

Public Notice:

HRDC District IX dba Big Sky Community Housing Trust (BSCHT) is requesting proposals from qualified firms, teams and individuals for the preparation of a comprehensive Affordable Housing Implementation plan for Big Sky, Montana, defined as within the boundaries of the Big Sky Resort Area District located in both Madison and Gallatin Counties, Montana, and includes all of the property parcels that abut the right-of-way or have access affected by the study area. The Plan will incorporate the findings and recommendations of the 2014 Big Sky Chamber of Commerce/EPS Housing Development Plan, and will identify/recommend tools, strategies, policies, programs, and priorities for addressing those needs, including implementation measures that can be put into place immediately in an effort to substantially increase the production of safe, quality affordable housing over the next 5-10 years.

Questions will be due by Friday, August 11, 2017, with proposals due on Wednesday, August 23, 2017 at 4 p.m. Please email: bguyer@thehrdc.org for detailed information.

To: All Interested Parties

Re: Human Resource Development Council (HRDC) dba Big Sky Community Housing Trust
Request for Proposals
Big Sky Affordable Housing – Update and Action Plan

Date: August 10, 2017

Summary

The Big Sky Community Housing Trust (BSCHT) is requesting proposals from qualified firms, teams and individuals for the preparation of a comprehensive Affordable Housing Implementation plan for Big Sky, Montana, defined as within the boundaries of the Big Sky Resort Area District located in both Madison and Gallatin Counties, Montana, and includes all of the property parcels that abut the right-of-way or have access affected by the study area. The Plan will incorporate the findings and recommendations of the 2014 Big Sky Chamber of Commerce/EPS Housing Development Plan, and will identify/recommend tools, strategies, policies, programs, and priorities for addressing those needs, including implementation measures that can be put into place immediately in an effort to substantially increase the production of safe, quality affordable housing over the next 5-10 years.

The background provided in this Request for Proposals (RFP) is sufficient to enable the preparation and submission of a proposal for services. HRDC dba the Big Sky Community Housing Trust (BSCHT) shall be the sole point of contact for this RFP and contract. HRDC/BSCHT is not liable for any costs incurred by prospective contractors in the preparation of or submission of proposals pursuant to this RFP. The HRDC/BSCHT is an affirmative action organization that selects contractors without regard to race, religion, color, ethnicity, gender, age, or disabilities. HRDC/BSCHT reserves the right to reject and all proposals, and to waive any irregularities and technicalities in the submission and/or selection process.

Background

Big Sky, Montana, is at a critical point in its evolution from a single purpose destination resort to a more diversified resort community. Recent growth in visitation, tourism, and the second homeowner markets are all positive indicators, but are also triggers for additional community facilities. Over the last decade, the number of second homes has grown at more than 3 times the rate of permanent resident occupied housing units, and lodging revenues continue to recover post-recession. These positive economic trends will likely continue as the Convention and Visitors Bureau promotes the community for its summer activities as much as for its renowned winter activities. Although positive signs for the economy, these market drivers place development pressure on the community that create challenges. As the visitation and service industries grow, the need for a larger workforce also grows, and similar to other resort communities, a lack of housing affordable by the area workforce means that many employees are commuting large distances to work in Big Sky.

Most resort communities have inflated housing markets fueled by the high costs of housing created by resort developments and in particular the demand for vacation and second homes for affluent buyers with incomes not tied to the local economy. The local workforce, however, is often priced out of the local housing market and forced into lengthy daily commutes. This can make it difficult for employers to recruit and retain employees. It can also have a negative impact on the quality of life in a resort town as the essential community workforce, including teachers, police, fire protection, and other municipal type employees, are not living locally and therefore not readily available to address the health, safety, and welfare needs of the community. The motivation to develop programs for workforce housing is largely based on the following conditions identified in the 2014 Housing Development Plan, all of which are currently present in the Big Sky area:

- Housing Costs – The sales price of locally available housing far exceeds what a permanent resident household can afford. Currently, the median housing price in the Gallatin County portion of Big Sky is 6.5 times median household income and is increasing as housing prices recover from the Great Recession.
- Housing Availability – The development community is oriented to building more expensive and more profitable second homes and base area condominiums. Over the last decade, only 420 housing units occupied by permanent residents (as opposed to second homeowners) were built compared to nearly 750 new jobs.
- Commuting Patterns – A large portion of the local workforce cannot afford to live in the community and commutes in from other more affordable locations. Based on available data, approximately one-third of the local workforce is commuting into Big Sky primarily from Bozeman alone.
- Employee Shortages – Perhaps the most significant driver is when local businesses find it difficult to find needed employees. This concern was mitigated over the 2008 to 2011 recessionary period but employee recruitment was identified as an increasing problem as the area economy expands and unemployment declines.

The next step in the process is to develop a comprehensive set of tools and strategies, both non-regulatory and regulatory, which will allow the community to deal effectively with the supply and affordability issues documented in the 2014 Housing Development Plan.

