



BSCHT Board Minutes August 14th, 2024

Present: David Brown, Steve Brown, Lindsey Putnam, Cryder Bancroft, Michelle Frederick, Mark Dean, Rick Simkins, Brad Niva, Kenny Holtz, and Mia Lennon; Jason Harby, BSCHT’s legal counsel, and Staff Members: David O’Connor, Becky Brockie, Jennifer Boutsianis

Absent: Shannon Sears

Meeting was called to order at 2:01pm.

Conflict Declarations:

- *Kenny Holtz has a standing declared COI due to his involvement with Fire Lookout Capital, the developer of Yellowtail Condos, a BSCHT partner project.*
- *Cryder Bancroft has a standing declared COI due to his employment with Lone Mountain Land Co., an operating partner on Powder Light and Riverview, and a potential development partner on future projects.*

Public Comment

- Jonathan Ganz is present and is looking forward to working alongside BSCHT & LMLC for the Cold Smoke project

Consent Agenda made per agenda with the following additions:

- **Financial Reports:**
 - o All accounts receivables have been received aside from Resort Tax
- **Program Reports:**
 - o RiverView:
 - LMLC apartment units’ completion date a moving target/TBD
 - Formal ribbon cutting to be planned/scheduled
 - BSCHT must to make a splash once occupancy is achieved as this is a big milestone for the organization
 - RiverView East = Shared Suites; RiverView West = Apartments

# of HH	1	2	3	4	5	6	7	8
TC 30%	\$22,890	\$26,160	\$29,430	\$32,700	\$35,340	\$37,950	\$40,560	\$43,170
TC 50%	\$38,150	\$43,600	\$49,050	\$52,600	\$58,900	\$63,250	\$67,600	\$71,950
TC 60%	\$45,780	\$52,320	\$58,860	\$63,120	\$70,680	\$75,900	\$81,120	\$86,340
TC 70%	\$53,410	\$61,040	\$68,670	\$73,640	\$82,460	\$88,550	\$94,640	\$100,730
TC 80%	\$61,040	\$69,760	\$78,480	\$84,160	\$94,240	\$101,200	\$108,160	\$115,120

MOTION to approve Consent Agenda as presented moved by Cryder Bancroft, seconded by Brad Niva, unanimously approved.

OLD BUSINESS

RiverView Construction Update made as per agenda with the following additions:

- Paving should be completed on 8/29, but not known whether a strip or more at this time

Financial Barriers Tiger Team made as per agenda with the following additions:

- There has been much discussion about how to best leverage DPA to facilitate resales of deed restricted properties.
- Tiger Team is working through program rules. Care should be taken to ensure DPA is only applied where listing price of a resale is net of the original deed restriction purchase.
- DPA will not be layered at the time of deed restriction (i.e. no DPA and Good Deeds reward at the same time) but will be used at the time of *resale* for Good Deeds properties.

SMART Goals Tiger Team made as per agenda with the following additions: (31:40)

- Endeavor being taken up by the BSCC, BSRAD, YCCF to assist local organizations in following a similar framework to consolidate information for the community and funders.
- Initiatives and goals will ultimately be shared with the general public by BSRAD/YCCF (YCCF is developing a website for this information), so the community understands what each organization is working towards.
- Team includes DOC, David, Cryder, Steve B, Becky, and Jen; Jackie Haines joined the first meeting to help the team understand what needed to be done.
- Original strategy:
 - o Variety of affordable housing options for local workers (“Our Big Sky Plan”)
 - o Goals included:
 - Increase of rental housing for local workers
 - Increase ownership housing for local workers
 - Preserve housing for local workers
- Updated goals/initiatives speak to our current programs (in order presented in agenda):
 - o Good Deeds
 - o Rent Local
 - o Development
- Should we include numbers (capital investment) to achieve those goals?
 - o Given these are community-wide goals (“sectors”) numbers, it may cause confusion in this context as BSCHT may not be the only organization in the sector in the future.
 - o 7 Good Deeds properties alone would cost ~\$1mil and could skew numbers for other organization as they enter the affordable housing sector
 - o Large numbers may result in a negative impact/press if they aren’t met. Again, these goals are for the sector, not BSCHT specifically.
- We must keep in mind these initials/goals are living document that is expected to be updated on an annual basis, and is being created for the Housing Sector of Big Sky, not specifically for BSCHT
- When applying for BSRAD funding, the goal associated with the ask will be identified
- David will attend the CCBS event where the community can discuss these SMART Goals and will obtain feedback about our initiative/goals and whether capital needed should be included.
Update to be provided
- Should “Create New Housing” goal be changed from 25% or something less?
 - o It was discussed and decided that 25% is good because BSCHT will not be penalized if the goal is not met: these goals are for the sector, not just BSCHT.

