

REGIONAL HOUSING STUDY

BIG HORN
CARBON
CROW RESERVATION
STILLWATER
SWEET GRASS &
YELLOWSTONE
COUNTIES

**BEARTOOTH RESOURCE CONSERVATION &
DEVELOPMENT DISTRICT MONTANA
MAY 2022**

CushingTerrell.



ECONOMIC & PLANNING SYSTEMS

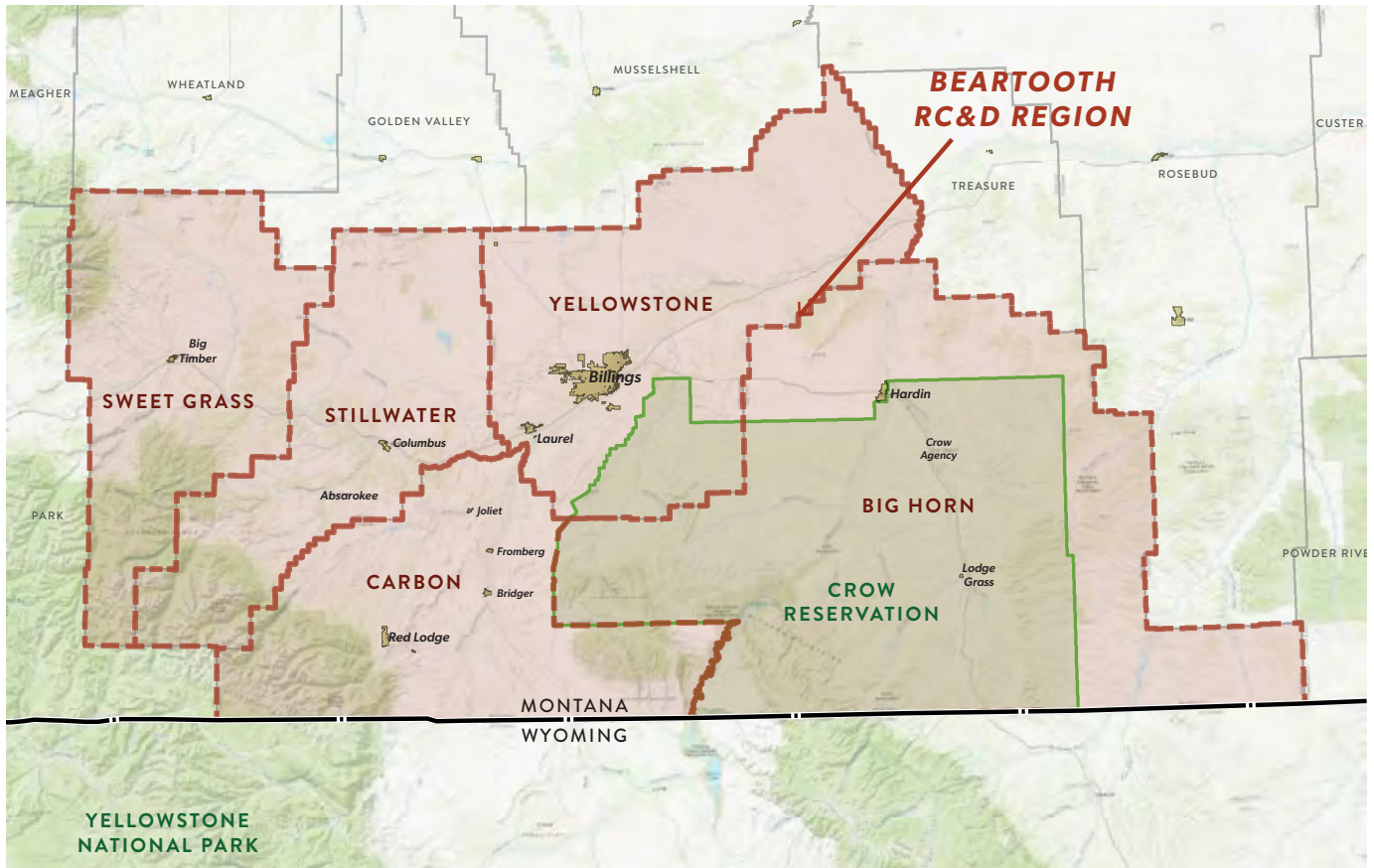
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1 | Introduction

Executive Summary

Figure 1: BRCD Housing Study Region



This Regional Housing Study (Study) was conducted by the Beartooth Resource Conservation and Development (BRCD) district to build a comprehensive understanding of housing issues and to create policy recommendations for both local and regional housing needs in the five-county region within the economic development district's authority.

The Study combines data from both quantitative and qualitative sources to paint a clear picture of socioeconomic character, impacts due to changing

demographics and physical conditions to identify unique, tailored and realistic recommendations. Each county has a toolkit and to-do list suited to their respective issues or needs.

With a considerable geographic range, the Study interviewed key stakeholders and large employers, collected local data, assessed plans and housing studies and used analytical mapping to determine, "What are the big issues?" and "What can we do to fix them?" using a flow of implementation actions.



KEY TAKEAWAYS

1. *Need for a Regional Collaboration Entity:*

Economic development and housing entities are looking to state and national examples of organizations that have bound together to accomplish like-minded housing goals. This is a particularly important need in the BRCD Region. A regional housing collaborative could tie local needs to the state level by holding regular worksessions with local and statewide representatives with sole purpose of meeting housing needs.

2. *Do High-impact Short-term Projects:* Along with a regional approach, locally-driven short-term initiatives go a long way in demonstrating a community that's galvanized in a common effort. Local areas can do this with infrastructure improvement projects or ultimately by partnering to build a workforce housing development.

3. *Small Town Character, Big City Issues:* Smaller markets are seeing impacts usually found in larger communities including low availability, and skyrocketing costs. In Billings, the number of very low income people is increasing putting pressure on limited support services.

4. *Multifamily Feasibility is Still Challenging:* Even in tourism-based markets like Red Lodge with higher second-home ownership and purchasing ability, new construction for anything but expensive single family homes is largely infeasible without financial incentives. The economical multifamily rental project can have the largest impact toward meeting demand, yet only single family homes are being built.

5. *Assist the Employers:* Employer-driven development may be the best contributor to workforce housing in certain markets like Carbon or Stillwater County, where a few large employers may move the needle with a series of smaller, replicable projects. No one needs housing more than the employers themselves and they know what their workers desire.

6. *Affordable Housing as an Innovation Showcase:*

Affordable and workforce housing projects are increasingly seen as opportunities for innovative planning and construction ideas across the country. Although initially problematic with certain financing structures, using innovative site designs, next-generation materials or non-conventional construction techniques can shine the spotlight on efforts, and may even lead to additional resources.

7. *Diversify in the Short-term for Long-term Health:*

Communities in the region often have a variety of vacant or underutilized lands that may have been used for activities from heavy mining to micro-farming leaving parcels in a variety of shapes, sizes and orientations. This is helpful in the long run though as the mix of parcel sizes, types, ownerships and values can help produce the needed mix of unit types to help diversify the housing landscape.

8. *Necessitate On-site Community Amenities:*

Many communities studied saw an obvious need to combine social or community facilities with affordable projects. Partnerships with community organizations such local housing authorities can help identify co-tenants that put the services, things like child care, classrooms, technology spaces or fitness centers, right next to the people who need them.

9. *Seek State-level Support:* The State of Montana has done much to assist local communities with training, technical assistance and direct resources. Practices from across the west point to efforts at the legislative level that can

10. *Rates of Escalating Housing Costs are Impactful:*

Billings and Yellowstone County are heavily impacted not only because of the cost figures themselves, but due to the rate of increase seen relative to the last five years.

Purpose and How to Use This Study

Housing in 2021 is an emergency for Montanans. Some have been born and raised here, many are newcomers and many are packing up to leave the state as they simply are unable to find work at an income that can match escalating housing costs. Employers struggle to keep their workforce while leaders in both large and small communities watch as teachers, police, healthcare providers — critical middle-income citizens — leave for cheaper places. In addition to needs for resources, these leaders seek guidance for making immediate and long-term decisions.

The ultimate purpose of this Study is to provide a guide for future policy making in the BRCD five-county region. This Regional Housing Study is intended to compile information into one place, analyze the issues, present the tools and recommend steps to help nudge these communities toward the ultimate goal: expanding housing options for all residents.

Analysis and Data

Understanding and presenting data trends over time is useful for understanding changing needs. Analysis is not just numbers and charts but is also a scan of physical conditions as well as anecdotes from interviews. This is useful as a one-stop shop and snapshot documenting the opportunities and issues county-by-county.

Housing Toolkits

These represent mechanisms, policies or practices local jurisdictions can use to meet housing needs or implement housing policies that can help accomplish goals.

Land Suitability Maps

Land Suitability Maps utilize several data layers to identify optimal sites for affordable housing development. These maps could be used by a community as a communication tool to landowners, developers or housing authorities and providers to convey that some

due diligence has been done to show developers where they should develop. Each map has a set of Key Action Considerations that are used to guide decision making on designating sites as targets for affordable housing on growth policy updates or land use code changes.

These maps also become tools for BRCD staff or local jurisdictions to apply for grants for further studies or to advance housing projects through further planning, architectural or engineering study. The Land Suitability Maps take the region one step closer to advancing the likelihood of acquiring federal or state housing grants. The Study can be directly referenced or the maps provided in the application as an attachment.

Site Concept Prototypes

Site Concept Prototypes are illustrative examples of affordable housing development outcomes meant to enable multiple parties to understand constraints and opportunities in modeled conditions. Prototypes are used to communicate big ideas rather than agree or disagree on a concept, since they are a snapshot of conditions in 2021 which are subject to change. Their intent is to push the status quo so communities can partner in overcoming identified roadblocks.

With similar physical and market conditions across the region prototypes are meant to provide a spectrum of outcomes. They can act as a checklist to compare proposed projects to should they be proposed on similar sites or in their respective communities.

Implementation Tables

These tables take recommended tools and turn them into a flow of actions, explaining the first steps and which lead group initiates the action. Implementation actions are measurable and should be revisited and updated periodically to monitor progress.

Housing Affordability and Earnings

Increasing development costs and an aging housing stock has increased housing sales prices, often passing the cost burden on to the owner or renter. Similar to national trends, incomes have not increased at the same rate as costs, preventing lower- and middle-income people from affordable home ownership in Montana. The resulting affordability gap is evident across the BRCD region.

The data gives little sign that this trend will change in the short term, with earnings simply unable to keep up with escalating sales prices as new buyers with purchasing power continue to move to desirable mountain communities. For some communities in the region, tools and strategies found later in this study may be implemented to help stem the trend, where in others it will require playing catch-up for years to come.

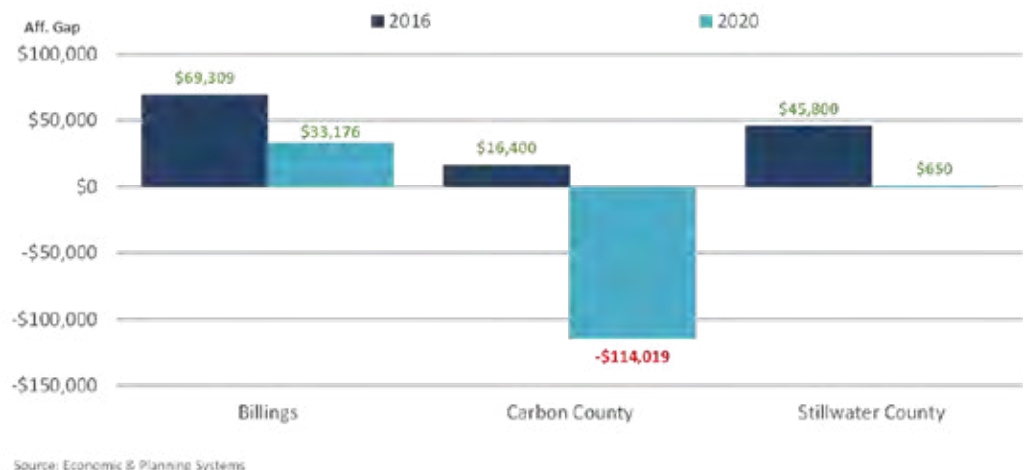
A profile of the three most dynamic markets in the BRCD region provides a snapshot of the changing gap between what people earn and housing attainability. Figure 2 illustrates that the affordable purchase price — or the purchase price of a house that is affordable to households paying no more than 30% of gross monthly income — of homes in the Billings area is just slightly higher than the median sales price. Carbon County, conversely, shows a significant gap where the median sales price is about \$114,000 more than the affordable purchase price. This gap has dramatically increased since 2016, as shown in Figure 3, when Carbon County median sales prices were actually \$16,400 lower than the affordability threshold.

Stillwater County is beginning to show a similar trend to Carbon County, where the affordable purchase price is now lower than the median home sales price.

Figure 2: Affordable Purchase Price Compared to Median Sales Price, 2020



Figure 3: Affordable Gaps Change, 2016 – 2020





Common Definitions

Adaptive Reuse: Redesigning or configuring obsolete or historic buildings from their original or most recent use to a new use. An older industrial site or building with large spaces that are converted into apartments or to commercial spaces is an example.

Affordable Housing: Housing units targeted to be accessible to households earning less than 60% of AMI.

Affordable Purchase Price: Is the a purchase price of a home that is affordable to a low- or medium-income household paying no more than 30% of gross monthly income for a mortgage payment, property taxes, insurance and condominium fees where applicable

Area Median Income (AMI): A statistic calculated by the US Department of Housing and Urban Development (HUD) for a geographic area using data from the US Census American Community Survey. AMI is the midpoint of a region's income distribution, meaning that half of households in a region earn more than the median and half earn less than the median. Income is calculated by its gross income, which is the total income received before taxes and other payroll deductions.

Bedroom Communities: A place that is primarily home to people who commute to work elsewhere, rather than hold jobs in their own populated home area.

Brownfields: Underutilized, idle or vacant industrial and commercial facilities where expansion or redevelopment is complicated by environmental contamination. More information is available from the Environmental Protection Agency website: <http://www.epa.gov/brownfields/>

Community Land Trusts: A nonprofit, community-based organizations designed to ensure community stewardship of land. Community land trusts can be used

for many types of development (including commercial and retail), but are primarily used to ensure long-term housing affordability. To do so, the trust acquires land and maintains ownership of it permanently. Homeowners enter into a long-term, renewable lease instead of a traditional sale. When the homeowner sells, the family earns a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future lower income families.

Feasible Project: A development project that meets financial or physical site development standards, and in many cases requires a study to determine whether there is adequate demand, resources, and infrastructure to construct the project. Feasibility should determine the return on investment, whether financial gain or a community benefit.

Growth Policy: A long range planning documenting required by state law that allows local jurisdiction to outline goals, objectives, policies and projects to guide existing and future land use and development.

Future Land Use Map (FLUM): An demonstration of a community's visual guide to future planning which brings together the elements of the long range plan. It is a map of what the community wants to have happen rather than a prediction. The future land use map is not a regulatory map nor is it a zoning map.

Workforce Housing: Housing that matches the cost of housing that is accessible to households earning between 60 and 120 percent of AMI.

2 | County Profiles

Big Horn County/Crow Reservation

ANALYSIS

Big Horn County and the communities that make up the Crow Reservation are unique amongst the BRCD region. In general, the county does not demonstrate job growth in the last ten years, it shows the slowest increase in housing production and has the greatest need for rehabilitation/renovation of housing stock.

