



## **Minutes BSCHT Board Meeting February 9, 2022**

**Attendees:** Rick Simkins, Mark Dean, Dave Brown, Lindsay Colbert, Kevin Hinkle, Kenny Holtz, Erin Cluff, Cleve Johnson, Elise Clark, Steve Brown, Jenn Boutsianis, Beckie Brockie, Laura Seyfang

Meeting was called to order at 2:01 pm

**Approval of January 2022 Board Minutes** –Minutes were unanimously approved. Motion by Erin, Second by Kenny.

**Conflict Declarations:** Kevin’s ongoing role with LMLC and RiverView Project was again identified. Kenny identified a standing conflict regarding the Yellow Tail project.

Dave Brown welcomed three new board members: Steve Brown, Elise Clark and Jenn Boutsianis. All other Board members briefly introduced themselves.

### **Financial Update:**

Kevin Hinkle described his meeting with Laura regarding updates to our Internal Controls Procedure which was approved in 2020. He proposed waiting until the new ED is on board before bringing to the Board for their approval. Kevin committed to working to provide improved Financial Reports in future months. He walked the Board through the Balance Sheet and P&L statement.

### **MeadowView Transition to BSCHT**

HRDC and BSCHT have signed off on the transfer agreement. BSCHT lawyer has drafted all the transfer documents and sent to HRDC for their review. HRDC has transferred all the required documents (i.e. DPA Loans). A closing date is being scheduled for week of February 14th.

### **RiverView Apartment Update**

- Site Plan / Rendering – have updates from 359
- PUD Submission – targeting third week in February
- CC&Rs – BlueLine and Lone Mtn Land Co in agreement
- Neighbor Outreach – coordinating discussions with closest neighbors

BlueLine slightly revised the housing mix to make the project more attractive to investors. They spoke with 2 investors this week who are working on pricing and expect to receive LOIs early next week. The initial feedback has been very positive on the adjustments, and BlueLine believes we will get offers at least matching our initial underwriting at \$0.87.

## Powder Light2

A support letter was shared with Ron Edwards stating BSCHT agrees to the allocation of **13.05 SFEs** to LMLC for the Powder Light Workforce Housing Project, Phase 2, from the dedicated pool of Workforce Housing SFEs. BSWSD will review LMLC request at their February 15<sup>th</sup> meeting.

- LMLC agrees to follow all stipulations of the Interlocal Agreement between Big Sky Resort Tax District and Big Sky Water and Sewer District regarding use of SFEs for Workforce Housing for the project.
- LMLC agrees to place a permanent Deed Restriction on the entirety of the project, restricting its occupancy to local residents and preventing any short-term vacation rentals.
- Tenants for 10 units consisting of 46 Bedrooms in Building A on Lot 3 will be selected by BSCHT and preference will be given to non-LMLC employees. Rents will be capped at affordable rates for average Big Sky employees.
- LMLC will provide Property Management services for the entire project
- BSCHT will monitor compliance to the Deed restriction for the entire project

LMLC plans to Master Lease ALL units to employers – they do not want the hassle of dealing with individual tenants. Their units will be leased to Cross Harbor affiliates. Bed rate will be about \$600/month. Phase 2 units should be available for occupancy December 2022.

The 10 BSCHT units are either 4 or 5 bedrooms with two beds in each bedroom, a large kitchen and living room.

BSCHT will master lease units to local non-Cross Harbor businesses for one year. Ideally 1-2 businesses per unit... 4 beds (or two bedrooms) minimum per business.

The hospital is up for leasing one unit of 10 beds (in Phase 1 if possible).

BSCHT will reach out to local businesses, and publish through the Chamber, to see who is interested in these Phase 2 units.

The business owner (lessor) will collect rent from their individual employee tenants and be responsible for filling beds and paying the total rent to LMLC. If a bed is vacant, the employer is still responsible to pay the rent. They can choose whether or not to subsidize their employees for the rent payment.

Occupants must work minimum 30 hours/week in BSRAD boundaries

Occupants cannot own a residence in Big Sky

Discussion ensued around whether BSCHT should hold the master lease on one 5 bedroom unit and chooses the 10 tenants who are really struggling to find housing. Board consensus was this would put financial risk on BSCHT and be too labor intensive and we should focus on master leases to employers. If we are not able to find enough employers for master leases we could reconsider.

### **Rent Local Renewal Update**

On January 31, 2022, BSCHT staff conducted a weighted drawing to give awards to Big Sky property owners who have previously rented on the long-term market. (Approximately 35% of all funds raised for RENT LOCAL were reserved for renewing homeowners.) The goal is to RETAIN rental units for local residents and restrict further decline in available rental properties.

Recipients received awards at 75% of what's offered to new owners. 15 of 28 applicants received awards for a total of \$155,628. We originally budgeted \$150,000. The following chart shows how the awards were distributed by Bedroom size.

	# Awarded	\$ Awarded
1 bed	3	\$26,730
2 bed	7	\$72,765
3 bed	4	\$42,768
4 bed	1	\$13,365
TOTAL	15	\$155,628

### **Update of Interlocal SFE language**

Steve Johnson from BSRAD has been tapped to update and better define the current vague Interlocal agreement language between BSRAD and the Water sewer district regarding use of SFEs for workforce housing. Laura, Danny and Steve worked on language and BSRAD attorney has responded essentially keeping proposed language. Laura submitted to BSRAD a proposed MOU document which further describes the roles and processes. The BSCHT Board offered improvement edits to include mentioning BSCHT fee for auditing, adding a retirement clause for residents, describing how adjusted AMI is determined, improving wording around sub-leases, requiring tenant forms to be on file. Include the fact that WSD cannot assign workforce housing SFEs without review by BSCHT. An enforcement mechanism for the developer who is awarded SFEs also needs to be included: likely a substantial fine for failure to comply.

