc). Only the primary affiliation of each member is listed above.

We cannot thank the community enough for the wealth of insight and experience they brought to this process. The *Big Sky Community Housing Action Plan* would not exist without this broad and extensive participation.

<sup>1</sup> See “Big Sky Community Housing Assessment and Needs,” Feb. 2018, by WSW Consulting, Inc., et al, for a complete overview of input and housing needs.