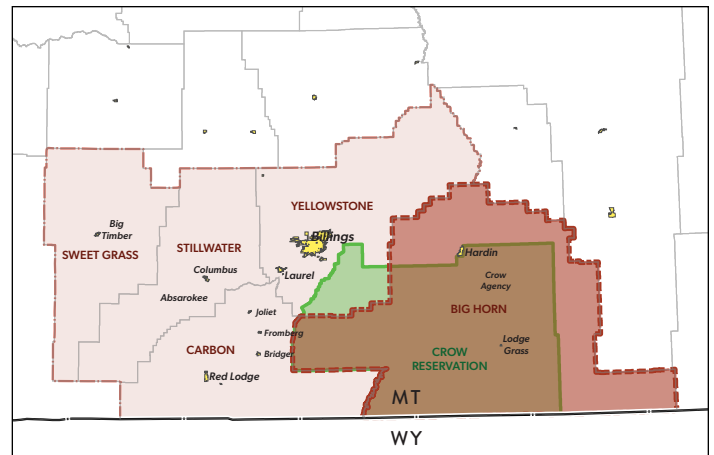
Despite slow growth and change, county and community leaders are taking proactive steps to improve infrastructure, notably water, sanitation, electrical power and telecommunications systems. But additional communities recognize the need for educational and human infrastructure like broadband technology and training facilities. These improvements do not only help upgrade aging systems but also encourage economic growth after which housing will follow. Implementation of the Two Rivers Industrial Park Master Plan in Hardin and the associated infrastructure expansion is just one example.

While enterprising infrastructure upgrades have set the stage for future development, these leaders understand there is more to be done. Water supply and contamination issues are hindering development reservation-wide but a new system is planned to treat water for 80% of the area. The groundwork has been laid for Big Horn County and the Crow Reservation communities to recover from the setbacks of the global pandemic. With multi-jurisdictional facilitation and public/private partnerships, the region's towns and cities are set to emerge as healthier communities with eyes set on future opportunities.

Housing Growth Overview

According to local interviews and Montana State Library cadastral mapping records, countywide housing growth

Figure 4: Big Horn County/Crow Reservation Context



has been stable, or in some cases has seen slight decline in recent years. Outside of the City of Hardin, smaller communities of Lodge Grass, Crow Agency, Busby or Fort Smith have not seen subdivision or significant growth in almost ten years, outside of ongoing rehabilitation efforts.

As with findings elsewhere in the BRCD region, particularly in the nearby Billings market, housing supply is stalled due to escalating development and labor costs as well as the labor shortage.

The region's economy is significantly impacted by the coal industry with many workers formerly employed at mines in the Powder River Basin now struggling to find work and therefore adequate housing as coal operations slow or stop. This shifts the only remaining economic opportunity to the communities on Interstate 90 which serve as bedrooms communities to Billings or Sheridan.

Big Horn County Growth Policy (2014)

The County growth policy has a clear focus on upgrading existing housing and supplying new units. Based on earlier studies more than half the county's housing was found to be in fair or worse condition.

Key housing takeaways from the growth policy include:

- Overall housing quality was lacking, discouraging the temporary workforce from permanent residence. Repair and renovation of existing units was an immediate need.

- Senior housing was a growing unmet need with little supply being built, leading many to live in multi-generational living arrangements.
- Temporary housing was in high demand for seasonal workers or those working on temporary large-scale projects.
- Infrastructure improvements or expansions were an immediate need for both strengthening housing supply and building economic health.

Hardin Growth Management Plan (2009)

The City of Hardin manages development through its Growth Management Plan. Although over a decade old, many of the housing policies still apply. The GMP noted that a considerable amount of the City's housing stock were mobile homes, many in need of rehabilitation.

Land Use and Zoning

Big Horn County: Big Horn County does not administer countywide zoning in its planning jurisdiction but does have a City-County Planning Board which makes land use determinations based on the growth policy. One important housing-related strategies included cluster development subdivision standards, which are design standards aiming to incentivize smaller, denser housing clusters in exchange for open space. These were implemented into the subdivision regulations prior to the 2014 update. Open space preservation incentive mechanisms however still require further specification and have therefore not been widely effective.

Hardin: The city's zoning ordinance was analyzed to understand affects on potential opportunity sites in the Land Suitability Analysis. Based on the code standards and district locations near the downtown core and in serviceable land near the Two Rivers Industrial Park, the Central Business (C1) and Industrial (I) zones are the most applicable for potential affordable or workforce projects.

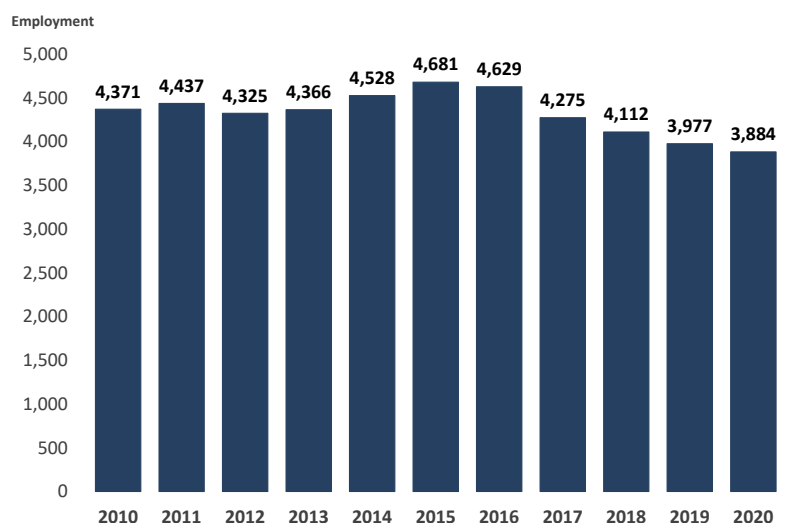
Buildings in C1 zones may not exceed in height the width (curb face to curb face) of the street on which they front. There are abundant vacant parcels that allow for a project tall enough for needed densities and would promote a compact, urban form in areas walkable to amenities and institutions. Building height in industrial districts shall not exceed forty five feet (45') without approval of the zoning commission which is in keeping with community character and surrounding uses.

Economic and Demographics

Big Horn County is the easternmost county and the largest county by area in the Beartooth RC&D region. Much of the county is within the Crow Reservation, home to the Crow Tribe. In terms of income per capita, Big Horn County is the poorest in the region, owing to a lack of industry and historic and ongoing discriminatory policies and inequities towards the Native American population.

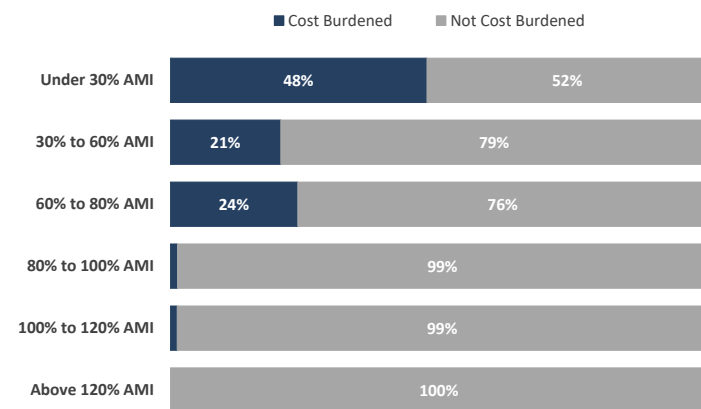
As of 2020, Big Horn County had a population of 13,064, the second largest in the region behind Yellowstone County. In general, the population has been stagnant over the past ten years, with limited in-migration. The County has also experience steady job losses since 2015.

Figure 5: Big Horn County Employment



Source: BLS; Economic & Planning Systems

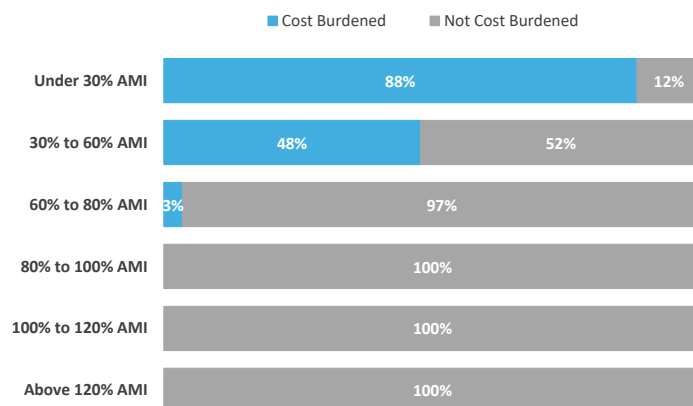
Figure 6: Big Horn County Cost Burdened Households



Source: Economic & Planning Systems

Housing prices in Big Horn County were difficult to determine due to limited availability of sales data. The breakdown of cost burdened households provides insight into housing costs. Approximately 19 percent of all households are cost burdened, as well as 12 percent of owner households and 34 percent of renter households (Figure 6). For renter households at lower incomes this share is notably high, with 88 percent of households under 30 percent of AMI and 48 percent of households between 30 and 60 percent of AMI considered cost burdened (Figure 7).

Figure 7: Big Horn County Cost Burdened, Rental Households



Source: Economic & Planning Systems

The housing stock of Big Horn County consists primarily of owner-occupied, single-unit homes, although it has the highest share of mobile homes in the region at 19 percent of the housing stock. Between 2010 and 2019, the county added estimated 30 units, most of which were mobile homes, indicating their continued prevalence in the county's housing stock. Approximately 63 percent of all occupied units are owner-occupied, and 37 percent are renter occupied, up from 33 percent in 2010 (Figure 8).

Figure 8: Big Horn County Housing, 2010-2019

Description	2010	2019	2010-2019		
			Total	Ann. #	Ann. %
Housing Units					
Occupied Units	3,584	3,609	25	3	0.1%
Vacant Housing Units	<u>1,118</u>	<u>1,123</u>	<u>5</u>	<u>1</u>	<u>0.0%</u>
Total	4,702	4,732	30	3	0.1%
Occupied % of Total	76%	76%			
Vacant % of Total	24%	24%			
Occupied Housing Units					
Renter Occupied	1,197	1,321	124	14	1.1%
Owner Occupied	<u>2,387</u>	<u>2,288</u>	<u>-99</u>	<u>-11</u>	<u>-0.5%</u>
Total Occupied Units	3,584	3,609	25	3	0.1%
Renter % of Occ.	33%	37%			
Owner % of Occ.	67%	63%			
Units in Structure					
Single-Unit	3,399	3,364	-35	-4	-0.1%
Multi-Unit	466	486	20	2	0.5%
Mobile Home	<u>837</u>	<u>882</u>	<u>45</u>	<u>5</u>	<u>0.6%</u>
Total	4,702	4,732	30	3	0.1%
Single Unit % of Total	72%	71%			
Multi-Unit % of Total	10%	10%			
Mobile Home % of Total	18%	19%			

Source: U.S. Census; Economic & Planning Systems

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Workforce Housing Targets: Big Horn County

Estimated Units Needed:

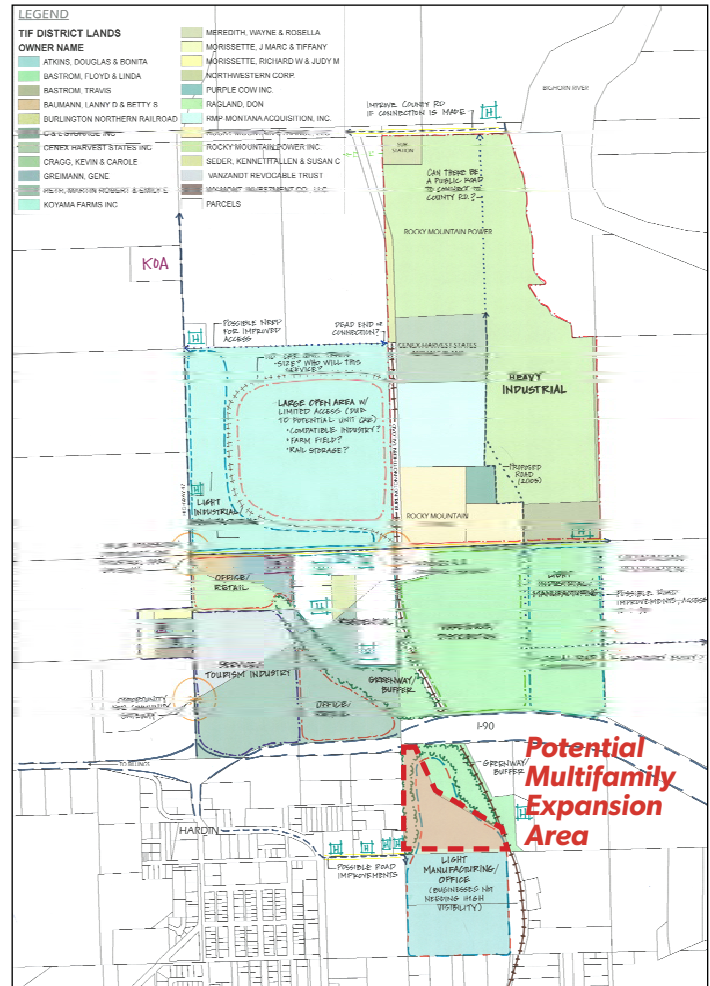
2021:	9
2022:	10
2023:	9
2024:	10
2025:	10
5-Yr Total:	48*

Realistic Housing Needs

Recent US Census data creates challenges when accurately reflecting trends due to pandemic-related reporting. A 2012 study from the University of Colorado estimated a substantial backlog of housing units — summing to over 1,200 units — exists across all unit types. Anecdotal interview input reveals safe and appropriate housing for reservation citizens is still urgently needed. Further study is needed. In the interim, multi-generational families continue to occupy single family homes.

(*Does not account for Crow Reservation backlog)

Figure 9: The Hardin Industrial Park Master Plan includes a water line loop extension, which could also open up new areas for additional housing supply.



Industrial use expansion will affect the city's ability to provide water or sewer services to new housing projects however new housing will benefit from upgrades implemented by the industrial park master plan (Figure 9). The plan included construction of a 12-inch water main from the existing water treatment plant south of the interstate with a 10-inch loop main opening up the central part of the industrial park as part of its main road construction. The 10-inch loop will open up additional lands on both the north and south sides of the interstate for housing or other development. The property within the industrial park master plan south of the interstate which would benefit for multifamily housing.

In 2021 sewer system improvements were completed to upgrade services in certain areas, notably near existing

Stakeholder and Employer Input

Periodic updates with a housing steering group of Big Horn County officials, statewide housing agencies and stakeholders were held during the course of this Study. Representatives from the Crow Tribe and communities within the Reservation were included. Input was received on infrastructure issues and opportunities helping to influence where serviceable parcels for housing development may exist. These findings informed the Land Suitability Analysis and Site Concept Prototypes.

Tribal and community leaders expressed the need to release from coal reliance and to diversify the economy to attract well paying jobs, keep youth seeking opportunities, and retain young families increasingly unable to find housing even in two-income households. As coal mines file for bankruptcy, tax revenue formerly going to Big Horn County healthcare and other institutions is no longer available to provide key jobs.

Stakeholders also recognized the need to advance educational opportunities and wish to include training and vocational facilities into affordable housing projects. Organizations like Plenty Doors Community Development Corporation and the Apsaalooke Nation Housing Authority are working alongside Little Big Horn College to expand workforce training programs in neighborhoods and other residential areas. In 2019, the Housing Authority partnered with the Montana and Hawaii National Guard to provide housing construction for those in immediate need.

Infrastructure Assessment

Hardin: The city has been completing capital improvements since the 2010's to upgrade systems to meet capacity needs, which are generally adequate for current growth. However new development may be impacted by the added usage of the Two Rivers Industrial Park.

healthcare facilities. The combination of proximity to healthcare services/amenities, public or institutional-ly-owned land and future infrastructure make such areas suitable opportunity sites.

Lodge Grass: Future housing capacity will likely be limited by waste water infrastructure. The town is proactively upgrading the sanitation system and is going into the second phase of improvements including an \$11 million upgrade that will improve capacity.

Crow Agency: Water and housing in Crow Agency are double-edged issues and must be solved together. The two water treatment plants in Crow Agency are maintained by the tribe and Bureau of Indian Affairs and are insufficient for current and future needs. The system has had multiple pipe failures and contamination issues based on EPA inspection reports. Continued line breaks in the spring of 2021 have left the community completely without water. The Crow Tribe in 2021 made an agreement with the US government to upgrade to a regional treatment plant and system that would serve 80% of the Reservation.

Currently county and tribal residents outside Crow Agency are served by wells or water is hauled in by truck to properties. Dry wells and contamination are issues in rural areas, much of which should be mediated by the new treatment system.

