



**BSCHT Board Minutes August 10, 2022**

**Present:** David O'Connor, Elise Clark, Rick Simkins, Erin Cluff, Mark Dean, Becky Brockie, Caroline Rothkopf, Steve Brown, Dave Brown, Cleve Johnson, Lindsay Colbert, Jen Boutsianis, Kenny Holtz and Kevin Hinkle.

**Absent:** No absences.

Meeting was called to order at 2:01 pm.

**Approval of May 2022 Board Minutes:** Rick Simkins needs to be recorded as absent in July's minutes. With this amendment, Erin Cluff motioned to approve July minutes. Lindsay Colbert seconded, unanimously agreed by the Board.

**Conflict Declarations:** Kenny Holtz has a standing conflict and this is to be marked on the agenda, henceforth.

**Financial Report**

Financial Report was made as per agenda.

Mark Dean suggested to the Board that the asset classification for the DPA loan should be recorded as a long-term asset, not a current asset.

Refer to Kevin Hinkle's written comments regarding the Financial Report in Appendix A.

**OLD BUSINESS**

**Gift Acceptance Policy**

An updated Gift Acceptance Policy was circulated with the July Board Agenda and action is required to approve this policy.

**MOTION:** Steve Brown moves to accept the Gift Acceptance Policy. Erin Cluff seconds. The Board unanimously approves the Gift Acceptance Policy.

**Moonlight TEDD District**

David O'Connor reported on his participation on the Madison County Housing Advisory Board.

**PROJECT UPDATES**

**Powderlight**

Powderlight report was made as per agenda.

BSCHT staff are collaborating with the Chamber on an Employer Communications Plan, outlining the process of getting employers populated into Powderlight.

The housing team at LMLC are anticipating what resident life will look like. It's been expressed in meetings between BSCHT staff and LMLC that rent will be dictated by the cost of the building. For a double-occupancy room, rent is \$1,600. Add-ons, such as utilities, are unknown.

BSCHT Staff are predicting that the demand for housing will exceed the supply of 96 beds, drawing from the responses of the Employer Housing Survey.

### **RiverView**

Riverview report was made as per agenda.

BSCHT staff were informed early in July that the BSOA board had comments and amendments attached to their original decision in April to remove the trail easement that came up on the Title Report LMLC received.

The winning bid for the modular development construction company is \$1 million over budget, which is acceptable as previous bids were \$6-8 million over budget.

### **GOOD DEEDS**

Good Deeds report was given as per agenda.

The Good Deeds committee is experiencing a rise in applications for both existing and new purchase applications. BSCHT staff participated in a call with Vail InDEED, which provided new best practices and technical aspects that the committee has been struggling to reconcile.

The Vail InDeed program isn't seeing a lessening of available inventory, but due to the market, it is unaffordable for new purchases. Their valuation system gives a higher percentage to existing homes and 15%, on average, for new home purchases. This coincides with the committee's apprehension to award the entire down payment for buyers. It is the expectation that an interested buyer arrives with 2-3% of the down payment.

If an applicant disagrees with the valuation of their property, they can independently get an appraisal and the committee will honor the percent offer.

There are more opportunities to deed restrict homes with a buy-down strategy. With combined funding from Resort Tax and another party- Elevate Big Sky, traditional Bank loan, Federal Rural grant program- the committee can target properties at an approachable price range.

The benefits of the buy-down tactic vs. DPA for a buyer:

- BSCHT comes to the deal as a cash buyer.
- Save 3%-6% on the purchase since BSCHT will not be represented by a real estate agent.
- BSCHT would buy the time it would take to find a qualified buyer.
- Support community-minded sellers who don't want to deed restrict their home and potentially lose money in the sale.

- If the partial loan comes from the bank, BSCHT establishes the loan of credit and there is an opportunity to underwrite the mortgage for the next buyer.
- Fostering direct agent to BSCHT coordination.

A potential risk to the buy-down program is how to keep BSCHT from sitting on a property without a buyer.

The deed restriction includes a subordination clause that alleviates issues in obtaining a mortgage. BSCHT has developed relationships with local banks (ex: First Security) because of MeadowView that understands the intricacies of deed restricted homes.

**Real Estate Licensure for BSCHT Staff**

Acknowledging the need to access the MLS database for BSCHT’s programs, particular Good Deeds, BSCHT staff is asking to approve the funding of staff to become licensed real estate agents in the state of Montana.

