

# 2021 Draft Housing Action Plan

## Park County, Montana

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## **Introduction**

This draft housing action plan (HAP) aims to define an action plan with clear goals and objectives, strategies and policies, financing mechanisms, the timeline for achievement, and recommendations for which responsible parties will create and preserve homes affordable to Park County residents. The plan will also define a mechanism to monitor progress and an update process so that the plan can evolve with housing needs over the long term.

The initial work that helped lay the foundation for this Housing Action plan was led by the Park County Housing Coalition, a collaborative effort that combined the deep community connections held by the Park County Community Foundation with the years of housing development expertise available from the Human Resource Development Council, District IX (HRDC).

This draft plan is a companion document intended to address the needs identified in the Park County Housing Needs Assessment completed in 2021. The Park County Housing Needs Assessment identified a shortage of homes for rent and purchase to meet Park County residents' current and future housing needs.

## **Background**

Increasing access to homes that residents can afford is a top priority of Park County residents. The current market conditions do not provide enough rentals or opportunities for ownership to meet current or future housing needs.

The Park County Housing Coalition, a resident and stakeholder group assembled in 2020, identified some of the recent trends in the for-sale market as an impact of the COVID-19 pandemic. Participants and speakers noted an influx of new and part-time residents driven by the rise in remote work and locals looking to take advantage of low-interest rates. Similarly, Realtors also reported seeing more offers per home for sale, over asking price and all-cash offers, and buyers waiving contingencies.

High percentages of the Park County workforce are employed in seasonal or tourism-based work. With the increase in housing costs, some employers are expanding the use of dorm-style, short-term employee housing; purchasing homes for rent by their employees; and providing down payment assistance (DPA) for year-round employees. During the warm summer months, many seasonal employees are finding shelter by living in RVs or other places not intended for permanent housing. For those earning low and moderate incomes in Park County, more affordable homes are needed in both rental and ownership to meet the current demands.

Typical of a tourism and recreation-based economy, the largest employment categories are in the accommodation, service, and retail industries, followed by construction, health care, and social assistance.

Based on the average renter wage for Park County at \$12.79 an hour, one person working full time at the average renter wage could afford monthly rent of \$665. Local partners report the average rent is closer to \$1,565 in a market characterized by extremely low vacancy rates and rapidly rising rents. An analysis of data estimates purchased from Ribbon LLC shows that in 2021, 70% of renter households in Park County earn below \$50,000 a year, which is insufficient to afford the average market rent.

For extremely low-income residents, it is even more challenging to find an affordable rental. Of the 910 households earning less than \$14,999 a year, only 221 homes with subsidies exist to ensure affordability to these 910 households.

Challenges also exist in the for-sale market. From December 2019 to December 2020, single-family home median sales prices in Park County rose 40.1% from \$282,753 to \$396,000, while median year to date sales prices for single-family homes by June 2021 were up to \$425,250, a 31% increase from the year to date the prior year.

Although higher than the national average of 64%, 68.5% of Park County residents currently own their homes. That percentage is expected to decrease, and the cost of homes for sale continues to rise faster than local wages.

Homes in Park County are primarily single-family and older than the United States average, with 22.3% built prior to 1939. The average household size in Park County is 2.07 persons with 21% consisting of one-person households. With 2,433 households consisting of a single person in Park County, it is notable that there are 1469 no-bedroom (studio) or one-bedroom homes. For every studio or one-bedroom unit, 1.65 single-person households reside in Park County.

Short-term rentals (STRs) have also expanded in recent years. Park County does not currently have any mechanism or policies to regulate or capture local revenue from the short-term rental market. STRs are required to register with the Montana Department of Revenue and are subject to lodging and bed taxes.

Data from Ribbon LLC purchased in May 2021 estimates that within the next five years (2026), the percentage of lower-income renters and homeowners in Park County will decrease, and the percentage of higher-income renters and owners will increase. Unless affordable supply is increased to expand opportunities for lower-income households in both rental and ownership housing, this trend will continue.

Key challenges to constructing new homes to meet the demand for housing in Park County include the availability of land and the cost of construction.

Less than half the land is privately owned, while the United States Forest Service manages 49% of the land in Park County.

For the average construction of a single-family home, local home builders report the cost per square foot to be \$180–\$200, not including land or infrastructure. For a modest 1,500 square foot home at \$190 per square foot, the construction cost would be \$285,000, and a 2,300 square foot home would cost \$437,000.

Many local regulatory challenges exist limiting the ability for local governments to require, incentivize, or fund housing affordable to residents. There are opportunities for funding affordable housing in other states that are not currently available in Montana. The state has regulations preventing rent control, luxury, second home, and real estate transfer taxes as well as property tax increase protections and a recent prohibition to inclusionary zoning.

## **Acknowledgments**

In response to growing community concern for increased housing opportunities, the Park County Community Foundation and HRDC collaboratively launched the Park County Housing Coalition in 2020. We are grateful to the many community stakeholders throughout Park County who participated in coalition-led conversations and improved our mutual understanding of current housing needs.

Additional acknowledgment is due to the volunteer members of the housing working group, who graciously gave their time and attention to review documents, participate in online meetings, and provide the crucial written commentary which made possible the development of this HAP:

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## Planning Process

This draft HAP will be available for community input through early 2022. This draft HAP proposes possible tools and strategies available locally to address the housing challenges identified through the housing needs assessment that was released to the public in October 2021. A series of public engagement opportunities will be conducted throughout the Fall of 2021 to further refine the plan before adoption and implementation.