IMPLEMENTATION TOOLKIT

Infrastructure Assistance

Infrastructure improvements are the most critical initiative to implement this Study, and progress is being made to first supply clean and sufficient water to 80% of the reservation through federally-supported treatment plant project near Yellowtail Dam. A secondary effort would be to install infrastructure in areas where capacity may be increased to incentivize new housing.

Counties or municipalities can invest public dollars into infrastructure for developments that provide

workforce or affordable housing units. Depending on the needs of a project, infrastructure can include streets and roads, water and sewer connections, lighting, right of way purchases, or other utilities. This approach is particularly important in areas that lack existing infrastructure connections, and where costs associated with infrastructure are a major barrier to new housing development. Infrastructure assistance is an effective way to incent the development of new affordable or workforce units by making projects more financially feasible. In Big Horn County, the availability of infrastructure, such as water and sewer connections is limited and expensive to develop or extend.

Use of Tribal, or Publicly-owned Land

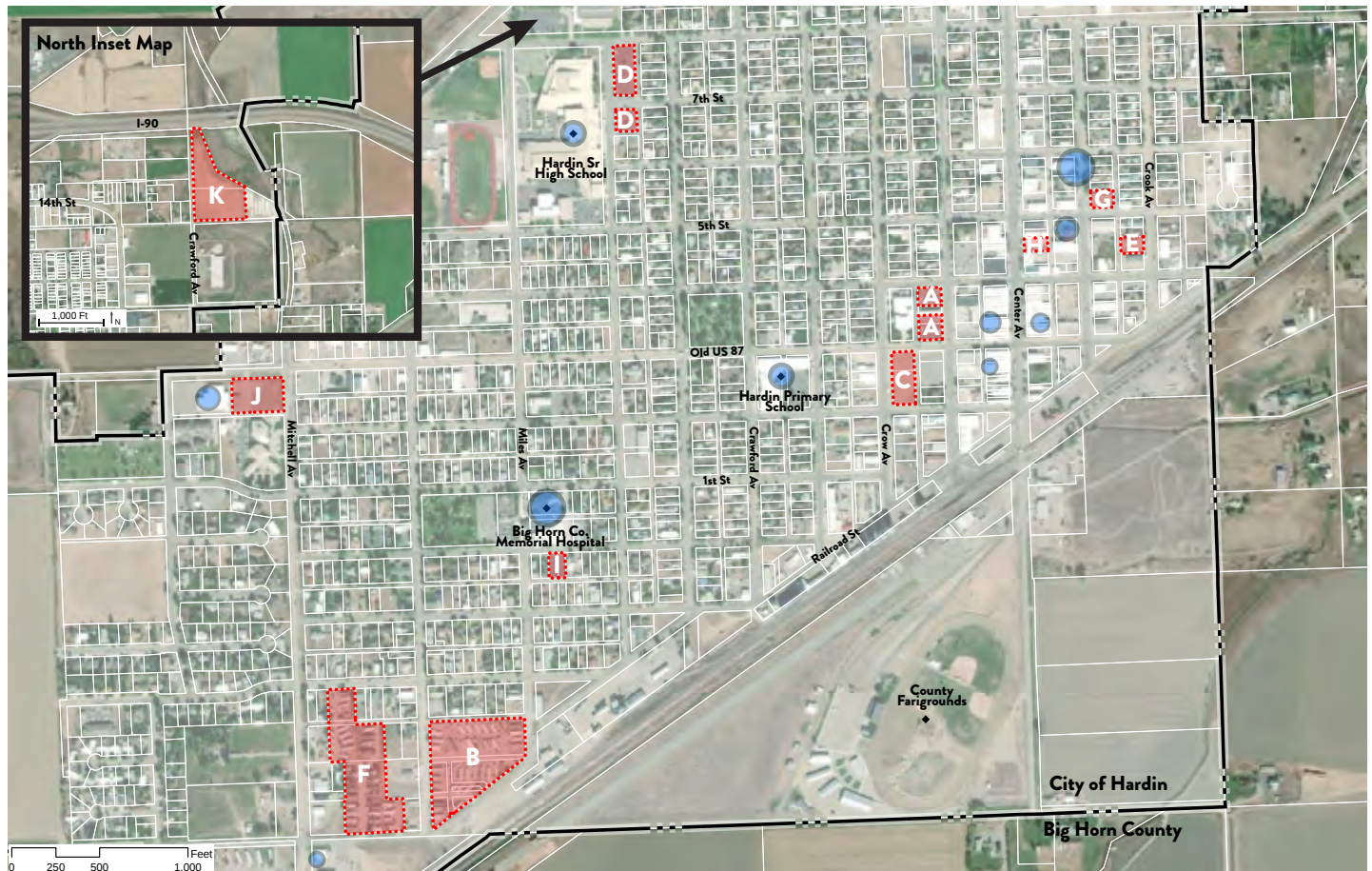
Lands within Tribal or trust ownership have been historically beneficial to help with project feasibility. Examples exist across the Crow Reservation, including the Apsaalooke Warrior Apartments and the Awe'-Itche Ashe, Good Earth Lodges, which should be replicated.

Within municipalities like Hardin, publicly-owned land provided to developers at a below-market cost for the purpose of building affordable housing is essential. To ensure that affordable units are built, it is up to municipalities to negotiate with developers to provide units at certain price points in exchange for the low-cost land. This approach reduces the cost basis of development in a way that makes affordable units more feasible to provide.

The Land Suitability Profiles identify Hardin, Lodge Grass and Crow Agency as the most optimal communities for locating ideal lands for this tool due to their abundance of available land. This tool may be used elsewhere in the county particularly with the use of the Site Concept Prototype illustrating development outcomes in Crow Agency.

Land Suitability Profile: Hardin, Big Horn County

Figure 10: Land Suitability Map, Hardin



LAND SUITABILITY

Hardin is the largest center for goods, services employment and housing in Big Horn County. Key action considerations for selection of suitable lands for housing sites include:

- Utilize the availability of land: Hardin has many vacant or underutilized properties with infrastructure, particularly sites in the downtown core with C1 zoning.
 - Create opportunities for a significant multifamily development as outlined in the Two Rivers Industrial Park expansion plans . Recommendations for multifamily south of the interstate could spur further development of housing in that area.
 - Create opportunities for rehabilitation of older mobile home properties: Sites B and F are examples of suitable target sites for grant or other funding for rehabilitation projects.
- Partner with public or institutional landowners with high demand for workforce housing including sites D, J and I which are directly adjacent to (and are owned by) healthcare facilities or schools. Retaining healthcare employees has been an insurmountable challenge even as state efforts to incentivize workers are available in the form of bonuses. Partnering with both institutions to develop these sites by contributing land to a project would offer housing for hospital workers or school district employees.

Figure 11: Land Suitability Site Examples, Hardin



- Number of Opportunity Sites: **12**
- Average Opportunity Site Size: **1.27 Acres**
- Number of Jobs within 5 Miles: **2,500**
- Largest Employment Sector: **Public Administration, Educational Services**
- Largest Employers: **Big Horn Hospital Association, 100-249 Employees; Decker Coal Company: 100-249 Employees, Hardin Elem/Hardin HS Districts**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **1,447**
 - Employed and Living in the Area: **1,091**
 - Living in Area but Employed Outside: **896**
- Main Commuter Destination: **Billings**

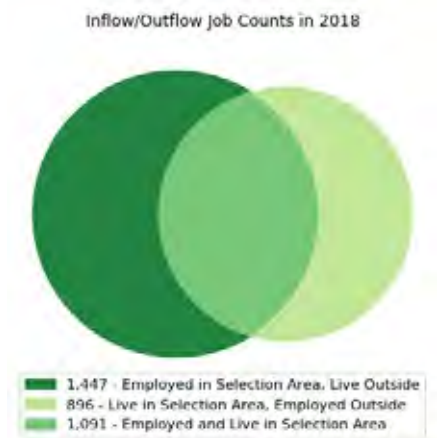


Figure 12: Land Suitability Table, Hardin

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	.73	Surface Parking Lot	Central Business	Big Horn County	106 parking spaces; lot split by 1-story brick commercial building; on-site access to utilities.	12-20	High
B	5.1	Manufactured Home Park (Arrowhead Trailer Park)	Residential manufactured home	Private, multiple owners	43 existing manufactured homes; split by west to east roads.	30-42	High
C	.87	Vacant Lot / Optional Parking	Central Business	Big Horn County	Vacant downtown lot with high access and walkability to Main St core. <i>*Used for Site Concept Prototype</i>	24-40	High
D	1.5	Surface Parking Lots	Single-family residential	Institutional (Hardin School District 17H&1)	112 parking spaces; light posts, utility posts/lines, 2 fire hydrants; adjacent to high school .	10-18	High
E	.23	Commercial/ Surface Parking Lot	Business	City of Hardin	1/3 of site existing 1-story brick building; 2/3 of site 12 parking spaces.	4-8	Med
F	4.8	Manufactured Home Park	Residential manufactured home	Rd Mobile Home Park Land Trust	38 existing manufactured homes; odd shape due to adjacent property; cut through by 5 roads; proximity to Arrowhead Trailer Park.	28-40	High

Figure 13: Land Suitability Table, Hardin (Cont.)

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
G	.28	City Storage Lot	Central Business	City of Hardin	Fenced; utility post/line; gravel.	4-8	Med
H	.29	Vacant Lot	Central Business	City of Hardin	Small storage/ utility shed in center; fire hydrant; utility post/line.	6-10	Med
I	.30	Vacant Lot	Neighborhood commercial limited	Big Horn Hospital Association	Vacant parking lot.	4-8	Med
J	1.3	Vacant Lot, accessory building	Neighborhood commercial limited	Big Horn Hospital Association	Accessory building on lot.	10-16	High
K	14	Agricultural	Industrial	Private	Partially occupied by storage facility; would require lot line adjustment. Part of potential industrial park expansion.	60-100+	High

Land Suitability Profile: Crow Agency, Big Horn County/Crow Reservation

Figure 14: Land Suitability Map, Crow Agency



LAND SUITABILITY

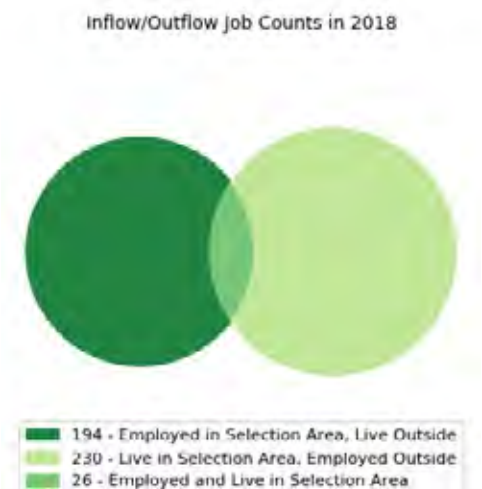
Crow Agency is a center of tribal services but lacks adequate housing and quality homes. Any housing development should take advantage of a housing construction project to include services like training centers, heritage centers, classrooms, child care facilities or offices that are flexible and may offer space for business incubation. Key action considerations for land suitability include:

- Incorporate heritage and tribal landscapes and views into site selection and design, including proximity to the Little Bighorn Battlefield National Monument and the Crow Fairgrounds.
- Availability of land: Much of the vacant land is owned by tribal or public entities with existing power/water/sanitation infrastructure.
- Opportunities for a significant modular development: Some locations need partial infrastructure improvements and would be ready for mobile manufactured home delivery in a short time after upgrade.
- Leverage housing projects that have been planned or are existing to speedup.
- Utilize best practices for tribal housing design concepts using case studies found in the HUD document: https://www.huduser.gov/portal/publications/pdf/SCIC_Best_Practices.pdf
- Consider rail and road crossing improvements for pedestrian safety, as amenities and services mostly exist on east side of Interstate 90. Create trails or pathways to interstate underpass and improve sidewalks if projects developed west of interstate.

Figure 15: Land Suitability Table, Crow Agency

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	18	Vacant	N/A	Tribal	Incomplete development with some infrastructure; condition is found throughout area; has good access and visibility. <i>*Used for Site Concept Prototype</i>	50-100	High
B	0.96	Vacant	N/A	St Labre Mission	Outlying townsite lot with nearby access to infrastructure; slope may be prohibitive.	6-10	Low
C	0.8	Vacant	N/A	Private	Outlying townsite lot with nearby access to infrastructure; slope may be prohibitive.	4-8	Medium
D	0.47	Vacant	N/A	Private	Small interior lot, infrastructure may be limited.	2-6	Medium
E	1.34	Vacant	N/A	Private	Large townsite lot with infrastructure and access.	6-10	High
F	0.54	Open Space	N/A	Private	Small interior lot, infrastructure available.	2-6	Medium
G	0.48	Vacant	N/A	Private	Small interior lot, infrastructure available. Location in proximity to schools/amenities.	2-6	Medium
H	6.11	Storage/ Housing	N/A	School District	School district site, possible modular teacher housing/ classrooms for expansion.	10-14	High

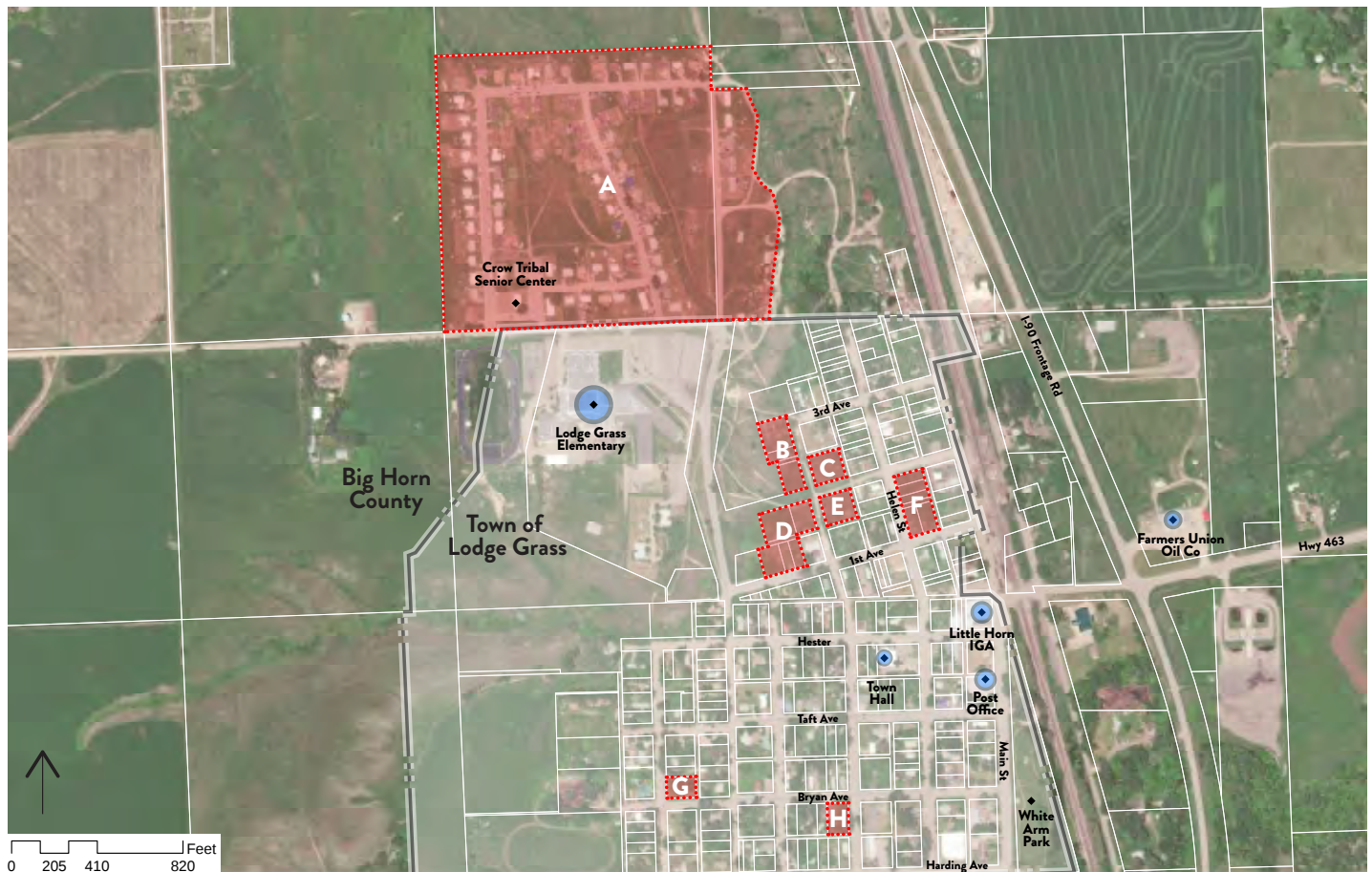
Figure 16: Land Suitability Site Examples, Lodge Grass



