Housing Needs Assessment and Five Year Housing Plan

Madison County, Montana

Prepared for:

Madison County Housing Task Force
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Reviewed by:

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Reviewed and Adopted by:

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Introduction

Madison County Housing Needs Assessment and Five Year Plan

In December 2005, the Madison County Commissioners contracted with the Bozeman-based Human Resource Development Council (HRDC) to develop a countywide housing plan. The goal of the countywide housing plan is to provide information to citizens, elected officials and planners regarding housing needs and priorities and to identify strategies the County and cities may implement.

The process began with identifying localities' housing needs. From the data gathered in the needs assessment the HRDC would identify affordable housing resources and national strategies to address housing needs and compile the information into a Housing Assessment and Five Year Housing Plan (the "Housing Plan"). As Madison County updates their Comprehensive Plan to a Growth Policy, the Housing Plan will be a portion of that Policy.

The need for affordable housing was mentioned in Madison County's 1999 Comprehensive Plan and echoed in the more recent Growth Policies for the towns of Ennis, Sheridan, Twin Bridges and Virginia City. The rapidly growing resort area of Big Sky has been struggling with the need for affordable housing since 1990. Increased demand for housing in recent years has led to a sharp increase in the cost of housing for families across Madison County. This trend looks to continue. Clark Wheeler, an accredited rural land appraiser states, "*Land values in the Madison Valley have increased by as much as 176% in the past two years relative to higher end properties. General real estate sales and values in the Madison Valley have under performed in this upward market over the past several years and are posed to explode if the demand curve for the general area continues."* In the face of growth and rising housing prices, The Housing Plan will provide affordable housing information for the County as a whole, the towns, and unincorporated areas.

Although affordable housing has been documented in all of Madison County's planning and growth documents, neither the County nor the localities have an Affordable Housing Policy Statement. A sample Affordable Housing Policy Statement is provided in Appendix B. The statement may contain information on income levels the locality will target services to, how the housing will be developed and to what standards, what the locality will do to assist with housing development, and may provide for an ongoing affordable housing task force to advise the Commission on housing practices and proposals.

When discussing affordable housing, this Housing Plan utilizes income definitions and categorizations from the U.S. Department of Housing and Urban Development's (HUD). HUD targets their affordable housing programs for homeownership to households with gross annual incomes not exceeding 80% of the Area Median Income (AMI). For rental assistance, HUD targets households whose income does not exceed 50% of the AMI. The HRDC recommends adopting a housing policy statement that gives the locality broad flexibility in the income levels they will serve with their affordable housing resources. As different housing programs have

differing requirements, a Policy Statement that is sufficiently broad and encompassing allows for programmatic guidelines to be adopted without changing the overarching Housing Policy Statement.

The Area Median Income levels are reviewed and revised annually. A chart with current Area Median Incomes is located in Appendix D. The Housing Plan is based on the FY2006 Income Limits for Madison County which became effective on March 8, 2006.

Methodology

Madison County Housing Needs Assessment and Five Year Plan

Information was gathered for the Madison County Housing Plan through statistical data, conversations with stakeholders and task force members and a series of advertised, public meetings in the towns of Virginia City, Ennis, Twin Bridges, and Sheridan and the unincorporated areas of Harrison and Big Sky. The housing task force and HRDC determined that remaining unincorporated areas were located sufficiently near public meeting sites and shared similar affordable housing needs.

To assist with the development of the Housing Plan, the Madison County Commission appointed an Affordable Housing Task Force. The task force is comprised of stakeholders representing builders, realtors, lenders, business owners, and citizens and representatives of two non-profits that provide housing services to Madison County: the Butte-based Human Resources Council (HRC) and Headwaters Resource Conservation and Development (RC&D). The Housing Task Force provided preliminary information that directed methods of housing assessment, public meetings locations, identified community stakeholders to interview, public infrastructure information, and perceived housing needs. Also incorporated into the Housing Plan is statistical information and data from County and town growth policies.

The Housing Plan contains a specific report on the information gathered in each public hearing. That information has been analyzed against the localities' census data to obtain the scope and nature of the housing need. A series of affordable housing priorities have been identified for each community and the County as a whole. A list of housing resources and contact information is also included.

It should be noted that most of the localities' statistical data was gathered in 1999 for the 2000 census. All areas in Madison County are experiencing growth, net in-migration, increased need for service industry workers, and a need for affordable housing for segments of their population. For much of the County, these changes have been most pronounced in the past five years and may be less apparent in the seven year-old statistical data. Whenever possible, we have supplemented Census data with more current information. This study also cannot accurately predict if current economic and growth trends will continue.

The draft housing plan was presented to the Affordable Housing Task Force who provided input regarding the assumptions made from the public meeting information and a local perspective on the identified housing needs and suggested housing plan. The Housing Plan was subsequently presented to the planning board and the County Commission for approval and adoption into Madison County's Growth Policy.

Housing Task Force

Madison County Housing Needs Assessment and Five Year Plan

The Housing Task Force consists of the Madison County planning staff and twelve community members listed below.

Doris Fisher, Madison County Planning Office

Staci Beecher, Madison County Planning Office

David O'Connor, Big Sky

Bill Olson, Big Sky

Ed Biga, Ennis

Tikker Jones, Ennis

Karen Swedman, Ennis

Lois Lehwalder, Twin Bridges

Marilyn Ross, Twin Bridges

Jim Jarvis, Virginia City

Paul Kramer, Sheridan

Ron Pack, Sheridan

Elissa Mitchell, Butte Human Resources Council

Judi Tillman, Butte Resource Conservation and Development

The Madison County Housing Task Force met twice with the HRDC to provide information on how to proceed with gathering housing information in their communities and housing issues from their perspective. At the first meeting on January 27, 2006, the task force members analyzed their communities and provided information on the composition of their population, what population segments may need affordable housing and where the identified population worked.

Madison County Housing Task Force Meeting- January 27th 2006

Attendees:

Doris Fischer and Staci Beecher, Madison County Planning Staff;
Marilyn Ross, Twin Bridges;
David O'Connor and Bill Olson, Big Sky;
Tikker Jones and Karen Swedman, Ennis;
Jim Jarvis, Virginia City;
Ron Pack and Paul Kramer, Twin Bridges and Sheridan;
Elissa Mitchell, Executive Director, Human Resources Council;

Who needs Affordable Housing?

Virginia City/Alder

- Summer seasonal workers, Ranch hands and their families

Ennis

- Teachers, service workers, medical workers, artists

Twin Bridges/Sheridan

- Teachers and other essential workers
- Elderly, supportive housing as they downsize
- Young workers
- People who are commuting
- Ranch hands and migrant workers

Where do they work?

- Self-employed, small businesses
- Working multiple service jobs
- Bozeman
- Ranch hands and construction workers
- Schools and the hospital
- Big Sky and Bozeman
- Twin Bridges – Winston Rod, Airport will be a factor as well
- Seasonal jobs and service industry
- Public service
- Resource extraction

At the second task force meeting on March 16, 2006 the members provided information on current housing conditions and needs along with barriers to developing affordable housing.

Madison County Housing Task Force Meeting – March 16, 2006

Attendees:
Doris Fischer and Staci Beecher, Madison County Planning Staff;
Marilyn Ross and Lois Lehwalder, Twin Bridges;
Tikker Jones, Ed Biga and Karen Swedman; Ennis
Jim Jarvis, Virginia City;
Elissa Mitchell, Executive Director, HRC;
Judith Tilman, Executive Director, Headwaters RC&D;

Caren Roberty and Tracy Menuez, HRDC Bozeman;

Housing Needs and Current Conditions

Ennis

- Multiple wells, perhaps needs another
- Town that is bordered by the river and mountains and can only grow to the north
- Scarcity of land has driven up price.
- Ranchers have done conservation easements to protect agricultural and open space
- 180 unit subdivision expected
- Senior housing, service sector housing (rentals) and workforce housing needed; possibly condos for sale and rent
- Lack of affordable housing leads to lack of middle class and decreased community involvement
- 12 unit family project that is being bought by Butte HRC; needs substantial rehab
- Has zoning, density guessed at 2 to 3 units per acre; provides clinic, schools and hospital for other immediate areas
- Need affordable homes and rentals
- Has infill property within City boundaries; covenants may be a problem
- Duplexes, fourplexes and more dense construction where allowed

Virginia City

- Very seasonal area, no winter services; lots of seasonal workers in the summer for whom housing is a problem
- People moving in are upper-middle class who may work in Ennis
- Possible rehabilitation for seasonal or long-term lease with MT Historical Properties
- Possible infrastructure and flood plain issues (look at growth plan)
- Much of land State owned, see if there is option for Virginia City to have more control

Big Sky

- Workforce Housing
- Middle management housing
- Possibly set-up nonprofit for land trust
- Employers purchase land
- Has services, land getting more scarce
- Has Economic Study from Bootleg Enterprises (Chamber of Commerce)

Twin Bridges and Sheridan

- Sheridan has water and sewer capacity issues and is recent grant recipient
- Sheridan has Shermont Manor 12 units for elderly; could utilize more similar units
- Sheridan has a lack of developable infill lots and currently cannot annex
- Affordable or subsidized rentals for families needed
- Assisted living, supportive living and home health care; independent living
- Rehabilitation may not work due to condition of homes
- Homeownership down-payment program through Headwaters RC&D; need more resources
- Twin Bridges needs affordable homes to purchase for working families

- Twin Bridges needs affordable rentals for younger working single persons
- Twin Bridges has infill lots but some are in flood plain and areas where the groundwater is too high to build upon.
- Twin Bridges has the old Children's Home which could be used for housing

Community Assessments

ENNIS

Community Demographics, Housing and Market Conditions and Trends

Ennis is the largest town in Madison County and one of only two cities that have adopted zoning. The tables in Appendix A provide information on demographic characteristics for the City as compared to other localities in Madison County and the County as a whole. Demographic data was primarily collected from the U.S. Census Bureau and the Montana Department of Commerce.

As demonstrated in Tables A.1 and A.2, Ennis's current population has been steadily increasing with projections for steady growth into the year 2020. Between 1970 and 2000 Ennis's population increased by 1.6% annually. From 2000 to 2005 the population increased by 15.8% (3.16% annually), making it the 10th fastest growing municipality in the state. Assuming that the rate of growth experienced over the previous five year period remains constant, Ennis will be home to approximately 1,511 residents by the year 2020.

Ennis has primarily grown through the annexation of new subdivisions in the areas south of town with some growth north and northwest of town. At the same time, Madison County has followed the national trend of developing more property outside city boundaries than within. Substantial amounts of property just outside the Ennis planning area have residential development most visibly along Highway 287 both north and northwest. Recent residential developments include the subdivisions of Antelope Meadows and Glenview Heights which are platted in 3 to 5 acre lots and with private septic tanks and wells. Recently the Skyview subdivision, with lots sized from ½ to 1 acre has started development. This development has a private community water system and individual septic systems.

Up until recently, Ennis's ability to annex new subdivisions had been hampered by the need to up-date their infrastructure. Expansions of the wastewater treatment system and collection system have now been completed; as such, infrastructure is no longer a barrier to annexation and growth in Ennis.

Regarding development, the Ennis Growth Plan states,

"*It is apparent that a significant part of any expected growth in the Ennis Planning Area can be accommodated on presently vacant land within the existing town limits. Although it is expected that some expansion will indeed take place within the town, the steadily increasing demand for rural development will create new subdivision activity in the rural area adjacent to the town limits. The factors that are the primary determinants of how growth will be accommodated and distributed in the planning area are: 1) The availability of community sewer and water services; 2) Primary access from arterial streets; 3) surface and groundwater limitations, and; 4) Future plans of farming and ranching operations on the perimeter of the platted area.*"

According to Ennis's 2005 Growth Policy, there are approximately 66 acres within the city that can accommodate new growth. More specifically, the sector of town south of Armitage Street and west of First Street contains 37 acres of platted vacant land on 68 parcels in predominantly residential neighborhoods. Ennis has already adopted a policy of building within the City's boundaries close to goods and services. The continuation of this policy with additional measures to promote increased density and smaller lots will assist the city's affordable housing efforts.

Table A.3a demonstrates the age distribution of Ennis's population. The average age of Ennis households was 42.05 years of age, higher than both the state (37.38) and national (36.22) average household age. According to the 2000 Census, 47% of the population was over the age of 45. The median income for all households was $30,735; households 25 years of age and under had median incomes of $10,417. Households over the age of 75 had median incomes $45,313, over double the state ($20,312) median income for households of that age (Table A.4).

Ennis's growth spurt has led to an increase in the number of local businesses supplying goods and services, which has in turn created additional year-round employment opportunities. Table A.6 demonstrates Madison County's total Employment by Industry. As the largest city in Madison County, it is reasonable to assume that trends affecting Madison County's economic picture are present in Ennis. The number of service workers in Madison County has steadily increased, by 25% between 1980 and 1990, and then by 53% between 1990 and 2000. From 1980 to 2000, the number of service workers increased by 133% - faster than any other industry in the County. Recently, it has become difficult for employers to find quality employees for year-round and seasonal positions.

Population, age and income statistics provide insight into why Ennis employers cannot find seasonal and unskilled workers. Generally non-skilled labor, especially seasonal, service industry jobs, pay close to minimum wage and are performed by younger persons with other sources of support. The age group of these workers is generally 16-24. As indicated in Table A.3a, only 12% of Ennis's population is in that age range. At the same time, households over the age of 65, which represent 20.7% of the population, require a higher level of service. There are at least 60% more persons requiring a high level of service than there are service industry workers. This figure does not consider the impact of the large number of tourists that visit the area, placing an even greater demand on services.

Tables A.7a, A.8a and A.9a demonstrate housing stock characteristics such as age, type of structure and quality. The majority of Ennis's housing stock (57%) was developed after 1970 and over half (54%) is in average or better condition. Of primary concern are older and deteriorating mobile homes, which comprise 17% of Ennis's housing stock (Source: Ennis Growth Policy, 2005). These older homes present numerous safety hazards and higher energy costs for the occupant. Additionally, these homes face risk of eviction from leased land if the mobile home court is sold, a phenomenon that occurs often in areas with rapidly appreciation land costs. A mobile home cooperative may help owners protect their lots. Low-income occupants of mobile homes may have several options, including: housing assistance to rehabilitate the mobile, down-payment assistance to buy a home, or rental assistance.

The median value of a home in Ennis in 1999 was $101,800, near the median value of a home in Madison County at $104,500 (Source U.S. Census 2000). In 2003, the median value of homes sold in Madison County (72 in total) was $119,300 (Source: Price of Housing in Montana 2003, Montana Board of Housing), representing a 14% increase from 1999 to 2003 (or 3.5% annual average increase) in the median value of a home in Madison County. The relatively small number of homes for sale in Ennis results in median sales prices that may vary substantially from month to month. However, a tour of Ennis and review of available homes in the area displays that most homes are priced substantially above the 2003 figure for Madison County. Table A.11a displays how much a household would need to earn to purchase the 2000 Census's Median Priced home in Ennis while Table A.12a displays the maximum purchase price for a household earning the median income.

According to Tables A.11a and A.12a, a household with median earnings of $30,735 could just afford the median home in 1999. Drastic increases in home prices since 1999 have not, for the most part, been accompanied by comparable increases in household incomes resulting in a widening gap between household affordability and prices. Strong continued demand in the Ennis area will result in more households experiencing difficulty purchasing a home in the community.

Renters occupy 37.6% of Ennis's housing units. According to the 2000 U.S. Census, the median rent of these units was $450 per month. Table A.13 demonstrates that households earning less than 59% of the Area Median Income will not be able to rent median priced homes. A large percentage (40.4%) of households meet the HUD definition of overpaying for rent, which is paying more than 30% of monthly income for housing costs (Table A.14). A large percentage of households overpaying for rent suggests a need for development of affordable rental housing. In fact, a tour of the community found that there were few rental units designated as affordable.

It will be important for the community of Ennis to provide housing for newcomers of all income ranges in order to sustain their growth. A community's growth must be in balance with infrastructure, land availability, on-going employment, necessary goods and services, and diverse housing for a variety of income levels and households.

Community Input

Stakeholder's Meeting – April 19, 2006

The stakeholders included persons from the nursing home and the medical center, school administrators, a representative of the food bank, and local business owners. The stakeholders discussed the housing needs of their employees and other members of the community.

The food bank representative discussed the number of working persons who did not earn enough money to buy food. The need for increased housing with rental subsidies and other affordable rentals were discussed.

The medical center and the nursing home provide year round, stable employment with comparable wages for other facilities their size in Montana. Both organizations said they were experiencing a shortage of both skilled and non-skilled employees. Often, skilled personnel commute from Butte, however; this is usually a temporary employment situation as they soon

obtain employment in an area closer to home. Both employers expressed their difficulties in recruiting and retaining quality employees.

The business owners echoed similar sentiments. Both businesses particularly had problems obtaining seasonal workers. The problem was being addressed by importing temporary laborers from Europe. Most seasonal, tourist businesses do import workers from other towns, states or countries. One business owner had been unable to locate employees for ongoing jobs that paid the industry standards for Montana. Another participant was the school principal; he relayed losing good, qualified teachers due to the lack of housing. The problem has become so severe that the school board has voted to build rental units that could be used by teachers until they found an affordable unit to lease or buy.

The lack of skilled, semi-skilled and non-skilled workers was a theme repeated by all the employers indicating that a variety of housing types and costs were needed. In summary, participants in the Ennis stakeholders meeting identified the following:

- A lack of affordable housing is partially responsible for lack of employees, particularly in the seasonal service industry;
- The lack of affordable rentals and houses is the main reason they are unable to attract and maintain skilled and semi-skilled persons;
- As Ennis grows, more businesses will be able to remain open year-round and offer more ongoing employment opportunities. Steady employment and affordable housing will in turn provide more employees.

Public Meeting – April 19, 2006

Twenty (20) members of the community attended Ennis's public meeting to discuss affordable housing and provided a wealth of insightful information about the community's housing needs. The participants included a landlord, a banker, a realtor, a planning board member, a former Public Housing Authority Director from Colorado, a builder, and a member of the Chamber of Commerce.

The participants agreed that housing was needed for both the seasonal and year-round workforce. A common theme was the need for rentals in a variety of price ranges. One landlord warned about over building and the price of development. The suggestion of running a bus to the nearby towns daily to bring and return labor was considered. The difficulty of finding carpenters and tradespersons as well as general labor was discussed. The consensus was that many members of the building industry were working in Moonlight Basin in Big Sky and living in trailers during the week.

The participants all agreed that affordable homes needed to be built. The participants also discussed what types of housing could be provided. It was decided that the houses could be a mix of single family detached, duplexes and four-plex town homes.

Most of the participants thought there was land in town on which affordable housing could be built, which is supported by information in Ennis's 2005 Growth Policy. The participants felt that affordable housing should follow the advice of "Do not build what you would not want to

live in". Amenities and services should be appropriate to the population being served. Although affordable units may be denser, they should not look substantially different from the rest of the neighborhood. Affordable units should be built with the goal that persons driving by would not identify the homes as affordable.

Types of affordable housing subsidies were discussed by the participants. While a possibility for some developments, the use of subsidies may trigger federal and state requirements that make a project onerous and more expensive. Care must be taken when using federal and state programs to ensure that funds are put to their best use, including using the funds for those components of development that trigger fewer regulations. Issues of private, non-profit and public ownership of affordable housing developments were discussed. All grants require the participation of the local governing authority, although the actual owner of the project can be a non–profit and in some cases, a for-profit company. In the absence of a housing authority, public bodies generally do not develop, lease and/or sell property. Income guidelines and limits for participating in housing programs were discussed.

Senior housing and a need for home care aides was discussed as a current and increasing need. Madison County has a slightly higher than average of persons over age 65 living in poverty (9.3%) than the state average (9.1%). Ennis does not have any senior housing other than the nursing home. While a need for housing for low-income seniors was discussed, participants also cautioned that it was important to avoid overbuilding senior housing as senior projects generally do not fill up rapidly.

In summary, the public meeting participants found:

- The community has a need for affordable housing for many income ranges;
- Lack of affordable housing is making it hard for people to remain in the community, contributing to difficulty finding and keeping employees;
- Older mobile homes in the community may need rehabilitation or replacement, need to be on land owned by the homeowner and placed on a permanent foundation; there may be a need to provide a cooperative mobile home park;
- It is important to provide appropriate amenities and supportive services for the target income group, whether for seniors or young families. Providing housing far from goods and services will simply provide the household with a new set of difficulties;
- Young families were identified as a group of persons who needed affordable rentals and homes. The availability of Rental Subsidies was discussed as an option for very low-income households;
- Existing units need rehabilitation, especially for lower-income seniors who could remain in the home;
- Down-payment assistance and homebuyer's education is needed. The Butte Headwaters RC&D currently provides these services to Madison County, and;
- An Ennis housing task force could be formed to take the priority housing needs and work with a public entity and/or housing non-profit to start developing a project.

