
How to Participate in Park County's Housing Solutions

November 14, 2023



HRDC
BUILDING A BETTER COMMUNITY

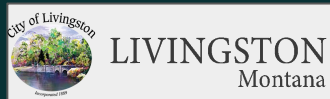


PARK COUNTY
HOUSING COALITION

PARK COUNTY
COMMUNITY
FOUNDATION

Thank you!

 Arthur M. Blank
Family Foundation



SW MT
Flood Relief
Fund

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generous
community members



Agenda

Background & Motivation for Today's Conversation

Presentation: PCHC's 2024 Priority Housing Action Plan Tools

Question & Answer Session

- Break -

Small Group Discussion: How Can You Help Implement Priority HAP Tools?

Full Group Discussion: What Ideas Did Your Groups Generate?

Next Steps & Closing

Ground Rules

to facilitate open and productive dialogue

Respect Each Other

Respect the Group

It's OK to
Disagree...
Agreeably

Keep the
Conversation
Constructive

Home prices are up 45% and interest rates have more than doubled since 2020.

Higher home prices require higher incomes and larger down payments. Higher interest rates mean buyers are likely to qualify for lower loan amounts and have costlier mortgage payments.

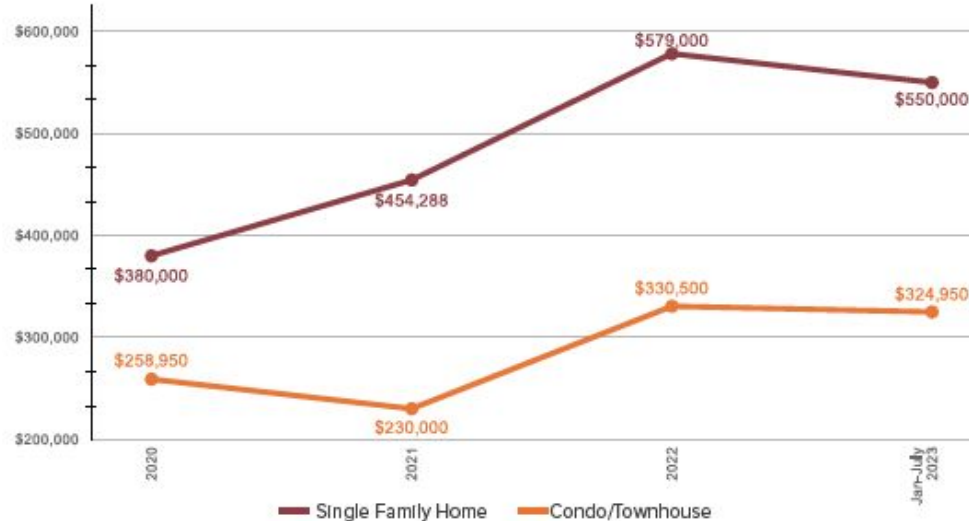
The monthly cost of a \$499,000 single-family home (below 2023 median sales price) would be \$4,013, assuming an interest rate of 8% for a 30-year fixed-rate mortgage and a down payment of 5%.

A household would need an annual income of \$160,530 for this payment to be affordable for this payment to be affordable (i.e., not exceed 30% of their monthly income).

HOME PRICES DECLINE, BUT STILL UP 45% SINCE 2020

MEDIAN SALES PRICE IN DOLLARS

Source: Big Sky Country MLS



Rental costs are also up 29% to 55% since 2020.

RENTAL RATES IN PARK COUNTY

Source: Park County Housing Needs Assessment, Hannah Montana LLC

Type of Rental	2020 Rental Rate	2021 Rental Rate	2022 Rental Rate	2023 Rental Rate	% Change YOY
Studios in Livingston	\$480–\$520	\$520–\$795	\$550–\$900	\$625–\$865	-4% to 14%
2 bedrooms in Livingston	\$1,000–\$1,250	\$1,200–\$1,500	\$1,250–\$1,600	\$1,550–\$1,700	6% to 20%
4 bedrooms in Livingston	\$1,700–\$1,900	\$1,900–\$2,200	\$1,900–\$2,400	\$2,200–\$2,500	4% to 16%
4 bedrooms outside of town	\$2,100+	\$2,300+	\$2,500+	\$3,200+	28%

The rental prices included above were provided by Hannah Montana LLC, based on its current inventory of 296 rentals in Park County. Rental rates are for standard rentals; luxury or high-end rentals may demand higher rents.