- It should be made clear that the goals presented are based off the 2023 Needs Assessment Update and not future updates

Empower Executive Committee to Approve DPA Loan Rollovers made as per agenda with the following additions:

- Most recent vote took less than 24 hours to complete
- Unanimous vote is needed for emails per state law, not majority

MOTION to empower the Executive Committee to approve Down Payment Assistance loans, in cases where such loans are rolling from a property owner to the property buyer, and the amount of the new buyer's loan is less than or equal to the loan proceeds being returned by the original property owner (seller) moved by Mark Dean and seconded by Kenny Holtz.

MOTION AMENDED to empower the Executive Committee to approve Down Payment Assistance loans for MeadowView properties only, in cases where such loans are rolling from a property owner to its buyer, and the amount of the new buyer's loan is less than or equal to the loan proceeds being returned by the original property owner (seller). Amendment to motion proposed by Mark Dean and agreed by seconder (Kenny Holtz).

Motion carried unanimously.

NEW BUSINESS

Foreclosures & Compliance Ramifications made per agenda and [memo](#) (attached) with the following additions:

- Jason Harby, BSCHT legal counsel, to discuss default/foreclosure:
 - o Good Deeds (1:07):
 - Given the current form documents, BSCHT has no "forced sale" rights, but can seek injunctive relief from the court.
 - In the event of a foreclosure, being subordinate to the primary lender means the deed restriction may be stripped of the property
 - BSCHT does have the opportunity to seek to cure as the owner is required to provide notification in the event of default/foreclosure
 - BSCHT prefers to not subordinate deed restrictions in the future, but will need to explore lending community's willingness.
 - o MeadowView (1:30):
 - Given the structure, and BSCHT's ability to define the permitted mortgagee, the Ground Lease terms are better protected. BSCHT's consent is needed for any secondary loan or refinance.
 - If BSCHT doesn't move to cure in the event of foreclosure, the lender may sell the property to anyone for any price. We keep our economics of the lease but not the social benefits (resale restrictions, workforce requirement and AMI limits)
 - Jason to look into and provide recommendations, but modifications to the Ground Lease are not being recommended at this time.
- For Jason to consider for both programs: could BSCHT assume the mortgage instead of deed-in-lieu/take out a loan?
 - o Possible through a lender-signed rider, something they do not have to agree to

- Lenders may be very willing, as they wouldn't have to complete the foreclosure process. Lenders want bad loans off their books as quickly as possible.
- At present, every Good Deeds property has a Subordination Agreement in place.
 - Staff to investigate which lenders Vail and Jackson work with who don't require a Subordination Agreement and report back.
 - **Going forward, a Subordination Agreement should not be offered by default with a deed restriction purchase.**
- The following program rule modifications to be considered:
 - No subordination
 - Proceeds from deed restriction purchase must be used to either buy down the property's mortgage debt or be used as a down payment
 - No incremental debt at all, but exceptions by the Board could be considered
 - A mechanism should be a place for owners who (as an example) thirty years from now may have their primary mortgage paid in full and would like to obtain a HELOC for property improvements.
 - Setting an LVT that is risk-adverse could be the formula to allowing the example above to take place. Further research is needed.
 - Jason to work through current change requests and provide draft verbiage of the modifications above so the Board may review, and potentially adopt, during September board meeting.
 - Additional items for Jason to review/consider include:
 - Full foreclosure should be required, and a rule modification considered so a lender would *need* to go through foreclosure and not deed-in-lieu/assignment, adding a layer of protection
 - Steps to speed up the non-compliance remedies, aside from mortgage default
- In the case of incremental debt, BSCHT may need to pony up additional funds to move to cure as it changes our position on the capital stack
- What is our strategy in the event local lenders refuse to lend without a Subordination Agreement?
 - Should BSCHT attempt to record a second position lien at the time of closing? This could result in going back to current Good Deeds recipients and offering additional funding so place the secondary lien on existing deed restricted properties.
- In the event the property changes hands and a new mortgage is obtained, BSCHT automatically moves to the 1st position
- Mia and Cryder to reach out to some lenders to gain insight into secondary loans/lack of Subordination Agreements.
- For the Financial Barriers Tiger Team (document) consideration:
 - Incremental debt increases risk to BSCHT, and increased potential cost to cure in case of default.
 - Increases the likelihood of default due to more debt in place

Cold Smoke Update made as per agenda with the following additions: (1:41)

- Zone map amendment up for review in September by the Big Sky Zoning Advisory & Planning and Zoning Commission
- Official annexation and allocation petition submitted to BSWSD; to be reviewed by BSWSD board in September

- If voting in favor of, there will be two to three (likely three) readings spread over October-December for official annexation to happen
- Cushing-Terrell infancy meetings currently taking place about design. Includes discussion of how to incorporate Board feedback without too much time burden
- Bigger update to come during BSCHT's September Board Meeting
- Board can currently help but submitting Letter of Recommendations/testimonies. Being there in person seems to be more impactful but will come later.
 - In-person suggested for Planning and Zoning Commission

MOTION to move into executive session for the purpose of contract negotiation at 3:34pm, moved by David Brown, seconded by Michelle Frederick

MOTION to exit executive session at 4:13pm moved by David Brown, seconded by Michelle Frederick

Meeting adjourned at 4:15pm by unanimous consent