Housing Priorities

a) Form an Ennis Affordable housing task force consisting of members of the building industry, lenders, realtors, businesspersons, non-profits, local government (both City and County), and other community stakeholders. The Board Members should be appointed by the City to work with the city and county to develop affordable housing.

b) The City of Ennis should adopt an affordable housing policy stating current housing needs and who will be served by the City's affordable housing programs.

c) Provide affordable rentals for year-round service workers using federal and state affordable housing programs. (1-2 bedroom).

d) Provide affordable housing for seasonal workers. This will likely be an employer-led effort, as federal programs cannot be used to supply seasonal housing (with the exception of housing for migrant farm workers).

e) Provide affordable rentals for elderly persons and link them to supportive services. Units could possibly be owned and/or operated by the Clinic or County Nursing Home.

f) Provide affordable rentals for young, working families with stable employment as a step towards homeownership through a mix of subsidized and market units.

g) Provide rental assistance for elderly, disabled and single parent households through federal and state subsidy programs.

h) Provide affordable homes for purchase for households with incomes below 80% of the Area Median Income. These homes could be attached housing, may use federal and state subsidy programs and/or be provided by the private market. Zoning should encourage density and attached units to reduce development costs. Upzoning may also be considered.

i) Explore the use of extraterritorial zoning to increase densities in the area immediately outside the city limits.

j) Purchase and develop land for mobile home owners. The homeowner could either purchase the land and move their mobile home to the site (only if in good condition and placed on a foundation) or purchase a new manufactured home. The lots could either be sold to the homeowner or be held in a community land trust to keep them affordable for subsequent purchasers.

k) Strengthen ties with Headwaters RC&D for second mortgages, down-payment assistance, homeownership education class, affordable mortgage products and access to Montana Homeownership Network (MHN) programs. Encourage area lenders to utilize programs provided by Montana Board of Housing, MHN and RC&D.

l) Establish a homeowner's rehabilitation program that is administered by either a nonprofit, the City or the County. A portion of the program should be an analysis of current city housing as grant funds can also be used to clean up vacant lots, demolish old buildings, replace old mobile homes with new mobile homes, and purchase land for a mobile home cooperative or land trust.

The Resources Section of this document contains information on programs that can be used to develop, preserve, rehabilitate, and maintain affordable housing.

VIRGINIA CITY

Community Demographics, Housing and Market Conditions and Trends
Virginia City is a historic mining town and the county seat of Madison County. With a population of approximately 135 people, Virginia City is Madison County's slowest growing town as demonstrated in Tables A.1 and A.2. While the population grew from 2000 to 2005 by 5 households, the population still remains below the 1990 Census population of 142 people. Primarily a summertime destination, Virginia City lacks many of the year round amenities and employment that generally must be in place before people move to a community. Recent growth has occurred on the outskirts of the community and is geared toward higher-end homes for purchase, often for second homes.

Virginia City's economy is primarily based on summer tourists who visit the historic town. For four months of the year Virginia City is packed with visitors all needing multiple services. During this period, almost every private business in Virginia City will hire service workers and the town's population doubles as employees travel from Ennis, the Ruby Valley and other areas of the State and Country for summer employment. Most of these seasonal workers will leave the community after the summer tourist season has finished.

Virginia City has a total of 122 housing units within the city limits. Of these units, only 18 (less than 15%) are renter occupied units (Table A.10). A high percentage of units (41%) are vacant. According to the figures in Table A.10, 80% of the vacant homes are designated for seasonal use or simply remain vacant. Only one vacant unit was specified as a rental unit. There are far many more seasonal workers than available seasonal housing. This makes renting a unit difficult for seasonal workers as well as year-round workers. Many people working in Virginia City must commute in or find housing from their employer.

The majority (53.8%) of Virginia City residents are ages 35-54. A lack of year-round amenities provides a barrier to families with young children and the elderly to live in the town; as such, they represent a smaller segment of the population than in the majority of Madison County's smaller towns. It is reasonable to assume that many year round residents own the seasonal businesses as 21.9% of households report being self-employed. Another 16.4% are employed by the government. The median income of all households reported in the 2000 Census was $30,000, close to the county median of $30,233. Median income by age can be found in Table A.4.

Tables A. 7b, A.8b and A.9b provide information about Virginia City's housing stock. A large number of homes in Virginia City were built prior to 1939; these homes comprise 68.8% of all housing units. Many units are in poor condition and in need of substantial rehabilitation. Unfortunately, many of these units are not likely candidates for state and federal rehabilitation assistance due to historic preservation factors and cost of rehabilitation as compared to new construction. The most likely candidates for remodel/rehabilitation are those units built between 1960 and 1980, which comprise 9.4% of total housing units. These dwellings are usually not historic, are built in accordance with building codes and can be successfully rehabilitated within the confines of state and federal funding sources.

Households wishing to purchase housing in Virginia City have limited options. There were only 3 houses on the market at the time of the 2000 Census. The median value of units at that time was $82,000. Table A.11a displays the earnings necessary to purchase the median priced home in Virginia City in 1999. A household would need an annual income of over $25,000 to purchase the median home as defined by the Census. In reality, current housing prices will necessitate much higher incomes as prices have risen dramatically since that time. Affordability is not the only issue; in addition to being costly, units for purchase are also relatively scarce.

As mentioned above, there were only 18 renter-occupied units at the time of the 2000 Census. Given the number of seasonal workers that migrate to the area each summer, there is a shortage of suitable housing for this population. Overcrowding and substandard conditions are standard during the busy season for those choosing to live in Virginia City; those that cannot find housing in town must commute from outlying communities. According to the 2000 Census, median rents were $381. Table A.13 demonstrates the income required to rent the median priced home. Table A.14 displays that none of households in the 2000 Census were overpaying for rent. However, many people overpaying for rent in Virginia City may be seasonal employees not represented in the Census. A lack of rental units and possibly their affordability appear to be concerns in Virginia City.

While it is clear that housing scarcity is certainly a problem during the summer, what is unclear is the number of persons wishing to live in Virginia City that cannot due to a lack of housing for either rent or purchase. A market study of Virginia City employees would be useful to determine the need for housing. It is likely that housing alone is not the solution, as many households will desire year-round employment and access to goods and services before moving to a community. There is certainly a need for affordable rental housing for seasonal workers. This will likely need to be supplied by businesses that employ the workers as many of the tools used to develop affordable housing prohibit the development of seasonal housing.

Community Input

Public meeting – January 27, 2006

The Virginia City town meeting was preceded by a meeting of the Housing Task Force. Task force members attended the public meeting that followed, along with 4 residents to discuss affordable housing options for Virginia City.

Residents discussed the following needs and concerns:

- Over crowding, substandard units, unsafe mobile homes used by seasonal workers;
- Need for affordable rental units for seasonal workers;
- Need for year-round employment opportunities and services to make the community more attractive to families,
- Possibility of a bus service to transport employees in from communities that have housing;
- Need for a small number of homes available and affordable for purchase by year round residents;

- Possibility of rehabilitating older structures, building on to existing structures and constructing Accessory Dwelling Units (ADUs) that can be rented;
- Need for a small assisted living facility to allow seniors to remain in the community. This type of small town assisted living center can be done by a homeowner or by a private development firm. As seniors move from their homes to a congregate care center these houses are freed up for new households to own, and;
- Concern for preservation of the historical integrity of the community.

Virginia City held a recent community discussion with the Planning Board as well. It is apparent from the suggestions stemming from the meeting that citizens want to see Virginia City grow as a mixed community, however; many citizens do not want to see it grow so much that it loses its character. Concerns included:

- Lower income housing and lower density should be directed to areas with jobs, such as Bozeman and Butte, not Virginia City;
- Need to promote diversified industry;
- Need affordable housing to avoid becoming solely a retirement community;
- Not many available lots with services – may be difficult to pay for services to support new housing;
- Need for a variety of lot sizes. Recent trend has been large lots, which some citizens like because they tie up larger tracts of land and limit growth. However, these large lots are more expensive and a scarcity of small lots actually makes them expensive as well;
- Need to do a market study to see who wants to purchase and whether or not they can find a home;
- Need to provide incentives to developers to increase density;
- Need to re-explore extraterritorial zoning.

Housing Priorities

a) Work with local business owners to define the number of seasonal workers, how many will need housing in the community, identify possible housing sites, and determine the feasibility of transportation for employees.

b) Perform a market study of Virginia City employees to determine the demand for year-round rentals and homes for purchase.

c) Allow for Accessory Dwelling Units (ADUs) and dorm-style housing through zoning.

d) Explore resources available for rural transit systems.

e) Explore use of extraterritorial zoning to better manage growth in area adjacent to town.

f) Utilize existing homeownership assistance programs to help first-time homebuyers.

g) Conduct a housing inventory to determine the number of homes that may be candidates for rehabilitation, taking into account age, historical factors and likely costs of rehabilitation.

SHERIDAN

Community Demographics, Housing and Market Conditions and Trends
As in most communities in Madison County, Sheridan has experienced increased growth and housing prices in recent years. As demonstrated in Table A.1, from 1970 to 2000 Sheridan's growth was less than 4% with an increase of 23 people. Then, from 2000 to 2005 the town's population jumped by 4.6%, adding 30 new persons in just five years. During the same time period, non-town areas of Madison County grew by 4.9% while the county as whole grew by 6.2%.

From meetings with stakeholders and the public, it was determined that all of the available housing and lots within the town's boundaries have been purchased and there are no vacant lots within the town. At this time, there are only 8 vacant properties on the market in town. Several factors have caused a scarcity of residential lots within Sheridan.

First, infrastructure problems have prevented the City from annexing new subdivisions and allowing the new units to hook up to the water and wastewater systems. When the City's growth policy was written in June 2003, the wastewater treatment system did not meet DEQ standards. The estimated cost to replace the existing facultative lagoon would be over $2 million. Since 2004, Sheridan's has received $1 million in grants from both the Treasure State Endowment and Community Development Block Grant programs to upgrade the community water supply and distribution center. Like elsewhere in the county, Sheridan's paved roads require high maintenance due to frost upheavals. The majority of the roads surrounding the downtown are not paved; lack of curb and gutter adds to the groundwater infiltration problem.

With no new land to be annexed into the City, developers and builders quickly purchased existing land, resulting in a shortage of residential lots and a sharp increase in land and housing prices within Sheridan. As is the case in other areas of Madison County, a lack of in-town lots and inability to annex new subdivisions coupled with a strong demand due to population growth has led to development on the outskirts of town in the County.

Table A.3c displays the distribution of Sheridan's population. Sheridan has a large number of elderly households. According to the 2000 Census, 29% of Sheridan's population is over age 65. This is more than twice the percentage for Montana (13.4%). Sheridan is also home to a number of younger households (ages 20-34), which comprise 9.1% of the town's population. Both the elderly and young families are often in need of affordable housing.

Table A.4 demonstrates the median income for households by age group. Households in Sherdian as a whole had the lowest median income ($21,118) in the county. Median incomes across all age groups are significantly less than state medians. As displayed in Table A.5, Sheridan has 38 families consisting of 159 people living below the poverty level.

Sheridan's housing stock consists of a significant number of older homes and mobiles with some newer development. Sheridan's Growth Policy states,

"In general the houses in Sheridan are older homes, but relatively well maintained. In a couple of areas of town the housing is very old and in need of repair or replacement."

The Montana Department of Commerce's housing condition study (Tables A.8c, A.9c and A.10c) found that 182 of Sheridan's units (55%) were built prior to 1960. The condition study further found that 191 of Sheridan's units were of less than average quality and workmanship. These factors in addition to community input suggest a number of homes that will need substantial rehabilitation to repair and/or replace mechanical systems, wiring, foundations, and other features. Fixing up and preserving older properties enhances the town's character and attractiveness and adds to the value of the neighborhood. At the same time, rehabilitation is often costly and complex. Home rehabilitation programs will likely be a factor in several Madison County municipalities, as such, rehabilitation-specific information is included in the Strategies section of this document.

Mobile homes were identified as a primary source of affordable housing in Sheridan by the Department of Commerce Study. Mobile homes (constructed pre-1976) or manufactured homes (built in accordance with HUD code after 1976) are a prevalent source of housing throughout Montana. Sheridan's housing stock is composed of 22% mobile homes. Mobile homes are often viewed as an affordable housing option; indeed, newer manufactured homes on permanent foundations have proven to be a quality affordable housing option. While some of Sheridan's mobile/manufactured stock may meet this standard, the majority (65%) of Sheridan's mobile homes were built before 1980. Mobiles of that age often have issues relating to energy efficiency, rented land and fire danger that cancel out affordability and safety issues. This may be particularly true in Sheridan - of the 72 mobile homes identified in the study, 46 were considered to of below average quality.

Increased demand for housing has caused prices to escalate, making it difficult for local families to purchase homes. Coupled with low median incomes (Table A.4), households wishing to purchase in Sheridan often experience a gap between the mortgage they can afford and sales prices. At the time of the 2000 Census, the median priced home in Sheridan was $94,300. Tables A.11a and A.12a demonstrate the maximum purchase price for a household earning the median income ($21,118 in 1999) and the income needed to purchase the median-priced home. The table shows that a household earning the median income could purchase a home for approximately $61,000, well below the price of Sheridan's homes. In fact, a household would need to earn $28,312 in order to purchase the median priced home in 1999.

Because these figures are derived from the 2000 Census before Sheridan's population and housing market started accelerating, the actual cost of purchasing a home in 2005 is actually much greater. At the same time, incomes have remained roughly the same, widening the affordability gap.

Sheridan's rental market also presents affordability difficulties for low income households. According to the Census, in 1999 the median rent in Sheridan was $422; when average utility costs are added in, the gross rent is approximately $547. Using HUD's guideline that housing should represent no more than 30% of the household's gross monthly income; a household must

earn $21,880 – just over the median income - annually to rent the median home. A study of available units shows that the price of units has increased substantially from the U.S. Census figures as well, further widening the gap between prevailing wages and rental prices. Other factors have driven up the cost of rentals since the 2000 census including recent increases in population, scarcity of residential lots within Sheridan and the conversion of former rentals to ownership units.

Community Input

Public Meeting – June 20, 2006

The public meeting was attended by 4 housing stakeholders. Two attendants worked full time at year round professions, another was a realtor and the final person was a bank manager who is also on the Housing Task Force appointed by the County. Citizens identified and discussed the following concerns:

- Lack of available lots within the town for development;
- Infrastructure issues;
- Increased housing costs for both rentals and homeownership along with a shortage of available units of both;
- Fear of losing young families and professionals that cannot afford increased housing costs;
- Concern that area builders are not interested in building affordable housing;
- A large number of older mobiles that require replacement or rehabilitation;
- Need for rehabilitation of older homes, and;
- Necessity of affordable housing for seniors as the 12 units in The Shermont are always full and there is a long waiting list.

Housing Priorities

a) Develop a local affordable housing task force, or alternately, participate in a countywide affordable housing task force. The task force will be responsible for working with the town and county to focus affordable housing efforts and secure resources.

b) Adopt an affordable housing policy (sample included in Appendix B).

c) Encourage the development of affordable housing for purchase by low and moderate income households. To reduce land and construction costs, the town should encourage building townhouses, fourplexes and duplexes. The town should consider zoning for areas of town that are close to services to allow for multifamily, attached structures.

d) Assist low and moderate income households with purchasing through existing down-payment assistance and affordable mortgage programs. Ensure that area lenders are familiar with such programs and utilize existing homeownership education courses to

prepare households for homeownership and inform them of the available assistance programs.

e) Conduct a market study to determine the need for affordable rental development. While statistics suggest a possible need for affordable rentals for young families and especially the elderly, a market study is necessary to confirm that there are households that would live in the units if they were constructed. If the demand can be determined, then;

f) Develop affordable rental housing for low income families. Programs to develop affordable rental housing are listed in the Resources section of this document. For very-low income families, rental subsidies may be needed as well.

g) Develop affordable rental housing for seniors. The high number of seniors in the community cannot be adequately served through The Shermont alone. Additional senior housing opportunities will also make available housing stock that may be more appropriate to family households. Senior housing should be developed in the town's core so that residents may easily access the town's amenities.

h) Provide a home rehabilitation program to repair older homes in the town. As rehabilitation programs require substantial administration, it is suggested that smaller communities partner in order to increase the capacity of the program.

i) Provide assistance to households residing in mobiles to purchase land and perform necessary upgrades or replacement of the structure to ensure that it is safe and affordable.

TWIN BRIDGES

Community Demographics, Housing and Market Conditions and Trends
Twin Bridges is a changing community. Population growth has been steady for the past fifteen years. As displayed in Tables A.1 and A.2, from 2000 to 2005, Twin Bridges experienced a growth rate of 4.5%. If that rate of growth were to continue, Twin Bridges would have a population of 437 by 2010 and of 457 people by 2015. But that population is aging, as are residential structures and infrastructure, all of which have significant impacts on the community's housing needs.

Twin Bridges, like many small communities in Montana, is faced with looming infrastructure needs and little municipal funding. The wastewater system is at capacity; the process to expand it is underway. There is a need for an improved storm drainage system. Growth in town is also hampered by the flood plain, which consumes much of the open land in town, leaving little room for development. There are few infill lots to develop upon, as such, most of the developable land in located on the town's perimeter and would need to be annexed.

While Twin Bridges shares many of the characteristics affecting housing in all of Madison County, there are unique factors that impact the community. The Children's Home represents an opportunity to convert buildings into housing for a range of incomes and could be the site of an eventual planned unit development area with mixed-use zoning for housing and commercial amenities.

In past years, Twin Bridges was home to a strong agricultural and resource economy. While still a significant economic driver, the community has experienced the countywide shift toward service industry employment. Of primary concern to citizens is the loss of farming and ranch land to 20 acre home sites. While additional employment opportunities, such as those with the Winston Rod Company, have provided more economic diversity the majority of service jobs do not pay a livable wage. An expansion of the airport is expected to provide new employment opportunities as well.

According to the 2000 U.S. Census, there are 216 housing units in Twin Bridges of which 120 are owner occupied, 55 are renter occupied and 41 units are vacant. Of the vacant units, 8 are for rent and 6 are for sale. Table A.10 displays the occupancy status of homes, the rate of owner-occupied homes versus rentals, and the status of vacant homes in Twin Bridges.

Twin Bridges has an aging population. As indicated by Table A.3d, Twin Bridges has 71 elderly persons (17.8%), higher than the state (13.4%) and national (12.4%) averages. Table A.4 shows that the median income of elderly households in Twin Bridges is also significantly below that of other communities in Madison County with the exception of Sheridan. Young households in which the head of household is younger than age 26 have the lowest median income of all households.

In addition to an aging population, Twin Bridges' housing stock is older as well. As demonstrated in Table A.7d over half (52%) of the housing stock was constructed prior to 1959.

Comparatively, Twin Bridges has the second oldest housing stock in the County, second only to Virginia City. The age of the housing stock, combined with public input suggests that housing rehabilitation will be a primary need in Twin Bridges.

Homes that are candidates for rehabilitation must consider both the effective age and quality of the structure. Table A.9d shows the effective age and corresponding quality of Twin Bridges' housing stock. Nearly 60% of the homes (162) have an effective age of 1939 and earlier. Of the homes with effectives ages predating 1939, 105 (65%) are of below-average quality. While some older homes may be candidates for rehabilitation, these figures suggest that a number of cases where the cost of rehabilitation will make the use of federal and state affordable housing programs (which often limit subsidies for rehabilitation) difficult.

Mobile homes provide 24% of Twin Bridges' housing stock. The large majority of mobile homes (82%) were constructed prior to 1980. As discussed in other sections of this document, mobiles constructed prior to 1980 generally have efficiency and safety issues that cancel out affordability over time. Owners of older mobile homes may be at risk of displacement as land prices increase and the sale of existing mobile home sites occurs, as the majority of older mobiles will be unable to be sited elsewhere. Only 5 mobiles in Twin Bridges were on permanent foundations, increasing displacement risk and resulting in higher housing payments (due to higher interest rates).

The price and scarcity of the area's housing coupled with relatively low incomes poses a burden for low and moderate income households hoping to purchase a home in the community. The median cost of a mortgage in Twin Bridges in 1999 was $657. Tables A.11a and A.12a demonstrate the gap between median incomes and income needed to purchase a home. In 1999, more than half the households in Twin Bridges could not afford the median mortgage payment. This situation is exacerbated by the rapid increase in prices experienced between 2000 and the present which has not been accompanied by a corresponding increase in household incomes.

The gap between affordable mortgages and actual home prices demonstrates the need for increased affordable housing for purchase and programs to assist low and moderate income purchases. The exact number of homes needed should be determined by a targeted market study that ascertains household incomes, whether they own or rent, number of persons per household, condition of dwelling, and monthly rent or mortgage payment.

Demographics and community input suggest that there are a number of households that cannot afford to rent homes in Twin Bridges as well. According to the 2000 Census, the median rent in 1999 in Twin Bridges was $432. Using the HUD guideline of spending no more than 30% of gross income for housing, a household would need to earn $17,280 annually to rent the median priced home, not including utilities which may average more than $150 per month (Table A.13). This poses a gap for households in nearly every age group, but most significantly on young households and the elderly. A small senior housing development similar to The Shermont in Sheridan may be appropriate. Providing elderly households with appropriate housing will help make housing available for families and larger households. Very-low income, younger households may be served best through the use of rental subsidies.