In response to an overwhelming response from residents that housing was a top concern, the Park County Community Foundation and HRDC collaboratively launched the Park County Housing Coalition in 2020 to hear from community stakeholders to understand current housing needs. The two nonprofits convened a wide variety of stakeholders for a series of six meetings held between May and September 2020 with the goal of increasing housing knowledge, community engagement, and community-based data collection. As a result of the COVID-19 pandemic, all sessions moved to a virtual convening. Each online conversation attracted approximately 25–40 community members from across the county and featured a combination of local and regional experts to share current insight into a different aspect of housing and allow for deeper community discussion to understand topical challenges. The topic and timeline of each of the six sessions are below:

- Relaunching the Park County Housing Coalition (May 2020)
- Park County Rental Opportunities (June 2020)
- Park County Home Ownership Opportunities (July 2020)
- Housing Insecurity in Park County (August 2020)
- Assessments and Strategies (September 2020)
- Next Steps to Develop the Housing Action Plan (October 2020)

Participants provided vital insight into the housing needs across the county to create the foundation of the housing needs assessment.

Following the housing coalition convenings, Park County Community Foundation (PCCF) and HRDC opened applications for a smaller group dedicated to identifying problems and solutions specific to Park County. A public call for applications began in November 2020 and ran through December 2020. The housing working group represents a diversity of geographic range, lived experience, community leadership, and perspectives on housing challenges in Park County. Thirteen official members participated in the housing working group to begin meeting in February 2021.

The objective of the housing working group has been to assist in defining this action plan with clear goals and objectives, strategies and policies, financing mechanisms, a timeline for achievement, and responsible parties.

The schedule of meetings for the housing working group included the following focus and timelines.



Housing working group meetings were led by the HRDC Community Development staff, with support from the Park County Community Foundation and additional technical expertise provided by Jeffrey Lubell with Atb Associates (thanks to the generous funding of AMB West Philanthropies).

A final draft of this HAP will be produced by HRDC and the Housing Working Group after additional community and stakeholder engagement.



## Guiding Principles

Housing Working Group members established a set of core guiding principles to guide the values and priorities of the HAP in the spring of 2021.

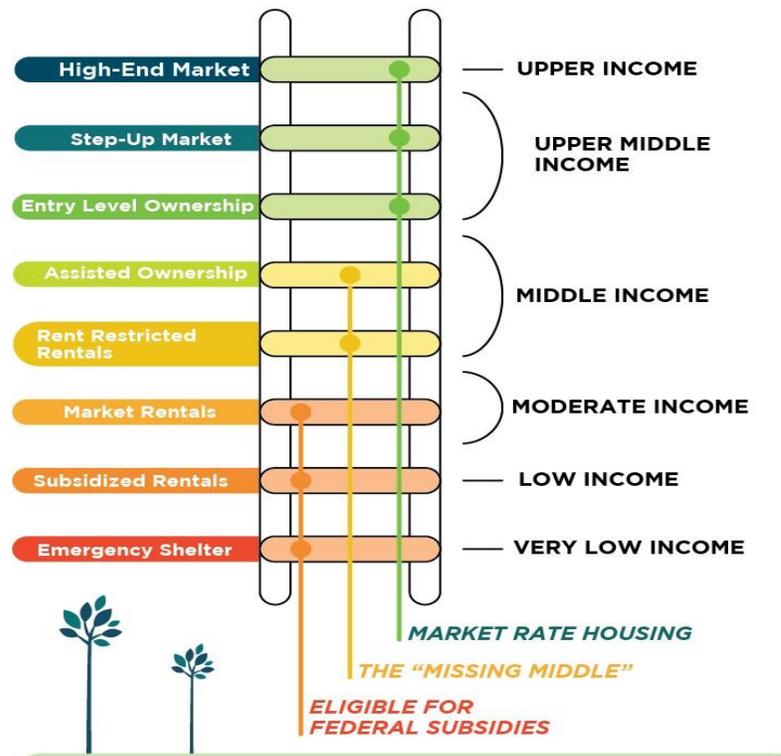
1. Residents deserve safe, stable, and accessible homes, affordable to households earning local wages, within reasonable proximity to school, work, and essential services.
2. Recognizing the entire community benefits from abundant housing availability, future economic growth, prosperity, and community and individual resident health depend upon having an adequate supply of homes available to residents of various incomes, ages, and household sizes.

3. The solutions to providing affordable housing should involve diverse approaches, partnerships, and strategies—there is no one solution.
4. A sense of place should be supported by promoting vibrant communities.
5. Housing options should meet the needs of the current and future generations while preserving the natural landscapes.

## Framework

This HAP aims to address challenges along the housing continuum with a balanced set of tools and strategies that are based on community engagement and local resources and are appropriate to the needs of Park County and Livingston. To organize this HAP, HRDC utilized tools including the framework for a balanced strategy from LocalHousingSolutions.org, a housing policy digital platform intended to assist cities in developing, implementing, and monitoring local housing solutions. We encourage stakeholders interested in learning more about the tools and framework to visit their website.