The Affordable Housing Implementation Plan will:

- Identify tools for a balanced approach to addressing the workforce housing shortage with a focus on the unique circumstances associated with Big Sky's unincorporated status;

- Ensure an adequate supply of affordable housing across a range of options including: long-term rentals, rentals for seasonal workers, and homeownership opportunities for individuals and families;
- Identify what types of housing are needed, along with the best places to locate new developments near essential services and taking into account the properties/locations identified in the 2014 Housing Development Plan;
- Identify ways to incentivize owners of rental and owner-occupied properties to return them to the long-term rental pool or offer them for affordable sale;
- Include specific, localized tools and strategies to ensure that needed housing solutions are built;
- Work with stakeholders to identify strategies for navigating affordable housing projects through county pre and final plat process.

For purposes of this project affordable housing means housing of a suitable type and at a suitable price (rent/purchase) to meet the needs of the wide range of occupations that make up the Big Sky workforce. These occupations include workers in the tourism industry (service staff, retail, lift ops, hotel support, etc), critical service providers (sheriff department, nurses, teachers, technicians, firefighters), as well as business owners, managers, and professionals. Affordable housing may also include any underserved markets in which housing may be considered attainable by households earning 120% or more of the area’s median income. Housing is considered to be affordable when the monthly rent or mortgage payment is equal to no more than 30% of a household’s gross income.

Administrative Information

Any questions regarding the RFP requirements should be directed to:

Brian Guyer
 Community Development Manager
 HRDC District IX
 Bozeman, MT 59715
 406-585-4863
 bguyer@thehrdc.org

Key Dates

RFP issued	TBD
Last day for written questions regarding proposals	TBD
Proposals due to BSCHT	TBD
Proposals review and interviews of top candidates	TBD
Contract Negotiation	TBD
Contract Approval & Notice to Proceed	TBD
Progress report due	TBD
Work Period	TBD
Progress report due	TBD
Public comment	TBD
BSCHT recommendation	TBD
Project Completion	TBD

Scope of Services

Proposed Outcomes:

The proposer will assist the BSCHT and Big Sky community stakeholders in meeting the following outcomes:

- Understanding changes in employment/employers since the 2014 EPS study - as well as projected changes and;
- A general overview of land, resources and opportunities available in the Big Sky area for housing,
- Understanding changes in affordable housing needs in the community since the 2014 EPS study;
- To identify gaps in affordable housing stock and programs;
- To provide mechanisms for establishing affordable rental and ownership price points.
- Undertaking a housing action plan process to develop priorities and a tiered scope of actions that could be taken to develop needed housing (e.g. easy, mid- and hard; low-cost, mid and high).
- Conducting a series of meetings with key community stakeholders to flesh out priorities and responsibilities and work through various strategies and tools to accomplish housing priorities.
- Work through multiple housing solutions, devise an action plan, assign responsibilities, and establish a timeline for implementation.
- Adoption of a comprehensive affordable housing policy that addresses needs across the housing continuum and prioritizes responses to those needs. These responses could potentially include, but are not limited to: Workforce Housing, Expansion of homeownership programs (education, down-payment assistance programs), creation of subsidized rental housing opportunities, and/or long-term funding and strategies for mobile/manufactured home communities;
- Assistance in identification of affordability price points for rental and homeownership housing and development of market trigger points in application of policy(ies);
- Identification of affordable housing funding priorities for City, State and Federal funding requests

Public Participation

It is expected that the proposer will work closely with the BSCHT, community stakeholders, interested organizations, and the public to complete the proposed work. Phase 2 in particular will require extensive public input. The proposer should be prepared to commit to a meaningful public process that is transparent and understandable to the community.

Reports and Meetings

The following meetings and draft documents are expected as a part of this process. Multiple meetings may be held on a single date.

Big Sky Community Housing Trust

- Initial meeting to introduce process
- Meeting to produce rough draft of plan
- Meeting to discuss outcomes based on progress (joint session w/ Resort Tax Board)
- Meeting to review rough draft of action plan (if necessary)

Resort Tax Board

- Meeting to discuss plan progress (joint session w/BSCHT)
- Formal presentation of progress report

The proposer should expect to work closely with BSCHT advisory committee and staff throughout the proposed work.

Deliverables

Two hard copies and 1 PDF version of all preliminary and final drafts shall be provided to BSCHT and Big Sky Resort Tax Board. All documents shall be provided at least 14 working days prior to any public hearing or meetings with the Resort Tax Board in an electronic format approved upon by the BSCHT Advisory Committee. All work submitted shall become property of the BSCHT.

Any award made pursuant to this RFP will be based on the proposal with appropriate consideration given to operational, technical, cost and management requirements. Evaluation of proposals will be based on the contractor's responsiveness to the RFP and the fee structure quoted for all items covered by the RFP.

The following elements will be the primary considerations in evaluating all submitted proposals and in the selection of a contractor:

- Completion of all required responses in the correct format.
- The extent to which contractor's proposal fulfills the BSCHT's stated requirements as set out in this RFP.
- Qualifications of proposed professional staff members and their supervisors, and availability for the project;
- The capability of the firm to meet time and project budget requirements;
- The proposed technical approach for completing the scope of work;
- The capability of the firm to complete work, given existing and future workloads;
- The experience of the firm in doing comparable work for other clients;
- The work the firm has performed for the HRDC/BSCHT recently or is performing;
- The location of the firm in relationship to the project.

HRDC/BSCHT may, at their discretion and without explanation to prospective contractors, at any time choose to discontinue this RFP without obligation to such prospective contractors. HRDC will contract with the successful applicant.