Many higher income seniors in the area will not qualify for affordable housing built using federal and state programs. These seniors may still need handicap-accessible features and a level of home care. Congregate living and in-home care may be considered as options for this population. A private company has established two of these centers in Madison County (Generations II in Ennis) and provides in-home care. Other options include Adult Foster Homes and Adult Care Homes which provide a family atmosphere.

Community Input

Public Meeting – May 8, 2006

The Twin Bridges public affordable housing meeting was well-attended with 18 participants including the mayor. Citizens identified that their community is experiencing many of the trends facing other Madison County localities, including:

- Loss of farming and ranching land to 20 acre ranchettes;
- A growing service industry economy and a shrinking agrarian and resource extraction economy;
- Few municipal dollars coupled with aging infrastructure;
- Aging population with a need for affordable and accessible senior housing;
- Aging residential structures;
- Growing demand for service workers with pay that is generally below a livable wage;
- Increasing land prices and a widening gap between wages and housing costs;
- High housing costs make it difficult to buy or rent;
- Relatively few infill lots scattered throughout town. The majority of developable land is located on the town's perimeter;
- Lack of a good storm drainage system; wastewater system is at capacity. The City has started the process of expanding the treatment center, and;
- Growth has fostered a need to develop zoning or land use criteria and create local subdivision regulations to maintain the community's character.

The community input reflected much of the information that was found in the demographic analysis, specifically the need for affordable rentals for seniors and low-income families, a need for accessible housing for seniors that are not specifically low-income, rehabilitation of older homes, and assistance to households wishing to purchase. Community members felt that it was important to direct growth to appropriate areas. There was also a strong feeling that the community wanted to provide housing opportunities that would ensure that residents of all ages and incomes could remain in the community.

Housing Priorities

a) Assist in the formation of a local or county housing task force. Given the smaller population of the community, it may be advisable to formulate a countywide task force that would allow all of Madison County's smaller towns to assist each other and increase capacity.

b) Adopt an affordable housing policy (sample included in Appendix B).

c) Explore the feasibility of redevelopment of the Children's Home property. This site poses unique potential for affordable housing for both ownership and rentals and for mixed-income usage.

d) To reduce costs on land and construction prices, the town should encourage building townhouses, fourplexes and duplexes on remaining infill lots. The town should consider zoning for areas of town that are close to services to allow for multifamily, attached structures.

e) Assist low and moderate income households with purchasing through existing down-payment assistance and affordable mortgage programs. Utilize existing homeownership education courses to prepare households for homeownership and inform them of the available assistance programs.

f) Develop affordable rental housing for low-income elderly. Additional senior housing opportunities will also make available housing stock that may be more appropriate to family households. Senior housing should be developed in the town's core so that residents may easily access services and amenities.

g) Provide a home rehabilitation program to repair older homes. As rehabilitation programs require substantial administration, it is suggested that smaller communities partner in order to increase the capacity of the program.

h) Provide assistance to households residing in mobiles to purchase land and perform necessary upgrades or replacement of the structure to ensure that it is safe and affordable.

HARRISON AND SURROUNDING AREA

Community Demographics, Housing and Market Conditions and Trends
As in other areas of Madison County, Harrison, Pony and the areas immediately surrounding the towns are beginning to feel the uncomfortable presence of growth. Recent community meetings (March 30, 2006 and June 21, 2006) were held to discuss growth and its impact on the area's future, including open space, services and housing affordability. Over 100 people participated in the area's meetings. *Note: As Census data is not gathered for Pony, demographic data is for Harrison alone.*

Harrison and Pony have a population of 162 and 188 people, respectively (Source: U.S. Census 2000 and www.ponymontana.com). Population estimates and projections for Harrison can be found in Tables A.1 and A.2. Both towns prize their rural quality of life. Residents have become accustomed to driving to surrounding towns to receive higher level goods and services. As high prices throughout Gallatin and Madison Counties creep into more rural areas, more households are purchasing relatively affordable homes in the area and commuting to work in larger towns. The recent purchase of over 8,000 acres by a group closely associated with Big Sky's private Yellowstone Club has spurred rumors of an upscale development in the area although no plans have been made. Many citizens expressed concern that new development will result in a loss of rural quality of life and a steep increase in property values that may displace long-time residents (as a result of higher property taxes) and discourage low and moderate income persons from settling in the area. Additionally, community members expressed concern as to how to provide services for an increased population and the protection of open space and agricultural land. Zoning is suggested as an effective tool for assisting citizens as they manage growth in their area.

Half of the units in Harrison were constructed before 1960 according to the 2000 Census. There are few multifamily structures in the community, and 30.9% of the housing stock consists of mobile homes. The Montana Department of Commerce study documenting housing condition did not specifically identify properties in Harrison. According to the 2000 U.S. Census, the median value of homes in Harrison was $65,000, making the community the most affordable in Madison County. The median rent was $333, compared to a median rent of $373 in Madison County. Over three-quarters (76.6%) of residents own their homes, well above the national homeownership rate of 66.2% (Table A.10). While prices are affordable in relation to the surrounding areas, low median household incomes contribute to 28.1% of owners and 70% of renters paying more than 30% of their monthly gross income toward housing costs, exceeding the HUD-defined affordability level (Table A.14). Unfortunately, the small size of the community does not suggest that the development of affordable housing is feasible. More effective would be the use of Section 8 vouchers for households experiencing difficulty renting and down-payment assistance programs for households needing assistance to purchase a home.

Community Input
Public Meetings –March 30, 2006 and June 21, 2006
Public meetings addressed the issues of growth, change and housing needs in the area. Listed below are some comments from the meetings:

- Growth is threatening rural areas and using up large amounts of agricultural land and wildlife areas;
- Efforts to locate new development next to existing development and services and promote clustering have not been effective enough;
- Town services are costly, making it attractive for developers to build outside of town;
- Many people are living in substandard homes;
- Young people are having a difficult time purchasing homes;
- Difficult to get service workers due to lack of housing for purchase and rent, and;
- Large number of seniors who own homes and have family in the area that may need affordable, accessible housing in the future.

Housing priorities

a) Coordinate with Madison County to form and gain representation on an Affordable Housing Advisory Board. Given the size of the communities, it is advisable to partner with the County to maximize available resources.

b) Utilize existing homeownership assistance programs to help first-time buyers enter into the purchase market.

c) Utilize Section 8 Vouchers for low income renters.

d) Work with the County to develop a countywide housing rehabilitation program that could provide assistance to households needing to fix up older homes.

BIG SKY

Community Demographics, Housing and Market Conditions and Trends
Big Sky is home to Montana's most expensive real estate market. The community faces unique issues as compared to Madison County. An unincorporated area spanning two counties, Big Sky's ability to control growth and development is more limited. The ability to gather demographic information is also impacted by this factor.

As a mountain resort area Big Sky is attractive to all age groups but has a special appeal to younger persons enjoying outdoor sports – most residents are younger and supply the labor in Big Sky's booming service and construction industries. Big Sky is often the choice among older retirees and wealthy boomers for vacation property, however, these households are not considered residents for the purposes of the Census. At the time of the 2000 Census, approximately 1,221 people lived in Big Sky. Over one-third (33.7%) of households are ages 20-34. As demonstrated in Table A.4, residents of Big Sky tend to be younger and wealthier than residents of Madison County and Montana.

The economy of the area is primarily service and construction driven. These industries require a large workforce, the majority of which commute from outlying areas. Commuting has become a necessity, as Big Sky's rentals are scarce and costly and the ability to purchase a home in the immediate area has all but disappeared. Community input suggests that employers are experiencing an incredibly difficult time recruiting and retaining employees. Some residents even voiced fears that a lack of quality employees may stifle the local economy's ability to grow.

Of the 1,716 units in Big Sky, only 256 (9%) are classified as rentals and 325 (18.9%) are owner-occupied. The remaining 1135 units (72%) are vacation properties that are inhabited by owners for a portion of the year and at times placed in rental pools for tourists. This scarcity in units for rent and purchase has increased costs for units. Housing quality conditions are generally good, with the majority of homes being built fairly recently.

Affordable housing has been documented as an issue in Big Sky since 1990. While home prices and rents have skyrocketed in the area the economy remains that of a resort town, with a large concentration of service industry positions. As demand for vacations homes has increased, the construction industry has also developed. Big Sky has experienced a dramatic increase in housing costs since the 2000 Census, however; even at the time of the Census, Big Sky prices were well outside the range of households earning the median for both ownership and rental units.

Big Sky has a serious lack of homes for working class persons to purchase. As shown in Table A.11a, a household needed to earn 186% of the area median income to afford the median priced home in 1999. Compared to median incomes in Table A.4, only persons between the ages of 55-64 (only 8.1% of the population) could afford to purchase the median priced home. This situation has only worsened since 2000, as record real-estate gains have been experienced in the area.

The cost of housing makes ownership nearly impossible for most Big Sky workers; as a result, demand for already scarce rentals is increased. Rentals are scarce and in need for all income and employment levels, from service industry workers earning $10 per hour to mid and high level managers earning in excess of $60,000 per year. At a median rent of $582 (Table A.13) a household would need to earn 59% of the area median income to avoid overpaying.

There are currently 48 rent-restricted units in Big Sky that were built using Low Income Housing Tax Credits. Tax credit units rent from $350 to $500. While these units do provide affordable housing for some renters, there remains a serious lack of affordable rental housing in Big Sky. Major employers such as Moonlight Basin have been required to provide affordable housing for their employees as well.

High costs and few units have led to a large number of employees choosing to commute to Big Sky from other parts of Gallatin and Madison Counties. However, commuting is both costly and dangerous and "commuter fatigue" contributes to increased turnover. Providing affordable rentals and homeownership opportunities for a range of incomes would allow more households to live in Big Sky and reduce turnover costs.

Community Input

Public Meeting - June 29, 2006

Among participants at the community meeting, a lack of housing for the labor force was a concern. Indeed, a lack of housing and the employment issues that result were seen as a primary challenge to the continued growth of the area. The current situation of paying employees to commute from Bozeman and Ennis has proved to be dangerous and costly and overall a barrier to retaining employees. Lack of employee retention increases costs and leads to lost business opportunities. Additionally, participants felt that a healthy community needs diversity of population and housing stock. It was mentioned by one participant that the community felt "hollowed out" without a strong middle class. Another participant added public safety and a lack of community volunteers as a concern. And all echoed the concern that the area could not continue the booming economic growth of recent years without addressing the issue of affordable housing.

Several suggestions were given to develop affordable housing, including:

- Possibility of using a portion of resort tax proceeds to fund housing for local employees;
- Requiring new businesses to build employee housing (some has been provided by employers in the past, need to expand this);
- Requiring a fee in lieu of building employee housing;
- Securing the donation of land to be used for either a land trust or deed-restricted affordable housing. Using a land trust or deed restriction will prevent households from "flipping" homes purchased at below market prices and subsequent loss of affordable housing stock thus ensuring the employer's (or public's) investment is perpetuated, and;
- Encouraging the use of Accessory Dwelling Units (mother-in-law apartments) behind houses or above garages. This helps lower income homeowners receive a source of income and provides more rental opportunities.

The participants also discussed barriers to the development of affordable housing, including:

- The astronomical cost of land and building in Big Sky far exceeds the allotments allowed in public grant programs;
- Incomes earned by many targeted residents exceed allowable maximums for federal and state assistance programs;
- Much of Big Sky is already under a development plan that does not include affordable homes;
- Water, sewer and other infrastructure needs for new homes;
- How to ensure business owners follow through on their commitment to build affordable homes;
- Many development's covenants make building an affordable home difficult, and;
- Possible overbuilding and overcrowding, marring the beauty of the area, a key component of the area's current success.

Overall, Big Sky faces some of the County's greatest challenges in providing affordable housing. However, the public meeting participants demonstrated that area businesses and stakeholders have a genuine concern about the continued economic viability of the area in the absence of affordable housing options. This heightened concern of the business community may lead to promising private sector solutions.

Housing Strategies

a) Restart the existing Big Sky Affordable Housing Task Force, expanding membership to include a variety of community stakeholders including workers. Coordinate closely with Gallatin and Madison Counties and provide input to both bodies regarding the need for affordable housing in the area.

b) Create and adopt an affordable housing policy (see Appendix B).

c) Research the possibility of using a portion of resort tax proceeds to fund housing for local employees.

d) Engage new businesses in conversations regarding workforce housing and create guidelines for requiring employee housing. Design incentives for employers to create employee housing and create in lieu options such as land dedication and cash donation, proceeds of which are used to assist households.

e) Secure the donation of land to be used for either a land trust or deed-restricted affordable housing. Using a land trust or deed restriction will prevent households from "flipping" homes and ensure the ongoing availability of affordable housing stock.

f) Encourage the use of Accessory Dwelling Units behind houses or above garages.

County Assessment

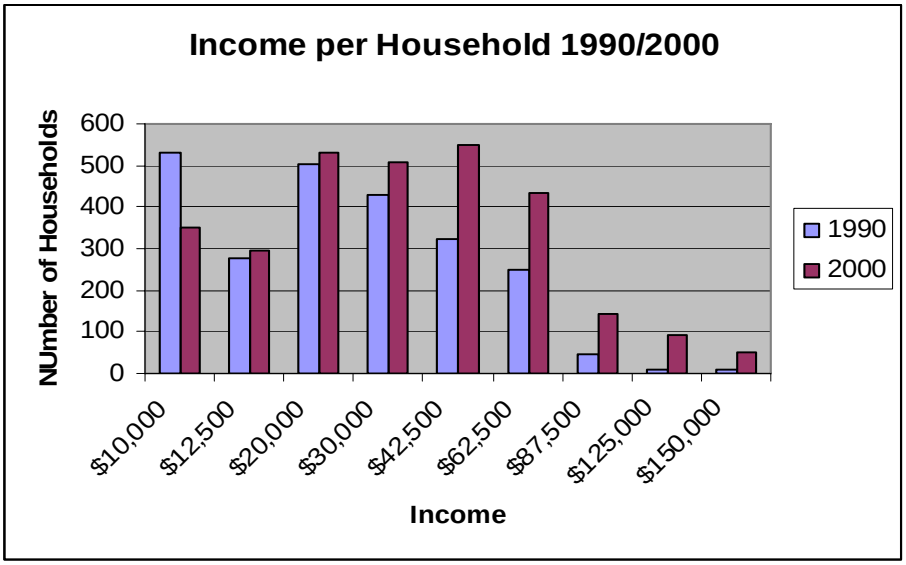
Madison County

Community Demographics, Housing and Market Conditions and Trends
Madison County, like many southwestern Montana counties, has experienced escalating growth in the unincorporated areas. The Madison County 1999 Comprehensive Plan pegged the population in the unincorporated areas to be over two-thirds of the County's population.

Tables A.1 and A.2 shows that Madison grew an estimated 6.20% in the last 5 years for an estimated 2005 population estimate of 7,274 persons. If Madison County's population continues to increase at this rate, the population by 2015 will be 9,253 and by 2020 close to 10,000 people.

With Madison County's increased population has come increased wealth. In 1990 the median county income was $22,066. In the year 2000 the median income rose 17% to $30,233. The rate of increasing wealth has accelerated greatly since 2000 with a median income of $42,500 (as determined by HUD) in 2006. This represents an increase of 29% in six years.

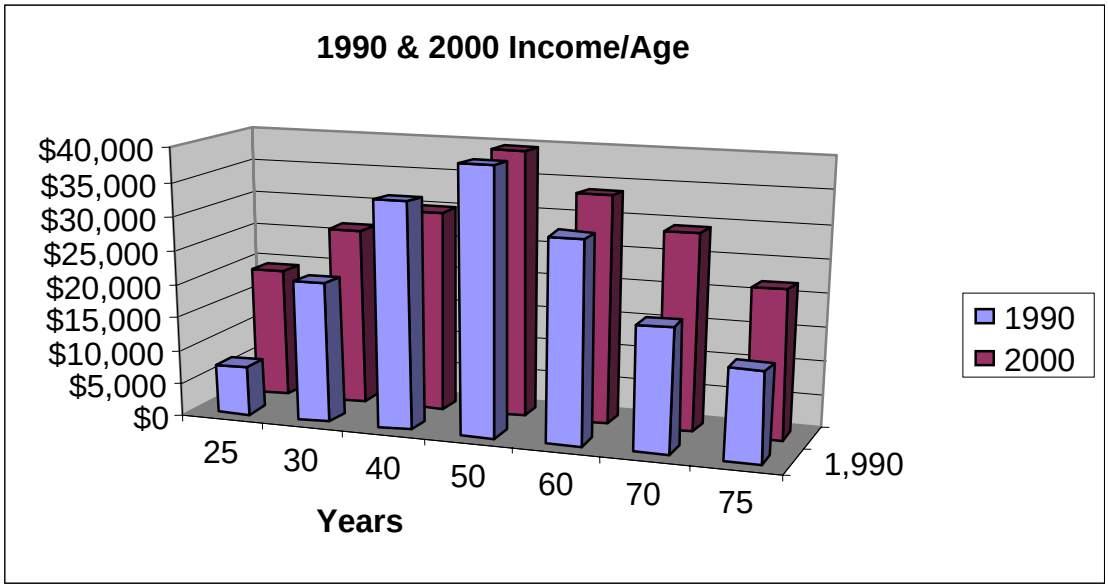
As shown in the chart below, over 500 of Madison County's households made less than $10,000 in 1990; in 2000, the number of households making less than $10,000 dropped significantly. The most prevalent increase was in households earning more than $62,500.



Source: U.S. Census 2000

The chart below shows the age groups that had the most significant rise in income between 1990 and 2000 were those below age 25 and those over age 70. The marked shift to persons over age 70 is primarily due to retired persons purchasing second homes. According to a study conducted by the Sonoran Institute, Madison County has the largest number of out-of state property owners in the state; 30% of property owners do not have their primary residence in Montana. Second

homeowners are typically purchasing in the rural areas outside of town boundaries. Community input and Census data supports that there are older, wealthier households moving in and purchasing large tracts of land.



Source: U.S. Census 2000

The large gain in median income for persons over age 25 is more difficult to explain. It would seem that the high number of lower paying service industry jobs should reduce the median wage much more. In fact, this is the only age group in Madison County where the median household income ($22,109) is higher than that of Montana ($17,446). A combination of several factors may provide an explanation for a higher than usual wage for persons over age 25.

- The Big Sky area is hiring many young persons and paying high wages. Moonlight Basin reported paying young people $11.00 to $15.00 an hour for grounds-keeping positions. Housekeepers hired by individual Big Sky homeowners were earning $30 an hour.
- Madison County simply has fewer persons in that age category. Table A.3g demonstrates a lower percentage of persons under age 25 in Madison County than in the State or the Nation.
- Young persons who cannot make a livable wage are often enrolled in secondary education; Madison County has no colleges.
- The lowest paying seasonal and service industry jobs are commonly worked by young persons below age 18 who do not take part in the Census. Young persons from other countries and states often take lower paying seasonal employment to enjoy the recreational opportunities as well.

Table A.6, Madison County Employment by Industry, shows that service industry employment is increasing. The number of service workers in Madison County has steadily increased, by 25% between 1980 and 1990, and then by 53% between 1990 and 2000. From 1980 to 2000, the number of service workers increased by 133%, faster than any other industry in the County.

The huge increase in the number of service industry jobs has caused a shortage of persons to work those jobs. According to stakeholders in Ennis, they are unable to find service industry employees to work during the busy summer months; some have resorted to importing students from the European block countries. Although helpful in the short term, this practice holds no long term benefit for the community or the service industry. It artificially keeps wages low, does not train local persons for the job market and forces young people to leave their community for livable wage employment. Although affordable rental housing will help service industry workers, local employers still need to pay a livable wage or the best employees will seek work elsewhere.

From 1990 to 2000, the median rent rose from $319 to $460, a 31% increase. The 2000 census data does not show the recent effects of the rapid population growth in the past six years. The rise in service industry employees has caused a rental shortage. Task force members and stakeholders report either not being able to find a rental unit or, due to scarcity, very high rental prices. Table A.13 demonstrates the income needed to afford the median rental in 1999.

Further evidence that rentals costs are consuming too much of the resident's income is shown in Table A.14. In 1990, 25% of the renters were classified as overpaying (paying more than 30% of their gross monthly income) for housing; in 2000, that percentage climbed to 30.4%. Due to the current scarcity of rentals in Madison County, there were insufficient vacant properties to provide an update on rental costs. However, when rental units are scarce, especially in an area of increasing population, rental prices will rise.

According to the Census Bureau, in 1990 only 39% of the homeowners in Madison County had mortgages, indicating a population of long time residents. In 2000, the number of persons with mortgages had increased to 53% indicating an influx of new households. With the influx of new households, property values began to rise and the median monthly mortgage rose from $529 to $829. At all of the public meetings, participants relayed that rapid population increases resulted in land prices escalating at an ever increasing rate since 2000.