Housing to meet community needs must accommodate a wide range of incomes, including households on fixed incomes, entry-level wage earners, and professionals. Housing also needs to consider the various life stages of community members, from households with elderly members seeking to downsize to those with young children.



## Key Terms

**Affordable housing or "homes residents can afford"**

Affordable housing is relative to household income. This assessment uses the standard of the monthly rent or mortgage payment being equal to or less than 30% of gross household income (before taxes) for renters towards contract rent and utilities and 33% of gross income towards the mortgage, insurance, taxes, utilities, and condominium association fees if applicable for owners.

**American Community Survey (ACS)**

The ACS is part of the Decennial Census Program of the US Census. The survey was fully implemented in 2005, replacing the decennial census long-form, and has been administered annually since. Typically, ACS data for localities represent the aggregate results of five years of responses; for example, the 2019 ACS cited in this report reflects data collected between 2015 and 2019. Because it is based on a sample of responses, its use in smaller areas (under 65,000 persons) is best suited for monitoring general changes over time rather than for precise estimates due to margins of error.

**Area median income (AMI)**

The AMI is the midpoint of a region's income distribution, meaning that half of the households in a region earn more than the median and half earn less than the median.

**Community land trust (CLT)**

A CLT is a community-based organization established to serve as the long-term steward of the land and to protect long-term affordability and access to housing for the community.

<b>Coordinated entry system (CES)</b>	CES was developed by HUD through the Continuum of Care (CoC) program to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.
<b>Cost-burdened</b>	When housing costs exceed 30% of a household's gross (pre-tax) income. Housing costs include rent or mortgage and may or may not include utilities, homeowner association fees, transportation, or other necessary costs depending upon its application.
<b>Housing choice voucher</b>	The housing choice voucher program is the federal government's largest rental assistance program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance through the housing choice voucher program is provided on behalf of a family or individual directly to the owner of a rental unit of their choice, participants can find their own housing, including single-family homes, townhouses, and apartments.
<b>Low-Income Housing Tax Credit (LIHTC)</b>	The LIHTC is the largest federal subsidy program for the development of affordable rental housing through new construction and substantial rehabilitation. Generally allocated by state housing finance agencies, it subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants.
<b>Market rate</b>	Housing with no restrictions; property owners or sellers are free to set prices.
<b>Rent-restricted housing</b>	A kind of low or moderate-income housing that rents below market to households earning a certain percentage of the AMI.

<b>Resident-owned cooperative (ROC)</b>	In resident-owned manufactured housing communities, the lot rent goes to the resident cooperative and is managed to meet community needs and maintain affordability. NeighborWorks Montana provides the ROC program in Montana as part of the ROC USA® Network.
<b>Short-term rental (STR)</b>	STRs in Montana are defined as a unit with a rental period of fewer than 30 consecutive days.
<b>Subsidized housing</b>	A kind of low-income housing where a qualified tenant pays a fixed share of their income towards rent.
<b>Supportive housing (SH)</b>	SH is an evidence-based intervention for chronic homelessness that offers affordable non-time-limited housing with optional flexible support services.
<b>Temporary vs. chronic homelessness</b>	Chronic homelessness as defined by HUD describes the situation where people who have experienced homelessness for at least a year—or repeatedly—while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability while temporary homelessness is a short-term occurrence.
<b>Workforce housing</b>	A broad term typically used for housing for employees earning local wages and may or may not include housing for rent or sale below market rates. This term can be controversial and is not used in this needs assessment. <sup>1</sup>

## Prioritized Tool Detail

This section will look at each of the twelve tools recommended for prioritization by the Park County Housing Working Group, including a brief description of the tool,

<sup>1</sup> Tiffany N Ford and Jenny Schuetz, "Workforce Housing and Middle-Income Housing Subsidies: A Primer," Brookings (Brookings, October 31, 2019), <https://www.brookings.edu/blog/up-front/2019/10/29/workforce-housing-and-middle-income-housing-subsidies-a-primer/>.

why it was prioritized, and some examples of other communities that have utilized the tool. In the pages following the discussion of those twelve prioritized tools, we have also included additional details of tools that are not proposed for prioritization at this time. Some of the tools are new strategies for the community, while others provide recommendations for altering or expanding existing programs or policies. The housing working group met four times with additional time spent on research and review of materials outside of meetings. The first meeting focused on our collaborative process and co-creating the guiding principles. During the three additional sessions, participants had opportunities to learn from housing policy experts about possible tools, share priorities and specifics on implementation. To ensure equal representation among all housing working group participants, the group also completed several surveys to assess group priorities, values, and opinions on implementation guidance. Tools were prioritized by a voting process, with the resulting rankings representing housing working group preferences and not the opinions of the facilitators or convening organizations.

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

### **Low-Income Housing Tax Credit (LIHTC)**

What is this tool?

The Low-Income Housing Tax Credit (LIHTC) subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The LIHTC program is the largest resource for creating affordable housing nationally. Created by the Tax Reform Act of 1986, the LIHTC program gives state and local LIHTC-allocating agencies the equivalent of approximately \$8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. LIHTC awards cover either 4% or 9% of the total cost of a project.

Why was this tool prioritized?