- Number of Opportunity Sites: **8**
- Average Opportunity Site Size: **3.8 Acres**
- Number of Jobs within 5 Miles: **454**
- Largest Employment Sector: **Education and Health Care**
- Largest Employers: **Crow Nation/Northern Cheyenne Hospital 200 Employees; Absaloka Mine: 100-249 Employees; Awe Kualawaache Care Center: 50-99 Employees**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **194**
 - Employed and Living in the Area: **26**
 - Living in Area but Employed Outside: **230**
- Main Commuter Destination: **Hardin**

Land Suitability Profile: Lodge Grass, Big Horn County/Crow Reservation

Figure 17: Land Suitability Map, Lodge Grass



LAND SUITABILITY

Lodge Grass is the second largest community on the Crow Reservation and an incorporated town. It is an center for services mostly for local residents. Like Crow Agency, the community lacks adequate housing and job opportunities for low- and middle-income families. The town owns title to property that would be ideal for multifamily, saving costs for getting a project off the ground. Key action considerations include:

- Use vacant town-owned land for projects, and acquire and assemble adjacent private parcels and upgrade existing power/water/sanitation infrastructure to catalyze housing development.
- Opportunities for a significant modular development: Some locations need partial infrastructure improvements and are nearly ready for manufactured home delivery with extension of mobility, water, sanitation and power.
- Utilize best practices for tribal housing design concepts using best practices and case studies from HUD found in: https://www.huduser.gov/portal/publications/pdf/SCIC_Best_Practices.pdf
- Improve mobility between grocery, school and Main St amenities with year-round trails or pathways when choosing redevelopment sites.
- Seek to redevelop contiguous vacant lands (sites B, C, D, and F) in a planned/phased manner by installing infrastructure that services all sites, not just one.
- Plan for both large lower density projects (similar to site A) and consider rehabilitation projects along with smaller interior townsite ground-up projects on vacant lands.

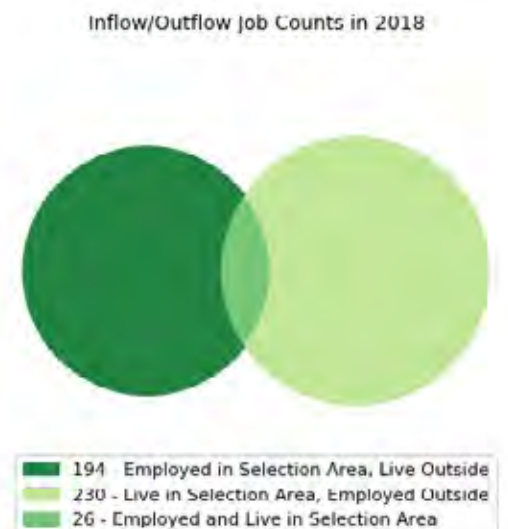
Figure 18: Land Suitability Table, Lodge Grass

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	46	Single family residential (79 units)	N/A	Tribal	Existing residential area. Mobility infrastructure improvements needed. Direct adjacency to Elementary School.	50-100	Medium
B	1.0	Vacant, 1 single family residence	N/A	Town of Lodge Grass, Multiple private owners	Location identified by town as high potential since already own title. Assembling adjacent properties increases feasibility.	6-10	High
C	0.48	Vacant	N/A	Private, single owner	Inner townsite lot with access to infrastructure. Lacks mobility infrastructure.	4-8	Medium
D	1.5	Vacant	N/A	School Dist. and Faith Baptist Church	Assembly of parcels wrapping around church could provide housing or amenity space for local workforce and church needs. Possible high groundwater.	6-10	Medium
E	0.5	Vacant	N/A	Private	Platted townsite lot with access to infrastructure.	6-10	Medium
F	0.96	Vacant	N/A	Town of Lodge Grass, Multiple private owners	Town owns 3 of 5 lots, could acquire and develop full half block.	4-6	High
G	0.32	Vacant	N/A	Town of Lodge Grass	Small interior lot, infrastructure available. Town owned, potential for small project.	2-4	Low

Figure 19: Land Suitability Character, Lodge Grass



- Number of Opportunity Sites: **7**
- Average Opportunity Site Size: **7.7 Acres**
- Number of Jobs within 5 Miles: **142**
- Largest Employment Sector: **Education and Health Care**
- Largest Employers: **School District 27 (Lodge Grass Elementary): Little Horn IGA: 20-25 Employees;**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **105**
 - Employed and Living in the Area: **37**
 - Living in Area but Employed Outside: **170**
- Main Commuter Destination: **Lodge Grass (in and within town), Billings**



Carbon County

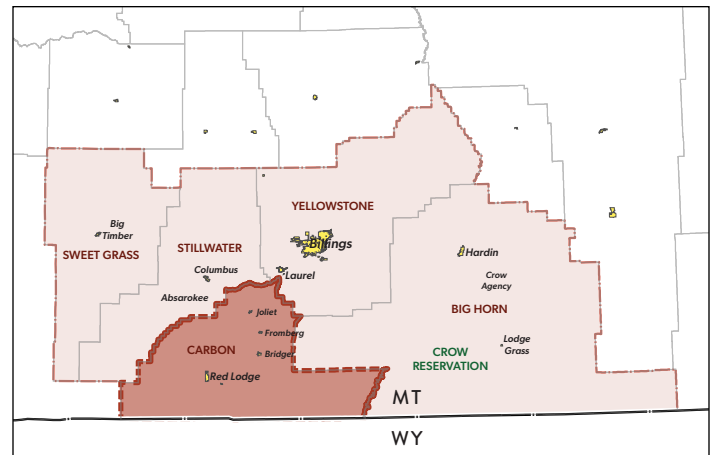
ANALYSIS

Housing development patterns and needs in Carbon County reflect the diversity of the economy, perhaps more noticeably than its neighbors in the BRCD region. Moving away from an agriculture-based economy and toward a tourism and serviced-based one in the last several decades, the county has seen a shift in population from the Clarks Fork Valley to the City of Red Lodge, and to a lesser extent, smaller and more affordable communities closer to Billings.

Similar to Big Horn, Stillwater and Sweet Grass Counties, Carbon County's history of growth has resulted in an older housing stock, with new units reflecting a marketplace bearing higher-end, single family homes mostly in unincorporated areas. Slow multifamily growth in existing communities has exacerbated the housing shortage for middle-income people who are getting priced out, while a growing number of Billings commuters, newcomers and secondary-home owners are buying up inventory once affordable for renters.

While there is no one solution for increasing workforce housing supply in the county, assisting employers to build units for their workers through subsidies or other financial assistance may boost the number of available units. As Red Lodge continues to add housing, the unit types, sizes and tenancy models must shift to meet workforce needs. In Red Lodge, where local support for housing assistance is strong and where organizations like the Red Lodge Area Community Foundation (RLACF) have put frameworks in place, creative tools and funding sources may help redirect resources for this purpose. Although land and housing costs are not as cheap they used to be, the stage is set for partnerships between local jurisdictions, housing providers, community groups and employers that can help these active markets regain balance.

Figure 20: Carbon County Context



Housing Growth Overview

Until recently, the county had an abundance of vacant and somewhat cheap residential land. Parcels both on municipal services and on platted and unbuilt lots between the Rock Creek benches all the way to the Yellowstone County line have been slowly built out. Escalating land prices are the result of this inventory going away. With few new subdivisions, buildable parcels are limited. As of mid-2021, only a few dozen vacant serviced lot existed in and around Red Lodge, down from about 240 a few years before.

Interviews indicated an overall housing boom since 2019, however geographically no one single area has been a major target of housing growth. Rather houses have been built on the abundance of lots created prior to the 2008 recession which were spread across the landscape. Subdivisions like Dot Calm Ranches, Rio Vista or Remington Ranch have been receiving areas, with Dot Calm Ranches adding about 36 houses since 2019.

The smaller communities of Roberts, Belfry, Bridger and Fromberg are serviced by special districts. By late 2021 most vacant lots in older subdivisions were occupied by single family homes.

The interior of the county, a desirable area for second or third homes, has seen an increase in high-priced home construction. In summary, the recent housing boom has certainly increased unit numbers, impacting Carbon

County's services and landscapes. But housing options for those serving the local economy continue to be more and more out of reach.

Carbon County Growth Policy

The county-wide growth policy is tasked with providing development guidance for a county that varies by climate, natural resources, tourism visitation and topography. As such the growth policy, updated in 2020, provided a basis for the county's smaller areas to implement their own policies. Due to their smaller size and slower growth, rural communities often do not have updated growth policies, or are in the process of an update. These places are recognized in the countywide policy, which acknowledges they receive uneven impacts between jobs and housing growth, including wages unable to keep pace with housing demand.

Housing supply, quality, and affordability in small places was a key issue identified in both the county and city growth policies. In addition, the growth policy acknowledges the risk of development impacts ground on water resources even through development of existing subdivisions, and offers policies to increase awareness of where issues may arise.

Generally, the 2020 Carbon County growth policy directs urban-scale growth to existing communities to preserve agricultural lands and open space.

Red Lodge Growth Policy

Housing policy in the 2020 Red Lodge growth policy update focused on increasing housing supply through increased density, revitalizing older housing, green building retrofits and infill development.

Particular goals and implementation strategies that inform this Study include:

- Aim to increase density toward the city's core to increase population and income diversity.
- Consider new zones that allow tiny homes and manufactured units.

- Encourage/partner with non-profit and private sectors to increase affordable ownership and rental units.
- Update zoning regulations now increase density in the city center.
- Use density bonuses, reduced impact fees or other incentives, planned unit developments relaxed design standards or mixed uses to encourage density and the private supply of affordable rental/owner housing.

Future Land Use

Red Lodge provides a Future Land Use Map as a guide for long-range transition, including identifying area for high- and medium-density housing. This map (Appendix) was used as an input for locations of opportunity sites in the Land Suitability Analysis.

Red Lodge Housing Needs Assessment

A 2020 Housing Needs Assessment was performed by the RLACF which used a survey to better understand the landscape of housing conditions throughout the community in order to make future recommendations that help meet city affordable housing needs. Applicable findings from the assessment include:

- Younger generations typically leave Red Lodge to seek better housing and economic opportunities, while younger families and retirees are continuing to move to town.
- A prominent decline occurred in the \$25,000 to \$75,000 income range.
- Lower and higher incomes were more dramatically polarized compared to the state.
- The percentage of home values over \$1,000,000 had increased for the first time in recent years.
- Condominium ownership was strongly needed based on income ranges however there is a growing decrease of this housing choice.
- Affordable housing options are very limited and supply had almost completely dried up.

Land Use and Zoning

Carbon County: The county administers a Development Permit system that coordinates non-residential uses and building permits issued by the state. In coordination with the growth policy, dense, multifamily housing would be directed toward existing communities and county land use/subdivision regulations are less appropriate for housing types that accommodate affordable or workforce units, except in unincorporated areas where adequate services can be provided through special districts.

Density Towards Red Lodge’s Center: Zone districts in the city center include C-4, Central Business and C-1 Central Business Transition, surrounded in most places by R-3, Residential Medium Density. C-1 zones do not allow for more than two units and are unlikely a good fit to achieve the density needed for a suitably dense project. The C-4 zone is the main mixed use district allowing for historic and new dense multifamily with a combination of non-residential uses, up to a height of four stories. The C-4 zone is applicable for a dense affordable project as it allows for multifamily over two units, however C-4 zoned areas would require property assembly to create a project of enough size to contribute to new affordable units.

Residential Zones: Based on the density parameters of this Study, the R-3, Medium Density and R-4, High Density Residential zones provide the density needed for development of affordable housing. Particularly the locations of R-4 zones are in areas with vacant lands and adequate infrastructure. R-3 zones have a maximum height of 30 while R-4 zones permit up to 40 feet, allowing for increased design flexibility for multi-story buildings.

Short-Term Rentals: A short-term rental is defined by the city as a home rented to the general public for 30 days or less. Survey information received for the 2020 Housing Needs Assessment found that half of rentals provided by landlords in the city are short-term or vacation rentals.

Short-term rentals have a strong affect in reducing housing availability for the workforce. An amendment to the Zoning Regulations was established to preserve neighborhood character, to designate which zones STRs are allowed and to create system to track such rentals.

Economic and Demographics

Carbon County is the third largest county in the Beartooth RC&D region, with a population of approximately 11,000. Carbon County is located to the south of Yellowstone County and includes the eastern portion of the Beartooth mountain range. The largest municipality is Red Lodge, which is a regional gateway to the area’s outdoor recreation. Over the past decade, Carbon County has gradually faced increasing growth pressures. Since 2010, the county has added nearly 1,000 residents, with a notable increase between 2019 and 2020, indicating a higher level of in-migration.

Carbon County has the most expensive housing in the region. Over the past five years, the median home sale price has risen significantly, increasing from \$244,200 in 2016 to \$391,000 in 2020, which equates to annual appreciation of 12.5 percent. As of 2020 Carbon County has the highest median home sale price and the fastest rate of appreciation in the 5-county region. The housing market in 2020 experienced a notable surge in demand. Sales volume increased to 135 sales, 31 percent higher than in 2019, while median sale price increased by \$86,000 or 28 percent over 2019. The increases in prices and sales volume are part of a larger trend seen through out the Mountain West driven by “amenity migration” during the COVID-19 pandemic.

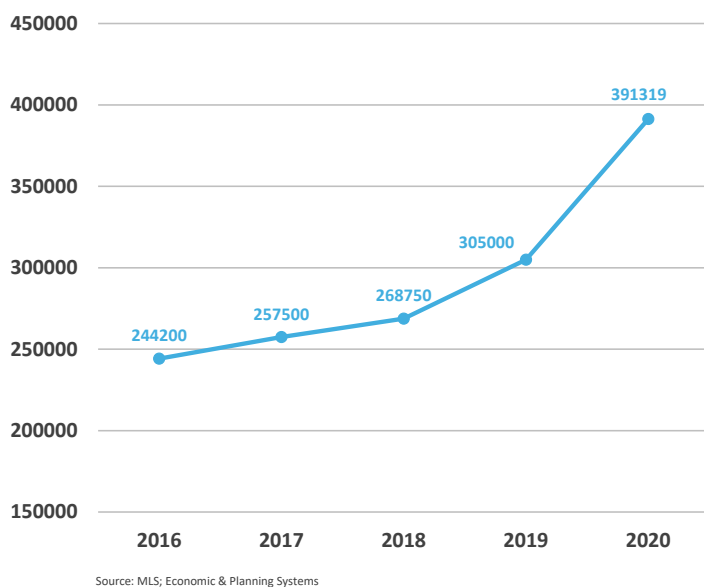
Workforce Housing Targets:

Carbon County

Estimated Units Needed:

2021:	60
2022:	60
2023:	61
2024:	61
2025:	63
5-Yr Total:	303

Figure 21: Carbon County Home Sales Prices



Relative to incomes, sale prices in Carbon County were especially high in 2020 and a large portion of home sales were only affordable to the most affluent households. As shown in Figure 22, 56 percent of all home sales were only affordable to households above the area median income (AMI), while 46 percent were only affordable to households above 120 percent of AMI. Compared to other counties in the region, a much higher share of sales in Carbon County were only affordable to high-income households above 120 percent of AMI. In comparison, the share of home sales only affordable to households above 120% of AMI was 17% in Yellowstone County, 25% in Stillwater County, 35% in Sweet Grass County, compared to 46% in Carbon County.