According to the 2000 Census, the median value of a home in Madison County was $104,500. In 2003, the median value of homes sold in Madison County (72 in total) was $119,300 (Source: Price of Housing in Montana 2003, Montana Board of Housing), representing a 14% increase from 1999 to 2003 (or 3.5% annual average increase). Information gathered from housing stakeholders and advertisements of for-sale homes puts median price of a house in the 2006 market at a much higher level. Further confirmation that Madison County's current housing market has escalated at an increasing pace since the year 2000 comes from Clark Wheeler, an Accredited Rural Appraiser, who stated, *"Land values in the Madison Valley have increased by as much as 176% in the past two years relative to higher end properties. General real estate sales and values in the Madison Valley have under performed in this upward market over the past several years and are posed to explode if the demand curve for the general area continues."*

Tables A.11a, A.11b, A.12a, and A.12b demonstrate the gap between median wages and median home prices both in 1999 and at the time of the Board of Housing's 2003 study. Drastic increases in home prices since 1999 have not, for the most part, been accompanied by comparable

increases in household incomes, resulting in a widening gap between household affordability and prices. Strong continued demand will result in more households experiencing difficulty purchasing a home in the community.

Tables A.7e, A.8e and A.9e demonstrate housing stock characteristics such as age, type of structure and quality. At all of the public hearings (with the exception of Big Sky) there was a prevalent need for rehabilitation of older homes. The housing condition chart comparing age and quality of workmanship of homes in Madison County showed over 74% of the homes were built before 1939. Of these homes, 38% were rated as having quality and workmanship below average. Older homes that are of poor quality may not be worth rehabilitating unless very well maintained. Better candidates for rehabilitation may be the 2,753 units built before 1970 that were rated average and above. Madison County has a resource in its existing homes that through rehabilitation could enhance the area's communities.

Fifteen percent (15%) of Madison County's housing is comprised of mobile homes. Of those mobiles, 59% were constructed prior to1980; these mobiles tend to be poorly insulated, inadequately constructed for Montana winters and at a higher risk of fire. Additionally, these homes face risk of eviction from rented lots if the mobile home court is sold, a commonly occurring problem in areas with rapidly appreciation land costs. A mobile home cooperative may help owners protect their lots. Low-income occupants of mobile homes may have several options, including: housing assistance to rehab newer mobile homes, down-payment assistance to buy a home that meets FHA Housing Quality Standards, or rental assistance in a newer mobile or other type of housing.

If Madison County is to have a strong, viable economy with a civically-involved, financially stable middle class there will need to be a diverse selection of housing at differing price levels so that all of the county's citizens have safe, decent and affordable homes.

Madison County Housing Priorities

a) Revise County's existing subdivision regulation's inclusionary housing component to include specifics on when workforce housing must be developed, number of units, type of units, etc.

b) Using the County's land inventory, designate possible residential development areas and environmentally sensitive areas and areas that are inappropriate to develop.

c) Through a public information campaign, work to educate county residents on the benefits of zoning and dispel myths of eminent domain takings. The Growth Policy hearing performed throughout the County by the Planning office documented a strong demand for the benefits of zoning. Set up a representative task force to work with county residents on what features they now value in their surroundings and how zoning could protect those features.

d) Explore adopting a minimum number of units per acre for new subdivisions. This need not be on a certain number of units per acre; but rather, could provide for an area of more dense development and lower housing prices in each subdivision. Explore the linkages between usage of rural land and the loss of area that could be used as work force housing.

e) Explore having new subdivisions sign a right to waive annexation agreement, especially for leap frog developments. This would work mainly for those subdivisions with wells and septic, requiring that they hook into services when their current system fails. For private systems, explore the use of impact fees to mitigate the additional demands on county law enforcement, roads, landfills, recreational areas, wildlife habitat and river and stream usage.

f) The County's housing board, in conjunction with the planning office, can work to identify subdivision regulations that hamper the provision of affordable housing or could enhance the development of affordable housing. The Planning Office has already gathered much of that information through a series of local growth policy public meetings. Share information with local housing boards and assist them and planning boards to develop their own list of regulatory reforms. Coordination between localities and the County is necessary to ensure the suggested revisions are not conflicting.

g) Through resolution, form a countywide housing advisory board and adopt defining and structuring documents such as an Equal Housing Opportunity (EHO) ordinance and Affordable Housing Policy Statement to define your mission, goals, and objectives.

h) Assist, provide coordination, and form membership linkages between the County's affordable housing advisory board and local boards.

i) Work with rural areas and local housing boards to establish housing priorities; where possible, group housing needs into county and/or area wide priorities.

j) Local and County boards can develop informational campaigns to show affordable housing developments that have incorporated cluster housing, accessory dwelling units, mixed zoning, attractive examples of attached units with pocket parks or centralized and regionalized parks, and row houses. The campaign can refute the fears often associated with affordable housing and provide positive examples of quality development.

k) If rehabilitation is adopted as a priority, work with localities on a county-wide housing assessment to define target areas and neighborhoods, perform locality-specific income and resident housing needs surveys and summarize the scope and type of program. The program can also encompass cleaning-up vacant lots, demolishing old buildings, and replacing old mobile homes with new mobile homes on property that can be owned by the home’s owner.

l) Enlist the aid of appropriate nonprofits to assist with identifying funding sources, partners and other programs/projects.

m) Present the rehabilitation program to local governing bodies throughout the County to assist in gathering pre-development funding. Funds could either be used as a matching grant to access other pre-development funds or be used directly as a tool for designing the program and applying for funds.

n) Whatever type of program/project the task forces agree is their main housing priority, the need to conduct a resident needs and income survey, work with non profits and raise pre-development funds remains the same. If the local non-profit does not currently have the capacity to spearhead a new housing project/program there are numerous project development organizations statewide. Local nonprofits will always be able to offer supportive services and/or referrals.

o) Whenever possible, incorporate the private sector into projects through the utilization of local lenders, employment for persons associated with the project or local non-profit service providers.

p) Work with local housing boards to develop housing priorities and update at least every three years.

q) Explore setting up a countywide housing authority to own and administer publicly developed housing. A housing authority could also assist in developing projects/programs and accessing public funds. County housing authorities can also assist in structuring land trusts or cooperative housing.

r) Strengthen ties with Headwaters RC&D for second mortgages, down-payment assistance, homeownership education class, affordable mortgage products and access to Montana Homeownership Network (MHN) programs. Encourage area lenders to utilize programs provided by Montana Board of Housing, MHN and RC&D.

Housing Strategies

Madison County

Institute a County Housing Advisory Board

The Madison County Planning Office has suggested the establishment of a County Housing Advisory Board. Having a countywide board institutionalizes affordable housing as a permanent need for viable communities similar to a parks board or a planning board. The County's housing board would be the lead organization to implement the housing plan and coordinate activities between local housing task forces. The task force members should be appointed by the unit of local government and include persons in the building and property industries, non-profits/for profits with affordable housing experience, persons who may qualify for affordable housing, special needs groups who may need housing, and representatives of agencies that provide services to lower-income residents. Task force members are often retired persons with housing expertise, engineers, architects, and affordable housing advocates. The County Board would represent rural and unincorporated areas as well as serve as the clearinghouse for information on current localities projects and priorities.

Local task forces may also be used, especially for larger communities. Local task forces would coordinate efforts with the County Task Force to meet housing goals.

Adopt an Equal Housing Opportunity Ordinance

The responsible unit of local government should adopt an Equal Housing Opportunity (EHO) ordinance. The EHO ordinance is required by many funding sources. A sample ordinance is located in Appendix B.

Adopt an Affordable Housing Statement

The unit(s) of local government should adopt an Affordable Housing Statement. This can be part of your EHO ordinance or part of your housing policy. The housing statement is a commitment to fulfill affordable housing needs in your area and may affect other ordinances (such as subdivision regulations). A sample statement can be found in Appendix B.

Annually Set Affordable Housing Goals

The County housing advisory board should assist rural areas to set housing priorities and coordinate priorities with other housing boards. Although local housing boards may have different priorities, due to the scarcity of housing development funds, the ranking of priorities may need to accommodate what adjacent areas and communities are doing and whenever possible combine resources.

Sponsor Grants for Communities and Nonprofits

Certain types of grants and projects, such as rehabilitation of existing homes, need to be countywide to be cost effective. Coordination with district wide partners will make the best use of scarce funding, trained administrative and field staff and limited availability of carpenters and tradespersons.

In other instances the County will need to serve as the sponsor of a grant for a nonprofit with a countywide jurisdiction. An example would be a Headstart center in the Ruby Valley to serve the communities of Sheridan, Twin Bridges, Alder, and Virginia City. In other instances the County may initiate a nonprofit establishing or expanding a housing project or program.

Coordinating projects and grants become vital when a project needs multiple funding sources. Competing grants from the same County can cause both projects to fail and sets up the funders rather than the communities to make the decision as to which projects should go forth. When localities are working together to decide which projects can be in the pipeline the County can aid in the decision by being a neutral party that looks at numerous factors such as project feasibility, administrative and management capacity, project readiness, and overall community support.

Countywide Zoning

At each public meeting, the participants were concerned that development in the county was depleting farmland, wildlife habitat and other environmentally sensitive areas. Through a countywide public land use process, those areas that are inappropriate for development can be identified and preserved. Through conservation easements, transfer of development rights and open space initiatives, county citizens can direct growth into appropriate areas. This type of process can be formalized through zoning. Zoning may be district-wide, where those living in the area initiate the process. However, district-wide zoning leaves un-zoned pockets of land that may not follow or support the land use plan and could negatively impact adjacent environmentally sensitive properties. For a land use plan to achieve the most impact, zoning should be done on a countywide basis. Countywide zoning directs growth into already developed areas adjacent to infrastructure, goods and services.

Both the county and the city benefit through countywide zoning concentration of development in towns. Wastewater treatment and centralized water collection and storage protect and conserve the groundwater. The city and county realize efficiency and cost savings when services are concentrated in already developed areas. City revenues are also enhanced when those that use city services live within the city's jurisdiction and thus pay for those services.

In addition to the use of zoning, the County can also use subdivision regulations to promote housing and planning goals.

City Zoning

Zoning is essential for a town to develop a quality stock of affordable housing. Housing is affordable when it consumes less land and costs less to build through shared walls. However, in a belief that affordable housing will be cheap or poorly maintained, subdivisions often adopt covenants prohibiting smaller homes and/or attached dwelling units. Affordable housing is then concentrated in certain areas of town that become pockets of lower-income households. Those sections of town develop a stigma that leads to less investment in that area, lower property values, less wealth, and eventually a poor section of town with poorly maintained houses. To avoid the "not in my neighborhood covenants", every new sub-division should include space for affordable housing. Inclusionary zoning is a tool often used to ensure that every neighborhood

contains affordable housing. Quality affordable housing is dispersed throughout developments and does not look substantially different from the other houses.

Zoning can also be used to create neighborhoods that encourage a mix of housing types and sizes. Subdivisions can be developed in rings with a mix of large and small single family homes in the outer ring, with attached condos and townhomes in inner rings surrounding multifamily housing, offices and apartments and parks, small stores and shops in the center. Trails and park corridors often lead to the center of the development. This type of development allows for persons to shop and work in their neighborhood, cuts down on traffic and lessens the need for expanses of parking lots.

Cities also are encouraged to promote extraterritorial zoning whenever possible, to ensure that areas adjacent to current city boundaries are developed in a manner consistent with the city's plan.

In addition to zoning, cities can use subdivision regulations to help achieve housing and planning goals.

Impact Fees

Many communities reported infrastructure problems that hampered in-town development and annexation of adjacent subdivisions. Due to growth, infrastructure was at full capacity and funds were not available to offset growth's impact on existing city services. Localities need to adopt impact fees to ensure that growth pays its share of infrastructure development and funds are available to expand services and accommodate growth.

Inclusionary Zoning

Inclusionary zoning (IZ) is a tool used to ensure that affordable housing is developed in a community. It requires that a percentage of homes in a development be provided for low and moderate income households for rent and/or purchase. IZ ordinances typically provide guidelines for: development size, unit type and mix, percent of units required, price of units, builder/developer incentives, and other components. A guide for the development of an IZ ordinance can be found at www.enterprisefoundation.org under "Practitioner Resources".

Community Land Trust

The Community Land Trust (CLT) model creates and perpetuates affordable housing. The model consists of a 501(c)(3) that owns the land and a homeowner that purchases the house. All homeowners are members of the CLT and pay a monthly ground lease toward its operation. When a homeowner chooses to sell, proceeds from the sale are split between the CLT and the homeowner using a pre-agreed upon formula. The formula ensures a fair profit to the homeowner while also allowing the home to be resold to another low-income household at an affordable price. Information on the CLT model can be found at www.iceclt.org.

Market Studies

The HRDC used statistical data and public input to identify housing problems and make recommendations. To plan the specifics of the project a market study must be done. Market studies confirm the need for the project, number of units in the project, what income levels and special population(s) will be assisted (elderly, disabled, large families), and whether to provide new construction or rehabilitation.

There are two types of market studies. First is a local market study which polls the population's housing needs and answers questions about those needs. The information gathered in this market study supports the project selection.

- Included in Appendix C is a copy of a housing market study. It is important that the household answering the survey provide answers only for their household and/or immediate family. Questions should not be phrased as an opinion. Everyone knows "someone" who should receive affordable housing assistance. In reality, that "someone" may not qualify or may have different ideas about how to resolve their housing needs.

- Smaller communities must have a higher rate of response for the survey to accurately identify housing needs. Your task force members will serve as the liaison between the survey and the public. Generally, the more people who know about the survey and its purpose, the higher the response rate. Articles in local, school, church, and organizational newsletters are a good way to inform the public about the housing market study and the importance of taking part in the survey.

- Use incentives for people to complete and return the survey, such as donated prizes, mayor for the day, a ride in the city parade, etc.

- If the task force wants to fulfill a certain community housing need (such as senior housing), it is permissible to target the market study to potential residents. This choice and the rationale must be disclosed in the methodology as the data will be skewed. The data gathered can still be used to prioritize and define housing needs as long as it is used within the context that certain groups were targeted for the study.

The second type of market study is required by certain funding sources (such as Low Income Housing Tax Credit). Generally, those funding sources have a list of persons qualified to perform a market study in their format. This type of study usually supplements the community's study and is not done unless required by the funding source. The professional market study is done along with an appraisal of the property/project value.

Identify possible Sites or Neighborhoods

Every project is planned around the site, and each type of project will have different site considerations.

Rehabilitation site work includes identifying neighborhoods, contacting social service partners for referrals, evaluating the age, condition, location and availability of materials and contractors, and estimating the cost per home.

New construction site searches must include possible environmental hazards, historic district requirements, floodplain issues, adjacent properties and their uses and/or potential uses, zoning and subdivision regulations, streams, setbacks, wetlands, wildlife corridors, soil conditions, availability and location of goods and services for the intended population, current use of the site, easements needed or already granted, displacement of current occupants, access to the site, availability of water, sewer, power, etc., cost of off-site improvements, demolition of existing structures, size, shape, expansion potential, and cost of the site. The buy/sell for the site should be conditional upon these issues being satisfactorily resolved and the availability of financing.

The acquisition and rehabilitation of a property will trigger additional issues to consider including hazardous material abatement, structural condition, current building codes, value of the building to the community, evaluation of the current neighborhood, prior uses of the property, and new construction versus rehabilitation costs.

Some site issues the task force can research and determine on their own. For example, neighbors generally know previous usage(s) of a site, the County/City can assist with zoning, subdivision review and the location of water and sewer lines, realtors know the neighborhood's history and proposed developments, and the Department of Environmental Quality will have information regarding underground tanks and other environmental hazards. Since professional evaluation of the site is expensive, the task force needs to do as much due diligence as possible. In some instances the task force has members who are builders, engineers, architects, public officials, and realtors who can help with the site search and evaluation. Deciding how much site evaluation to perform before the grant application is submitted is dependent upon the pre-development budget and the number of problems that the site may have. Since grants are site specific, funders will evaluate documentation that the site is feasible for development.

Identify your partners

Madison County has two housing organizations that are potential housing partners: the Butte-based Headwaters Rural Conservation and Development (RC&D) district and the Human Resources Council (HRC) of District 12. These agencies can advise, assist, own, manage and/or administer a housing project. These organizations are familiar with a wide array of service providers who can be included in your project.

If the project involves new construction of rental units the task force may need to designate a non-profit owner or form a non-profit group to own the completed units. All funding sources have extended time periods during which the project must be affordable to the intended population. For some funding sources, the commitment to keep the units affordable is for the life of the property. The advantage of an established non-profit owner is that they have the operating resources, staff and long-term community commitments to enable the property to remain affordable for an extended time. A new nonprofit may not have the capacity to fulfill long-term affordability requirements.

Other partners will be the non-profit organization or local government that sponsors, and/or administer the project. For towns the city council can sponsor grants; for unincorporated areas,

the County can be the sponsor. Municipalities can sponsor most grants; however, the municipality cannot directly own the housing. A Community Housing Development Organization (CHDO) can sponsor some grants, be the non-profit housing owner, administer grants, and be responsible for ongoing reporting and monitoring of the project. Cities and Counties may also establish a housing authority that can develop and own affordable housing on their behalf.

Pre-development
Applying for public funds is similar to applying for a business loan. Lenders require a detailed management plan, timetable, cost estimates, secured property, preliminary market study, site plan, elevations and floor plans, sources and uses for construction or rehabilitation, and operating costs that show the project is financially sound. The task force may have members who are builders, architects, grant administers or engineers; if possible ask for a contribution of their expertise to assist with pre-development costs. If not, a pre-development grant or loan may be necessary to put together the initial pre-development package.

Rehabilitation Programs
Every community but Big Sky listed a rehabilitation project for homeowners as a housing need. Depending upon the funding source, the community's rehabilitation program can be a targeted repair program to make the house safe, decent and sanitary or a total rehabilitation program. After rehabilitation, the house must meet HUD housing quality standards. Some rehabilitation programs encompass the demolition of unsound structures and assistance in purchasing a new home. The structure of the rehabilitation program depends upon funding sources, the community's needs and the number of eligible participants.

Funds are either site-specific or specific to the boundaries of the sponsoring municipality. For example, Twin Bridges cannot work outside of their zip code area or a more specific area if designated in the grant application. For unincorporated and/or smaller towns, Counties often sponsor rehabilitation programs so that the funds can be used in multiple designated areas throughout the County. Towns can work together on a housing project; however, there can be only one applicant who takes the ultimate responsibility for administering the funds and completing the project. A CHDO can also serve as a sponsor for some types of financing and serve as the project administrator and manager.

For rehabilitation, the pre-development work includes a market study and a windshield survey to identify potential neighborhoods, participants and properties that may be candidates for rehabilitation or demolition. The grant also needs to include what sections of town may be in a flood plain or on the historic register. The grantee's management plan must include a plan for hazardous material abatement, environmental certifications, flood plain restrictions, historic structures, average and maximum amounts of assistance per home, procedure for condemning a property, and options in the event that a home cannot be made safe, decent and sanitary.

There are numerous non-profits with rehabilitation experience; their grant proposals and management plans are available through the Montana Department of Commerce. Most of these non-profits will assist a new organization in structuring their program and provide a novice

applicant with guidelines, forms, manuals, job descriptions, pay rates, etc. Currently there is not a non-profit doing rehabilitation in Madison County.

Depending upon the source, funds for the rehabilitation program are either loaned or granted to the grantee. The grantee may then choose to grant rehabilitation services to the home owner or structure the program to recapture the amount of funds invested in the home. The repayment of the funds can be monthly, deferred until the home is sold, or forgiven after a certain number of years. Usually the grantor requires that the grantee place a lien on the house's title in the amount of the rehabilitation work. Rehabilitation increases the value of a home and the second mortgage is used to recapture the public funds invested in the project. The grant application guidelines will include acceptable method for structuring a rehabilitation program.

As the majority of towns and unincorporated areas have expressed a need for a housing rehabilitation program, it is advisable to work with newly established housing task forces and local non-profits to explore the possibility of starting such a program. For example, a non-profit could assist the County with an application for HOME and/or CDBG funds (for more information on the resources sited, please refer to the Resources section of this document). In the case of a HOME grant, the non-profit could sponsor and administer the grant as well. The County may sponsor either grant. Using a non-profit partner with expertise will help ensure a more successful project. Additionally, a planning grant could be sought through CDBG to assist with pre-development work; local match must also be provided for all grants. The County will be responsible for all the program regulations, meeting reporting requirements and for holding the second mortgages for the rehabilitation work.

New Construction Programs

Every community in Madison County listed new construction of affordable homes within the town or close to the centers of unincorporated areas. Incorporated areas can sponsor their own grants if the project is within their jurisdiction. Unincorporated areas will need the County to sponsor the grant. Again, if a local non-profit has the expertise, capacity and time to develop the project the work for the task force and the locality is greatly reduced. The County still has to sponsor grants but it can be on the behalf of the non-profit. If an established non-profit is not available, the sponsor and the task force can contract with a private entity to develop the project. Experience and capacity are crucial, regardless of the entity performing the work.