The housing working group selected the LIHTC program to address the urgent needs of low and moderate-income renters. Although 9% LIHTCs are a highly competitive process in the state of Montana, 4% LIHTCs may be more easily accessible for development. This tool's potential impact targets a demographic identified by community members as a top priority. The housing needs assessment found 70% of renters in Park County have an annual income of \$50,000 or less.

Recommendation:

1. Participate in the Montana Board of Housing Qualified Allocation Plan (QAP) meetings.
2. Advocate for expanded resources.

Recommended Geographic Implementation: Park County and City of Livingston

Examples:

- Existing examples in Livingston: Bluebunch Flats, Miles Building, and Sherwood Building.

Expected Impact:

- Create and preserve housing that is affordable to low and moderate-income renters.

Impacted Players:

- Low-income renters and employers of low wage workers.

## **Community Land Trust (CLT)**

What is this tool?

CLTs preserve affordable homeownership through the use of a ground lease. As a nonprofit steward of the land, the CLT will maintain ownership of the land beneath the home and sell the home for a reduced price to income-qualified homeowners. To maintain long-term affordability for future buyers, typically an annual appreciation cap and owner occupancy requirements are part of the terms of the ground lease. CLTs provide an opportunity for residents to purchase market rate homes to benefit from stable, affordable housing and equity building.

Why was this tool prioritized?

The current for-sale market is not meeting the needs of middle-income households. CLTs can help provide an in-between option from market rentals and market homes for sale while helping build stability for the community and families purchasing CLT homes.

Recommendation:

1. Educate community members and decisions makers on existing CLT opportunities.
2. Expand offerings of CLT homes through a partnership with existing CLT stewards, including HRDC, Habitat for Humanity, or Trust Montana.

Recommended Geographic Implementation: Park County and city of Livingston.

Examples:

- Local examples Livingston Land Trust, peer examples in Bozeman by HRDC or Red Lodge by Trust Montana in partnership with Habitat for Humanity.

Expected Impact:

- Create and preserve homes for ownership that are affordable to residents in perpetuity.

Impacted Players:

- Households with moderate incomes seeking homeownership, employers of moderate-income households that wish to retain employees in the community.

### **Resident-Owned Community Program (ROC)**

What is this tool?

In resident-owned manufactured home communities, the lot rent goes to the resident cooperative and is managed to meet community needs and maintain affordability. The tool prevents escalating costs for residents, displacement, and loss of naturally occurring affordable homes to redevelopment. NeighborWorks Montana provides the ROC program in Montana as part of the ROC USA® Network, which includes over 250 across the nation.

Why was this tool prioritized?

Naturally occurring affordable housing provides a critical need for Park County residents. Many manufactured homes, either rented or owned, provide residents with homes they can afford. Although they currently offer affordable opportunities, manufactured housing communities do not typically have any of the protections or guarantees of affordable rents that formal affordable housing may have. Without changes such as the ROC program, residents of mobile home parks are vulnerable to price increases or displacement of the entire community for redevelopment. With a limited supply of homes available to residents with low incomes, preserving and stabilizing mobile home parks can ensure residents are able to stay in their homes while adding economic benefits to new ROC owners.

Recommendation:

1. Partner with NeighborWorks Montana to use existing View Vista ROC as a model for additional communities in Park County.

Recommended Geographic Implementation: Park County, incorporated and unincorporated.

Examples:

- View Vista, or peer examples in Billings C&C Community Inc.

Expected Impact:

- Prevent displacement of low-income households from the preservation of naturally occurring affordable housing through incentives.

Impacted Players:

- Low-income households and employers of low wage jobs.

### **Density Bonus**

What is this tool?

Allowing for additional housing units in exchange for housing to meet specific income targets.

Why was this tool prioritized?

Specifically for the city of Livingston, areas of town have been identified through the Livingston Growth Policy as recommended for infill development, creating a density bonus could incentivize the creation of more affordable housing.

Recommendation:

1. City of Livingston to access and implement a density bonus for developers that meet affordability requirements.

Recommended Geographic Implementation: City of Livingston.

Examples:

- City of Boise, ID Housing Bonus Ordinance.

Expected Impact:

- Increase the supply of homes in targeted areas of Livingston.

Impacted Players:

- Developers, renters, and owners.

### **Accessory Dwelling Units (ADUs)**

What is this tool?

Programs to encourage accessory units to meet local housing needs; various examples of incentives, education, and outreach should be considered.

Why was this tool prioritized?

The Livingston Growth Policy highlights infill development that complements existing neighborhood character while allowing for additional homes to provide for new neighbors of all income levels as well as support existing homeowners maintain the affordability of their homes.

Recommendation:

1. Provide educational materials to the community on understanding existing ADU process.
2. Evaluate possible incentives or funding sources for new ADUs to be temporarily rent-restricted for income-qualified renters.

Recommended Geographic Implementation: City of Livingston

Examples:

- West Denver ADU program (West Denver Renaissance Collaborative) and ADU handbook.

Expected Impact:

- Add a mix of market rate and/or income-restricted units in favorable locations that support both renters and owners that align housing supply with the market and neighborhood housing conditions.

Impacted Players:

- Homeowners, renters of a range of income levels, visitors.

## Down Payment Assistance

What is this tool?

Down payments or second mortgages for purchasing homes. It may be used for deed-restricted or market units. Programs are typically income limited relative to the area median income (AMI), a benchmark released annually by the US Housing and Urban Development (HUD) for each county in the United States. Federal and state funds are typically limited to 80% AMI max; private financing may not have the same restrictions.

