



## **BSCHT Board Minutes**

**August 9th, 2023**

**Attendees:** Board Members- *Michelle Frederick, Mia Lennon, Dave Brown, Kevin Hinkle, Steve Brown, Jennifer Boutsianis, Mark Dean, Shannon Sears, Kenny Holtz, Elise Clark*

**Staff Members:** *David O'Connor, Becky Brockie, and Michael Romney*

**Absent:** *Rick Simkins, Staff Member Caroline Rothkopf*

### **Meeting Called to Order at 2:02 pm**

**Motion to Approve Consent Agenda for July Minutes and Financial Report:** Kenny Holtz moves, passes unanimously.

#### **Conflict Declarations:**

- *Kevin Hinkle has a standing declared COI due to his employment with Lone Mountain Land Co., a BSCHT partner-developer on Riverview Apts, Powderlight and potential other projects.*
- *Kenny Holtz has a standing declared COI due to his involvement with Fire Lookout Capital, the developer of Yellowtail Condos, a BSCHT partner project.*
- *Shannon Sears has a standing declared COI due to her employment with MT Title & Escrow, a BSCHT vendor-partner in its real estate transactions.*
- *David O'Connor's son will be an applicant for the vacant Gallatin County Sheriff deputy position, and should he be hired, would potentially benefit from housing assistance provided to GCSO.*
- *Conflict declaration by Michelle Frederick involving an LLC in which she is a member that has applied for Good Deeds Funding. Michelle will recuse herself from any board votes involving this application.*

**Financial report:** Financial report made as per agenda.

**Staffing Tiger Team Report:** David O'Connor reported that Jennifer Boutsianis has been hired as the new stewardship coordinator beginning September 5th.

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- DOC reports budget to hire new stewardship coordinator, Caroline, initial stewardship coordinator had to leave for medical leave
- DOC reports that Jennifer Boutsianis has been hired as a new stewardship coordinator beginning September 5th
- Still looking for another coordinator, will look for additional stewardship coordinator at end of 2023

- One stewardship coordinator per 75 properties under management
- DOC reports great applicants, general wish to work with the BSCHT organization

### **Board Member Search**

- As Jennifer Boutsianis is moving into staff role, will need a replacement on BSCHT board
  - Jennifer also is a Meadowview owner, represents active program on the board
- If Board has ideas for new board members from around BSCHT projects, can email suggestions to DOC and Dave Brown
  - DOC also suggests working with Laura Seyfang

### **Riverview Report**

- DOC reports Riverview is moving along, about two weeks behind the last March schedule
- Currently Monarch, overall General Contractor is completing the site work
  - Blue Line Development and Synergy will split next week into modular and paneling work for LMLC and BSCHT
- For 25 BSCHT apartments official completion date is still March 2024, BSCHT staff sees realistic start date as June 2024
- DOC reports no current application, dates of building are not finalized, applications will be collected by Blue Line
  - Selection by Blue Line is prioritized for tenants brought by BSCHT
  - In LIHTC projects Mark Dean and DOC report that building is open to all US citizens
- DOC reports interest in Riverview product, BSCHT has made waitlist from website
  - Mark suggests that ensuring what's in the tenant file for every tenant period is critical, could cause Blue Line to lose the Tax Credit
- Weekly OAC meeting at Riverview, schedule updates, weekly issues, safety review
- Dave Brown asks about more publicity for BSCHT
  - Kevin Hinkle sees negative publicity with development as a possibility
  - Mark Dean agrees with Dave Brown, education for visitors and residents

### **Collective Retreats Report**

- DOC reminds board of proposal of BSCHT support for housing portion of Collective Retreats project in exchange for four acres of 'Community Land' on the project
- BSCHT attorney and Board Suggest that an ownership transfer is preferable, is currently not subdivided
  - Likely have to be an intermediate step of ground lease before other hurdles are cleared
- Peter Mack highlights BSCHT explicitly supports the housing portion of the project
- Mark Dean suggests there may be headline risk for BSCHT showing support in exchange for land transfer
  - Steve Brown agrees, suggests that BSCHT should support the housing portion of the project regardless of the land transfer
  - Kenny Holtz states that BSCHT supports businesses that create self-sufficient employee housing and supports housing need in the broader community
    - BSCHT should shape support at the same level as other organizations