Pre-development funds are always an issue; if the project is not awarded a CDBG pre-development grant funds will have to be raised locally. This is a good opportunity to involve the community in the project through fundraising and donations of goods and services. In some cases the county or the town can assist with pre-development costs. Pre-development cost will include a market study, down-payment on a site, architectural and engineering costs and drawings, and possibly a phase 1 environmental review. The site must be secured prior to applying for a grant. This can be achieved with a buy/sell conditional upon receiving the necessary funding. If the property owner is unwilling to wait for the grant cycle (which could last as long as 12 months) another entity could purchase and hold the property until grant funds are available.

The site needs to be close to goods and services, free of contamination and environmentally acceptable for building. Prior to purchase, a Phase One environmental study must be completed. Appendix E contains pro-formas for a sample project. The project's sources include CDBG, HOME, County funding, donations, and Rural Development financing.

Procurement of all contracts and services needs to be competitive. It is permissible to advertise and select the architectural firm and the grant writer/administrator prior to the grant's award. However, grants cannot pay for any services performed before the grant is awarded. Pre-development work can not be paid from the grants. Once grant awards are announced, the developer has to fulfill certain requirements to get the funds released, including completion of an environmental review, a full management plan and firm commitment of all funding sources.

All funding sources require a review of plans and specifications before bidding. Most funding sources require bid, performance and payment bonds. Federal funds generally require Davis Bacon wage rates and procedures. Federal guidelines bring in numerous fair labor standard requirements, for example, a labor standards officer must certify weekly payrolls. Individual funding sources will specify bidding packet requirements, procurement procedures and contract requirements. Generally, the lowest bid receives the contract, however; references and other criteria can be considered if specified in the bid packet. A construction line of credit may be necessary, as most funding sources pay on a reimbursement-of-costs basis. Funding sources will monitor the project during construction. Once construction is complete and the final audit is performed the grant can be closed out.

The steps above can be used for new construction of apartments or units for purchase. New apartments may also use the Low Income Housing Tax Credit (LIHTC) program.

When building homes for purchase, it may be simpler to use funds to purchase the land, install infrastructure, and pay for architects and engineers. Actual construction can then be funded through a private lender in order to reduce federal regulations on the construction process. Down-payment assistance (provided through HOME and CDBG) can then be used to create deeper affordability.

The Resources section of this document provides detailed information on the programs cited in the strategies above and includes information on additional programs that may assist in the development and rehabilitation of housing and provide assistance to individuals with affordable housing needs.

Housing Resources

Madison County

The following resources are available to assist in the development of affordable housing. Many projects will require a combination of sources, for example, CDBG and HOME (discussed below) are often used together to make a project more viable. Programs with income limits are noted as well. An Area Median Income (AMI) chart for Madison County is included in Appendix D.

Government Programs

U.S. Department of Housing and Urban Development (HUD)

HUD provides a number of programs to assist with the development and financing of affordable housing. The HUD 202 program assists with the development of affordable housing for elderly persons, while HUD 811 provides development assistance with projects for disabled persons. HUD, through intermediaries, administers the Section 8 Housing Choice Voucher Program, which provides rental assistance to low income households. HUD also provides funding for the CDBG and HOME programs detailed below. In addition to funds for affordable housing development, HUD provides grant funding for housing counseling, training and capacity building through a number of programs.

Community Development Block Grant (CDBG)

This program is funded by the U.S. Department of Housing and Urban Development and administered by the Montana Department of Commerce's Community Development division. Funds can be used for land purchase, rehabilitation, infrastructure, new construction, and down-payment assistance. Funds must be used to assist households earning no more than 80% of the Area Median Income (AMI) *(a current AMI chart is located in Appendix D).* Grants are limited to $500,000 and are awarded on a competitive basis. Applications must be sponsored by a unit of local government and are typically due in the fall of each year. Use of CDBG funds will typically trigger all federal regulations and rules, such as Davis-Bacon, Fair Housing, etc.

The CDBG program also administers **Planning Grants** which may be used for needs assessments, growth policies, housing plans, and pre-development costs incurred by a housing project. Also offered by CDBG are programs for economic development and public facilities.

Address:	Montana Department of Commerce Community Development Division P.O. Box 200523 Helena, MT 59620-0523
Phone:	406.841.2770
Fax:	406.841.2771
Web:	www.comdev.mt.gov/CDD_cdbg.asp
Contact:	Gus Byrom, Director

HOME Investment Partnerships Program (HOME)

The HOME program is funded by the U.S. Department of Housing and Urban Development and administered by the Montana Department of Commerce's Housing division. Funds can be used for land purchase, rehabilitation, infrastructure, new construction, short-term rental assistance, and down-payment assistance. Funds must be used to assist households earning no more than 80% of the AMI for homeownership programs and no more than 60% AMI for rental programs. With the exception of single-family rehabilitation and down-payment assistance programs, grants are limited to $500,000 and are awarded on a competitive basis. Single-family rehabilitation and down-payment assistance programs are funded through HOME's pilot program on an ongoing basis. Applications must be sponsored by a unit of local government or a Community Housing Development Organization (CHDO) such as the Butte HRDC, and are typically due in the spring of each year. Use of HOME funds will typically trigger all federal regulations and rules, such as Davis-Bacon, Fair Housing, etc.

Address:	Montana Department of Commerce HOME Program P.O. Box 200545 Helena, MT 59620-0545
Phone:	406.841.2820
Fax:	406.841.2821
Web:	www.housing.mt.gov/Hous_HM.asp
Contact:	Ethan Stapp, Director

Montana Board of Housing (MBOH)

MBOH is a state housing finance agency. Through the sale of housing bonds, MBOH funds a variety of affordable housing programs for both homeownership and rentals. MBOH has numerous programs; the most commonly used are listed below.

Homeownership: MBOH provides homeownership opportunities through reduced rate mortgages in their regular bond program. This program is coordinated with local lenders and typically serves households earning up to 120% AMI. Households earning less than 80% AMI may be eligible for lower interest rates through mortgage set-aside programs offered through non-profit organizations. MBOH also provides a Mortgage Credit Certificate (MCC) for households that qualify for MBOH loans but use other financing method; the MCC provides participating households with a tax credit. A list of lenders and non-profits partnering with the Board of Housing is listed on their website.

Rental: MBOH administers the Low Income Housing Tax Credit program (LIHTC). LIHTC is a program funded by the Internal Revenue Service and is used to construct or rehabilitate affordable rental housing. Units constructed using the program are rent-restricted for a period of time (usually 40 years). LIHTC is a popular method of developing affordable rentals for both the private and public sector. Because the program can be complicated, it is recommended that any

developer considering a tax credit project for the first time hire a consultant with expertise in the discipline. MBOH also has a Risk Sharing Program to supply permanent financing for multi-family housing. The Risk Sharing program is administered by MBOH and consists of funding from both MBOH and HUD.

Address:	Montana Department of Commerce Housing Division, Board of Housing P.O. Box 200528 Helena, MT 59620-0528
Phone:	406.841.2840
Fax:	406.841.2841
Web:	www.housing.mt.gov/Hous_BOH.asp
Contact:	Bruce Brensdal, Director Nancy Leifer, Homeownership Programs Matt Rude, Multifamily Programs

Rural Development (RD)

RD has a number of programs for homeownership, rentals and home repair. RD is funded through the U.S. Department of Agriculture.

Homeownership: RD's leveraged and direct loan programs provide subsidized interest rates for all or a portion of a homebuyer's mortgage. With rates as low as 1% for households earning very low incomes, the program is ideal for very-low income elderly and families. The direct and leveraged loan program is available to households earning less than 80% AMI. RD's Guaranteed Loan program assists households earning up to 115% AMI by providing the first-mortgage lender with a 90% guarantee on the mortgage. RD also administers a Homeownership Self-Help program. In the Self-Help program, 8-12 households work together, under the supervision of a non-profit, to build their own homes. This saves a significant amount of money; owed amounts remaining are placed into a low-interest mortgage provided through the direct loan program. Self-help is a unique way to provide homeownership opportunity to low-income households. The program requires a dedicated, experienced non-profit and time to be successful. RD also provides rehabilitation and repair loans to low to moderate income households and small home repair grants to low-income elderly.

Rental: RD provides permanent financing of affordable multifamily rental projects with rates as low as 1% and terms as long as 50 years. Low-interest mortgage loans may be provided in combination with Rental Assistance Programs which may be attached to all or a portion of the units. Units that receive Rental assistance will allow the occupant to pay no more than 30% of their income toward their rent and utility cost while subsidizing any remaining charges. Rental assistance is available to households earning less than 50% AMI. Applications for RD rental programs are competitive and typically due in the spring.

Address:	USDA Rural Development P.O. Box 850 Bozeman, MT 59771

Phone: 406.585.2515
Web: www.rurdev.usda.gov/mt/RHS/rhs%20front%20page.htm
Contact: Deborah Chorlton, Program Director

Federal Home Loan Bank (FHLB)
The FHLB is a government sponsored entity (GSE). The FHLB serving this area is located in Seattle. FHLB can provide assistance with financing of affordable housing projects through their Affordable Housing Program (AHP), provide support to local entities through the Community Investment Program (CIP) and provide closing cost assistance to individuals through the Home$tart Program.

Address: Federal Home Loan Bank of Seattle
1501 4th Avenue
Suite 1800
Seattle, WA 98101
Phone: 1.800.973.6223
Fax: 206.340.8721
Web: www.fhlb.sea.com/fhlbsea/index.cfm

Weatherization assistance
The Human Resources Council (HRC) of Butte administers the Department of Energy Weatherization program. This program can be used to improve the energy efficiency of a home occupied by low income households.

Address: Human Resources Council
P.O. Box 3486
Butte, MT 59702
Phone: 406.496.4975
Web: www.hrc12.org
Contact: Elissa Mitchell, Director

Local non-profits

Human Resources Council of District XII (HRC 12)
HRC provides assistance to low and moderate income persons in Housing, Energy assistance/Weatherization, youth programs, and other necessary services. HRC administers the Section 8 (affordable rentals) program, provides weatherization of homes, develops affordable housing, and assists persons looking for affordable housing. The HRC should be considered a primary resource as the county addresses affordable housing needs.

Address: Human Resources Council
P.O. Box 3486
Butte, MT 59702

Phone:	406.496.4975
Web:	www.hrc12.org
Contact:	Elissa Mitchell, Director

Headwaters Resource Conservation and Development (RC&D)
Headwaters RC&D is a 501(c)(3) dedicated to assisting local citizens as they plan and execute community development, resource conservation and economic development projects. Among other programs, the RC&D provides homeownership education and access to down-payment assistance to first-time homebuyers.

Address:	Headwaters RC&D 305 West Mercury Butte, MT 59701
Phone:	406.782.7333
Fax:	406.782.9675
Web:	www.headwatersrcd.org/index.html
Contact:	Judie Tillman, Coordinator

Private resources

National Affordable Housing Network
The National Affordable Housing Network is based out of Butte. It provides energy efficient house plans for the development of affordable housing. The network can be found on the web at: www.nahn.com.

Northwestern Energy
Northwestern Energy provides assistance to groups for the development of new energy-efficient affordable housing and the rehabilitation of existing housing to increase efficiency.

Private Assisted Living
Consistently Madison County residents identified housing needs for their senior citizens that included varying levels of personal and medical care. Currently there are two extended care centers in Southwestern Montana that serve as good small town example, Generations I and II. The owner is Kenton Irvine who can be contacted at the Ennis based center at (406) 682-7066.

Home based extended care, similar to the old boarding house arrangement, can also be utilized in rural areas. A large home (handicap accessible) is divided into separate bed and bath units. The employees, who may also be the owners, provide meals and activities in the centralized portions of the home and resident laundry and housekeeping services as needed. Home health care is provided by the organization licensed to provide skilled and unskilled nursing services for that area of the state. Upon licensing, a home based center may receive Medicaid and Medicare payments to offset the care cost. This type of arrangement keeps seniors in their hometown, allows for senior citizens socialization and affordable personal care, and provides employment for persons connected with the center.

Private Foundations, Community Foundations and Local fundraising

Local, state and national foundations are often interested in assisting with affordable housing projects. Many banks provide community assistance, either through the bank or a foundation, to meet Community Reinvestment Act (CRA) criteria. Large businesses, employers and private citizens are all potential resources for affordable housing.

Additional resources

The Housing Plan and strategies refer to a number of methods to promote affordable housing or secure funds for affordable housing programs and/or development. These include use of local option/resort taxes, impact fees, linkage fees, zoning, and inclusionary zoning.

Appendices

Madison County Housing Needs Assessment and Five Year Plan

Appendix A: Charts and Tables

- A.1: Population Estimates – all
- A.2: Population Projections - all
- A.3a: Population by Age – Ennis
- A.3b: Population by Age – Virginia City
- A.3c: Population by Age – Sheridan
- A.3d: Population by Age – Twin Bridges
- A.3e: Population by Age – Harrison
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- A.4: Income by Age - all
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  Note: Housing Condition data unavailable for unincorporated areas
- A.8a: Quality and Workmanship by Structure Type – Ennis
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  Note: Housing Condition data unavailable for unincorporated areas
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  Note: Housing Condition data unavailable for unincorporated areas
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Appendix B: Sample Affordable Housing Mission Statement

Appendix C: Sample Housing Needs Survey

Appendix D: HUD Area Median Income (AMI) 2006

Appendix E: Sample Project – Senior Affordable Housing Development

Appendix F: Photos of housing examples

Table A.1 – Population Estimates

Geographic Area	Population Estimates							1-Apr-00
	1-Jul-05		1-Jul-04	1-Jul-03	1-Jul-02	1-Jul-01	1-Jul-00	Census
Montana	935,670	3.70%	926,920	917,885	910,395	906,098	903,510	902,195
Madison County	7,274	6.20%	7,094	6,941	6,968	6,899	6,872	6,851
Ennis town	973	15.80%	924	881	857	849	845	840
Sheridan town	689	4.60%	676	663	669	663	661	659
Twin Bridges town	418	4.50%	410	403	407	403	401	400
Virginia City town	135	3.80%	132	130	132	130	130	130
Balance of Madison County	5,059	4.90%	4,952	4,864	4,903	4,854	4,835	4,822

Source: Population Division, U.S. Census Bureau

Table A.2 Population Projections

Geographic Area	Population Projections					
	2005	% change, 2000-2005	2010	2015	2020	2025
Montana	935,670	3.70%	970,290	1,006,191	1,043,420	1,082,026
Madison County	7,274	6.20%	7,725	8,204	8,713	9,253
Ennis town	973	15.80%	1,127	1,305	1,511	1,750
Sheridan town	689	4.60%	721	754	789	825
Twin Bridges town	418	4.50%	437	456	477	498
Virginia City town	135	3.80%	140	145	151	157
Balance of Madison County	5,059	4.90%	5,307	5,567	5,840	6,126

Source: Population projections were calculated by applying the average growth rate between 2000 and 2005 (from Table A.1), assuming the same rate of growth and extrapolating future population projections.

Table A.3a - Population by Age and Gender, 1999
Ennis, Montana, U.S.

POPULATION								
		Ennis				**Montana**		**U.S.**
Total population		840				902,195		281,421,906
Square miles (land)		0.68				145,522.43		3,537,438
GENDER		**Number**		**Pct**		**Pct**		**Pct**
Male		400		47.6		49.8		49.1
Female		440		52.4		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		150		17.9		20.6		21.4
16-24		102		12.1		14.4		13.9
25-44		193		23.0		27.2		30.2
45-64		221		26.3		24.4		22.0
65+		174		20.7		13.4		12.4
Average age (years)		42.05				37.38		36.22

Source: U.S. Census 2000

Table A.3b - Population by Age and Gender, 1999
Virginia City, Montana, U.S.

POPULATION								
		Virginia City				**Montana**		**U.S.**
Total population		130				902,195		281,421,906
Square miles (land)		0.93				145,522.43		3,537,438
Gender		**Number**		**Pct**		**Pct**		**Pct**
Male		67		51.5		49.8		49.1
Female		63		48.5		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		15		11.5		20.6		21.4
16-24		5		3.8		14.4		13.9
25-44		31		23.8		27.2		30.2
45-64		61		46.9		24.4		22.0
65+		18		13.8		13.4		12.4
Average age (years)		45.79				37.38		36.22

Source: U.S. Census 2000

Table A.3c - Population by Age and Gender, 1999
Sheridan, Montana, U.S.

POPULATION								
		Sheridan				**Montana**		**U.S.**
Total population		659				902,195		281,421,906
Square miles (land)		1.02				145,522.43		3,537,438
GENDER		**Number**		**Pct**		**Pct**		**Pct**
Male		304		46.1		49.8		49.1
Female		355		53.9		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		100		15.2		20.6		21.4
16-24		60		9.1		14.4		13.9
25-44		135		20.5		27.2		30.2
45-64		174		26.4		24.4		22.0
65+		190		28.8		13.4		12.4
Average age (years)		47.05				37.38		36.22

Source: U.S. Census 2000

Table A.3d - Population by Age and Gender, 1999
Twin Bridges, Montana, U.S.

POPULATION								
		Twin Bridges				**Montana**		**U.S.**
Total population		400				902,195		281,421,906
Square miles (land)		0.95				145,522.43		3,537,438
GENDER		**Number**		**Pct**		**Pct**		**Pct**
Male		192		48.0		49.8		49.1
Female		208		52.0		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		82		20.5		20.6		21.4
16-24		36		9.0		14.4		13.9
25-44		99		24.8		27.2		30.2
45-64		112		28.0		24.4		22.0
65+		71		17.8		13.4		12.4
Average age (years)		40.55				37.38		

Source: U.S. Census 2000

Table A.3e - Population by Age and Gender, 1999
Harrison, Montana, U.S.

POPULATION								
		Harrison				**Montana**		**U.S.**
Total population		162				902,195		281,421,906
Square miles (land)						145,522.43		3,537,438
Gender		**Number**		**Pct**		**Pct**		**Pct**
Male		84		51.9		49.8		49.1
Female		78		48.1		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		39		24.1		20.6		21.4
16-24		20		12.3		14.4		13.9
25-44		40		24.7		27.2		30.2
45-64		34		21.0		24.4		22.0
65+		29		17.9		13.4		12.4
Average age (years)		37.5				37.38		36.22

Source: U.S. Census 2000

Table A.3f - Population by Age and Gender, 1999
Big Sky, Montana, U.S.

POPULATION								
		Big Sky				**Montana**		**U.S.**
Total population		1,221				902,195		281,421,906
Square miles (land)		228.12				145,522.43		3,537,438
GENDER		**Number**		**Pct**		**Pct**		**Pct**
Male		682		55.9		49.8		49.1
Female		539		44.1		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		167		13.7		20.6		21.4
16-24		123		10.1		14.4		13.9
25-44		586		48.0		27.2		30.2
45-64		262		21.5		24.4		22.0
65+		83		6.8		13.4		12.4
Average age (years)		35.85				37.38		36.22

Source: U.S. Census 2000

Table A.3g - Population by Age and Gender, 1999
Madison County, Montana, U.S.

POPULATION								
		Madison Co.				**Montana**		**U.S.**
Total population		6,851				902,195		281,421,906
Square miles (land)		3,586.54				145,522.43		3,537,438
Gender		**Number**		**Pct**		**Pct**		**Pct**
Male		3,465		50.6		49.8		49.1
Female		3,386		49.4		50.2		50.9
AGE		**Number**		**Pct**		**Pct**		**Pct**
15 or younger		1,196		17.5		20.6		21.4
16-24		707		10.3		14.4		13.9
25-44		1,712		25.0		27.2		30.2
45-64		2,060		30.1		24.4		22.0
65+		1,176		17.2		13.4		12.4
Average age (years)		41.63				37.38		36.22

Source: U.S. Census 2000

Table A.4
Income by Age, 1999

	Ennis	Virginia City	Sheridan	Twin Bridges	Harrison	Big Sky	Madison County	Montana	United States
Median Household Income	30,735	30,000	21,118	25,833	36,875	39,688	30,233	33,024	41,994
Householder under 25	10,417	0	14,750	13,750	0	21,346	22,109	17,446	22,679
Householder 25-34	26,875	85,489	25,625	30,833	28,750	33,250	29,432	31,708	41,414
Householder 35-44	36,719	40,750	24,464	31,875	37,813	40,250	33,897	39,007	50,654
Householder 45-54	35,250	28,750	33,125	36,500	44,583	59,250	38,587	43,373	56,300
Householder 55-64	20,625	43,125	13,750	26,071	40,625	76,582	29,938	37,311	47,447
Householder 65-74	26,042	26,500	20,417	19,063	37,917	52,083	26,563	27,865	31,368
Householder 75 and older	45,313	13,750	16,250	14,688	14,375	55,417	19,583	20,312	22,259
Per capita Income	17,310	19,182	15,369	13,171	13,287	31,492	16,944	17,151	21,587

Source: U.S. Census 2000

Note: The HUD Area Median Income for Madison County in 2006 is $42,500. Median incomes are updated periodically by the Census Bureau as well, however; they are not broken down by age and are not calculated for some smaller communities. As such, the Median Income from the Census is used in this study.

