

Workforce Housing Steering Committee Minutes

January 27th, 2022 4:00pm - 5:30pm

Attendees: Eric Allen, Jon Beug, Jim DuFour, Dana, Jenn Capp, Walter Clapp, Sue Beug, Robin Adams, Martha Brown, Sandy Conlee, Martha Brown, Jacy Head, Myrna Lastusky, Krisen Hobson, Chris Lorash, Sue Beug, John Beug, Angie Hazelswart, Gabrielle Robinson

Meeting Purpose: Monthly workforce housing steering committee meeting to discuss and take action on Committee mission and goals.

Minutes

Workforce Dwelling Unit Update (Jim DuFour)

- See attached PowerPoint presentation for summary
- Core proposal: Develop a local manufacturing and management entity that locates Workforce Dwelling Units (WDUs) on residential properties within Red Lodge City Limits; incorporating a collaborative effort between business owners, property owners, local financiers, and the City of Red Lodge
- Units will be 400 square feet, \$70-\$80k, around \$125k total after foundation, excavation, utility hookup, etc..
- Next steps: considering working with Foothold in Butte, instead of building a company from the ground up in Red Lodge. Foothold website: <https://www.buildfoothold.com/>
 - o Foothold's capacity is ~35 units per year, but they are hoping to increase that supply over the next five years to meet demand.
 - o Jim and the WDU team is thinking of buying one unit as a model to launch a program encouraging homeowners to purchase them as ADUs for long-term rentals with local employers master leasing for their employees and potentially subsidizing the cost in other ways.
- Q&A / Discussion points
 - o Theresa would like to move the City forward with an Impact Fee Study to allow for reductions of small units like this and waive fees for affordable housing development
 - o Eric will connect with Jim about housing survey results, we asked homeowners about their thoughts on building an ADU on their property and many seem interested
 - o Chris: Home equity loan is the most likely financing mechanism, \$125k for 20 years would be reasonable if the households has the right qualifications. 100% financing for 6.5-8.5 back may not be incentive enough from the lender perspective, but rental income would help the improvement pencil for a homeowner.
 - o Jenn Capp says that Turbo Tenant is a great tool for property management, it's free for the landlord to use (with applicant fees to the tenant) and geared toward a single unit landlord.

Owner-Built Housing Status Update

- 1st round:

- Still haven't closed on their loan, there has been conflict with the RHT HOA declarations filing with the Spires. Robin spoke with Jacob this week and Habitat's top priority is getting this resolved so homeowners can close in February, he believes that there will be less issues with the next cycle.
- Current round:
 - Plugging away, currently installing drywall in two homes and Beartooth spec house has electricity and light fixtures in.
 - Governor Greg Gianforte visited the build site on Wednesday to learn more about Owner-Built Housing and is interested in rural Montana communities using our program as a model.
- Next round:
 - Robin is still looking for more applicants for the next cycle of Owner-Built Housing, would like to have at least 6 households pre-qualified to select a group of four to move forward.
 - Currently have about four that are ready. Selections will begin in March.

CDBG Funded Projects

- Workforce Housing Study / PAR
 - a. Cushing Terrell has been tentatively selected as the firm to perform these services, pending review from MDOC. We will be moving forward with a contract soon, likely will require an interlocal agreement between the City and County in order to use both CDBG Planning and ARPA funds.
 - b. Robin is putting together a core team to advise Cushing Terrell as they complete the study. If you are interested in joining this group let her know (commitment will 1-2 hours a month at most until June 2022)
- Long-term Rentals
 - RLACF received \$451,000 from CDBG-CV Cares Act as a sub-recipient of the City to build 4 long-term rental units to help the community recover from the impacts of the pandemic.
 - Units will be available to tenants at or below 80% AMI.
 - A housing legalities team has been formed from the RLACF Board to oversee and advise as we move forward.
 - Start-up call with Commerce for the project is the first Friday of February
 - Main RLACF decision points: long-term mortgage, rents to charge in order to break even and potentially garner some income, and long term property management of units
 - Jenn says that 8-10% charge per unit is typical LTR management, maybe 11-12% now. She is willing to approach local long-term rental managers that may be interested in this work.
 - We want to keep the management local, both to support local businesses and to ensure that necessary staff are within close distance to resolve any issues with the units.

Americorps VISTA Quarterly Service Update

- See Eric's powerpoint presentation in attached documents.
- Eric is over halfway done with his service term (started in July 2021, ending in July 2022).

- 1200+ hours at build site in Q4 2021
- Survey for Housing Needs Assessment closed last week with 330 responses, full assessment and guiding strategy points set to be released in March

Journey Mapping, review and refine since November

- Robin presented draft of timeline discussed at last meeting defining history of workforce housing in Red Lodge, what we're doing now, and where we want to go.
- Feedback:
 - o Our mission statement is "to increase the quality and choices of housing in Red Lodge, provide the community with awareness of housing issues, and expand housing opportunities through training and education."
 - This statement hasn't changed since we started in 2015 – this may need to be updated as a part of the needs assessment update
 - o Robin will ask Sandy how many homes were assisted by the City's 2007 HOME down payment assistance program
 - o Employer-provided housing is missing – bridge creek family, Tom Kuntz, Beartooth IGA, RLM partnership with Alpine Lodge and Beartooth Bunkhouse.
 - o 2018 Beartooth Front Community Forum is also missing

Other news/announcements, Meeting Summary

- Next planning board Feb 9th might have time to discuss planning board / zoning doc, could use specific recommendations from committee. Robin will send doodle poll for an ad hoc meeting before then.