In terms of cost burden, 27 percent of all households in Carbon County spend over 30 percent of their monthly income on housing, with a greater prevalence among renter households. Cost burden is especially common among households below 80 percent of area median income, as 70 percent of renter households and 40 percent of owner households below this income level are cost burdened. This information indicates that rental housing development should be the highest priority in Carbon County.

From 2010 to 2019, employment growth in Carbon County outpaced growth in the housing stock. Over this period, the County gained 272 jobs, equating to an overall increase of 11 percent, while the housing stock only grew by 4 percent. Second homes comprise

Figure 22: Carbon County Housing Costs by AMI

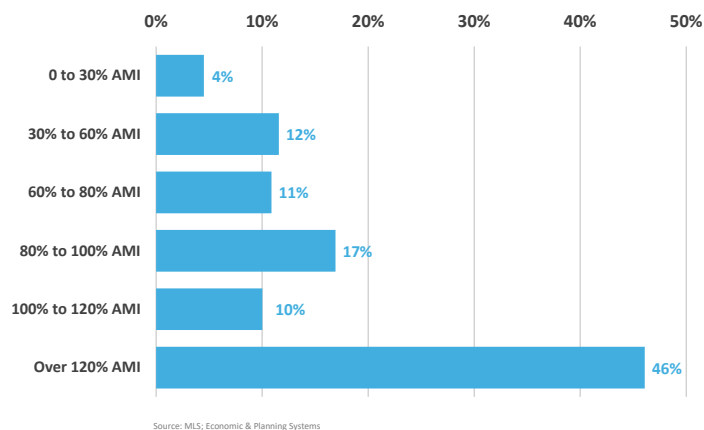


Figure 23: Carbon County Cost Burdened Households

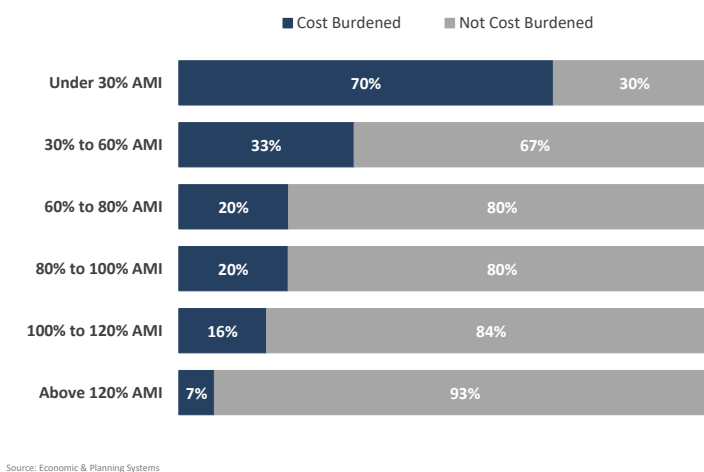
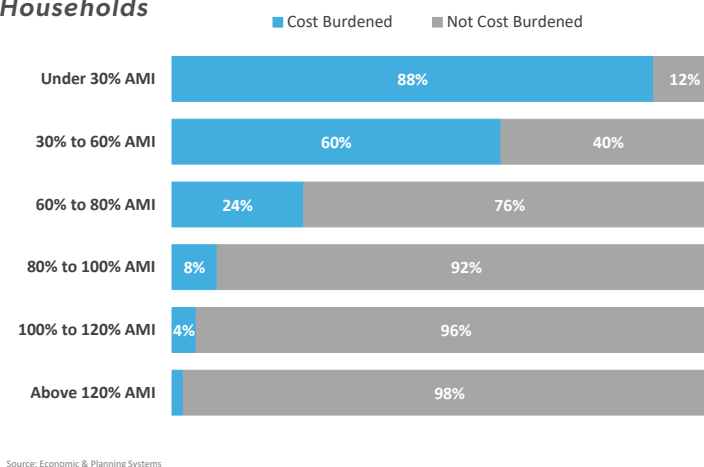
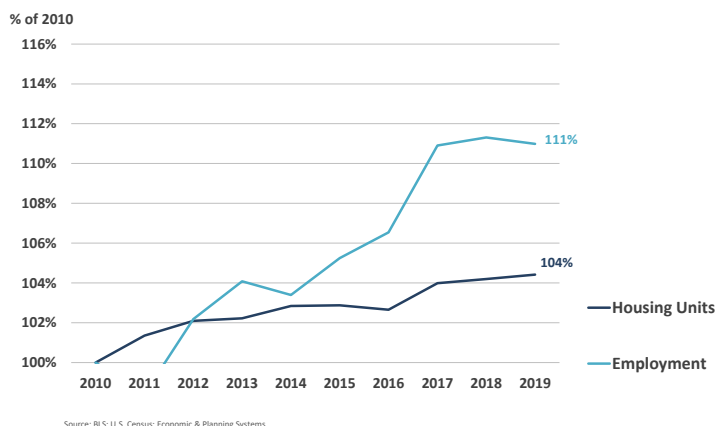


Figure 24: Carbon County Cost Burdened Renter Households



approximately one-third of all housing units in Carbon County which limits the availability of housing stock for the local workforce. The prevalence of second homes also drives up prices because buyers typically have higher incomes and more wealth than local residents and set the market's expectations of value.

Figure 25: Carbon County Housing and Employment Growth



Additionally, the high housing costs in Carbon County relative to income indicate that much of the existing housing stock is not affordable to the local workforce.

Employment in Carbon County steadily grew over the past decade, increasing by 300 jobs between 2010 and 2019, until a small, pandemic-induced contraction in 2020 (Figure 25). The economy is driven primarily by tourism. In 2020, tourism-related sectors, including Accommodation and Food Services, Retail Trade, and Arts, Entertainment, and Recreation, accounted for approximately one-third of all employment. Jobs related to local, state, and federal government, or public administration also comprise a large portion — 20% — of all employment in the county (Figure 27).

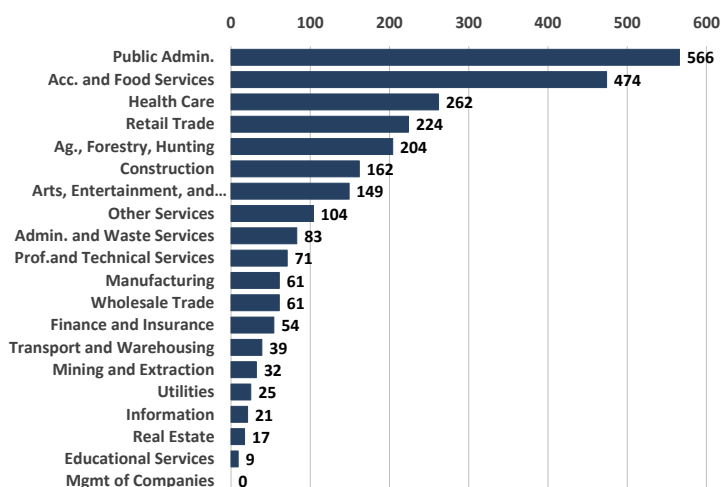
Figure 26: Carbon County Wages

Description	Acc. and Food Services	Health Care	Retail Trade	Arts and Rec
Annual Average Income	\$18,928	\$45,760	\$25,896	\$20,800
Household Income (1.5-person HH)	\$28,392	\$68,640	\$38,844	\$31,200
Affordable Monthly Rent	\$710	\$1,716	\$971	\$780
Affordable Housing Price	\$108,900	\$296,300	\$157,600	\$122,000

Source: BLS; Economic & Planning Systems
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The average annual wages of tourism-related sectors is relatively low, at \$19,000 for Accommodation and Food Service jobs (not including tips), \$20,800 for Arts and Recreation jobs, and \$25,900 for Retail Trade jobs (Figure 26). These wages, as part of a 1.5-person household, can afford a monthly rent ranging from \$710 to \$971 and a housing sale price ranging from \$108,900 to \$157,600. With a countywide median sale price of \$391,000 in 2020, households working in these sectors

Figure 27: Carbon County Employment Sectors



are priced out of the for-sale market by a wide margin. The rental market still may supply units at these price points, but such units are not commonly available for rent.

In Carbon County, 69 percent of all units are occupied and 31 percent are considered vacant, mostly as second homes. Among occupied units, three-fourths are owner-occupied and one-fourth are renter-occupied. As the housing stock in Carbon County grew by 278 units between 2010 and 2019, much of that growth was driven by single-unit, owner-occupied housing units. At the same time, the stock of renter-occupied, multi-unit housing decreased slightly. This indicates that the market has primarily been delivering single family homes.

Figure 28: Carbon County Housing Occupancy

Description	2010	2019	2010-2019		
			Total	Ann. #	Ann. %
Housing Units					
Occupied Units	4,149	4,524	375	42	1.0%
Vacant Housing Units	<u>2,143</u>	<u>2,046</u>	<u>-97</u>	<u>-11</u>	<u>-0.5%</u>
Total	6,292	6,570	278	31	0.5%
Occupied % of Total	66%	69%			
Vacant % of Total	34%	31%			
Occupied Housing Units					
Renter Occupied	1,123	1,068	-55	-6	-0.6%
Owner Occupied	<u>3,026</u>	<u>3,456</u>	<u>430</u>	<u>48</u>	<u>1.5%</u>
Total Occupied Units	4,149	4,524	375	42	1.0%
Renter % of Occ.	27%	24%			
Owner % of Occ.	73%	76%			
Units in Structure					
Single-Unit	5,278	5,520	242	27	0.5%
Multi-Unit	308	295	-13	-1	-0.5%
Mobile Home	<u>706</u>	<u>755</u>	<u>49</u>	<u>5</u>	<u>0.7%</u>
Total	6,292	6,570	278	31	0.5%
Single Unit % of Total	84%	84%			
Multi-Unit % of Total	5%	4%			
Mobile Home % of Total	11%	11%			

Source: U.S. Census; Economic & Planning Systems
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Stakeholder Input

City staff and local employers were interviewed to understand immediate impacts and needs as a result of housing conditions. Findings from these conversations include:

- Teachers, healthcare and most middle-income workers are qualified to accept job offers but are unable to finalize contracts due to housing costs.
- Development and labor cost for construction have escalated to the point of making affordable units prohibitive to construct.
- Legacy policies have made the conveyance of city-owned land for affordable projects nearly impossible due to charters that prohibit the sale of land below market value.
- Employers are willing to build housing for their own employees but require assistance to create a feasible project.
- Demand for condominium ownership housing is high across all income range but only high-end price points may be feasible.
- Vacant or underutilized properties in existing communities are available for affordable housing development however costs for services, development, inability to supply land at below-market costs, and political will have hampered their feasibility.
- Multifamily projects may be feasible but in this area demand for single-family/lower density is preferred.

Infrastructure Assessment

Red Lodge: Municipal water and sewer systems generally have capacity to serve growth at current rates, however one or two substantial projects may require upgrades particularly to the sewer system.

- A water system preliminary engineering report identified deficiencies in the existing system, particularly due to condition of water mains or insufficient fire flows, which may impact new development in the northern area of town. This informs the Land Suitability

Analysis and the location of opportunity sites in this Study.

- As a result of storm water entering the city sewer system a 1% resort tax was established to mitigate this impact.

County Infrastructure: Most of the rural county is served by well and septic systems, and concern has been raised on ground water contamination. Ongoing wellhead protection efforts must be monitored in accordance with the county and local growth policies. Private water systems serve many rural subdivisions and their owners maintain those systems. Due to these and many other reasons, the Land Suitability Analysis aims to identify parcels in municipalities or on public systems where the risk of further degradation is unlikely and would be monitored and would have financial support from the local operator or municipality.

As noted in the county growth policy sewer districts in Roberts, Belfry and Edgar will likely require future upgrades and improvements which may require increase in rates or other funding. The Land Suitability Analysis considers this by focusing on communities where ongoing maintenance and funding options may be more capable of adequately serving new housing development.

Public water systems serve the communities of Red Lodge, Bridger, Joliet, Fromberg, Bearcreek, Belfry and Roberts. These systems are monitored by the state Department of Revenue and district managers and currently have no known deficiencies, however master planning would be required should growth expand beyond existing rates.

IMPLEMENTATION TOOLKIT

Construction of rental housing is recommended as the priority in Carbon County. No rental housing has been developed in recent years and renters face the greatest shortages and lack of affordability.

Resort Tax

A resort tax is an additional sales tax applied to certain non-essential goods (i.e., hotels, restaurants, bars, ski resorts) for the purpose of generating revenue in Montana communities with tourism-driven economies. To levy a resort tax, the Montana Department of Commerce must declare a community a resort area, which is limited to towns with a population below 5,500 or unincorporated areas with a population below 2,500. In addition, the major portion of an area's economy must be based on tourism, a judgment made by the Department of Commerce. Once officially declared a resort area, the implementation, rate, duration, and exact allocation of a resort tax is decided by local voters through a ballot initiative. Ten Montana communities currently have a resort tax, including Red Lodge, Whitefish, and Big Sky. The resort tax rate is typically around 3 percent and revenue is most commonly used for public infrastructure improvements, parks, and emergency services.

Red Lodge currently has a resort tax that generates approximately \$850,000 annually, none of which is allocated to housing. While it is possible for resort tax revenue to be allocated to housing, changing the current allocation would require voter approval. This presents a political hurdle, although one worth considering given the potential benefit of securing a permanent funding stream through the resort tax. In any case, the resort tax would provide a small amount of funding relative to the costs associated with supporting affordable housing.

Short-Term Rental Fees

Local governments may regulate land use and business activities under the police power which includes the power to levy fees. Many local governments have fees on STRs for functions such as registration, code enforcement, and inspection. There is growing interest in mountain and tourism communities in defining workforce and affordable housing as a service and community infrastructure and levying fees on STRs to fund affordable housing programs including construction.

The City should consult legal experts on Montana law

around fees and taxes prior to embarking on an effort to levy new fees on STRs. A nexus study may be needed to establish the nexus between the fee being charged and service or program being provided. A fee levied on STRs would be restricted to funding directly related housing and enforcement/compliance programs and not use for general revenue purposes.

Community Land Trusts

A community land trust (CLT) is a nonprofit organization that holds property for the purpose of community stewardship and long-term housing affordability. The premise of the CLT ownership model is that it separates ownership of land from ownership of improvements on the land. In sale transactions, the buyer only purchases the improvements, while the CLT retains ownership of the underlying land, reducing the purchase price for the buyer. In order to effectively serve low- and moderate-income people, potential buyers typically must be below a certain income threshold. The purchase price is also made affordable through a deed restriction, in which the appreciation and future sale price of the home is limited by a resale formula. The benefit of CLTs is that they expand the accessibility of home ownership to a much wider demographic that would otherwise be priced out of the home market, while also preserving long-term affordability without the need for additional subsidy.

Trust Montana is a CLT active across Montana, with a significant presence in the Carbon County and Red Lodge area. Trust Montana typically obtains property through donations and partnerships, although it is seeking ways to build capacity and purchase land. In Red Lodge, Trust Montana is working with Habitat for Humanity and the Red Lodge Community Foundation to build twelve homes that will be placed under Trust Montana's ownership and will be deed restricted. As Trust Montana continues to evolve, expanding the use of the land trust model will be an effective way to create and preserve affordable units in Carbon County.

Expansion of Accessory Dwelling Units (ADUs)

Accessory Dwelling Units (ADUs) are an additional typically small dwelling unit added to an existing structure or on the same lot. Expanding the supply of ADUs is a way to grow the housing stock at a relatively low cost, given the lower barriers than single family home or apartment development, such as land availability/ cost and infrastructure development and costs. ADUs typically rent or sell at a lower price point than traditional forms of housing, appealing to low- and moderate-income households. ADUs are a potentially effective policy approach in Red Lodge, given the limited availability of developable land as well as an existing stock of single homes. ADUs are built by the private market typically and not by local governments which usually have limited funds for affordable housing development.