Why was this tool prioritized?

Down payment assistance can help first-time homebuyers access or afford homes in the market or income-restricted homes for sale including households purchasing CLT homes. This tool was prioritized to meet the needs of locals facing challenges around coming up with a down payment or with a gap between the mortgage they qualify for and housing prices of less

than \$30,000 (the current maximum amount of assistance under the HOME program).

Recommendation:

1. Promote and expand existing options for households below 80% AMI.
2. Partner with developers selling homes that meet criteria for a HOME DPA purchase to hold units for HOME DPA buyers.
3. Consider new revolving loan funds for DPA above 80% restricted below 120%.

Recommended Geographic Implementation: All areas of Park County, including the city of Livingston.

Examples:

- HOME down payment assistance programs administered currently by HRDC, HomeNow administered now through MoFi, Montana Board of Housing DPA and NeighborWorks Montana programs, city of Bozeman DPA program.

Expected Impact:

- Increase homeownership rate for middle-income households by helping households access and afford the private market and reducing barriers to homeownership.

Impacted Players:

- Middle-income first-time home buyers and employers of middle-income households.

### **Employer Assisted Housing (EAH) /Partnerships**

What is this tool?

Employer assisted housing (EAH) programs connect employees to restricted housing, master leasing homes, or offering DPA to purchase. It may be temporary, for relocation only, or long-term depending on the employer's needs.

Why was this tool prioritized?

Employers have identified affordable housing as a barrier to hiring and maintaining a consistent workforce; with a vested interest in addressing housing challenges in the community, employers have the opportunity to play a role in solutions.

Recommendation:

1. Convene an employer housing summit to share existing solutions that are already working in the community, discuss challenges facing employers regarding housing and scale solutions being implemented by peer communities that may work locally.

Recommended Geographic Implementation: All areas of Park County

Examples:

- EAH may address supply through development of housing, financing, or donation of land or other investments towards housing or assisting employees access housing through rent subsidies, DPA, education, deposit assistance, rent guarantee, or subleases.

Expected Impact:

- The whole community benefits when there are homes available to workers.

Impacted Players:

- Employers and workers.

## **Rehabilitation Loans and Grants**

What is this tool?

Grants typically from the state or federal level to improve existing housing in need of repair serving low-income households. This category covers a few types of programs; LIHTC rehabilitation loans can be used to update multifamily rental housing, while weatherization programs focus on life and safety updates to both renter- and owner-occupied homes of low-income households.

Why was this tool prioritized?

Many homes in Park County are older and in need of improvements, promoting existing and expanding rehabilitation loans and weatherization programs for homeowners, especially those with low incomes or disabilities, can help residents stay in their homes.

Recommendation:

1. Include weatherization program information in the housing resources dashboard.
2. Expand capacity for home rehab programs targeting low-income residents housed in private homes.
3. Prioritize preservation rehabilitation projects when possible to ensure no loss of low-income units.

Recommended Geographic Implementation: All areas in Park County, including the city of Livingston.

Examples:

- Weatherization Assistance Program through the United States Department of Energy administered locally through HRDC.

Expected Impact:

- Prevent vulnerable homeowners from displacement or unsafe living conditions through critical preservation.

Impacted Players:

- Low-income rents and homeowners and employers.

## **General Zoning Reform & Flexible Development Standards**

What is this tool?

Conducting a review and implementing changes to development standards through the lens of removing barriers to building affordable homes. A consideration for parking reduction should be included in the general zoning reform. A parking reduction removes barriers to construction, including cost and required space, increases access to housing at all levels, including low and

moderate-income—could consider incentives to meet deeper levels of affordability impacting lower-income residents.

Why was this tool prioritized?

For the city of Livingston, this strategy aligns with the Livingston Growth Policy and offers an opportunity to prioritize community values through the zoning code that offers incentives for building community housing.

Recommendation:

1. Conduct a code audit to assess zoning and development code barriers to expand housing opportunities in Livingston.
2. Implement changes to the current code to allow for more abundant housing.
3. The city of Livingston conducts an assessment of the current parking requirements impact on housing and establishes a parking reduction in exchange for meeting affordability requirements or increased density.
4. Align wastewater infrastructure investments to expand the developable land for future housing needs.

Recommended Geographic Implementation: City of Livingston and the surrounding areas

Examples:

- By-right development policies ensure a more predictable and streamlined permitting and development process, which reduces the cost and risk of building new homes. By-right development policies also reduce the potential impact of Not-In-My-Backyard (NIYMBY) groups or individuals representing a minority of public opinion preventing new homes from becoming available for residents.

Expected Impact:

- Remove barriers to development and increase the supply of homes.

Impacted Players:

- A community-wide impact would be expected from increasing the supply of homes.

## Short-Term Rental (STR) Regulations

What is this tool?

Local policies, tracking, and enforcement on agreed-upon standards and use for STR may include registration fees for STRs.

Why was this tool prioritized?

Based on information in the housing needs assessment, if a home is rented for the median price of \$243 a night for 15 days a month, the resulting gross income would be \$3,645, well above median rents. If a home is rented at the median price every day of the summer season (90 days), the gross income would be \$21,870. Community members and the housing working group advocated for a mechanism to benefit the broader community and address possible displacement by the continued growth of STRs. STRs benefit the community by allowing owners to generate income and adding value to the local tourism-based economy. In addition, regulating STRs ensures the safety of visitors.