### **Elevate Big Sky and Real Estate Collective**

Ruthi Solari of YCCF has been helping drive the formation of the Elevate Big Sky Funding platform. All three clubs (YC, Moonlight and Spanish Peaks) have agreed to work collaboratively to improve the long-term health of Big Sky with strategic impactful funding initiatives. Housing is a major focus under the Livability Pillar and there is strong interest in funding the Deed Restriction program as well as other major housing construction or land initiatives.

Ania Bulis and Tallie Lancey have taken the lead in motivating area realtors to support BSCHT efforts. They are forming a Real Estate Collective (REC), with realtors and brokers committing 1% of their post brokerage split commissions on a quarterly basis to the Elevate Capital Fund. These funds will be spent on innovative housing solutions in the form of grants to the community. BSCHT is an obvious choice for these grants, however there could be cases when other organization like BSSD or Morningstar could request funds to support with teacher housing.

Most of the brokerage community is initially indicating they are going to join the collective effort which includes asking buyer/ sellers to commit matching funds. They will have a website which recognizes participating realtors.

### **Board Performance Survey Result summary**

Dave, Rick and Laura reviewed the results from the recently compiled Board surveys and reminds each board member to focus on these areas where our overall scores were lowest:

- Read Board packets ahead of time to be prepared for the meetings
- Choose a Board Buddy – if you miss a meeting, call them to get caught up
  - The following pairings are suggested:
    - Kevin - Elise
    - Rick - Steve
    - Erin - Mark
    - Cleve - Kenny
    - Lindsay-- Jen

Overall Board areas of focus by staff:

- Present an annual training of Board Members about how to talk to/ recruit donors
- Better clarify roles of each committee, chair positions and officers
- Better financial reporting

New Board Members said the Board Orientation was very effective. Elise suggested it be recorded in the future since it was held via Zoom. Laura to reshare with all Board members.

### **Deed Restriction Program**

Staff is starting the roll out per the plan below and has identified a pilot property for the program. We feel confident in our ability to secure funds from Resort Tax and Elevate Big Sky to kick off the program. We need a catchy program name – ala Vail InDeed. A suggestion is to simply call it Big Sky Deeds. Or Big Sky Good Deeds.

The Review Committee needs to be established. Kenny and Jenn both volunteered. One appraiser, one or two realtors and one community member at large are suggested to round it out. This committee will make decisions about eligibility of properties for the program and the pricing of the Deed Restriction. Time commitment is likely 2 hours/month.

Education Campaign: Laura is working on scheduling a luncheon meeting (also ZOOM) to describe the program to these groups:

- Realtors / Brokers
- Resort Tax Board
- Elevate Big Sky
- Mortgage providers
- Title Agents
- Appraisers
- Lawyers
- County recorders
- Long Term Property Managers

### **Shared Equity Conference Summary**

[Trust Montana](#) hosted the Montana Shared Equity Housing Summit with approximately 60 attendees from across Montana coming together for a day of education, collaboration and networking.

The broad term of “shared equity housing” refers to the array of programs that create long-term, affordable homeownership opportunities for families with modest incomes. Shared equity housing (SEH) programs include community land trusts, resident owned communities, deed restricted housing programs and limited equity housing cooperatives.

You can listen to NeighborWorks' recording of the event [HERE](#).

### **New Business**

#### **Executive Director Recruitment**

Erin

Action

The selection committee, comprised of Erin Cluff, Tim Kent, Lindsay Colbert, Dave Brown and Laura Seyfang reviewed 10 applicants and did a numerical analysis of each of the resumes and cover letters. Candidates were ranked and three top scorers were scheduled for interviews via zoom. One candidate withdrew the day before the interview. Both interviewed candidates appeared to be good options and the committee made a recommendation to hire David O'Connor. A motion was made by Kenny and seconded by Lindsay to authorize Erin to make the job offer to David within budget bounds. If Erin is not able to successfully negotiate an agreement, she is authorized to make an offer to Suzi Berget-White. The motion was unanimously approved.

#### **Strategic Plan Update**

The included information from various sources was briefly reviewed. It was agreed to renew the discussion about how to adjust our plan for the upcoming year during the March BSCHT Board Meeting.

The chart with the tally of known and projected projects was discussed. Board members requested that projects outside the Resort Tax District be clearly identified. Projects tied strictly to an employer's workers should be identified. Laura to update before March meeting.

**Resort Tax Ask**

LOI is due February 15<sup>th</sup> which includes the specific amounts for each desired project. Our ask and awards last year:

2021/22

	<u>Request</u>	<u>Award</u>	
Rent Local	130,000	65,000	
Operations	140,000	140,000	
Future Dev	1,100,000	0	
RiverView	500,000	500,000	100,000 carryover from 2020/21
DPA	40,000	withdrawn	
	1,780,000	705,000	

2022/23

**PROPOSED**

	<u>Request</u>	
Rent Local	150,000	
Operations	175,000	increased Staff Costs
RiverView	600,000	
Deed Restriction	500,000	
	1,425,000	

After discussion, Board recommended increasing the proposed ask for the Deed Restriction Program to \$750,000, bringing the total ask to \$1,675,000. A motion was made by Mark and seconded by Jenn to make this BSRAD request. The motion passed unanimously.

**Other:**

Laura announced that Kelsey Rossier resigned from BSCHT as the Compliance Officer. A new part time employee has been hired to replace her, named Caroline Rothkopf.

**Ballot Initiative #24 for ORW**

Kevin gave an update on this initiative. The Montana Chamber of Commerce has employed legal counsel to fight this initiative and is accepting support donations from others. The BSCHT Board agreed to sign an Amicus Brief stating our objections to the initiative.

Meeting adjourned at 4:10pm