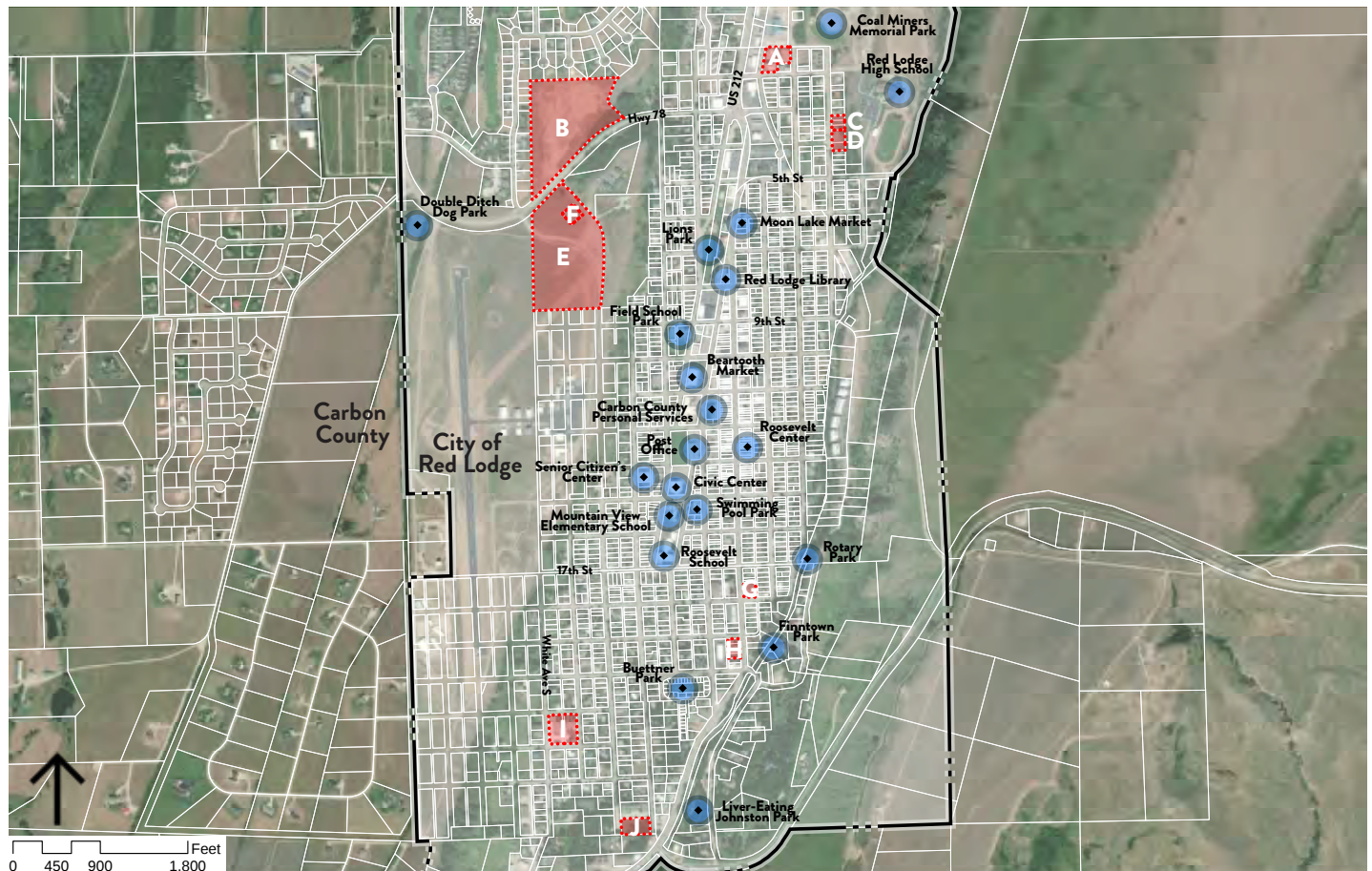
Expanding the supply of ADUs can be accomplished through a few different approaches. Relaxing regulatory barriers to their development is a critical step, as ADUs are often restricted or not allowed in residential areas. While ADUs can be built at a lower cost than traditional single family homes, they still pose a financial burden for homeowners to build, and homeowners may need financial incentives to build them.

Land Use Code

Along with the growth policy recommendation, this Study finds that a density bonus system for market rate projects that include affordable units would aid in increasing overall project feasibility by enabling affordable developers to assemble parcels. Demolition and site preparation would reduce feasibility therefore density bonuses could offset those costs by creating additional for-sale or for-lease units.

Land Suitability Profile: Red Lodge, Carbon County

Figure 29: Land Suitability Map, Red Lodge



LAND SUITABILITY

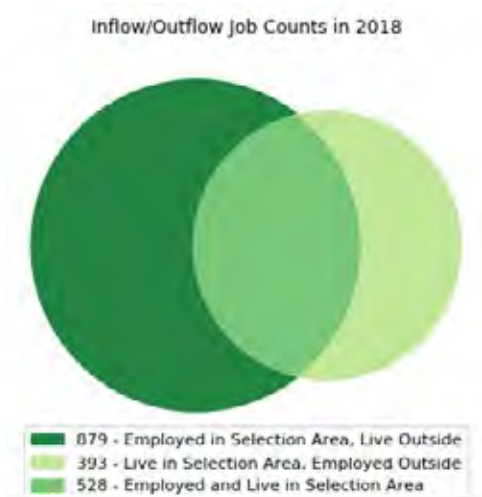
Red Lodge's compact and historic townsite in the Rock Creek drainage elevated the importance of choosing sites that would be compatible with urban form and neighborhood character. Key action considerations for selection of suitable lands for housing sites included:

- There is a desire for compact, smaller mixed use development in the core and in appropriate zone districts: The Land Use Code and growth policy aim to incentivize projects that promote dense, walkable form in character with the historic downtown that can contribute to housing supply.
- Due to city policies there are few publicly-owned sites for land conveyance for use in projects. Most sites are privately-owned therefore other mechanisms are needed to make a feasibility project.
- Identify privately-owned land for potential acquisition to assist employers to develop workforce housing.
- Utilize suitable lands outside of the core that already has adequate zoning (e.g R-4 district).
- Adaptively reuse underutilized buildings and sites (e.g. the old hospital site, the canning/brewing building) to help produce historically-sensitive mixed use projects similar to the Roosevelt Center.
- Many small private parcels sit vacant therefore start with a right-sized catalyst project and replicate on similarly sized lots.

Figure 30: Land Suitability Table, Red Lodge

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	1.34	Vacant industrial site	Commercial Mixed Use (C-2)	Private	Historic multi-story brewing/canning facility, industrial use; requires adaptive reuse with potential cleanup; historic district .	8-16	Medium
B	16	Vacant land	Community Entrance North (C-3-N)	Private	Hwy 87 access; large site suitable for larger multifamily project, only portion of site needed.	Varies on final lot size; 30-40+	Medium
C	0.46	Vacant residential lot	High Density Residential (R-4)	Private, multiple owners	Opportunity for High School workforce project, amalgamation of several parcels needed.	8-12	High
D	0.65	Vacant residential lot	High Density Residential (R-4)	Private	Vacant parcels in high-density zone, applicable for small multifamily project for nearby workforce.	6-10	High
E	17.8	Vacant	Airport (P-1 A)	City of Red Lodge	Ideal site for large multifamily project, only may require boundary line adjustment, adjacent to existing apartments.	Varies on final lot size; 30-40+	High
F	0.5	Vacant	Community Entrance North (C-3-N)	Private	Island parcel located <i>within</i> site 'E', access would need to be accommodated.	4-6	Low
G	0.43	Parking lot	Community Entrance South (C-3-S)	Private	Main street lot surrounded by high-character homes, used as employee lot for Stillwater Mine, could be used as mine workforce housing.	6-10	Medium
H	0.57	Single family residence, mostly vacant	Community Entrance South (C-3-S)	Private	Mostly vacant lot, older residence on property.	6-10	Medium
I	2.0	Underutilized healthcare clinic	High Density Residential (R-4)	Private	Former healthcare clinic, potential adaptive reuse, has been planned for reuse as housing in past but failed.	12-18	Low
J	1.1	Vacant Lot	High Density Residential (R-4)	Private	Adjacent to existing affordable units, appropriate zoning, some utility upgrades may be required.	20-30	Medium

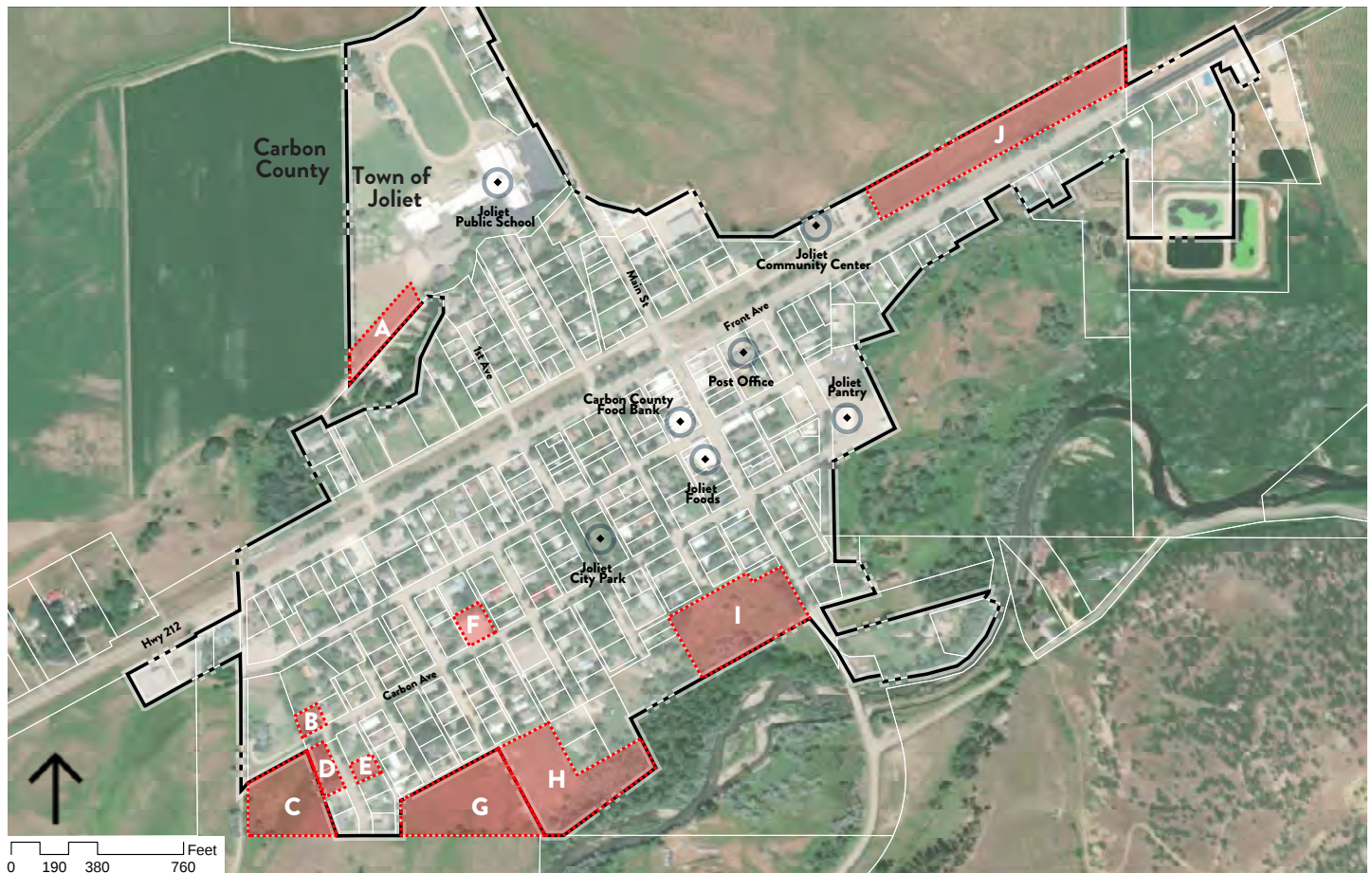
Figure 31: Land Suitability Site Examples, Red Lodge



- Number of Opportunity Sites: **13**
- Average Opportunity Site Size: **3.14 Acres**
- Number of Jobs within 5 Miles: **1,601**
- Largest Employment Sector: **Services/Hospitality, Education/Health Care**
- Largest Employers:
 - » **Beartooth Hospital & Health Center, 100-249 Employees**
 - » **Red Lodge Pizza Co/Bogarts: 100-249 Employees**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: 879
 - Employed and Living in the Area: 528
 - Living in Area but Employed Outside: 393
- Main Commuter Destination: **Billings**

Land Suitability Profile: Joliet, Carbon County

Figure 32: Land Suitability Map, Joliet



LAND SUITABILITY

With a limited commercial base Joliet serves as a bedroom community to Red Lodge and Carbon County, as well as Yellowstone County. Maintaining community character is critical, therefore directing growth to areas served by the water and sewer districts while maintaining a small town scale means smaller infill or modest expansions will benefit the mid-county housing base without overextending it's services . Key action considerations for selection of suitable lands included:

- Find opportunities to partner with schools and other community institutions for land partnerships.
- Keep the scale in line with the older neighborhoods and housing stock.
- Consider mobility impacts and safety for pedestrians, particularly if projects are developed north of Highway 212.

- Work with landowners in planning for future town growth and extension of services/annexation on suitable sites identified at periphery.

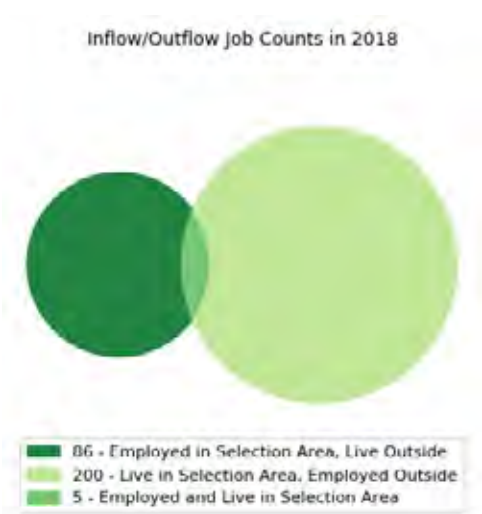
Figure 33: Land Suitability Table, Joliet

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	0.96	Ball fields	Public	Joliet School District	Portion of school lands, could be used for smaller modular units for district employees.	4-6	High
B	0.27	Vacant residential lot	R-1	Private	Low density residential zoning; smaller project possible.	1-3	Medium
C	2.3	Agriculture		Private	Unincorporated agricultural land, difficult access conditions.	6-12	Low
D	0.45	Vacant residential lot	R-1	Private, multiple owners	Property assembly ideal for larger site, rezoning likely.	2-6	Medium
E	0.23	Vacant residential lot	R-1	Private	Small townsite lot, ideal for duplex/triplex.	2-3	Low
F	0.44	Vacant lot	R-1	Church/ Institutional	Optimal site for low-medium density affordable project, likely would require rezoning; possible for senior/ assisted living units.	4-6	Medium
G	3.6	Agriculture	Not mapped	Private	Would require annexation and rezoning; likely high-valued property.	6-10	Low
H	3.8	Agriculture	R-1	Private	Low density area; likely high-valued property.	4-10	Low
I	3.6	Vacant/Open space	Not mapped	Private	Undeveloped riparian land, adaptable to extension of street grid.	8-14	Medium
J	4.4	Vacant/Open space	Not mapped	Private	Highway corridor with limited access, on school-side of community; possible for linear attached single family development.	10-20+	Medium

Figure 34: Land Suitability Site Examples, Joliet



- Number of Opportunity Sites: **10**
- Average Opportunity Site Size: **1.94 Acres**
- Number of Jobs within 5 Miles: **261**
- Largest Employment Sector: **Education**
- Largest Employers: **Joliet Public Schools**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **86**
 - Employed and Living in the Area: **5**
 - Living in Area but Employed Outside: **200**
- Main Commuter Destination: **Billings**



Stillwater County

ANALYSIS

Stillwater County's proximity to Billings and the interstate, its natural resources-driven economy, rural lifestyle, and capacity for growth has increased its desirability. Formerly a more affordable bedroom community for those working in Billings or for the Stillwater-Sibanye Mine, new single family homes are being built at moderate pace, but are largely at prices longtime residents and those making median incomes no longer find affordable.