The minimum monthly rent for a standard studio in Livingston increased more than 30%, from \$480 to \$625.

Someone working full time for Montana's current minimum wage of \$9.95/hour would be cost burdened (i.e., paying more than 30% of their income in rent) by a payment of \$625 per month. The maximum monthly rent they could afford is \$517.

The minimum monthly rent for a standard two-bedroom home in Livingston increased 55%, from \$1,000 to \$1,550.

Someone working full time for \$25/hour would be cost burdened (i.e., paying more than 30% of their income in rent) by a payment of \$1,500 per month. The maximum monthly rent they could afford is \$1,300.

The minimum monthly rent for a standard four-bedroom home in Park County increased more than 50%, from \$2,100 to \$3,200.

In 2020, a four-bedroom home in Park County was affordable for a household earning \$84,000 a year. A household must now earn at least \$128,000 a year to afford rent on the same sized home.

Some households that would have earned enough to afford to buy a home in 2020 are now competing for rental homes with households for which home buying is not an option.

How we feel about our
shared challenges
matters.

Nearly $\frac{3}{4}$ of the 850
2023 We Will Park
County survey
respondents identified
housing as our
community's greatest
challenge.

About half of all
respondents said they
are affected by
housing-related
challenges.

We Will 2023 survey respondents almost unanimously agree that housing should be addressed locally.

However, only 40% are aware of local entities working to address housing challenges.

Our community wants to help.

"[A] healthy economy works well only when people can afford to live in the area in which they work...And I want to live in a town that helps and supports all of our neighbors."

-

member

Park County Housing Coalition

About a quarter of We Will 2023 respondents say they don't get involved because they don't have enough information.

Another fifth want to get involved but don't know how.

This event is designed to connect people with passion, dedication, and capacity with good work on housing that is already underway.

2023 Community Housing Highlights

March: Sleeping Giant became a resident-owned community, with support from NeighborWorks Montana. City of Livingston identified housing as one of four priority topics in the implementation of the City's Growth Policy.

May: City of Livingston received CDBG funding on behalf of NeighborWorks Montana to conduct a study related to future affordable housing within View Vista Community.

June: With support from Park County, HRDC received a CDBG housing stabilization grant to help rehabilitate and create affordable homes in Park County.

July: Livingston Urban Renewal Agency creates a grant to facilitate the creation and rehabilitation of housing in downtown Livingston.

August: HRDC recruited nine volunteer steering committee members for the Park County Housing Coalition to guide implementation of the 2022 Park County Housing Action Plan.

September: PCCF, HRDC, and Park County Housing Coalition partners raised the necessary funds to hire a full-time program manager for three years. HRDC hired a program manager.

October: HRDC began the design phase for a development of about 40 affordable homes in Gardiner.

November: City of Livingston adopted a planned unit development ordinance incentivizing the development of affordable housing, helped the View Vista Community access funding for essential infrastructure upgrades, and signed an agreement enabling the PCHC program manager to provide housing-related technical assistance to City staff.

PCHC will begin implementing the Park County Housing Action Plan in 2024.

The HAP recommends 12 housing and policy tools for implementation.

PCHC will implement some of these tools over the next three years, according to levels of community interest in and support for them.

Some tools have already been implemented this year: ROC Program, Density Bonuses, and Flexible Development Standards.