- Kenny suggests under existing zoning, if Collective Retreats zone change doesn't occur, would be a good site for future community housing
    - BSCHT doesn't support zoning changes unless the primarily goal is the creation of community housing
    - BSCHT encourages any business that sustains their own business needs and the larger community housing need
      - General consistency of BSCHT support
  - Mark Dean suggests that a general consensus statement for BHSCT support should be drafted, can take the form of a drafted advocacy policy
    - Kenny agrees, can solicit community opinions on support structure for BSCHT projects
  - Steve Brown suggests a growth of local economy without a burden on local housing situation and additionally addresses community housing issue is valuable
    - Steve also sees the confidentiality part of the agreement as damaging
    - DOC agrees, transparency as a public board is critical
  - Kenny Holtz sees the October community builders forum as a good place to start with an introduction of the potential new policy
- If DOC can edit out the confidentiality portion, does Collective Retreats LOI incorporate the changes that board had requested
  - Dave Brown shows that the LOI is unclear about BSCHT role or obligations
  - Dave Brown sees the inclusion of a statement of support
- Kenny Holtz sees a signed agreement as headline risk
  - DOC could write a letter of support to Peter Mack with a general statement of which projects BSCHT supports and why
- Mark Dean states that the land donation from Collective Retreats is going above and beyond his own housing needs
  - DOC is concerned about giving support without commitment
  - Mark Dean reiterates need to succinctly illustrate decision and the benefit to the community and BSCHT goals from the project
  - Mark Dean suggests a statement that BSCHT cannot have confidentiality because it is a public body
- Steve Brown sees having a LOI is helpful and important as it illustrates an explicit community housing component of the plan
- DOC should attempt to remove confidentiality and the letter is good as it stands

### **Investment Policy Draft**

- Steve Brown reminds the board that the investment policy should have a statement put in place about how funds are addressed when they are awarded to BSCHT
  - Policy should have multiple aspects
    - How the board approaches funds when they are issued
    - Community can be ensured that BSCHT board was thoughtful with stewarding money
    - BSCHT Board was prudent in stewarding money as a community resource
    - Policy has a high level of flexibility in decision making and management

- Most current funds are allocated to specific programs, policy needs to highlight liquidity needs of the organization
- Section XI of investment policy highlights general investment parameters
- Investment policy has a provision for an investment committee, allows for streamlined decision making, would keep BSCHT fully informed
- DOC adds that investment policy discussion arose when BSCHT was gifted a significant amount of stock, led to gift acceptance policy and accompanying investment policy
- Dave Brown asks if investment policy matches the legal guidelines of a 501c3 non-profit
  - Mark Dean has no concern with legal liability, in fact this is a good practice for a non-profit like BSCHT
  - Mark suggests that another good practice is an annual review of all policies
- **Mark Dean moves to adopt the investment policy as presented, Kenny Holtz seconds. Passes unanimously.**
- Kevin suggests that newly adopted policy is used quickly, BSOA and other organizations have seen profits from investment

### Quarry Proposal

- Developer of quarry project reaches out to BSCHT
- Mark Dean sees a really interesting opportunity, BSCHT is not in a financial or personnel position to execute on
  - This is the type of opportunity that BSCHT board must consider for the future
  - Parcel of land would be sold to BSCHT for \$4 million, is there a way to work with BSCHT for community housing use
  - Quarry developer explains that \$4 million purchase price plus \$9 infrastructure development
    - From a cash flow perspective, this is unrealistic
- Mark Dean sees this opportunity as a future solution, BSCHT needs the financial infrastructure for the 'next' project
  - BSCHT is not financially ready, something may come along down the road
- DOC explains that BSCHT should report to the quarry that BSCHT is not ready for the offer
- Dave Brown emphasizes focusing on a way to build BSCHT financing to have more realistic discussions about these types of opportunities
- Kenny Holtz emphasizes that BSRAD and BSCHT may see value in purchasing part of the project
  - DOC sees subsequent phases of the project, might be better opportunity once infrastructure is already completed
  - Can't say yes today, but should figure out how to have discussions in the future
- **DOC will continue to somewhat filter proposals, include full board ultimately on decisions**

### Gallatin County Sheriff's Department Proposal

- Becky Brocky reports two units in the new post office building
  - One officer could be hired now, there is a six month gap that the building owner is not necessarily willing to hold
- BSCHT staff has developed some solutions, Sheriff's department cannot cover the rent