Recommendation:

1. City of Livingston and Park County partner to create standards for STRs including a local fee for STRs and a maximum percentage of dwelling units by community.
2. Release an RFP for contract services to manage compliance and collect fees funded through fees on STRs. Additional funds will support community housing priorities.

Recommended Geographic Implementation: All areas of Park County, including the city of Livingston.

Examples:

- City of Bozeman Short-Term Rental Ordinance, Truckee, CA, Whitefish, MT.

Expected Impact:

- Standards and fees on STRs are intended to balance the potential negative impacts of displacement with positive benefits to the community by generating revenue for an affordable housing fund. Targeting a maximum

percentage of STRs per community would help maintain available homes for long-term residents.

Impacted Players:

- Tourism industries, renters, owners.

## Land Banking

What is this tool?

Acquiring land for unspecified future community needs including housing. Land can be donated, traded, or purchased.

Why was this tool prioritized?

Although the needs of today are pressing, the communities in Park County are expected to continue growing. Housing working group members expressed a desire to intentionally plan for the future growth.

Recommendation:

1. Increase local capacity on land banking by leveraging technical assistance resources from organizations such as the Center for Community Progress
2. Identify land owned by public entities or institutional owners.

Recommended Geographic Implementation: Park County, especially targeting areas just outside of the city of Livingston located in the Extraterritorial jurisdiction.

Examples:

- The Northside Neighborhood Initiative & Land Bank in Chapel Hill, NC.

Expected Impact:

- Create future opportunities through facilitating the acquisition or identification of land.

Impacted Players:

- Future generations of Park County residents.

## Coordinated Entry System (CES)

What is this tool?

Coordinated Entry (CES) is a process developed by HUD through the Continuum of Care (CoC) program to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.

Why was this tool prioritized?

Following best practices for CES, the participation of Livingston Healthcare was identified as a gap in program implementation. As the community grows, CES will provide an efficient and impactful way to address the needs of unhoused residents.

Recommendation:

1. Expand CES partners in the healthcare industry, including Livingston Healthcare.

Recommended Geographic Implementation: Park County, including the city of Livingston.

Examples:

- Greater Helena Area Housing First Coordinated Entry System, many larger communities in Montana and the United States.

Expected Impact:

- Improve coordination between service providers to address the needs of unhoused residents and connect individuals to housing by providing tenant-based rental assistance and helping residents access the private market.

Impacted Players:

- Unhoused residents and homeless service providers.

## Summary Tools Deprioritized by the Housing Working Group

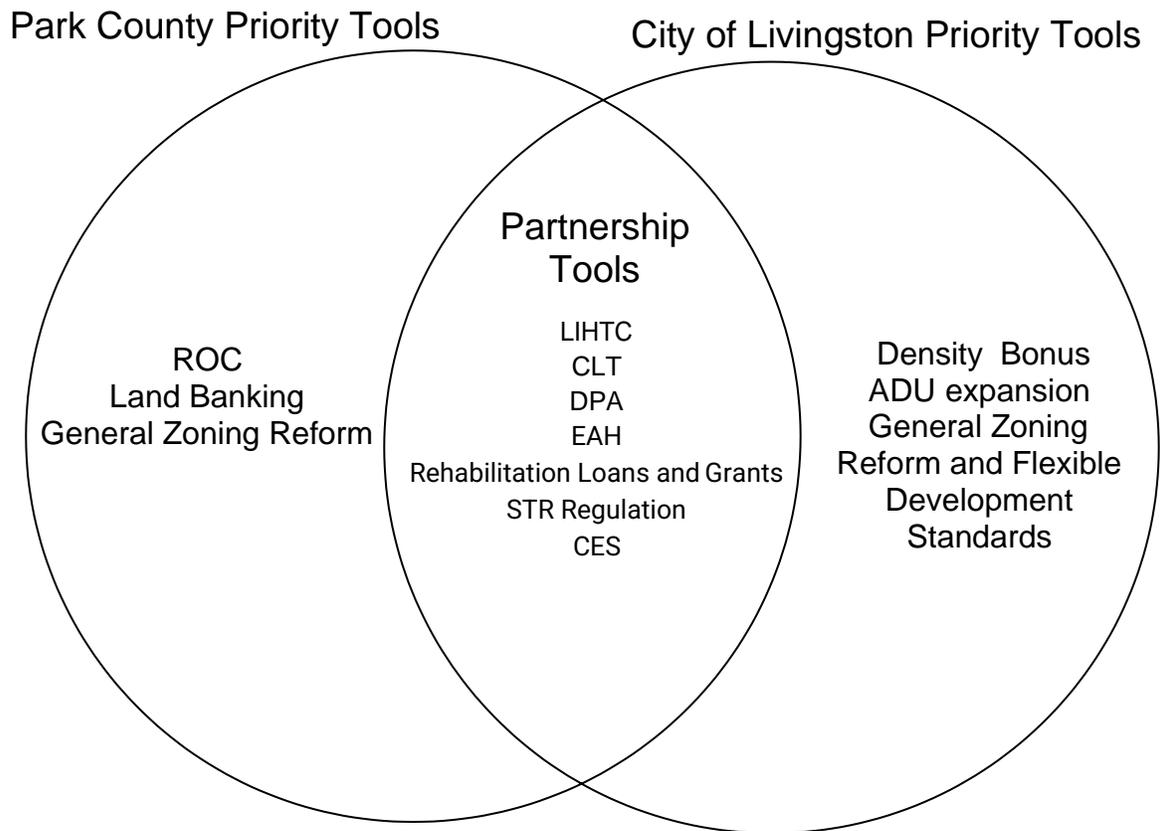
<b>Deprioritized Tools; Future Consideration</b>			
<i>Tool or Program</i>	<i>Definition</i>	<i>When to prioritize and exploratory steps</i>	<i>Impacted Players</i>
<p><b>Commercial Linkage</b></p> <p><b>Goal:</b>  <b>Create and preserve affordable housing</b></p> <p><b>Strategy:</b>  <b>Generating revenue for affordable housing</b></p>	<p>Requirements for new commercial development build, dedicate, donate, or pay for the creation of new housing directly related to the impact they are making in terms of new households to the housing market to provide housing for a portion of employees generated. Can be defined for community priorities.</p>	<p>Housing Working Group members did not advocate to prioritize this tool as a good fit for the communities of Park County. This tool should be considered by the employer round table highlighted as an outcome of the top tool "employer assisted housing."</p>	<p>New businesses and potential residents of workforce housing.</p>
<p><b>Local Option Resort Tax</b></p> <p><b>Goal:</b>  <b>Create and preserve affordable housing</b></p> <p><b>Strategy:</b>  <b>Generating revenue for affordable housing</b></p>	<p>Legislative changes to levy a Resort Tax on specific tourism related activities in the area to fund housing and/or other community priorities.</p>	<p>Advocate for state approval of a Resort Tax District that would allow funding to be directed to community priorities including affordable housing. Local Option Resort Taxes are already in place in Gardiner and Cooke City. The resort tax board should consider allocating additional funding towards housing.</p> <p>Creating a resort tax in Livingston</p>	<p>Potential funds could be used to address a range of housing needs along the housing continuum.</p>