1. **Low-Income Housing Tax Credit (LIHTC)**
2. **Employer Assisted Housing/Partnerships**
3. **Resident-Owned Community Program (ROC)**
4. **Community Land Trust (CLT)**
5. **Density Bonus**
6. **Land Banking**
7. **Down Payment Assistance (DPA)**
8. **Accessory Dwelling Units (ADUs)**
9. **General Zoning Reform & Flexible Development Standard**
10. **Rehabilitation Loans and Grants**
11. **Short-Term Rental (STR) Regulation**
12. **Coordinated Entry System (CES)**



2024 Priorities



**Accessory Dwelling
Units**



**Workforce Housing &
Employer-Based Solutions**

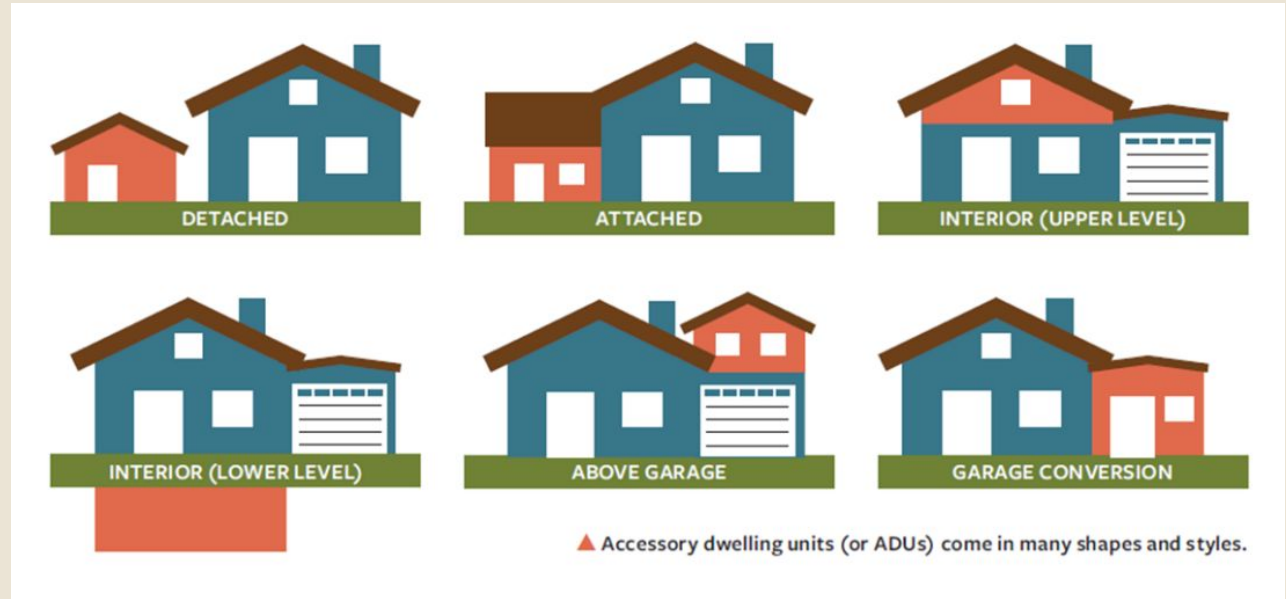


**Zoning Reform to
Facilitate the
Creation of Housing**

Accessory Dwelling Units (ADUs)

A smaller, independent living space on the lot of a larger, primary home.

An ADU may be constructed within, attached to, or detached from the primary home.



ADU Benefits

Affordable to Build and to Rent

Construction costs are typically far lower than new single- or multi family homes.

Do not require the development of additional infrastructure (e.g., water, sewer, and roads).

Can be developed with little or no up-front government funding or ongoing subsidies.

Create opportunities for low- and moderate-income households to live in otherwise unaffordable neighborhoods.

Can generate rental income and increase property values for homeowners.

Smaller homes cost less to heat and cool.

Appropriate in Size and Scale

Smaller homes meet the needs of Park County's smaller households.

Smaller homes accommodate people at all stages of life and allow for aging in place.

Can contribute gentle density to the fabric of existing neighborhoods.

Can be created with universal design features accessible to people with mobility differences.

Help diversify our community's housing stock.

Can be implemented across Park County.

Why Implement in 2024?

