



BSCHT Board Minutes November 8th, 2023

Present: David Brown, Mark Dean, Elise Clark, Mia Lennon, Kenny Holtz, Shannon Sears, Rick Simkins and Staff Members: David O'Connor, Becky Brockie, Jennifer Boutsianis

Absent: Michelle Frederick, Steve Brown, Kevin Hinkle

Guest: Jonny O'Connor, new BSWSD District Administrator (Ron Edwards' replacement)—came in to introduce himself.

Meeting was called to order at 2:08pm.

Approval of October 2023 Board Minutes:

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 First Security Bank. FSB holds the bank accounts for BSCHT, and is a potential lender for future projects or BSCHT clients.*

Consent Agenda made per agenda.

MOTION to approve Consent Agenda as presented provided by Rick Simkins, seconded by Kenny Holtz, unanimously approved.

OLD BUSINESS

Riverview Construction Update made per agenda.

Rent Local Program Update made per agenda with the following additions:

- 1,000 possible rentals in our eight sections, we have about 10% (139 units) in the Rent Local program.
- David has or plans to present before all community foundations to continue funding the program
- Moving forward, how should we pivot? Discussion:
 - o The program offers a means to connect people within the community and assists a broad spectrum of people, including critical personnel (hospital, sheriff, fire department, etc.), find housing.
 - o Without the program, we current have nothing to offer workers until June of next year
 - o There are only 36 rental apartments in Big Sky and though RiverView will help increase that number, it will by no means meet the need we're seeing.
 - o If we continue the program and funding asks for the program, will it impact our relationships/other requests from the foundations/BSRAD?.
 - Currently, Rent Local is being funded by the foundations only and they are asking if funding can be focused on Good Deeds instead because it's a more permanent solution.
 - SPMC let us know we were the highest funded ask from the fall funding cycle and explained they are receiving more asks overall, putting a strain on their funding pool.
 - o Current program funding is \$450k annually.
 - o General board consensus is that we need both Rent Local and Good Deeds programs.
 - o Funders (BSRAD and the Community Foundations) have each expressed misgivings about:
 - The temporary nature of Rent Local
 - The potential that subsidies are being granted to property owners who are of sufficient means to rent long-term without subsidy.
 - o Discussion of means testing incentive award recipients, using net worth, multiple properties owned etc., ensued. Consensus was that the subsidy is for the benefit of the tenant. The financial condition of the property owner is irrelevant as long as the subsidy yields results in alignment with program goals.
 - o Applications for new owners have been halted, pending a reduction in program participants or procurement of additional funding above current program budget (\$450k).
 - o Present funding and budgeted 2024 funding are sufficient to meet existing commitments to property owners, but insufficient to add new properties in 2024.
 - o This is a simple supply and demand situation. We need to ramp up permanent properties (through Good Deed or something similar) but Rent Local will fill the gap until more community housing is made available.
 - o We could dramatically retool the program by converting to tenant assistance via a housing voucher system.
 - Issue with that is we are persuading owners to move from the short-term market to the long-term market and therefore need to incentivize property owners to change their property use from STR to LTR.
 - There is already a similar program through HRDC which isn't showing good results because the vouchers aren't generally accepted at rental caps required by federal voucher programs (Section 8).

- We are cultivating the landlords/long-term rentals with the Rent Local program
- Increasing conversion from Rent Local to Good Deeds would be a huge help. Going to Rent Local owners and offering them the Good Deeds program would build faith in both programs.
- Market Good Deeds as an alternative to a HELOC or other loan.
- Create a “cheat sheet” covering critical statistics for our programs for better conversation amongst possible donors in the community.

Good Deeds Program Update made per agenda with the following additions:

- Given the current market, a potential pivot for Good Deeds could be a Buy-Down program
- Three properties for under \$500k have hit the market within the past six months:
 - These would have been good products for a Buy-Down program but present Good Deeds funding doesn't allow for a full property purchase.
 - We did receive Good Deeds applications but even with a Good Deeds rewards, the applicants were unable to secure affordable financing at current interest rates.
- A buy-down program would allow BSRAD to act immediately on identified opportunities. The goal would be to secure a property, thereby allowing time to file a deed restriction and identify a qualified buyer.
- Current primary funders of the Good Deed program are Resort Tax and Elevate Big Sky. Resort Tax would require a modification of the FY24 allocation contract to allow for full property purchase. Elevate's \$590k came in the form of a restricted grant, so funder approval would need to be secured to use these funds for a property purchase as well.
- David will meet with BSRAD and Elevate representatives in the coming weeks to discuss potential modifications to the funding agreements which could allow for a buy-down transaction.
- A Buy-Down deed restriction probably should differ from the standard Good Deeds restriction; it would present a good opportunity to utilize an appreciation cap to preserve affordability.
- Possibly split the Buy-Down amount (30%) so the property sells below market value while we also provide funding for down payment assistance.
 - Offering multiple options (full Buy-Down, Buy-Down Split, etc) should be considered, and could be tailored to each transaction.
- Real Estate licensing is underway for Becky (December) and David (TBD). Semantics of brokerage, commission splits, etc. still being reviewed and determined.
- Rewards for Good Deeds have typically been 12-16%. Should we increase this to follow suit of other, similar programs?
 - Should our rewards be dynamic? Ebbing and flowing with the market (interest rates)? Should we place a cap on rewards or sales price?
 - Almost all banks will not offer a jumbo loan on a property with a deed restriction
- Staff will review current Rent Local owners and choose 6-10 candidates that David can reach out to individually to see if there is any interest in the Good Deeds program.
- Good Deeds committee, over these slower months, will work on plans to cultivate our own buyers from within the community.

Update of Potential Land Opportunities made per agenda.

NEW BUSINESS

2022 Tax Return Approval (ACTION) made as per agenda.

MOTION to approve the 2022 Tax Return as presented moved by Rick Simkins, seconded by Kenny Holtz, unanimously approved.

Process for Board Member Applications (Action) made as per agenda with the following additions:

- Candidate will be selected in January and take their seats February 1st
- Four seat will be filled
- Interviews last about 30-40 minutes per candidate
- Committee for vetting candidate will consist of:
 - o Mark Dean
 - o David Brown
 - o Mia Lennon
 - o Elise Clark
 - o David O'Connor

Meeting adjourned at 4:01pm by unanimous consent.