		would require a legislative change at the state level.	
<b>Right of First Refusal programs</b>  <b>Goal:</b> <b>Create and preserve affordable housing</b> <b>Strategy:</b> <b>Preserving existing affordable housing</b>	Most often these programs require owners of affordable housing to notify the public sector of intent to sell or redevelop the property and allow a period of potential purchase by the public sector or nonprofit partner.	Housing Working Group members did not advocate to prioritize this tool as a good fit for the communities of Park County. We encourage local governments and nonprofits to monitor opportunities for the preservation of existing affordable housing with a focus on housing with subsidies.	Low-income renters at risk of displacement.
<b>Shared Equity Homeownership</b>  <b>Goal:</b> <b>Create and preserve affordable housing</b> <b>Strategy:</b> <b>Creating durable affordable homeownership opportunities</b>	Programs including CLT, co-op housing, or shared equity DPA.	CLTs and Resident-Owned Cooperatives are currently being used and listed under priority tools. Non-mobile home co-op housing shared equity DPA and other shared equity models should be considered for expansion as community interest exists towards their development.	Low to moderate-income households.

<p><b>Tax Increment Financing (TIF)</b></p> <p><b>Goal:</b>  <b>Create and preserve affordable housing</b></p> <p><b>Strategy:</b>  <b>Generating revenue for affordable housing</b></p>	<p>A tool currently only available to incorporated areas in Montana that allows the allocation of taxes within a defined district towards priorities of that district.</p>	<p>The City of Livingston could consider this tool for a specific area intending to promote the development of homes in that area.</p>	<p>Businesses intending to hire low to moderate-income employees locally, low and moderate-income households.</p>
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## Park County and City of Livingston Partnership Opportunities

As the largest incorporated community in Park County, the city of Livingston will play an important role in the success of future housing work.



## Monitoring, Evaluation, Timeline, and Responsible Parties

The next step in the housing planning process for Park County and Livingston will include the development of a live dashboard to monitor the following:

- Key housing indicators
- Progress of HAP implementation
- A consolidated list of local housing resources for community members, planning documents, and relevant recorded virtual events

The proposed key housing indicators aim to provide a snapshot of the housing market in Park County and Livingston.

- Median home prices in Livingston and Park County

- Number of permanently affordable homes under ownership (income restricted)
- Average rent in Livingston and Park County
- Number of HUD housing choice vouchers active in Park County
- Number of subsidized and rent-restricted housing units
- Rental vacancy rates
- Status of housing funding sources
- Average household income and associated affordable housing costs
- Average household size
- Percent of population housing cost-burdened by race

<b>Priority Tool Timeline and Implementers 2021–2026</b>				
<i>Tool or Program</i>	<i>Lead and supporting implementers</i>	<i>Goal</i>	<i>Suggested Timeline</i>	<i>Recommended Geographic Implementation</i>
Density Bonus	City of Livingston, 3rd party expert	Pass ordinance by 2023	Midterm	City of Livingston
General Zoning Reform & Flexible Development Standards	City of Livingston supported by 3rd party expert	Pass ordinance by 2023	Midterm	City of Livingston
Increasing Accessory Dwelling units	City of Livingston, educational support from community organizations including Park County Environmental Council and Park County Community Foundation	Permit X units by 2026	Short-term	City of Livingston
Community Land Trust (CLT)	HRDC, Habitat, Trust Montana, Gardiner Investment	Expand by X units by 2026	Immediate	Park County and City of Livingston