New State Legislation

Montana Senate Bill 528 will take effect January 1, 2024. It allows by-right approvals for ADUs that meet state standards.

New research from the Harvard Joint Center for Housing Studies found that removing regulatory barriers is critical to enabling the production of ADUS.

However, the study found that changing regulations is not enough. Homeowner awareness of ADUs is one of two key non-legal barriers that also must be addressed; financing options is the other.

New Lending Practices

The Federal Housing Administration established a new policy in October that allows lenders to count income from ADUs when underwriting a mortgage, allowing more borrowers to qualify for FHA financing for properties with ADUs, including 203(k) Rehabilitation mortgages.

New research from the Harvard Joint Center for Housing Studies found that a lack of financing options is one of two key, non-legal barriers to the construction of ADUs; homeowner awareness of ADUs is the other.

Empowers Homeowners to Increase Supply of Housing

Employer-Assisted Housing Partnerships

What it means: Employers help their employees with the costs of owning or renting a home.

Goal: Untether housing from specific jobs, not create a company town.

What it could look like:

Meet Housing Demand

- down payment grants & loans
- closing costs assistance
- rental subsidies
- matched savings accounts
- temporary interest rate buydowns

Increase Housing Supply

- invest equity in developments
- contribute land

EAH Partnerships

Benefits for Workers

Increases residents' access to all local job opportunities.

Decreases commuting costs by housing workers close to jobs.

Increases home ownership opportunities.

Helps members of our local workforce establish roots, which in turn helps stabilize neighborhoods and communities.

Benefits for Employers

Improves recruitment.

Increases rates of employee retention.

Decreases costs associated with turnover.

Supports expansion of the local labor pool.

Great PR.

Why Implement in 2024?

Flexible

Many ways this tool can be implemented, according to community interest and need.

Not just for employers! Local partners can support EAH programs by: matching funds provided by employers, offering homebuyer education and counseling, and administering rental subsidies to employees.

Feasible

Appropriate for all housing market conditions.

Likely to be most feasible in communities that have one or more large employers with a moderate-income workforce.

Park County Housing Coalition has heard interest from local employers in employer-assisted housing programs.

Necessary

Housing is a crucial component of economic competitiveness.

Employee recruitment and retention is a key challenge for a number of employers in Park County.

City of Livingston Zoning Reform

Express community values and vision through local regulations.

Refine the Livingston Zoning Ordinance so it better supports the goals, objectives, and strategies identified in the City's adopted Growth Policy.

Growth Policy objective 5.1.1: "Review City ordinances to identify modifications required to meet the community's housing needs."

Enhance clarity of regulations to improve outcomes and efficiency.

Address inconsistencies or language that is unclear.

Assess regulatory and administrative barriers to housing development and ensure changes are clear, complementary, and allow for more abundant housing.

Undertake robust community education and engagement.

One of the City's goals for this effort is to "include members of the community who may have been underrepresented in planning processes in the past, including seniors and people living in low- to moderate-income households."

Zoning Reform Benefits

Regulations Influence Housing Supply

Regulations and topography drive how responsive home builders are to a change in home prices (a.k.a. housing supply elasticity).

Reforms that loosen restrictions are associated with a statistically significant increase in housing supply within 3 to 9 years of reform passage, accounting for new and existing stock.

Although this increase occurs predominantly for homes at the higher end of the rent price distribution, impacts are positive across the affordability spectrum.

Clear Regulations Benefit Everyone

Generally, updating zoning codes can help cities set the stage for accelerated public- and private-sector investment in development projects that advance community objectives.

A shared understanding of the spirit and letter of the City's ordinance can help:

- staff with administration,
- developers design projects that comply with regulations, and
- the public and decision makers track and understand proposed projects.

Why Implement in 2024?

City of Livingston is Ready

The City of Livingston is preparing for a zoning ordinance update in 2024.

City staff applied for a CDBG for planning to help fund this effort and are working with the state's Community Technical Assistance Program to prioritize elements of the zoning code to update.