Table A.5 – Percentage of Households Living in Poverty, 1999

Area	% of persons of All Ages	% of persons Under 18 years	% of persons 65 years & older	% of families
Ennis	11.9	10.9	11.7	7.7
Virginia City	5.7	0	0	0
Sheridan	25.1	43.2	13.1	22
Twin Bridges	8.5	4.4	10.6	6.2
Harrison	13.8	22.7	14.8	5.3
Big Sky CDP (part)	2.9	0	0	0
Madison County	12.1	14.2	9.3	10.2

Source: U.S. Census 2000

Table A.6 - Employment by Industry
Madison County

	2001	2002	2003	2004	% change, 2001-2004
Compensation of Employees in $1,000	57690	62208	61401	66454	15.19%
Total wage and salary disbursements	46164	49319	48438	52074	12.80%
Total supplements to wages and salaries	11526	12889	12963	14380	24.76%
Total Average compensation per job (dollars)	25951	27574	27205	27957	7.73%
Farm Compensation	4405	4957	4441	4266	-3.16%
Non-farm compensation	53285	57251	56960	62188	16.71%
Private Compensation (in $1,000)	**36149**	**39246**	**37557**	**41142**	**13.81%**
Forestry, Fishing and related activities	(D)	359	365	417	16.16%
Mining	799	1107	550	641	-19.77%
Utitlities	(D)	933	1082	837	-10.29%
Construction	10538	11928	7323	8719	-17.26%
Manufacturing	2838	2173	1825	1906	-32.84%
Wholesale trade	(D)	1152	1417	423	-63.28%
Retail trade	3526	4185	3976	3938	11.68%
Finance and insurance	2298	2493	2912	3253	41.56%
Real estate and rental and leasing	594	713	1113	1092	83.84%
Professional and technical services	1187	1103	1628	2243	88.96%
Arts, entertainment and recreation	629	592	1287	1518	141.34%
Amusement, gambling and recreation	346	(D)	1170	1400	304.62%
Accomodation and food services	3733	4251	4535	4922	31.85%
Other services, except public administration	1660	1797	1749	1806	8.80%
Government and government enterprises	**17136**	**18005**	**19403**	**21046**	**22.82%**
Federal Civilian	3954	4092	4138	4511	14.09%
Military	612	792	1104	1187	93.95%
State government	1206	1897	2279	2778	130.35%
Local government	11364	11224	11882	12570	10.61%

Source: U.S. Census Bureau

Table A.7a - Residential Dwellings by Construction Era
Ennis

		Dwelling Type		
		Mobile	Single	**Total**
Year Built	1959 and earlier	3	135	**138**
	1960-1969	15	13	**28**
	1970-1979	43	53	**96**
	1980-1989	12	39	**51**
	1990-1999	30	40	**70**
	2000	1	0	**1**
	2001	2	2	**4**
	2002	0	4	**4**
	2003	2	0	**2**
Total		108	286	**394**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.7b - Residential Dwellings by Construction Era
Virginia City

		Dwelling Type		
		Mobile	Single	**Total**
Year Built	1959 and earlier	1	159	**160**
	1960-1969	7	9	**16**
	1970-1979	15	26	**41**
	1980-1989	4	12	**16**
	1990-1999	4	18	**22**
	2000	2	1	**3**
	2001	1	1	**2**
	2002	0	2	**2**
	2003	1	0	**1**
	2004	1	0	**1**
Total		36	228	**264**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.7c - Residential Dwellings by Construction Era
Sheridan

		Dwelling Type		
		Mobile	Single	**Total**
Year Built	1959 and earlier	1	181	**182**
	1960-1969	11	18	**29**
	1970-1979	35	13	**48**
	1980-1989	11	14	**25**
	1990-1999	12	24	**36**
	2000	1	4	**5**
	2001	0	2	**2**
	2002	0	0	**0**
	2003	1	0	**1**
Total		72	256	**328**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.7d - Residential Dwellings by Construction Era
Twin Bridges

		Dwelling Type		
		Mobile	Single	**Total**
Year Built	1959 and earlier	3	139	**142**
	1960-1969	17	18	**35**
	1970-1979	34	22	**56**
	1980-1989	5	12	**17**
	1990-1999	6	11	**17**
	2000	0	0	**0**
	2001	0	2	**2**
	2002	1	1	**2**
	2003	0	0	**0**
Total		66	205	**271**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.7e - Residential Dwellings by Construction Era
Madison County

		Dwelling Type			
		Condo	Mobile	Single	**Total**
Year Built	1959 and earlier	0	27	1391	**1418**
	1960-1969	0	119	139	**258**
	1970-1979	251	304	422	**977**
	1980-1989	70	98	388	**556**
	1990-1999	370	173	789	**1332**
	2000	0	17	50	**67**
	2001	16	13	112	**141**
	2002	17	7	148	**172**
	2003	4	5	27	**36**
Total		728	763	3466	**4957**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.8a - Quality and Workmanship by Construction Type
Ennis

		Dwelling Type		
		Mobile	Single	**Total**
Quality and Workmanship	Cheap	0	3	**3**
	Poor	0	4	**4**
	Low Cost	58	35	**93**
	Fair	0	82	**82**
	Average	35	152	**187**
	Good	15	7	**22**
	Very Good	0	3	**3**
Total		108	286	**394**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.8b - Quality and Workmanship by Construction Type
Virginia City

		Dwelling Type		
		Mobile	Single	**Total**
Quality and Workmanship	Cheap	0	9	**9**
	Poor	0	12	**12**
	Low Cost	22	39	**61**
	Fair	0	114	**114**
	Average	11	49	**60**
	Good	3	5	**8**
	Very Good	0	0	**0**
Total		36	228	**264**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.8c - Quality and Workmanship by Construction Type
Sheridan

		Dwelling Type		
		Mobile	Single	**Total**
Quality and Workmanship	Cheap	0	0	**0**
	Poor	0	6	**6**
	Low Cost	46	43	**89**
	Fair	0	96	**96**
	Average	18	101	**119**
	Good	8	9	**17**
	Very Good	0	1	**1**
Total		72	256	**328**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.8d - Quality and Workmanship by Construction Type
Twin Bridges

		Dwelling Type		
		Mobile	Single	**Total**
Quality and Workmanship	Cheap	0	3	**3**
	Poor	0	13	**13**
	Low Cost	49	32	**81**
	Fair	0	89	**89**
	Average	12	60	**72**
	Good	5	7	**12**
	Very Good	0	1	**1**
Total		66	205	**271**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.8e - Quality and Workmanship by Construction Type
Madison County

		Dwelling Type			
		Condo	Mobile	Single	**Total**
Quality and Workmanship	Cheap	0	0	67	**67**
	Poor	0	0	134	**134**
	Low Cost	0	438	411	**849**
	Fair	0	0	990	**990**
	Average	320	217	1276	**1813**
	Good	140	108	387	**635**
	Very Good	150	0	136	**286**
	Excellent	115	0	34	**149**
	Superior	3	0	31	**34**
Total		728	763	3466	**4957**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.9a - Effective Age by Quality and Workmanship
Ennis

		Quality and Workmanship							
		Cheap	Poor	Low Cost	Fair	Average	Good	Very Good	**Total**
Effective Age	1939 and earlier	1	3	69	28	145	22	3	**271**
	1940-1949	1	0	1	1	2	0	0	**5**
	1950-1959	1	1	16	34	6	0	0	**58**
	1960-1969	0	0	1	6	0	0	0	**7**
	1970-1979	0	0	3	10	17	0	0	**30**
	1980-1989	0	0	3	3	13	0	0	**19**
	1990-1999	0	0	0	0	4	0	0	**4**
	2000 or later	0	0	0	0	0	0	0	**0**
Total		3	4	93	82	187	22	3	**394**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.9b - Effective Age by Quality and Workmanship
Virginia City

		Quality and Workmanship							
		Cheap	Poor	Low Cost	Fair	Average	Good	Very Good	**Total**
Effective Age	1939 and earlier	9	7	33	26	24	6	0	**105**
	1940-1949	0	1	4	4	1	0	0	**10**
	1950-1959	0	2	11	36	12	0	0	**61**
	1960-1969	0	1	10	20	5	0	0	**36**
	1970-1979	0	0	2	12	11	1	0	**26**
	1980-1989	0	1	1	14	5	0	0	**21**
	1990-1999	0	0	0	1	1	1	0	**3**
	2000 or later	0	0	0	1	1	0	0	**2**
Total		9	12	61	114	60	8	0	**264**

Table A.9c - Effective Age by Quality and Workmanship
Sheridan

		Quality and Workmanship							
		Cheap	Poor	Low Cost	Fair	Average	Good	Very Good	**Total**
Effective Age	1939 and earlier	0	3	61	14	73	15	0	**166**
	1940-1949	0	0	1	2	0	0	0	**3**
	1950-1959	0	3	24	47	12	0	0	**86**
	1960-1969	0	0	0	1	3	0	0	**4**
	1970-1979	0	0	1	28	26	0	1	**56**
	1980-1989	0	0	2	3	4	2	0	**11**
	1990-1999	0	0	0	1	1	0	0	**2**
	2000 or later	0	0	0	0	0	0	0	**0**
Total		0	6	89	96	119	17	1	**328**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.9d - Effective Age by Quality and Workmanship
Twin Bridges

		Quality and Workmanship							
		Cheap	Poor	Low Cost	Fair	Average	Good	Very Good	**Total**
Effective Age	1939 and earlier	2	13	61	29	47	9	1	**162**
	1940-1949	0	0	3	4	0	1	0	**8**
	1950-1959	1	0	14	39	13	0	0	**67**
	1960-1969	0	0	2	6	3	0	0	**11**
	1970-1979	0	0	1	9	4	0	0	**14**
	1980-1989	0	0	0	1	4	1	0	**6**
	1990-1999	0	0	0	1	1	1	0	**3**
	2000 or later	0	0	0	0	0	0	0	**0**
Total		3	13	81	89	72	12	1	**271**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.9e - Effective Age by Quality and Workmanship
Madison County

		Quality and Workmanship									
		Cheap	Poor	Low Cost	Fair	Average	Good	Very Good	Excellent	Superior	**Total**
Effective Age	1939 and earlier	62	112	704	515	1257	597	262	148	34	**3691**
	1940-1949	1	5	26	49	7	2	0	0	0	**90**
	1950-1959	3	6	76	236	86	2	0	0	0	**409**
	1960-1969	1	5	11	44	23	3	0	0	0	**87**
	1970-1979	0	2	18	110	110	7	3	0	0	**250**
	1980-1989	0	2	9	31	303	13	18	1	0	**377**
	1990-1999	0	2	5	5	26	10	3	0	0	**51**
	2000 or later	0	0	0	0	1	1	0	0	0	**2**
Total		67	134	849	990	1813	635	286	149	34	**4957**

Source: Montana Department of Commerce Housing Condition Study, 2005

Table A.10 - Housing Occupancy and Tenure

Area	Total Housing Units	Occupied Units		Vacant Housing Units					Occupied Housing Units Tenure		
						Percent					
		Number	Percent	Number	Percent	For sale only	For rent	Seasonal or occasional use	Total	% Owners	% Renters
Madison County	4671	2956	63.3%	1715	36.7%	5.7%	6.2%	66.7%	2956	70.4%	29.6%
Ennis	434	367	84.6%	67	15.4%	11.9%	23.9%	35.8%	367	62.4%	37.6%
Virginia City	122	72	59.0%	50	41.0%	6.0%	2.0%	46.0%	72	75.0%	25.0%
Sheridan	365	302	82.7%	63	17.3%	28.6%	22.2%	27.0%	302	63.2%	36.8%
Twin Bridges	216	175	81.0%	41	19.0%	14.6%	19.5%	24.4%	175	68.6%	31.4%
Harrison	75	64	85.3%	11	14.7%	0.0%	18.2%	36.4%	64	76.6%	23.4%
Big Sky	624	113	18.1%	511	81.9%	0.4%	7.4%	73.8%	113	31.0%	69.0%

Table A.11a
Income Needed to Purchase Median Priced Home (as of Census 2000)

Community	Median Home Price (2000 Census)	5% down Payment	Mortgage required	Principal and Interest Payment	Taxes and Insurance	Total Mortgage Payment (PITI)	Monthly Income Needed	Annual Income Needed	% AMI (Census 2000)
Madison County	104,500.00	5,225.00	99,275.00	627.49	156.87	784.36	2,614.52	31,374.28	104%
Ennis	101,800.00	5,090.00	96,710.00	611.27	152.82	764.09	2,546.97	30,563.65	99%
Virginia City	82,000.00	4,100.00	77,900.00	492.38	123.10	615.48	2,051.59	24,619.05	82%
Sheridan	94,300.00	4,715.00	89,585.00	566.24	141.56	707.80	2,359.33	28,311.91	134%
Twin Bridges	75,000.00	3,750.00	71,250.00	450.35	112.59	562.94	1,876.45	22,517.42	87%
Harrison	65,000.00	3,250.00	61,750.00	390.30	97.58	487.88	1,626.26	19,515.10	53%
Big Sky	246,100.00	12,305.00	233,795.00	1,477.74	369.44	1,847.18	6,157.26	73,887.17	186%

Source: U.S. Census 2000

Assumptions:

1) 30 year, fixed rate mortgage at 6.5%

2) Taxes and insurance comprise 20% of total PITI payment

3) Households spends no more than 30% of their gross monthly income on housing, in accordance with HUD guidelines

Table A.11b
Income Needed to Purchase Median Home as identified by Montana Department of Commerce 2003

Community	Median Home Price (MDOC 2003)	5% down Payment	Mortgage required	Principal and Interest Payment	Taxes and Insurance	Total Mortgage Payment (PITI)	Monthly Income Needed	Annual Income Needed	% AMI (Census 2000)
Madison County	119,300.00	5,965.00	113,335.00	716.35	179.09	895.44	2,984.81	35,817.71	118%

Source: The Price of Housing in Montana, Montana Department of Commerce 2003. Based on 72 sales from January 1, 2003 to December 31, 2003.

*Figures for communities within Madison County were not available

Assumptions:

1) 30 year, fixed rate mortgage at 6.5%

2) Taxes and insurance comprise 20% of total PITI payment

3) Households spends no more than 30% of their gross monthly income on housing, in accordance with HUD guidelines

Table A.11c
Income Needed to Purchase Median Home as identified by Multiple Listing Service, July 2006 listings

Community	Median Home Price (July 2006 MLS)	5% down Payment	Mortgage required	Principal and Interest Payment	Taxes and Insurance	Total Mortgage Payment (PITI)	Monthly Income Needed	Annual Income Needed	% AMI (Census 2000)
Madison County		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Ennis		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Virginia City		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sheridan		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Twin Bridges		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Harrison		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Big Sky		0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Source: Multiple Listing Service, July 2006

Assumptions:

1) 30 year, fixed rate mortgage at 6.5%

2) Taxes and insurance comprise 20% of total PITI payment

3) Households spends no more than 30% of their gross monthly income on housing, in accordance with HUD guidelines

Table A.12a

Maximum Purchase Price for Household of four earning the area median income as determined by the 2000 U.S. Census

Community	AMI for HH of 4 (Census 2000)	Monthly Income	Maximum Mortgage Payment	Less Taxes and Insurance	Principal and Interest	Present Value (Maximum mortgage)	Down Payment (5%)	Maximum Purchase Price
Madison County	30,233.00	2,519.42	755.83	151.17	604.66	95,663.75	5,034.93	100,698.69
Ennis	30,735.00	2,561.25	768.38	153.68	614.70	97,252.19	5,118.54	102,370.73
Virginia City	30,000.00	2,500.00	750.00	150.00	600.00	94,926.49	4,996.13	99,922.62
Sheridan	21,118.00	1,759.83	527.95	105.59	422.36	66,821.92	3,516.94	70,338.86
Twin Bridges	25,833.00	2,152.75	645.83	129.17	516.66	81,741.20	4,302.17	86,043.37
Harrison	36,875.00	3,072.92	921.88	184.38	737.50	116,680.48	6,141.08	122,821.56
Big Sky	39,688.00	3,307.33	992.20	198.44	793.76	125,581.42	6,609.55	132,190.97

Source: U.S. Census 2000

Assumptions:

1) 30 year, fixed rate mortgage at 6.5%

2) Taxes and insurance comprise 20% of total PITI payment

3) Households spends no more than 30% of their gross monthly income on housing, in accordance with HUD guidelines

Table A.12b
Maximum Purchase Price for Household of four earning the area median income HUD 2006 (updated for Madison County only)

Community	AMI for HH of 4 (HUD 2006)	Monthly Income	Maximum Mortgage Payment	Less Taxes and Insurance	Principal and Interest	Present Value (Maximum mortgage)	Down Payment (5%)	Maximum Purchase Price
Madison County	42,500.00	3,541.67	1,062.50	212.50	850.00	134,479.20	7,077.85	141,557.05

Source: U.S. Census 2000

Assumptions:

1) 30 year, fixed rate mortgage at 6.5%

2) Taxes and insurance comprise 20% of total PITI payment

3) Households spends no more than 30% of their gross monthly income on housing, in accordance with HUD guidelines

Table A.13
Income Needed to Rent Median Priced Home (as of Census 2000)

Community	Median Priced rental (Census 2000)	Monthly income required	Annual Income required	% AMI (Census 2000)
Madison County	460	1,533	18,400	61%
Ennis	450	1,500	18,000	59%
Virginia City	381	1,270	15,240	51%
Sheridan	442	1,473	17,680	84%
Twin Bridges	432	1,440	17,280	67%
Harrison	467	1,557	18,680	51%
Big Sky	582	1,940	23,280	59%

Source: U.S. Census 2000

Assumptions:

1) Renter pays no more than 30% of monthly income toward rent

Table A.14
Percentage of Households Overpaying* for Housing, 1999

Community	% Renters Overpaying	% Owners Overpaying
Madison County	30.40%	23.10%
Ennis	40.40%	6.60%
Virginia City	0.00%	28.10%
Sheridan	27.70%	18.20%
Twin Bridges	35.00%	11.90%
Harrison	70.00%	28.10%
Big Sky	39.50%	30.20%

Source: U.S. Census 2000

*Overpaying is defined as paying more than 30% of the household's gross monthly income toward housing costs

Appendix B: Sample Affordable Housing Mission Statement

PURPOSE

To encourage the development of safe, decent and affordable housing through new construction, resident and homeowner assistance, and rehabilitation, in the jurisdictional area of Madison County for low and moderate income citizens using resources from local, state and federal government, in partnership with the non-profit and private sectors of our county.

AFFORDABILITY GUIDELINES

For purposes of this policy, affordable refers to housing for low and moderate income families that cannot afford to pay the prevailing rents or make monthly payments necessary to obtain and maintain housing in Madison County. Housing is considered affordable when a household pays no more than 30% of their monthly gross income towards their total housing cost. For rental units total housing cost includes utilities and for owner-occupied housing total housing cost includes insurance, taxes, community-wide benefit fees, homeowners association fees and special assessments.

Target guidelines for projects requesting support or assistance from Madison County are persons whose annual gross income is below 50% of the area median income for renter households and persons whose annual gross income is below 100% of the area median income for owner-occupied households. When reviewing assistance requests from developers, Madison County may utilize further criteria depending upon the level and type of support requested by the developer. Such criteria include but are not limited to: serving special needs populations, leveraging additional funds from other sources, serving persons who are substantially below target income guidelines and the number and type of units.

POLICY GUIDELINES

1. Rental properties will have lower target income guidelines than owner-occupied housing.

2. The County will direct their support to niches in the housing market not currently being addressed or being inadequately addressed.

3. Affordable housing units sponsored or supported by the County will follow the American Disabilities Act and the Equal Housing Opportunity Statement.

4. The County will encourage housing developments to have extended affordability periods and energy savings features.

5. In developing affordable housing, existing neighbors concerns will be given consideration; however, neighborhood impacts can not result in violations of Fair Housing and will be weighed along with the benefits to the community as a whole.

6. The County may formulate an affordable housing board to assist unincorporated areas with housing development and to coordinate and work with existing housing boards. The County's housing board will contain persons representing the following areas: a developer; a builder, a realtor, a residential lender, a housing development non-profit, a non-profit that provides supportive services to lower-income households, and a representative of special needs groups.