	Cooperative			
Coordinated Entry System (CES)	HRDC supported by members of CES	Have Livingston Healthcare join CES by 2023	Immediate	Park County and City of Livingston
Down Payment Assistance (DPA)	HRDC and MoFi, Gardiner Investment Cooperative	Provide DPA to X households in Park County by 2026	Immediate	Park County and City of Livingston
Employer Assisted Housing/Partnerships	Chamber and MSU extensions	Complete convenings in 2021/2022 and create EHA strategy	Short-term	Park County and City of Livingston
Land Banking	TBD		TBD	Park County and City of Livingston
Low-Income Housing Tax Credit	For-profit and nonprofit LIHTC developers supported by local governments	Expand by X units by 2026	Ongoing	Park County and City of Livingston
Rehabilitation Loans and Grants	HRDC	Weatherize X homes in Park County	Ongoing	Park County and City of Livingston
Resident-Owned Community Program (ROC)	NeighborWorks Montana, supported by County	Expand by X communities by 2026	Ongoing	Park County and City of Livingston
Short-term Rental Regulation	Both City and County	Pass ordinance by the end of 2022	Short-term	Park County and City of Livingston

## Next Steps

Through the end of 2021, outreach and public engagement will continue in Park County with the goal of community and civic adoption of the final HAP in 2022.

In addition to working throughout Park County, this plan recommends local housing leaders engage in regional housing discussions, coordinate with neighboring counties, and advocate for pro-housing policies at the state level.

## Appendix: A Balanced Approach

To organize this HAP, HRDC utilized tools including the framework for a balanced strategy from LocalHousingSolutions.org, a housing policy digital platform intended to assist cities in developing, implementing, and monitoring local housing solutions. We encourage you to visit their website for stakeholders interested in learning more about the tools and framework.

This section frames each priority, existing and future consideration tools in the context of the localhousingsolutions.org balanced framework to show how a multi-pronged approach will address housing from all angles. As a community plan, it is important to have diversity in housing tools and implementing organizations.

### **Goal: Create and preserve affordable housing**

There are ten tools identified as a top priority in this section.

1. Strategy: Establishing incentives or requirements for affordable housing
  - i. **Priority Tool: Short-term rental regulations**
  - ii. **Priority Tool: Density Bonus**
  - iii. **Priority Tool: Flexible development standards**
    1. Expedited plan review
  - iv. **Priority Tool: Parking reduction**
2. Strategy: Generating revenue for affordable housing
  - i. **Priority Tool: Employer Assisted Housing/Partnerships**
  - ii. **Future Consideration Tool: Local Option Resort Tax**
  - iii. **Existing Expandable Tool: Support state and federal funding opportunities**
  - iv. **Future Consideration Tool: Mill Levy**
  - v. **Future Consideration Tool: Commercial linkage**
  - vi. **Future Consideration Tool: Tax Increment Finance District (TIF)**
3. Strategy: Supporting affordable housing through subsidies
  - i. **Priority Tool: Low-Income Housing Tax Credits (LIHTC)**
4. Strategy: Preserving existing affordable housing
  - i. **Priority Tool: Rehabilitation Loans and Grants**
  - ii. **Future Consideration Tool: Right of first refusal**
5. Strategy: Creating durable affordable homeownership opportunities
  - i. **Priority Tool: ROC (Resident-Owned Communities)**
  - ii. **Priority Tool: Community Land Trust**
  - iii. **Future Consideration Tool: Shared equity homeownership**

6. Strategy: Facilitating the acquisition or identification of land for affordable housing
  - i. **Priority Tool: Landbanking**
  - ii. **Future Consideration Tool:** Publicly owned property for affordable housing

**Goal: Align housing supply with market and neighborhood housing conditions**

There are two tools identified as a top priority in this section.

1. Planning
  - i. **Priority Tool: General zoning reform**
2. Reduce development costs
  - i. **Priority Tool: Increasing Accessory Dwelling units**

**Goal: Help households access and afford private market homes**

There are two tools identified as a top priority to expand in this section.

1. Providing tenant-based rental assistance
  - i. **Existing Ongoing Program:** existing programs available to Park County residents Housing choice vouchers and HOME tenant-based rental assistance
  - ii. **Existing Priority Tool: Coordinated Entry System (CES)**
  - iii. Security deposit/ first month's rent assistance - not discussed yet possible program
2. Reducing barriers to homeownership
  - i. **Existing Priority Program: Down Payment assistance (DPA)**
  - ii. **Existing Ongoing Program:** Housing education and counseling
3. Reducing energy use and costs
  - i. Combating housing discrimination
  - ii. **Existing Ongoing Programs**
    1. Montana Board of Housing
    2. Montana Legal Services Association
4. Enhancing homeowners' housing stability
  - i. **Existing Ongoing Program:** Property tax relief for income-qualified homeowners
  - ii. **Existing Ongoing Program:** Foreclosure prevention programs  
Improving the quality of both new and existing housing
  - iii. **Existing Ongoing Program:** Weatherization-Homeowner rehabilitation assistance programs including LIEAP