The City Commission recently approved a professional services agreement that enables the PCHC program manager to provide housing-related technical assistance to City staff.

Furthermore...

Aligns with ADU implementation.

It can take 3 to 9 years for changes to zoning regulations to result in measurable increases in supply.

Appropriate for all housing market conditions.

Questions?

Working Break!

Make a hatch mark under the tool you would like to discuss in a small group.

Be back in 5 minutes.

Small Group Discussion

Sit at a table focused on the HAP tool you would like to discuss.

30 minutes for discussion.

Generate at least 3-5 ideas for how the community can help support the implementation of one of the 2024 priority HAP tools.

Identify key questions about and barriers to implementation.

Please be kind to your volunteer facilitators and refer to the ground rules on your agendas!!

ADUs: Implementation Ideas

- There should be clear regulation of structures allowed
- Showcase great examples of existing ADUs, including their designs and costs
- Clarity on rental restrictions (none yet)
- Consider lobbying for state-level incentives
- Share success stories from other states
- Host a community education workshop on ADUs
- Clarify design standards, timelines, and code to avoid junk yard appearance.
- Property management / “how to be a landlord” workshop
- Cultivate a network of renters interested in living in ADUs
- Spread the word on ADU policies
- Engage and educate local banks to ensure they will count income from ADUs when underwriting a mortgage.

ADUs: Barriers & Questions

Barriers

- Address the lack of a construction labor force / labor shortage
- Lack of available land for construction
- Lack of capital / costs
- Impacted people are not a part of the discussion
- Infrastructure capacity / density impacts
- HOA covenants
- NIMBYs

Questions

- Are manufactured/prefab homes allowed?
- Are all local banks following FHA's lead in terms of counting income from ADUs when underwriting a mortgage?
- How do we make construction costs more predictable for homeowners?

Employer Assisted Housing Partnerships: How the Community Can Help/Implementation Ideas

- Ensure EAH partnerships create benefits all employees, including the community's lowest-earning workers, not just middle-income workers.
- More education for local HR departments, including the possibility of adding pre-tax housing benefits or stipends for employees, employer-matched savings accounts, and financial education classes for employees.
- Evaluate/Survey employer assets, e.g., land, friends or partner organizations that could fundraise, etc.
 - a. Consider assets vs. expense. Ask whether any of these assets can become a revenue stream?
- Cultivate community/developer relations
- Have a clear idea of employee needs
- PCHC should engage with employers and developers early to help them design a project that meets the needs of their employees, reflects community values, and will result in good decisions on growth and expansion in/around Livingston and Park County. Come prepared with:
 - a. priority areas to develop (e.g., with water and sewer capacity, eligible for special funding sources like URA grants, etc.);
 - b. List of funding opportunities and potential partners
 - c. Economic absorption studies to guide decision making on the right number and type (homes to own vs. homes to rent) of homes;
 - d. An understanding of the housing components of applicable plans, policies, and regulations.
- Look for opportunities to build new homes and preserve existing homes that are affordable to local workers.
- Engage all types of employers and employees, including Albertsons.
- Consider developing homes as part of a land trust and/or developing communities comprised of smaller homes..
- Fundraising:
 - a. Consider developing a local funding pool employers can contribute to
 - b. Leverage funds from non-profit partner or "friends" groups to fundraise for entities like local schools (e.g., Gardiner's North Yellowstone Education Foundation)
 - c. Consider creation opportunities for planned giving of assets like land, which could be developed into housing.
 - d. Research how successful EAH partnership projects came together and collect lessons learned, including funding opportunities and partners.

Employer Assisted Housing Partnerships: Barriers and Questions

- **Barriers:**
 - Complex approach that is often conflated with the company town. Education will be needed.
 - Wages: starting wages and year-round, full-time wages
 - Workforce could benefit from financial education - maybe consider incentives for participation?
- **Concerns & Questions:**
 - IRS codes for employer to add matching funds to housing down payment?
 - Are these funds taxable?
 - Is there a tax saving or employer deduction?
 - Repairs for property taxes?
 - How to develop projects that comply with fair housing laws but target local workers?