Duties of the County's Affordable Housing Advisory Board will be as follows:

a) To annually assess county housing needs through coordination with other housing boards, public meetings, and surveys. To develop a list of affordable housing needs, prioritize those needs and make recommendations to the County Commission.

b) To review housing developers applications for County assistance and make recommendations to the County Commissioners as to whether the proposed projects meets the interests and priorities of the area.

c) To develop a system for scoring and ranking competing housing development applications.

d) To develop information and educational materials to purport the County's housing policies.

e) To coordinate with other County and City Boards so that affordable housing relaxations or requirements do not compromise the goals and objectives of other boards and can take advantage of the services and knowledge of other boards.

f) Review the subdivision requirements with the idea of promoting housing affordability throughout the County. Provisions may include: minimum number of units per acre, the type and mix of units, density and the amount of acreage that triggers review processes, and the number of septic tanks and wells per development and when a central system is to be developed.

g) To work with the County to formulate programs that will create a revolving loan fund for on-going housing projects. The loan fund may be through funds loaned for rehabilitation, homeownership downpayment assistance or other type of development that would result in program income.

h) To work with non profits to develop projects either on their own or with a housing development organization.

i) To study how other counties have made housing affordable and work to bring affordable housing tools and mechanisms to the County.

Madison County Affirmative Action Housing Statement

ON _____Madison County adopted an Equal Employment Access and Affirmative Action Plan (EEO/AA Plan) which provides for affirmative action to ensure that all persons participating in Madison County programs, services and projects have an equal opportunity for participation and access to programs, services, and projects offered by Madison County.

The EEO/AA Plan is also applicable to any and all housing activities undertaken by Madison County that require positive action at all department levels to provide equal opportunity for those classes of persons who have traditionally been victims of systemic barriers to equal access. Complaint and grievance procedures for anyone claiming that they have been discriminated against were adopted on _____.

Madison County has acknowledged its intent to abide by the provisions of federal law which prohibit discrimination in housing. Those laws include:

The National Affordable Housing Act of 1990; Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), as amended, and the regulations issued pursuant thereto (24 CFR, Part 1);.The Fair Housing Act (42 U.S.C. 3601-3620) its the implementing regulations (24 CFR Part 100-115), and the Montana Human Rights Act (49-2-305, MCA) which prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, age, marital status, national origin, handicap or familial status; Per Section 104(b)(2) of the Fair Housing Act, it will administer programs and activities relating to housing in a manner that affirmatively furthers fair housing.

Equal Opportunity in Housing Executive Order 11063 as amended by Executive Order 12259 and the implementing regulations found in 24 CFR Part 107 which prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.

The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) and its implementing regulations (24 CFR Part 146) which prohibit age discrimination in programs receiving Federal financial assistance.

In addition, Madison County agrees that it will adopt affirmative marketing procedures for federally assisted housing projects and programs in accordance with 24 CFR 92.351. These procedures will be designed to actively provide information and other means to attract eligible persons from all racial, ethnic, and gender groups to the available housing. These procedures must include methods for informing the public, owners, and potential tenants/homeowners which will incorporate the use of Equal Housing Opportunity logotype and slogans in press releases and other communications, and specific efforts to inform and solicit applications from persons not likely to apply for the housing without special outreach.

The EEO/AA Plan further demonstrates Madison County's commitment to meeting fair access to housing under the:

Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) which provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services and telecommunications. The Act also states that discrimination includes the failure to design and construct facilities that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

Fair Housing Act: Multi-family dwellings must also meet he design and construction requirements of 24 CFR 100.205 which implement the Fair Housing Act (42 U.S.C. 3601-19).

Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination in federally assisted programs on the basis of handicap. Section 504 imposes requirements to ensure that "qualified individuals with handicaps" have access to programs and activities that receive Federal funds. These requirements fall under four general headings: physical barriers, program accessibility, employment accessibility and administrative.

In addition to EEO/AA Plan requirements a Fair Housing Poster including the Equal Housing Opportunity logo and copy of the Madison County's full AA/EEO Plan will be available to be viewed at the Madison County Courthouse.

Equal Housing opportunity will be made apparent by Madison County's accomplishments in:

- Outreach;
- Inclusion of Equal Housing Opportunity language in all housing pamphlets, advertisements, applications and other housing materials;
- Monitoring of housing activities to ensure that relevant categories are adequately represented in light of overall population characteristics;
- Adopting and maintaining appropriate procedures to follow up on all complaints and grievances, including referral to the Montana Human Rights Commission.

Adopted this _____day of _____, 20__.

By

_____

Appendix C: Sample Housing Needs Survey

Draft Survey Instrument
City of Bozeman Affordable Housing Needs Assessment

Introduction
Hi, my name is _____ and I'm conducting a short survey for the City of Bozeman Affordable Housing Board to better understand the housing needs of people who live and work in Bozeman. This survey is an initial step in a comprehensive housing needs assessment and strategy that aims to improve housing affordability in Bozeman. Your answers to this survey are strictly confidential; the City will only receive anonymous tabulated results from a consulting firm which will be tabulating tabulate the results

Do you work or lLive on Bozeman? Yes_____ No_____
(If yes, proceed. If no, thank interviewee and end survey)

A. Employment and Housing Background

These first questions ask about employment and commute patterns to help us understand how these factors are related.

1. Which of the following best describes your current occupation.occupation?
- Executive/Professional/Managerial
- Retail/Service
- Public Employee (teacher, fire fighter, etc.)
- Clerical (e.g., Administrative/Library Assistant)
- Trades and Services (e.g., Maintenance, Protective Services)
- Other_____
- Full-time Student
- Not employed.

2. Please indicate the Zip Code of your current place of residence:

ZIP CODE: _____

3. About how far do you currently commute to work or school ? (select one, assume typical daily trip one-way)?
- Less than 10 minutes
- 10 to 20 minutes
- 21 to 30 minutes
- 31 to 45 minutes
- 46 to 60 minutes
- 61 to 90 minutes
- More than 90 minutes

4. How long have you lived at your current place of residence? (select one)

- Less than 1 year
- 1 year to 2 years
- 3 years to 4 years
- 5 years or more

5. Do you currently own or rent your housing unit? (select one)

- Own
- Rent
- Other (fill in) _____

6. Which selection below best describes the type of housing in which you currently live? (select one)

- Single family home
- ~~Cottage or in-law unit (second unit on property)~~
- Duplex ~~or townhouse (units are side by side in the same building)~~
- ~~Flat in m~~Multifamily building (condo or apartment)
- Mobile or Modular in a Ground Lease
- Other _____

~~*B. Most Recent Housing Decision*~~

~~**These questions are about the most recent housing decision your household made, leading to the choice of your current housing unit.**~~

7. When you moved into your current housing unit, ~~please~~ which of the following statements describe your reason(s) for moving (select all that apply):

- My household changed (divorce, marriage, had a baby, added or lost household members, etc.)
- My housing needs changed (wanted a bigger or smaller unit, wanted a nicer neighborhood or better schools, etc.). (One and two seem to be the same thing)
- I wanted to purchase a housing unit and stop renting.
- My financial situation changed (earned more money, earned less money, etc.)
- I wanted to shorten my own commute to my job at that time.
- Other (fill in): _____

8. Before we moved to our current housing unit, my household lived in:

- A Madison County town (Ennis, Virginia City, Twin Bridges, Sheridan)~~Bozeman~~
- A Madison County Unincorporated Area~~Belgrade~~ (Alder, Big Sky, Pony, Harrison, etc.)
- Elsewhere ~~Gallatin~~ in Madison County
- Elsewhere in Montana
- Elsewhere in U.S.

9. Before moving to my current housing unit, my household (select one):

- Rented our unit
- Owned our unit
- Other (fill in): _____

10. When seeking my current housing unit, I looked in (select all that apply):

- Bozeman
- Belgrade~~elgrade~~
- Elsewhere in Southwestern Montana

- Other _____

11. When searching for my current unit, I was primarily seeking (select one):

- A unit to purchase
- A unit to rent
- Either a unit to purchase or rent
- Other (fill in): _____

12. Which of the following factors did you consider when you were looking for your current housing unit? (select all that apply)

~~): (Type of housing) (Paul the first two selections could be combined)~~
~~Distance to my job~~

- Distance to ~~job~~ my job or for other working adults in household
- Quality of schools
- Quality of neighborhood/location
- Condition of housing unit
- Price of housing unit
- Size of housing unit
- Type of Unit
- Other (fill in): _____

13. Which factor was the most important to you in making your housing choice? (select one):

~~Distance to my job): (Type of housing) (Paul the first two selections could be combined)~~

- Distance to job for myself or other working adults in household
- Quality of schools/
- ~~Quality of~~ neighborhood/location
- Condition of housing unit
- Price of housing unit
- Size of housing unit
- Other (fill in): _____

14. Overall, when you selected your current housing unit, which statement below best describes your experience (select one):

a. My household did not have difficulty finding housing suitable for our needs
b. My household had some difficulty finding housing suitable for our needs
c. My household had a very difficult time finding housing suitable for our needs
d. Not Applicable/Don't Know

15. Overall, how would you rate your satisfaction with your current housing unit? (select one answer for each item)

Cost of my housing unit	Not Satisfied	No Opinion	Satisfied ~~Very Satisfied~~
Quality of my housing unit	Not Satisfied	No Opinion	Satisfied
Size of my housing unit	Not Satisfied	No Opinion	Satisfied
Location of my housing unit	Not Satisfied	No Opinion	Satisfied
Schools serving my housing unit	Not Satisfied	No Opinion	Satisfied
Neighborhood/Community where I live	Not Satisfied	No Opinion	Satisfied

~~*C. Demographic Information*~~

~~**These final questions will help us understand how household characteristics are related to your household's needs and plans.**~~

16. How would you best describe your household type? (select one)

a. Person living alone
b. Married or unmarried couple with children
c. Married or unmarried couple without children
d. Single parent with children
e. Related adults other than parents and children
f. Unrelated persons other than couples
g. Other _____

17. Including yourself, how many people live in your household currently and what are their ages? (write in number of~~for~~ household members next to their age range)

h. Children age 0 to 4 years _____
i. Children age 5 to 12 years _____
j. Children age 13 to 18 years _____
k. Adults age 18 to 34_____
l. Adults age 35 to 49 _____
m. Adults age 50 to 64 _____
n. Adults age 65 or over _____

18. If you currently rent your housing unit, please select the range that best represents your household's current monthly expenditure for rent. Please do not count utilities. (select one)

- Less than $250 a month
- $250 to $500
- $500 to $749
- $750 to $999
- $1,000 to $1,249
- $1,250 to $1,499
- $1,500 or more

19. If you currently own your housing unit, please select the range that best represents your household's currently monthly expenditure for mortgage payments, property taxes, and insurance. Please do not count utilities: (select one)

- Less than $749
- $750 to $999
- $1,000 to $1,249
- $1,250 to $1,499
- $1,500 to $1,749
- $1,750 to $1,999
- $2,000 to $2,499
- Over $2,500 per month

20. Please select the range of household income below that best represents your HOUSEHOLD'S TOTAL INCOME in 2001 before taxes: (select one)

~~h)~~a. Less than $5,000
~~i)~~b. $5,000 to $10,000
~~j)~~c. $10,000 to $15,000
~~k)~~d. $15,000 to $25,000
~~l)~~e. $25,000 to $29,999
~~m)~~f. $30,000 to $34,999
~~n)~~g. $35,000 to $39,999
~~o)~~h. $40,000 to 44,999
~~p)~~i. $45,000 to $49,999
~~q)~~j. $50,000 to $54,999
~~r)~~k. $55,000 to $59,999
~~s)~~l. $60,000 to $64,999
~~t)~~m. $65,000 to $69,999
~~u)~~n. $70,000 to $74,000
~~v)~~o. $75.000 to $79,999
~~w)~~p. $80,000 to $84,999
~~x)~~q. $85,000 to $89,999
~~y)~~r. $90,000 to $94,999
~~z)~~s. $95,000 to 99,999
~~aa)~~t. $100,000 or more

21. Please comment on how the ~~City of Bozeman~~ ~~Gallatin~~ Madison County could better assist you with your housing needs:

_____
_____
_____
_____
_____

Thank you for your participation.

Appendix D: HUD Area Median Income, 2006

The HUD Area Median Income (AMI) is updated annually for Madison County and is used to establish income limits for all government and some private programs. The chart below contains the 2006 figures. Figures are not calculated on an annual basis for cities and towns within Madison County.

2006 HUD Income Limits - Madison County								
FY 2006 Median Income = $42,500								
	Household Size							
% AMI	1	2	3	4	5	6	7	8
30%	9,850	11,250	12,650	14,050	15,150	16,300	17,400	18,550
50%	16,400	18,750	21,100	23,450	25,350	27,200	29,100	30,950
80%	26,250	30,000	33,750	37,500	40,500	43,500	46,500	49,500

Appendix E: Sample Project

The sample project included is for a 20 unit affordable housing development for seniors in a rural town. The documents included are from the Montana Department of Commerce's Uniform Application, which must be submitted for all projects utilizing funds from the Community Development Block Grant (CDBG) program, HOME Investment Partners (HOME) Program, the Low Income Housing Tax Credit (LIHTC) Program, Montana Board of Housing, and Rural Development Programs. In essence, most affordable housing developments will use this form.

The Uniform Application contains four main sections: Applicant Information, Project Information, Financial Information, and Environmental Information. Each program may also have supplemental information requirements.

UNIFORM APPLICATION FORMAT FOR MONTANA HOUSING PROGRAMS

REQUIRED ORDER OF APPLICATION

APPLICATIONS MUST BE SUBMITTED IN THE ORDER LISTED BELOW:

I. Completed Uniform Application (Uni-App) in the following order:

A. Section A - Applicant Information
B. Section B - Project Information (Parts I-XIV)
C. Section C - Financial Information
Part I - Sources of Funds Statement
Part II - Uses of Funds (Budget)
Part III - Utility Allowance Information
Part IV - Rent and Forecasted Income - Year 1
Part V - Annual Operating Expenses
Part VI -15-Year Operating Pro-Forma

D. Section D - Environmental Uniform Request for Information

II. Funding Agency Supplemental Information (i.e., CDBG, HOME, RD, LIHTC, MBOH)

Each funding agency has program-specific supplemental information which must be submitted. Contact each agency separately to request supplemental information.

III. Appendices (include all referenced supporting documentation and the following items)

Site and Location Maps (as requested in Section A, Part IV of the Uni-App)

Proof of Ownership Documentation (as requested in Section A, Part V of the Uni-App)

Zoning Status Documentation (as requested in Section A, Part VI of the Uni-App)

Utilities Documentation of Availability (as requested in Section A, Part VII of the Uni-App)

Letters of Funding Commitments (as requested in Section C, Part I of the Uni-App)

Utility Allowance Documentation (as requested in Section C, Part III of the Uni-Ap

DATE OF APPLICATION	DATE RECEIVED (AGENCY USE ONLY)

SECTION A - APPLICANT

APPLICANT INFORMATION			
NAME OF APPLICANT	County or Locality		
CHIEF ELECTED OFFICIAL			
TYPE OF ENTITY	County Government		
FEDERAL TAX ID #			
DUNS # (IF APPLICABLE)			
MAILING ADDRESS			
CITY, STATE, ZIP CODE			
TELEPHONE #		FAX #	
CONTACT PERSON		EMAIL	
TELEPHONE #		FAX #	

DEVELOPER/SPONSOR			
NAME			
TYPE OF ENTITY			
FEDERAL TAX ID			
MAILING ADDRESS			
CITY, STATE, ZIP CODE			
TELEPHONE #		FAX #	
CONTACT PERSON		EMAIL	
TELEPHONE #		FAX #	

OWNER			
NAME			
TYPE OF ENTITY			
FEDERAL TAX ID			
MAILING ADDRESS			
CITY, STATE, ZIP CODE			
TELEPHONE #		FAX #	
CONTACT PERSON		EMAIL	
TELEPHONE #		FAX #	

DEVELOPMENT TEAM			
GENERAL PARTNER		TELEPHONE #	
CONTRACTOR		TELEPHONE #	
MANAGEMENT COMPANY		TELEPHONE #	
GRANTWRITER/CONSULTANT		TELEPHONE #	
TAX ATTORNEY		TELEPHONE #	
ARCHITECT		TELEPHONE #	

DEVELOPMENT TEAM AND/OR OWNERSHIP IDENTITY OF INTEREST

Do any members of the development team or ownership entity have any direct or indirect, financial or other interest with any of the other project team members (including owners interest in construction company or subcontractors)? YES* [ ] NO [X]

*If yes, provide a description of the relationship _____

SECTION B - PROJECT INFORMATION

Part I

PROJECT IDENTIFICATION

PROJECT NAME	X County Senior Affordable Housing
SITE ADDRESS	
CITY	
COUNTY	
ZIP CODE	
TOTAL PROJECT COST	
PRIMARY CONTACT	
MAILING ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	FAX #

Part II

CHIEF ELECTED OFFICIAL OF POLITICAL JURISDICTION IN WHICH PROJECT IS LOCATED

NAME	
MAILING ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	FAX #

Part III

PROVIDE A SHORT PROJECT DESCRIPTION

X County is sponsoring a grant application on behalf of the X County Senior Center to construct 20 accessible, affordable apartments for senior citizens. The scope of the project will be to purchase the site and using a combination of public and private funds build 20 apartments in 2 phases of 10 units per phase.

Part IV

LEGAL DESCRIPTION OF THE PROPERTY

Lot 5 - 1.13 acre; Lot 6 - 1.23 acre; Lot 7 - .94 acre

3.3 # of Acres

ATTACH MAPS WHICH SHOW THE SITE LOCATION AND THE SURROUNDING AREA. Appendix Unit App B 1.

Part V

SITE CONTROL STATUS (Check one)

	Owned		
X	Optioned	2007	Expiration Date
	Leased	N/A	Expiration Date
	Other (Explain)		

PROVIDE A COPY OF PROOF OF OWNERSHIP, OPTION, PURCHASE CONTRACT, OR LONG-TERM LEASE AGREEMENT.

Part VI

ZONING STATUS (Please provide letter of proof of zoning status, and identify any relevant zoning ordinances and restrictive covenants.)

Part VII

UTILITIES

Are utilities available and of the appropriate size for the site? [X] YES* [ ] NO**

*If yes, attach letter of verification from independent source.

**If no, provide an explanation on the line below, including dates when adequate facilities will be available.

Part VIII

PROJECT CLASSIFICATION, TYPE, ACTIVITY AND ANTICIPATED FUNDING SOURCES:

Classification (mark one)

Single Family (1-4 units)	
Multi-Family (5 or more units)	X

Type of Project (mark all that apply)

Rental	
Homeownership	
Rental Assistance	
Group Home/Shelter	
Other (specify) _____	

Project Activity (mark all that apply)

New Construction	X
*Acquisition (see below)	X
Rehabilitation	
Tenant Based Rental Assistance	
Administration	
Homebuyer Assistance	
Infrastructure	
Community Revitalization	
Other (specify) _____	

Funding Sources (mark all to which you are applying)

(Refer to each program 's guidelines to assure activity(s) marked above is eligible for proposed funding source)

Montana Department of Commerce:

Community Development Block Grant (CDBG)	X
Board of Housing (BOH)	
Low Income Housing Tax Credit Program	
Multifamily Risk Sharing Program	
Multifamily General Obligation Program	
Single Family Set-A-Side Program	
Home Investment Partnerships Program (HOME)	X

USDA Rural Development (RD):

Housing Preservation Grants	
Rural Rental Housing 515 Program	X
Sec. 538 - Guaranteed Rural Rental Housing Program	
Community Facilities Loan and Grant Programs	

* If your project is acquisition, are any persons currently living on the site?	[ ] YES	[X] NO
* If your project is an acquisition, will the proposed project activity result in a change in use of existing housing units?	[ ] YES	[X] NO
* If you answered "yes" to either of the questions above, do you have an Antidisplacement and Relocation Assistance plan?	[ ] YES	[X] NO

Part IX

TYPE OF UNITS	# OF UNITS
Single Family Homes	
Apartments	20
SRO's	
Other	
Other	
TOTAL UNITS	**20**

Part X
PROJECT USES

2		**TOTAL NUMBER OF BUILDINGS**
Square Footage	# of Units	
800	20	LOW INCOME UNITS
		MARKET UNITS
		COMMERCIAL SPACE
		COMMON SPACE (Mgr Unit)
700	1	COMMON SPACE (Other)
1,500	21	TOTAL
100%	100%	Low Income Percentage

Percentage = (low income units / (low income units + market units + commercial space))

Part XI
PROJECT BENEFICIARIES

	# UNITS WILL SERVE 0% -30% OF THE AREA MEDIAN INCOME
18	# UNITS WILL SERVE 31% -50% OF THE AREA MEDIAN INCOME
	# UNITS WILL SERVE 51% -60% OF THE AREA MEDIAN INCOME
2	# UNITS WILL SERVE 61% -80% OF THE AREA MEDIAN INCOME
	# UNITS WILL SERVE 81% -100% OF THE AREA MEDIAN INCOME
	# UNITS WILL SERVE MARKET RATE INCOME
20	TOTAL # OF UNITS

Part XII
TARGETING OF UNITS/NUMBER OF UNITS
(Specify number of units for each applicable category)

	Exceeding Fair Housing Standards	18	Elderly		Other
	Family (2+ Bedroom)	20	Disabled		Other
2	Units Meeting Section 504 Accessibility Standards (required minimum for federally assisted housing)				

Part XIII
LOW-INCOME COMPLIANCE PERIOD

This project will remain low-income with the occupancy described above for: 50 years

Will the project have tenant-based or project-based rental assistance? [ ] YES* [X] NO

*If yes, provide details as outlined in instructions:

Rents will be set below Voucher levels so Elderly/Disabled Voucher Holders Could Rent.