- BSCHT can cover the entire rent
- BSCHT can enroll program in Rent Local, may not satisfy
- DOC did explore foundation funding
  - YCCF- is not funding outside of their cycle
  - MCF- as a policy generally does not support public services as BSRAD should
  - SPCF- could cover it, cannot cover in time but could reimburse BSCHT
    - Would apply for a grant in October, Executive Director suggested that SPCF would be interested but not guaranteed
- BSCHT staff is concerned that if this is a one-off funding, would this draw huge interest from other organizations
- \$1,900 of monthly rent for 6 months brings ask to \$11,400
  - Kenny Holtz sees public service, applicable unit
  - Kenny also sees a lot of organizations (SPCF, BSOA foundation, Andrew Kircher)
- Kenny Holtz creates a motion to support the \$11,400 in unrestricted funds, backfill from others including charitable organizations as time allows
- Mark Dean suggests that writing a check for \$11,000 is probably not scalable and replicable the next time this happens
  - If BSCHT can involve others and explore a program
  - If BSCHT is asked to do this again, should create something scalable and replicable for the future
- Becky Brocky suggests that there is some precedent with BSCHT Emergency Use program
- Kenny sees a small program for community oriented positions, further way to attach donations to a specific pool, especially for individual donors
- Kenny Holtz withdraws initial motion
- **Kenny Holtz makes a motion to create a pilot program to meet community service oriented positions' (for example firefighters, sheriff's department) need and authorize the use of up to \$15,000 of BSCHT unrestricted funds to address this need and potentially backfill from charitable organizations in the future**
  - **Michelle Frederick seconds the motion**
  - **Board directs DOC to explore more explicit policy for the pilot program**
  - **Motion passes unanimously**

### **Housing Needs Assessment Update**

- Needs assessment is significantly used by BSCHT
- DOC and Cryder Bankroft from LMLC have discussed an annual update for the needs assessment update
  - LMLC has agreed to paid half of the annual cost
- Study update would include a gap assessment from construction cost to marketable project, BSCHT needs a data-driven per unit subsidy needed for current construction gap
- LMLC and BSCHT have precedence of using same data-driven study
  - Major developer and community housing organization operate under the same playbook
- Mark Dean agrees that for \$5,000, the soft benefits of the update are useful
- Wendy Sullivan from WSW consulting who has been the vendor of the project recommends that an appropriate update would be in \$10,000 scope

- Dave Brown asks about 2022 study
  - DOC reports that cost was \$7,500 for BSCHT and LMLC
- Dave Brown asks about necessity of study
  - DOC explains that a study update is necessary, projection part is critical as many projects have either been delivered or have fallen off
  - DOC also highlights the construction gap piece as critical
- Kenny Holtz sees that a product type inclusion is critical and syncing with employer needs is especially necessary
- Shannon Sears motions to partner with LMLC to update housing needs assessment to spend up to \$10,000 from BSCHT unrestricted funds, Kenny Holtz seconds
- **Shannon Sears amends motion to update housing needs assessment to spend up to \$5,000 from BSCHT unrestricted funds, Jennifer Boutsianis seconds**
  - **Motion Passes Unanimously**

### **Yellowtail Development Update**

- Kenny Holtz reports that water and sewer and infrastructure is done, expecting electrical infrastructure to follow
  - Phase 1– 3 duplex buildings (6 market rate units) in
  - Phase 2– 23 units in (7 are deed restricted, workforce rate enabled by Community SFEs)
    - 6 two bedrooms, 1 3 bedroom units
    - Smallest unit is 1,485 (2 bed, 2 bath, 2 parking spaces underground storage)
    - Largest unit is 2,400 (3 bedroom, 2 parking spaces)
    - Workforce housing units are fully spread out throughout the development
      - Expected 2-bedroom units to arrive at 50% of cost, around \$650,000
      - Expected 3-bedroom units to arrive around low \$900,000
      - Must be tied to AMI, Yellowtail development is committed to the AMI tie, can make adjustments to honor this
- Specificity of qualification between BSCHT staff and Kenny Holtz
- Langlas Construction expects Phase Two beginning in April/May of 2024, completion of deed restriction units in Summer 2026
- Kenny sees using market price units to subsidize the AMI triggered units
  - Big Sky’s first mixed-income development
- Kenny sees a deeds restriction, affordability component, appreciation cap
  - Kenny recommends pushback from BSCHT on how to restrict community units
  - Mark Dean asks about review of down-payment assistance program

### **Good Deeds Updates**

- Mark Dean sees deed restriction purchases on homes greater than \$1 million
  - Good Deeds owners may come back into the future with an inability to sell the property down the future
- Kenny Holtz agrees, deed restriction can serve as equity for banks down the road

**Meeting adjourned at 4:06 pm by unanimous consent**