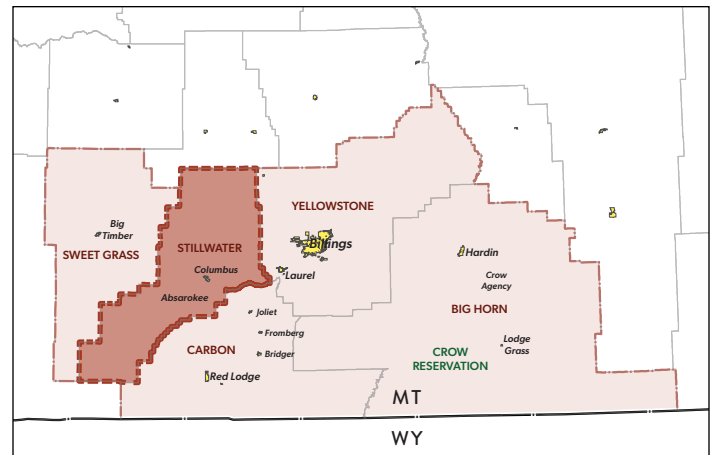
As workers in Billings continue to look at Stillwater County for cheaper housing, newcomers and retirees to places like Columbus are moving in, eyeing the county's quiet rural character and relative affordability.

Recently, market rate housing has been built both in established towns and rural subdivisions, with rural areas having space for new homes in the form of vacant platted lots. Residences popping up across the rural landscape strain the county's ability to provide services at fiscally sustainable rates. Rental units in the county are very limited, as are for-sale units even at market rates. Overall, increasing supply in areas near existing communities will aid in filling the need for both the large employer and middle-income workforce by offering smaller, more diverse housing types catering to those in need.

Housing Growth Overview

Based on local interviews and Montana State Library cadastral mapping records, new low-density housing has been focused toward newly subdivided lands in existing townsites and to a slightly lesser extent previously platted subdivisions outside of established places. Park City has been the target of recent housing growth. In the Park City original townsite, the Beartooth and Hillbrook Estates subdivisions with other small subdivisions have added an estimated 65 to 70 lots and about 25 to 35 new homes in the last five years. Two multifamily projects have also been completed in the original townsite in about the

Figure 35: Stillwater County Context



same timeframe. For comparison, the overall townsite has an estimated 400 residential structures.

Subdivisions along the Yellowstone River east of Park City have seen similar growth in housing starts, which have largely been built on platted parcels. These areas on the eastern edge of the county have been a target for businesses working out of their homes. Generally, the new homes are single family units that are built and listed at prices exceeding the reach of local income earners. Elsewhere in the region single family houses provide for second/third home owners or workers who desire the proximity to Billings. Additionally, destination resort or specialty housing has been added in the last five years, with facilities like the Special K Ranch providing homes for those with disabilities on a working ranch.

Housing costs in Reed Point and Rapelje are slightly more affordable, have fewer services and are more distant from job nodes or amenities. Affordability, however, may be driving a modest jump in housing production in these small communities. Should growth continue, and with both Reed Point and Rapelje providing for services through private and special districts, the infrastructure systems will be strained by even a handful of new homes.

Stillwater County Growth Policy

The countywide growth policy is tasked with providing development guidance for an increasingly suburban bedroom community for people working elsewhere. Last

updated in 2020 the document found the county — after slowing since the 2008 housing crisis — was emerging into a destination market that only accommodated higher-income folks. The growth policy noted that about 12 new lots were created on average every year in Park City, four in Absarokee and about seven in Columbus. Geographic analysis shows these are largely minor subdivisions or lot splits and most construction activity is due to build-out of older subdivisions.

The growth policy recognizes the need for housing for middle- and low-income workers and that Stillwater County will need a more diverse housing stock to support the future economy and employers. With Park City continuing to attract housing units, notable areas for growth include north of the interstate in Park City.

Columbus Area Growth Policy

The Columbus Area Growth Policy offers development guidance in the city-county planning jurisdiction. Major themes in the 2012 update were concerned with keeping rural and working landscapes around the town intact. Economic development policies also were key theme.

Housing policy included improving the quality and diversity of housing conditions. The town's growth policy demonstrates Future Service Areas which act as future growth areas. These areas are north and east of the town boundary and extend off the east boundary to the jurisdictional line.

Land Use and Zoning

County Permitting: Stillwater County requires a Conditional Use Permit for all non-residential uses. Guiding planning principles of this Study intend to envision denser affordable housing projects toward existing communities and county land use/subdivision regulations are less appropriate for housing types that accommodate affordable or workforce units, except in unincorporated areas where adequate services can be provided through special districts.

Town Zoning: Six residential zone districts in the town of Columbus provide standards for development within the planning jurisdiction. Upon review the land use codes generally do not restrict the ability to produce housing of various densities that would be applicable to Columbus's character (Appendix for map).

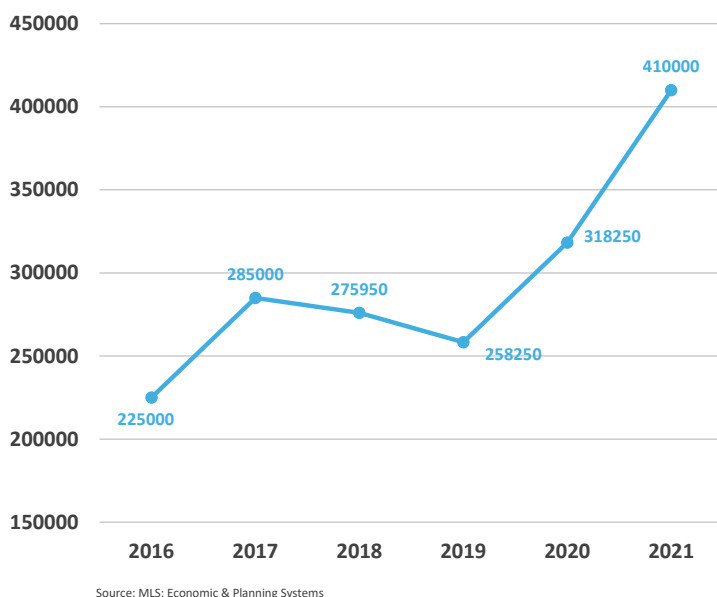
The R-3 Residential Multi-Family zone is most applicable for locating suitable sites for affordable housing development due to allowable height and density. Based on existing development patterns and tax assessor data, multi-family has not been constructed in this zone or anywhere in town in recent years. Applications of this zone elsewhere on available land may offer the best opportunity to yield a unit count significant enough to meet demand and to create a feasible project.

Economic and Demographics

Stillwater County is located west of Yellowstone County in Billings, along the Yellowstone River and Interstate 90. The southern end of the county includes parts of the Beartooth Mountains. The largest municipality is Columbus, and the economy is driven primarily by mining operations, which include the Stillwater mine near Nye with 1,100 employees and the Metallurgical Complex in Columbus with 300 employees.

As of 2020, Stillwater County has a population of 8,963, slightly down from its level in previous years. Home sale prices in Stillwater County have fluctuated over the past five years, although recent trends show significant increases. Tracking trends in small areas such as Stillwater County can be challenging due to the small number of home sales. Averages are easily skewed by a few high or low value sales. As shown in Figure 36, the median sale price fell in 2018 and 2019 over the previous year but rose by \$60,000 or 23 percent to \$318,250 between 2019 and 2020. Through May 2021, the median sale price was even higher, at \$410,000, indicating continued increases in sale prices. The recent surge in prices is evidence of mounting pressure on the for-sale housing market.

Figure 36: Stillwater County Home Sales Prices



Stillwater County has a wide range of home prices compared to income levels. About a quarter of all sales are affordable to upper income residents (above 120 percent of AMI). Below 120 percent of AMI, the percentage of sales are distributed between 60 and 100 percent of AMI. In rural areas it is common to see a wide range of value based on location, age, and condition of the home.

In Stillwater County affordability does not appear to be as widespread of an issue compared to Carbon County for example. The challenge is more of a supply problem. The percentage of households who are cost burdened is low, with 23 percent of all households spending more than 30 percent of their income on housing (Figure 38). Cost burden is the most common among low income households below 60 percent of area median income, and is more common among renter households which is a typical pattern (Figure 39).

In terms of supply, employment growth, anchored by the mining industry, has outpaced the growth in the housing stock between 2016 and 2019. Employment grew by 17 percent from 2010 to 2019 while the stock of housing units grew by 4 percent. A challenge in Stillwater County is the cyclical nature of mining; jobs and output fluctuate with commodity prices and demand. The fluctuations in employment may deter some investment in housing by developers or deter workers from buying.

Figure 37: Stillwater County Housing Sales by AMI

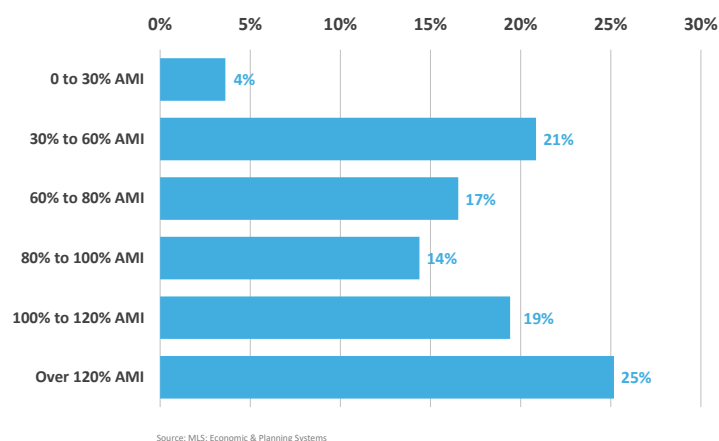


Figure 38: Stillwater County Cost Burdened Households

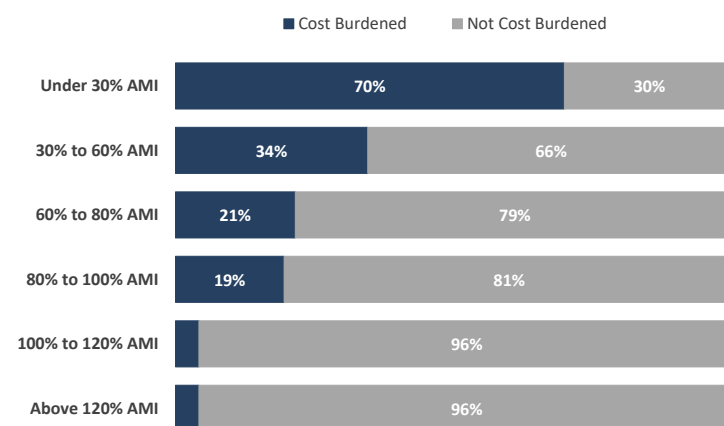
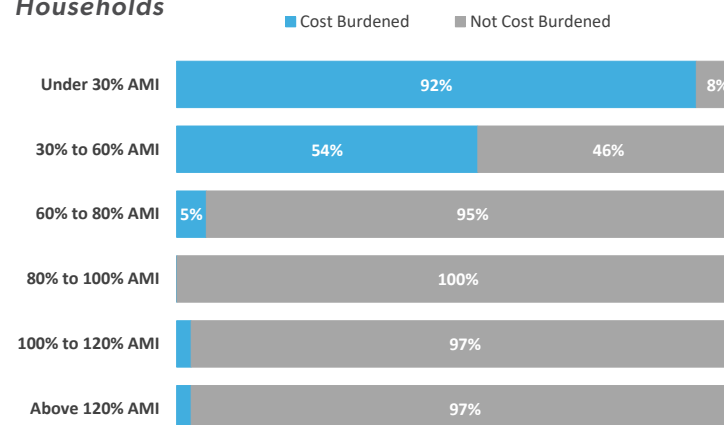


Figure 39: Stillwater County Cost Burdened Renter Households



Recently, job growth in mining operations has put pressure on the housing stock. The mine has about 1,900 current permanent employees and over 1,000 contractors. Stillwater Mine plans to add about 120 employees over the next year. While the exact

Workforce Housing Targets:

Stillwater County

Estimated Units Needed:

2021: **53**

2022: **54**

2023: **54**

2024: **54**

2025: **55**

5-Yr Total: **271**

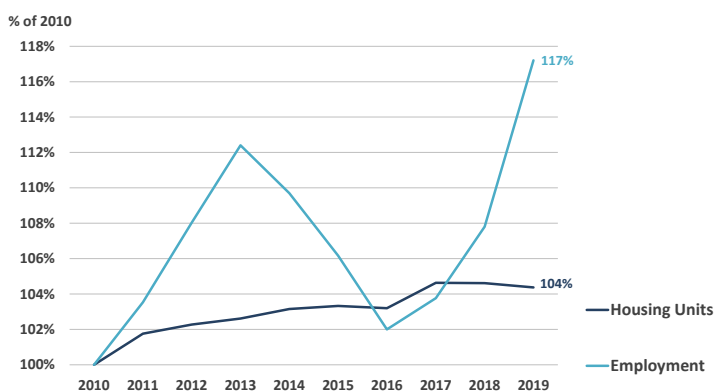
breakdown of mine workers who live inside and outside of Stillwater County is unknown, a substantial portion of mine employees commute in from other counties, and Sibayne-Stillwater runs an extensive bus system (26 bus trips per day) between Billings, Red Lodge, Livingston, Big Timber, and Laurel.

Some of the in-commuting is likely driven by preferences to live in areas outside Stillwater County. However, research and conversations with mine management strongly indicate that employees who want to live in Stillwater County struggle to find available housing, due mainly to a lack of inventory rather than affordability. The jobs at the mining operations in County typically pay annual wages of around \$80,000, which is sufficient to afford the median-priced home in Stillwater County in 2020. Moreover, wages in Stillwater County are high averaging \$70,000 per year, compared to \$52,000 in Yellowstone County, \$54,000 in Sweet Grass County, and \$48,000 statewide.

While certain segments of the population struggle with affordability and while housing prices have been rising, a lack of supply is the central housing issue in Stillwater County, and an expansion of the housing stock is needed to meet demand.

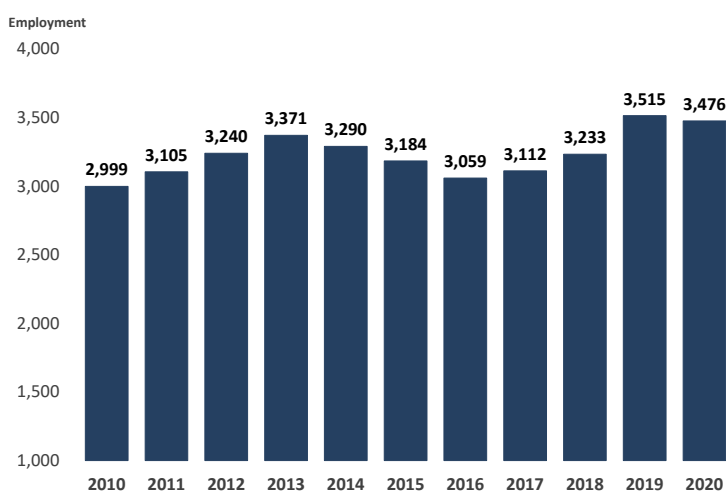
From 2010 to 2019, Stillwater County added 204 net new housing units, practically all of which are single family detached. Second homes appear to be a factor in Stillwater County, as it is estimated that of the 204 new homes added, 195 are classified as vacant. Vacant housing units include "vacant for seasonal use" which in the mountain west are typically second homes and cabins. The Census has a difficult time distinguishing

Figure 40: Stillwater County Housing and Employment Growth



Source: BLS; U.S. Census; Economic & Planning Systems

Figure 41: Stillwater County Employment Growth



Source: BLS; Economic & Planning Systems

Figure 42: Stillwater County Housing Occupancy

Description	2010	2019	2010-2019		
			Total	Ann. #	Ann. %
Housing Units					
Occupied Units	3,752	3,761	9	1	0.0%
Vacant Housing Units	910	1,105	195	22	2.2%
Total	4,662	4,866	204	23	0.5%
Occupied % of Total	80%	77%			
Vacant % of Total	20%	23%			
Occupied Housing Units					
Renter Occupied	936	725	-211	-23	-2.8%
Owner Occupied	2,816	3,036	220	24	0.8%
Total Occupied Units	3,752	3,761	9	1	0.0%
Renter % of Occ.	25%	19%			
Owner % of Occ.	75%	81%			
Units in Structure					
Single-Unit	3,828	4,026	198	22	0.6%
Multi-Unit	182	206	24	3	1.4%
Mobile Home	652	634	-18	-2	-0.3%
Total	4,662	4,866	204	23	0.5%
Single Unit % of Total	82%	83%			
Multi-Unit % of Total	4%	4%			
Mobile Home % of Total	14%	13%			

Source: U.S. Census; Economic & Planning Systems

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Figure 43: Columbus Future Service Areas



between vacant for-rent and for-sale and vacant for seasonal use in these types of places.