Part XIV
IMPLEMENTATION SCHEDULE

	Anticipated Completion (month / year)	Actual Completion (month / year)
Financing		
Construction Loan Commitment	6/15/2006	
Construction Loan Closing	7/15/2006	
Low Income Housing Tax Credits		
Grant Commitments (list grants separately)		
1. **CDBG**	5/1/2006	
2. **HOME**	5/1/2006	
3. **Private**		
Continual Donations		
Permanent Loan Commitment	8/1/2008	
Permanent Loan Closing	8/1/2008	
Other		
Other		
Project Start-up		
Site Acquisition	7/15/2006	
Zoning		6/1/2005
Infrastructure Available		7/1/2005
Environmental Review		6/1/2005
Advertise Architect / Engineer		8/1/2005
Design Completion	11/1/2006	
Advertise for Construction Bids	12/1/2006	
Construction Bid Award	2/1/2007	
Building Permits	3/1/2007	
Marketing		
Other		
Other		
Project Activities		
Pre-Construction Conference	3/1/2007	
Issue Notice to Proceed	3/1/2007	
Begin Construction	3/1/2007	
Complete Construction	9/1/2007	
Final Inspection/Issue Certificate of Occupancy	9/1/2007	
Audit	7/1/2008	
Marketing	7/1/2007	
Prequalification Activities	7/1/2007	
Homebuyer Workshops		
Rehabilitation		
Rent-up	10/1/2007	
Closeout	12/1/2007	
Other		
Other		

SECTION C - FINANCIAL
PART I - SOURCES OF FUNDS STATEMENT

Please list sources of funding for the project. List both the funding source and the agency which administers the program.
Include financing, grants, donations, and equity. Attach letter(s) of commitment.
Identify each source as to TYPE by noting after name (L) for Loan, (G) for Grant, or (E) for Equity.
Identify each source by DESCRIPTION CODE using the codes from the list below.
Indicate in the STATUS column whether (P) Proposed, (R) Requested, or (A) Approved.

LIST ALL SOURCES OF PROJECT FUNDING

SOURCE	AMOUNT	TYPE	DESCRIPTION CODE	STATUS	RATE %	LOAN TERM (YEARS)	AMORTIZATION PERIOD (YEARS)	ANNUAL DEBT SERVICE	DATE REQUESTED	ACTUAL OR EXPECTED COMMITMENT DATE
CDBG	$500,000	G	15	P					11/4/2005	6/1/2006
HOME	$500,000	G	10	P					3/1/2006	6/1/2006
Rural Development 515	$290,000	L	14	P	1%	40	40	$8,800	3/1/2006	6/1/2006
Fund Raising Efforts	$22,160	E	4	A/P					6/1/2005	6/1/2006
Donated Time	$12,990	E	4	A					11/1/2005	11/1/2005
TOTAL SOURCES	$1,325,150							$8,800		

DESCRIPTION CODES

1. AHP Subsidized Financing
2. Other Loans (Conventional)
3. Low-Income Housing Tax Credit
4. Equity
5. Other Subsidies
6. Housing Agency Bond
7. State & Local Grants
8. Foundations
9. Other Grants
10. HOME
11. Rental Rehabilitation
12. Other HUD
13. Other Loans (subsidized)
14. USDA Rural Development
15. CDBG

NOTE: TOTAL SOURCES OF FUNDS MUST EQUAL TOTAL USES OF FUNDS

SECTION C - FINANCIAL
PART II - USES OF FUNDS

	SOURCE CD BG	SOURCE HOME	SOURCE RURAL DEV..	SOURCE COUNTY	SOURCE DONATIONS	SOURCE SEN. CENTER	TOTAL BUDGET
ADMINISTRATION							
Personnel Services				$5,980		$6,710	$12,690
Supplies						$100	$100
Communications						$100	$100
Printing/Duplication/Postage						$100	$100
Advertising							
Accounting/Auditing	$500	$500					$1,000
Travel	$100	$100					$200
Training							
Other Administration	$18,100	$18,100	$20,600				$56,800
TOTAL ADMINI.	$18,700	$18,700	$20,600	$5,980		$7,010	$70,990
LAND/							
Land	$55,000						$55,000
Existing Structure							
Demolition							
Homebuyer's Assistance							
TOTAL LAND	$55,000						$55,000
SITE WORK							
Site Work							
Off-Site Improvement							
Environmental	$50,000						$50,000
Other							
TOTAL SITE WORK COSTS	$50,000						$50,000
CONSTRUCTION							
New Building	$276,900	$481,300	$213,800				$972,000
Rehabilitation							
Accessory Structures							
General Requirements							
Contractor Overhead							
Contractor Profit							
Construction Contingency			$55,600		$22,160		$77,760
Community Revitalization							
Other							
TOTAL CONST. COSTS	$276,900	$481,300	$269,400		$22,160		$1,049,760
SUBTOTAL	$400,600	$500,000	$290,000	$5,980	$22,160	$7,010	$1,225,750

PART II - USES OF FUNDS (cont.)

	SOURCE CD BG	SOURCE HOME	SOURCE RURAL DEV..	SOURCE COUNTY	SOURCE DONATIONS	SOURCE SEN. CENTER	TOTAL BUDGET
PROFESSIONAL WORK & FEES							
Architect Design	$54,600						$54,600
Architect Supervision	$23,400						$23,400
Attorney, Real Estate							
Consultant/Agent							
Engineer/Surveyor	$8,000						$8,000
Other							
Other							
TOTAL PROF. WORK & FEES	$86,000						$86,000
CONSTRUCTION/ INTERIM FEES							
Hazard & Liability Insurance							
Credit Report							
Construction Interest	$4,400						$4,400
Origination Points							
Discount Points							
Inspection Fees							
Title & Recording							
Legal Fees							
Taxes							
Other CONSTRUCT DOCS.	$9,000						$9,000
Other							
TOTAL CONST. INTERIM FEES	$13,400						$13,400
PERMANENT FINANCING FEES							
Credit Report							
Discount Points							
Origination Fees							
Title and Recording							
Legal Fees							
Prepaid MIP							
Other							
Other							
TOTAL FINANCING FEES							
SUBTOTAL	$99,400						$99,400

PART II - USES OF FUNDS (cont.)

	SOURCE CD BG	SOURCE HOME	SOURCE RURAL DEV..	SOURCE COUNTY	SOURCE DONATIONS	SOURCE SEN. CENTER	TOTAL BUDGET
SOFT COSTS							
Feasibility Appraisal							
Market Study							
Environmental Study							
Tax Credit Fees							
Cost Certification							
TBRA							
Other							
TOTAL SOFT COSTS							
SYNDICATION COSTS							
Organizational (Partnership)							
Bridge Loan Fees & Expenses							
Tax Opinion							
Other							
TOTAL SYNDICATION COSTS							
DEVELOPER'S FEES							
Developer's Overhead							
Developer's Fees							
Consultant Fee							
Other							
TOTAL DEVELOPER'S FEES							
PROJECT RESERVES							
Rent-Up Reserve							
Operating Reserve							
Replacement Reserve							
Escrow							
Other							
TOTAL PROJECT RESERVES							
SUBTOTAL							
SUBTOTAL PG. 1	$400,600	$500,000	$290,000	$5,980	$22,160	$7,010	$1,225,750
SUBTOTAL PG. 2	$99,400						$99,400
GRAND TOTAL PROJECT COSTS	$500,000	$500,000	$290,000	$5,980	$22,160	$7,010	$1,325,150

SECTION C - FINANCIAL
PART III - UTILITY ALLOWANCE INFORMATION

Utility of Service	Type of Utility (gas, elec.)	O=Owner Pd T=Tenant Pd	Bedroom Size: 0-bdrm	1-bdrm	2-bdrm	3-bdrm	__Bdrm
Heating	PROPANE	O=Owner Pd					
Air Conditioning	N/A	O=Owner Pd					
Cooking	ELECTRIC	O=Owner Pd					
Other Electricity		O=Owner Pd					
Hot Water	PROPANE	O=Owner Pd					
Water	CITY	O=Owner Pd					
Sewer	CITY	O=Owner Pd					
Trash	PRIVATE	O=Owner Pd					
Other		O=Owner Pd					
Totals							

Source of Utility Allowance N/A

Effective date N/A

SECTION C - FINANCIAL
PART IV - RENT AND FORECASTED INCOME - Year 1

(a) Number of Bedrooms	(b) Number of Units	(c) Gross Rent	(d) Utility Allowance	(e) Tenant Paid Rent (c - d)	(f) Total Monthly Rent (b * e)	(g) Median Income Targeted (ie 50%,60%)	(h) Average Sq. Ft. Per Unit
2.00	2.00	$500.00		$500.00	$1,000.00	54%	628
1.00	8.00	$425.00		$425.00	$3,400.00	52%	912

Subtotal - Gross Monthly Income	$4,400.00	
less Vacancy Factor	4%	
Other Project Income(monthly)	n/a	
Total Forecasted Monthly Income	$4,224.00	**/ monthly**
Total Forecasted Annual Income	$50,688.00	**/ yearly**

Projected Annual Percentage Increase in Income: 2.00%

SECTION C - FINANCIAL
PART V - ANNUAL OPERATING EXPENSES

1. Administrative:

Advertising	
Management	$4,224
Legal/Partnership	
Accounting/Audit	$6,500
Other	$2,400
Total Administrative	$13,124

2. Operating:

	Fuel	$9,000
	Lighting & Misc Power	
	Water/Sewer	$3,600
	Gas	
in w&s	Trash Removal	
	Payroll/Payroll Taxes	
	Insurance	$4,400
	Other	
	Total Operating	$17,000

3. Maintenance:

Decorating	
Repairs	$3,600
Exterminating	
Ground Expense	$3,600
Snow Removal	
Other	
Total Maintenance	$7,200

4. Taxes

Real Estate Taxes	
Other	
Total Taxes	

5. Total Operating Expenses	$37,324
6. Annual Replacement Reserves	$4,800.00
7. GRAND TOTAL EXPENSES	$42,124

Projected Annual Percentage Increase in Operating Expenses:

SECTION C - FINANCIAL
PART VI - 15 YEAR OPERATING PRO-FORMA

Year	Rent (Income) (projected increase) 2.00%	Operating Expenses 3.00%	Replacement Reserve	Net Income Available for Debt Service	Debt Service	Net Cash Flow	Debt Coverage Ratio*
1	$50,688	$37,324	$4,800	$8,564	$8,800	($236)	97.32%
2	$51,702	$38,444	$4,944	$8,314	$8,800	($486)	94.48%
3	$52,736	$39,597	$5,092	$8,046	$8,800	($754)	91.44%
4	$53,791	$40,785	$5,245	$7,760	$8,800	($1,040)	88.19%
5	$54,866	$42,008	$5,402	$7,455	$8,800	($1,345)	84.72%
10	$60,353	$48,310	$6,213	$5,830	$8,800	($2,970)	66.25%
15	$66,388	$55,556	$7,145	$10,832	$8,800	$2,032	123.09%

*Debt Coverage Ratio = Net Income Available for Debt Service / Debt Service

SECTION D - ENVIRONMENTAL
UNIFORM REQUEST FOR INFORMATION

Part I Name of Project	
Environmental Certifying Officer	Title
Person Preparing this Form	Title
1a. Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project? ☐ Yes ☑ No ☐ Copy Attached **1b.** If "No," complete Part II of this form. **Not Needed**	
2. Has the State Historic Preservation Office (SHPO) been provided a detailed project description and has it been requested to submit comments to the applicant and/or the funding agency. ☑ Yes ☐ No Date Submitted to SHPO:	
3. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project; either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? ☐ Yes ☑ No 1-800-227-8917	

Part II

Check the appropriate box(es) that most accurately describes the impact the proposed project has on each of the items listed or the impact the items listed may have on the proposed project. If beneficial or adverse impacts are expected on the subject area or subject, describe the situation and sources used to assess impact in the comments / sources line. If additional space is needed please attach separate sheets.

N = No Impact Anticipated or Not Applicable **A** = Potential Adverse Impact
B = Potentially Beneficial Impact **P** = Agency Approval or Permits Required
M = Mitigation Actions Required

	N	B	A	P	M
1. Industrial	☑	☐	☐	☐	☐

Comments / Sources The site is located in an established sub-division that was approve by DEQ. Although there is no zoning in the County the site is located in a residential area and would be inappropriate for commercial or industrial development. Source PAR 1. **Location & Easements**

	N	B	A	P	M
2. Commercial	☑	☐	☐	☐	☑

Comments / Sources The site is located in an established sub-division that was approve by DEQ. Although there is no zoning in the County the site is located in a residential area and would be inappropriate for commercial or industrial development. Source PAR **1. Location & Easements**

	N	B	A	P	M
3. Agricultural / Forest Land	☑	☐	☐	☐	☐

Comments / Sources The site is located in an established sub-division that was approve by DEQ. Although there is no zoning in the County the site is located in a residential area and has no impact upon agricultural or forest land. Source PAR **2. Environmental Concerns_ None**

	N	B	A	P	M
4. Residential (including conformance with local comprehensive plan, blding and use regulations etc)	☑	☐	☐	☐	☐

Comments / Sources The site is located in an established sub-division that was approve by DEQ. Although there is no zoning in the County the site is located in a residential area and is appropriate and for the multi-family project. The covenants have already been changed by the adjoining property owners and agreed to by the Planning Board. Source: PAR **Section II. PROJECT INFORMATION ,**

1. Current Site Analysis/ Procedures for Approval/ Heath and Safety Analysis

5. Transportation (including locality, airport zoning, noise abatement, etc.) ☑ ☐ ☐ ☐ ☐

Comments / Sources The property is not located near the airport or any runways or noise factors.

Source: PAR 2. Environmental Concerns_ None

---

6. Recreational, Lake, Stream or Shoreline areas ☑ ☐ ☐ ☐ ☐

Comments / Sources The property is not located near any streams, wildlife habitats or in a floodplain…

Source: PAR **2. Environmental Concerns_ None**

	N	B	A	P	M
7. Parks / Open Space	☐	☑	☐	☐	☐

Comments / Sources The property has a large open space commitment which will be beneficial to the subdivision. The property is bordered by a small park with playground equipment. The residents will have no affect on the park and positive effects on the sub division by adding additional open space.

Source: **1. Location & Easements**

---

8. Health Care / Medical Facilities ☑ ☐ ☐ ☐ ☐

Comments / Sources Little to no impact on existing faculties as the apartment residents are locals.

PAR: **5. Impact on Existing Facilities**

---

9. Educational Facilities ☑ ☐ ☐ ☐ ☐

Comments / Sources No impact on existing educational facilities as the residents are local seniors.

PAR: **5. Impact on Existing Facilities**

---

10. Water Quality / Water Resources / Aquifers ☑ ☐ ☐ ☐ ☐

Comments / Sources On public sewer and water.

Source: PAR **2. Environmental Concerns_ None**

---

11. Soils / Slopes ☑ ☐ ☐ ☐ ☐

Comments / Sources Quotes from PAR Section I. 1. Location & Easements

The land generally slopes to the west and south with a swale across the southern boundary flowing to the west / southwest portion of the lots.

Quote Source: PAR **Section II. PROJECT INFORMATION ,**

1. Current Site Analysis/ Procedures for Approval/ Heath and Safety Analysis

The only issues that can be identified at this time that may impact building construction would be an an identification of soils types and verification of ground water level. The Phase 1, Environmental Site Assessment indicated that there may be a tight clays, soils type that could increase building foundation size and costs. A combination of clay soils and high ground water could also impact footing / foundation construction costs. A geotechnical soils investigation would identify the characteristics of the soil on this site and this work can be conducted at a later time prior to development of construction documents.

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12. Wildlife / Habitats ☑ ☐ ☐ ☐ ☐

Comments / Sources No effect on wildlife /Habitats PAR **2. Environmental Concerns_ None**

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13. Wetlands ☑ ☐ ☐ ☐ ☐

Comments / Sources No effect on wetlands PAR **2. Environmental Concerns_ None**

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14. Floodplains ☑ ☐ ☐ ☐ ☐

Comments / Sources Located out of the 100 Year Flood Plain - **PAR 2. Environmental Concerns-None**

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15. Wilderness or Public Land Areas ☑ ☐ ☐ ☐ ☐

Comments/Sources No impact on Wilderness or Public Land Area **PAR 2. Environmental Concerns-None**

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16. Historic Properties ☑ ☐ ☐ ☐ ☐
Comments / Sources No impact on Historic Properties **PAR 2. Environmental Concerns-None**

17. Endangered Species ☑ ☐ ☐ ☐ ☐
Comments/Sources No impact on Endangered Species **PAR 2. Environmental Concerns-None**

18. Air Quality ☑ ☐ ☐ ☐ ☐
Comments / Sources No Effect Source: PAR: **5. Impact on Existing Facilities**

19. Solid Waste ☑ ☐ ☐ ☐ ☐
Comments / Sources No Effect Source: PAR: **5. Impact on Existing Facilities**

20. Energy Supplies ☑ ☐ ☐ ☐ ☐
Comments / Sources No Effect Source: PAR: **5. Impact on Existing Facilities**

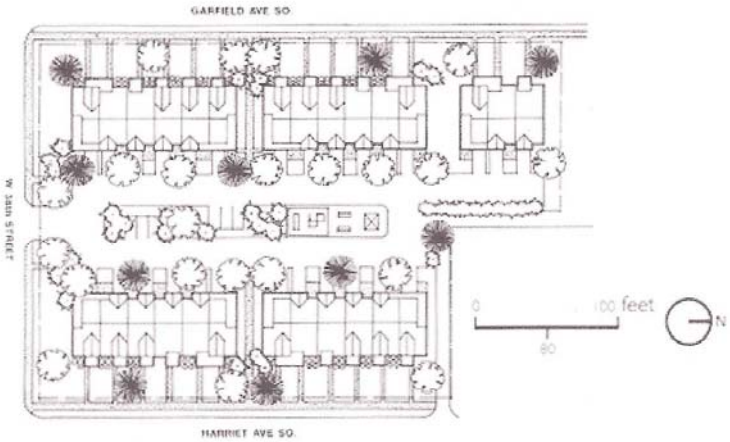
21. Natural Landmarks ☑ ☐ ☐ ☐ ☐
Comments/Sources No impact on Natural Landmarks **PAR 2. Environmental Concerns-None**

22. Underground Storage Tanks or Site Contaminants ☑ ☐ ☐ ☐ ☐
Comments / Sources A Phase I Environmental conducted by Hyalite Environmental LLC did not identify any underground storage tanks or environmental contaminants on or near the subject property.
PAR 2. Environmental Concerns-None

23. Lead Based Paint Contamination ☑ ☐ ☐ ☐ ☐
Comments / Sources Not Applicable New Construction

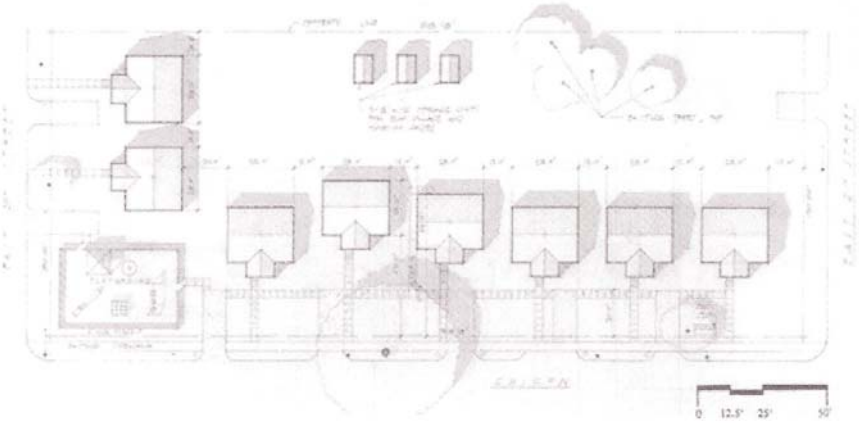
Appendix F
Photos of model development

Photos 1 and 2: Example of Multifamily, row-house style condominium. This development incorporated the use of alleys to avoid a front view consisting of only garage and driveway. Site plan is shown in Photo 2.



Site plan

Photos 3 and 4: Example of Cluster housing and site plan. Cluster housing is used to provide additional open space to residents while better utilizing land resources.



Photos 5 and 6: Land Trust homes in Bozeman. The land trust model perpetuates affordability by taking the cost of land out of the home's price.

Photo 7: Low Income Housing Tax Credit (LIHTC) project

Photo 8: Accessory Dwelling Unit (ADU)