Zoning Reform: Ideas for Community Involvement

- Advocacy
 - a. Participate in public meetings and offer support for zoning (allows density and affordability; not everybody at the table agreed that density and affordability in Livingston is a good thing)
 - b. Show the Commission that the community wants zoning reform prioritized and pushed forward.
 - c. Work with the consultant the city of Livingston has hired to ensure the new zoning is married to the growth policy; group felt they had input into that process more so than they have had for the zoning efforts
 - d. Form a citizens group to meet separately to educate others and advocate for density and other pro-affordable housing policies. This group could have meetings with the consultant hired to look at zoning, be able to meet with City officials, and request information related to what zoning changes/proposals are on the table so they can offer input.
 - e. Host inter-group meetings & informational presentations on how zoning impacts emergency response
- Ways to engage: online conversations, walking tours, an FAQ or “mythbusters” document available online, trained “zoning ambassadors,” creating visuals using story maps, utilize state resources, conduct opinion polls to gauge feelings about and knowledge of zoning
- Create opportunities for safe conversations re: opinions on zoning.
- Find solutions to flood issues, e.g., not allowing building too close to the river or by participating in a political way to get a levy built
- Utilize existing publications to spread information, such as the Park County Community Journal
- Push the Livingston Enterprise to allow a recurring guest column that updates the public on the zoning process and opportunities to get involved.

Zoning Reform: Barriers & Questions

- **Barriers**

- a. Information on the zoning process is often technical and hard to digest.
- b. Opportunity for community engagement around FEMA remapping the area and potentially increasing the coverage of the flood plains. Make sure officials in charge of zoning process understand where development may be cheaper due to continued lack of required flood insurance.
- c. Segments of the community who do not support density; affordable housing "NIMBYs"
- d. General community resistance to growth
- e. The infrastructure (sewer specifically mentioned) may not be able to handle the additional density allowed by new zoning.

- **Questions**

- a. How can community members learn more about zoning? For example: How does zoning help with economic development?
- b. Where is this tool working well? And what are the lessons learned if it is not?
- c. How are my property rights protected if/when zoning changes?
- d. How does zoning impact emergency response?
- e. How do zoning changes happen? How can those decisions be appealed? Who decides? When and where? Can we change the process?
- f. How do zoning variances happen?
- g. How does zoning get us where we want to go as a community?
- h. How do we incorporate all of this content into what is happening at the City/County government?

What's Next?

Today's Meeting Slides and Notes.

Slides with notes will be posted online at parkcountyhousing.com.

Your Feedback Will Inform PCHC 2024 Work Plan.

Katherine will integrate your ideas into the 2024 PCHC work plan, which she will vet with the PCHC Steering Committee and share in the new year.

PCHC Will Release Updated Housing Metrics.

Katherine and the PCHC Steering Committee will develop and share updated housing metrics for Park County in January 2024, once the US Census Bureau releases the latest American Community Survey data.

PCHC Emails Will Be Organized by HAP Tool.

Park County Housing Coalition emails will be organized according to the Housing Action Plan tools being implemented, so subscribers can scan them for news, educational opportunities, and ways to get involved.

Upcoming Events & Opportunities

Livingston Downtown Master Plan

- **Tonight:** 5 - 7 p.m. Community workshop/charrette at the Depot Center. Childcare will be provided.
- **Thursday:** 5 - 7 p.m. Community Open House at the Shane Center sharing results from tonight's workshop/charette.

Meet and Greet Sun Mountain Lumber, New Owners of RY Timber

- **Friday:** 11 a.m. at the City/County Complex

Urban Renewal Agency Residential Rehab Grant Open House

- **Tuesday, November 28.** 4:30 - 5:30 p.m. at the City/County Complex

HRDC Community Land Trust Home to Be Listed for Sale

- **Early December 2023.** Renovations completed on a 2-bedroom, one bathroom home on South G Street. Anticipated list price is about \$250,000. Applicants must meet income limits and will be selected via lottery.

Thank you!!



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