**MOTION:** Kenny Holtz made the motion to approve BSCHT staff to obtain Real Estate Licenses with a budget of \$7,500. Seconded by Elise Clark. Unanimously agreed by the Board.

**RENT LOCAL**

Rent Local report was made as per agenda.

The HomeShare program is experiencing an inventory shortage. Becky Brockie is actively searching for an available luxury home for the week of March 5<sup>th</sup>-12<sup>th</sup> to honor a prior commitment.

**NEW BUSINESS**

**Board Planning Fall 2022**

**ACTION**

An in-person meeting is preferred by board members and the expectation is at least a half-day of long-term, strategic planning, separate from the board meeting.

**Community Outreach Committee**

**ACTION**

Good Deeds is mission-led but BSCHT’s attorney suggests that the power to delegate the right to make awards and decisions needs to be enumerated in the bylaws or by explicit board action. None of BSCHT’S committees are currently in the bylaws.

For now, once the Good Deeds Committee has an accepted offer from a buyer/existing homeowner this will be communicated to the board via email because of the short timeline necessary for a purchase. All board members need to vote, as advised at the Chamber by our attorney, and state law requires that email votes be unanimous to have validity.

The Community Outreach Committee is stagnant and BSCHT staff is debating the frequency or necessity of meeting at regularly scheduled intervals. Board suggestions were to rebrand the Community

Outreach Committee into an Advisory Board, meeting quarterly, semi-annually, or functioning as an ad-hoc committee.

The Advisory Board could operate as a brain trust, an opportunity to involve large donors and, potentially, vet new board members.

The future of the committees is to be an agenda item for the Board Planning Retreat.

### **Quarry Development Plans**

### **ACTION**

The developers of the Quarry are engaged in the permitting process. There are discussions of the possibility of a deed restricted portion or multiple income housing- the product mix is undetermined- and it's written in the PUD approval that no short-term rentals are allowed.

BSCHT is being kept in the conversation because BSCHT's SFE allocation could bring more density to the project. The inclusion of Canyon into the Big Sky Sewer District has a predicted range of 3-5 years out.

DOC is questioning the right duty of care in regards to new development projects. The board expressed wariness around developers using BSCHT support in public showings/forums to improve their credibility, but David's role in private discussions aligns with BSCHT's goal to create workforce housing.

### **Big Sky Trailer Court**

### **ACTION**

The Big Sky Trailer Court is not on the market and the price is \$3.2 million, with no flexibility. There aren't plans to evict renters and sell, for now. There is water approved for ten pads, nothing more, unless water and sewer incorporates the Canyon.

The question posited by DOC is what would BSCHT's role be in a potential eviction and sale scenario at Big Sky Trailer Court?

The board reasoned that it is BSCHT's to compute the viability of the purchase of the land, which is within the goal of the community to sustain long-time employee and Big Sky resident housing. Ground-up development is part of BSCHT's scope, but, pertaining to the Trailer Court, it is not feasible without water and sewer.

The Trust could encourage a longer timeline for the eviction of residents and guide the exit of renters, channeling them into our properties.

Meeting adjourned at 4:05 pm. Motioned by Dave Brown. Seconded by Kenny Holtz.

## **APPENDIX A**

I have not spent as much time on the current financials as I had hoped but I know Dave O'Conner as spent a ton of time in the continued review of classifications of various transactions and in reconciling funding sources as Restricted vs Unrestricted. Dave and I have spent a number of hours together in trying to reconcile the DPA loans; identifying all outstanding loans and related funding sources from inception, including those funded to and by HRDC.

With the closing transaction, we paid ~\$104K to HRDC for "DPA Loans" but this appears to be a net amount, including amounts funded to HRDC by Resort Tax and other sources, along with the corresponding Phase 1 DPA loans. Unfortunately, we still appear to be ~\$100K off. Serendipitously, I attend an event in Bozeman earlier today which included Heather Grenier with HRDC. I was able to request the detailed breakdown of the \$104K we paid at close, so hopefully this will help complete our reconciliation.

Once the various amounts and costs are completely reconciled I will work with our accountant to properly book the DPA loan receivables (long term as Mark noted) with corresponding revenue/equity and related costs as applicable. With all of this information, we will also be able to finally reconcile the remaining restricted funds for this program.

*Kevin Hinkle, 2:23 pm*