Stakeholder Input

Stillwater County staff and local significant employers were interviewed with the following key takeaways (see above commentary for takeaways from the Stillwater-Sibanye Mine):

- Stillwater County is gaining a more balanced jobs/housing ratio countywide, however large employers, like the mine, are not in town. Their employees have the choice between living in Columbus, Absarokee or rural areas. Still many determine Billings is a more desirable place for kids or families, even though Stillwater County is still more affordable.
- Anecdotal evidence determined incoming residents were buying rural platted lots rather than lots on municipal services. Clarity was sought on if this was true and if so what places are growing.
- New market rate homes are being built in places where there are vacant lots on rural services like Park City. Questions exist on how these new homes are impacting the workforce market. Anecdotal evidence points to them being occupied by Billings workforce or retirees.
- Stillwater County and Columbus middle income workers are continuing to desire living near their work, however lately have been feeling pressures from rising costs. New workforce housing is most beneficial in communities closest to job nodes where economic feasibility is more likely with higher densities.
- A change in philosophy is needed to ultimately achieve project densities that were politically too controversial in the past.

Infrastructure Assessment

Columbus: The town's capacity for growth is generally not limited by water and sewer capacity, however ongoing replacements of aging water mains will be necessary to maintain existing system operations. The town has considered extending water and sewer to the north across the interstate however this Study aims to

leverage existing plans for the core townsite to maximize cost savings on urgent in-town projects.

Municipal future service areas are designated in the city's Growth Policy. The Land Suitability Analysis considered the existing, future and long range service areas when optimizing locations for potential housing projects, as availability and proximity to key utilities was a high-ranking parameter (Figure 43).

County Infrastructure: Most of the rural county is served by well and septic systems, and concern has been raised on ground water contamination. Ongoing wellhead protection efforts must be monitored in accordance with the county and local growth policies. Park City's water and sewer infrastructure have sufficient capacity for additional growth, due to the district having adequate land to expand treatment pond cells when needed. Because of this, the Land Suitability Analysis aims to identify only parcels in municipalities or on public systems where the risk of further degradation to the system is unlikely and would be monitored with support from the local operator or municipality.

Absarokee: Absarokee's capacity for growth has been impacted by needed improvements to the sanitary system which was at capacity. This was and will be funded through bonds raised by a rural special improvement district. All parcels identified as possible opportunity sites in the Land Suitability Analysis for Absarokee are within the service area of this district.

IMPLEMENTATION TOOLKIT

In Stillwater County the priority is working with the private market to build more housing supply. Market rate rental and ownership housing can likely meet a large portion of the housing demand. The challenge is that in rural areas it is hard to attract developers and investors who are active in larger and more profitable markets such as Bozeman and Billings. The County and other local governments will need to be proactive with land and site identification and infrastructure planning and assistance.

Infrastructure Assistance

Counties or municipalities can invest public dollars into infrastructure for developments that provide workforce or affordable housing units. Depending on the needs of a project, infrastructure can include streets and roads, water and sewer connections, lighting, right of way purchases, or other utilities. This approach is particularly important in areas that lack existing infrastructure connections, and where costs associated with infrastructure are a major barrier to new housing development. Infrastructure assistance is an effective way to incent the development of new affordable or workforce units by making projects more financially feasible.

An idea that has been circulated is for Counties to create an infrastructure bank. This would be a loan fund that could make loans to other local governments and directly to project developers. Mineral severance taxes could be a source of funding to seed this program. The County should also examine ARPA and CARES Act grant opportunities for infrastructure.

Use of City/County-owned Land

Municipalities provide publicly-owned land to developers at a below-market cost for the purpose of building affordable housing. To ensure that affordable units are built, it is up to municipalities to negotiate with developers to provide units at certain price points in

exchange for the low-cost land. This approach reduces the cost basis of development in a way that makes affordable units more feasible to provide.

Community Land Trust

A community land trust (CLT) is a nonprofit organization that holds property for the purpose of community stewardship and long-term housing affordability. The premise of the CLT ownership model is that it separates ownership of land from ownership of improvements on the land. In sale transactions, the buyer only purchases the improvements, while the CLT retains ownership of the underlying land, reducing the purchase price for the buyer. In order to effectively serve low- and moderate-income people, potential buyers typically must be below a certain income threshold. The purchase price is also made affordable through a deed restriction, in which the appreciation and future sale price of the home is limited by a resale formula. The benefit of CLTs is that they expand the accessibility of home ownership to a much wider demographic that would otherwise be priced out of the home market, while also preserving long-term affordability without the need for additional subsidy.

Trust Montana is a CLT active across Montana, although does not have a presence in Stillwater County. Trust Montana typically obtains property through donations and partnerships, although it is seeking ways to build capacity and purchase land. In Stillwater County, it could build its base of property and engage in efforts to bring deed-restricted homes onto the market. As Trust Montana continues to evolve, expanding the use of the land trust model will be an effective way to create and preserve affordable units in Stillwater County.

Land Suitability Profile: Absarokee, Stillwater County

Figure 44: Land Suitability Map, Absarokee



LAND SUITABILITY

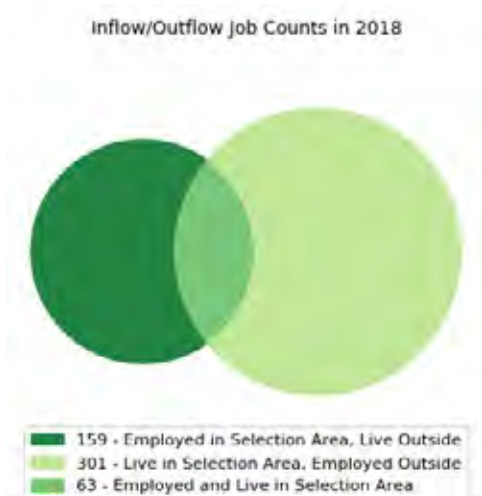
Absarokee is an unincorporated rural community set for potential growth more often seen in the likes of Columbus or Red Lodge. Housing development targeted for the workforce, although potentially modest at first, may be compounded if the quiet and charming community is discovered. Therefore key action considerations for selection of suitable lands included:

- Consider sites that strengthen the diversity of housing: Including housing types that combine services and housing.
- Adaptively redevelop underutilized sites and buildings: Including considerations for horizontal mixed use of the school properties.
- Consider a diversity of sites that leads to a housing development plan that may be adjusted over time based on uncertain growth projections.
- Direct housing to the core: Promote sites on county services and avoid subdivision or rural development that would not preclude the potential long-range incorporation of the community.

Figure 45: Land Suitability Table, Absarokee

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	4.4	Vacant, storage	N/A	Private	Tucked-away site with access improvements needed.	6-10	Low
B	1.2	Vacant	N/A	Private	Peripheral site surrounded by housing, potential for neighborhood-scale modular.	4-8	Medium
C	2.1	Historic school, 2 buildings	N/A	Absarokee School District	Main street frontage, potential multi-use faculty with partial housing redevelopment and community-oriented space (classrooms, technology or training center).	Varies on adaptive reuse or redevelopment of site	Medium
D	1.7	Vacant	N/A	Private	Adjacent to existing affordable housing, potential for low-medium density project or expansion of existing apartments, ideal for senior housing.	16-24	High
E	4.0	Agriculture	N/A	Private	Adjacent to High School, potential for school district housing, modular unit type.	36-48+	High
F	0.8	Vacant	N/A	Non-Profit	Potential for smaller lot -medium density project, duplex or fourplex.	2-6	Low

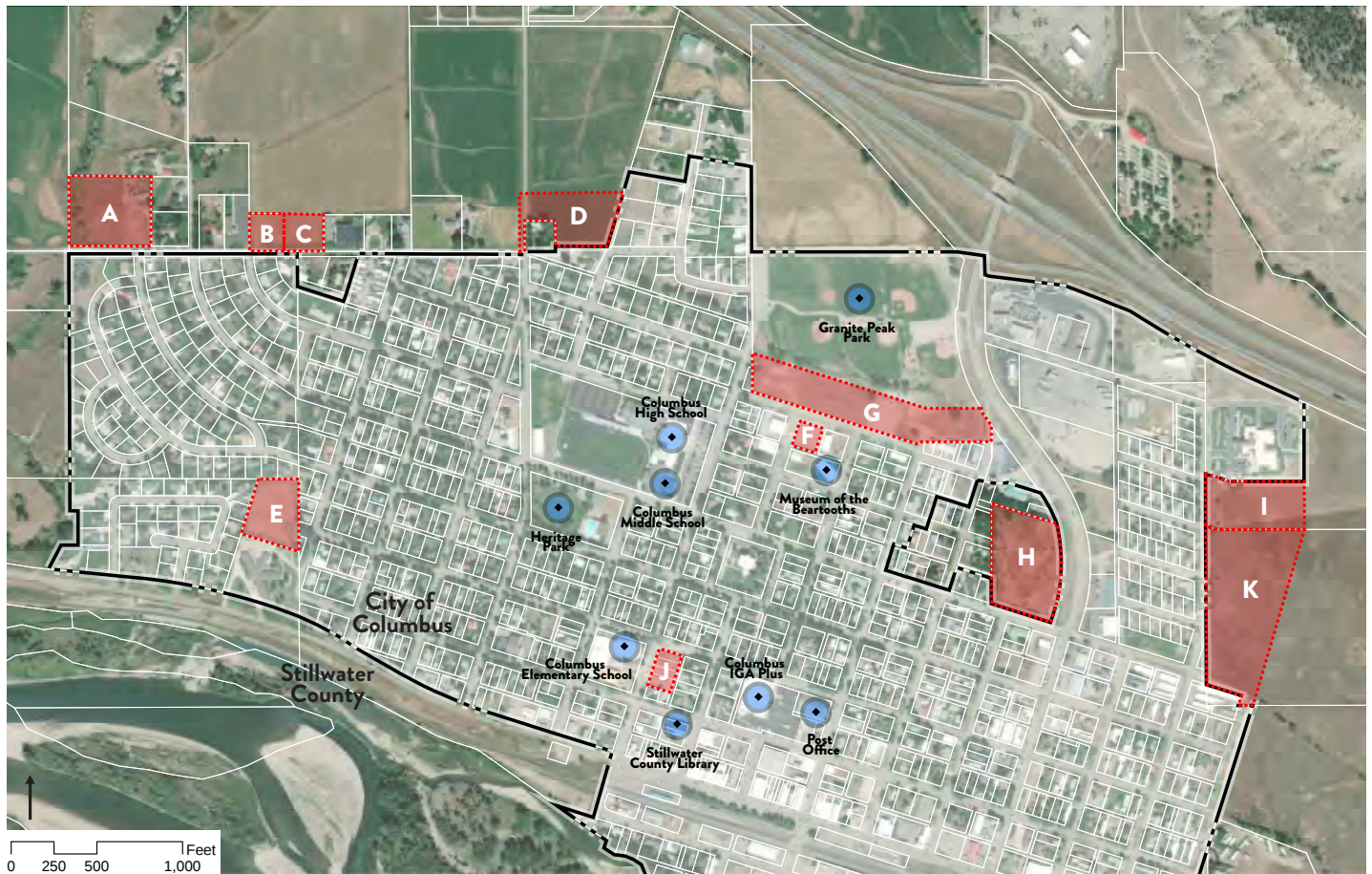
Figure 46: Land Suitability Site Character, Absarokee



- Number of Opportunity Sites: **6**
- Average Opportunity Site Size: **4.29 Acres**
- Number of Jobs within 5 Miles: **288**
- Largest Employment Sector: **Resource Extraction and Tourism**
- Largest Employers: **Absarokee High School: 75-85 Employees;**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **159**
 - Employed and Living in the Area: **63**
 - Living in Area but Employed Outside: **301**
- Main Commuter Destination: **Billings**

Land Suitability Profile: Columbus, Stillwater County

Figure 47: Land Suitability Map, Columbus



LAND SUITABILITY

Because Columbus is the county seat and has a diversified economy including healthcare, education, light manufacturing and a core of local businesses, it has the elements of a well-balanced housing market. Still new housing opportunities are increasingly limited, yet not for lack of suitable sites. Residents still must drive to Billings or larger communities for major destination amenities and retail but many are still attracted to Columbus's small town charm and would choose to live here if more affordable housing was available than those found in jobs centers like Billings.

Columbus may have a growing unmet workforce housing need, but opportunity sites are abundant and capacity for supplying adequate affordable units is high. Key action considerations for land suitability included:

- Identify sites near the periphery where connectivity

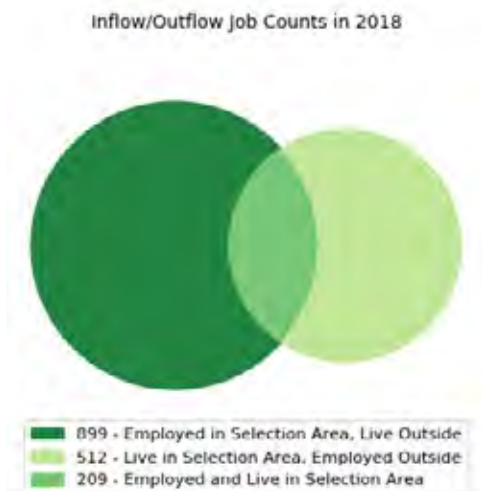
to institutions like the Stillwater Billings Clinic and schools still allows for extension of municipal services.

- Leverage public or institutionally-owned parcels for teachers, healthcare or public-sector workers.
- Consider housing projects that are designed for development models like land trusts that provide opportunities for upwardly-moving home ownership.
- Include market rate portions into a development project to finance the affordable portions and diversify housing unit options.
- Consider locations where more recent development has occurred and add density to achieve smaller units on smaller lots that are more affordable per square foot.
- Locate workforce, affordable or market rate housing near recreation amenities desirable for families.

Figure 48: Land Suitability Table, Columbus

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	4.5	Vacant	Residential Estate	Private	Peripheral site, requires annexation and servicing, creek/ditch relocation; low impact single family likely.	6-10	Medium
B	1.0	Vacant	Residential Estate	Private	Annexation and access improvements needed; site has potential for low impact mixed use with commercial on road frontage and units in rear.	4-8	High
C	1.1	Vacant	Agricultural Open	Private	Consider a smaller portion of large agricultural property; may be more suitable for market-rate single family project.	2-6	High
D	3.4	Agriculture	Agricultural Open	Private	In area likely to become market-rate residential, may have opportunities for nodes of density for subsidized units; master planning recommended.	4-8, 50+ if larger site master planned	Medium
E	2.5	Vacant	Recreational Professional	Private	Adjacent to Beartooth Manor senior facility, opportunity for medium density apartment units, target for senior housing needs	24-36	High
F	0.5	Vacant residential lot	Public	Stillwater County	Part of county complex, could be utilized for housing if county relocated facilities.	4-6	Low
G	6.8	Vacant/Storage	Public	Town of Columbus	Underutilized land opportunity owned by town, has sufficient space/access for number of market rate or affordable multi or single family units.	40-50+	Medium
H	5.3	Vacant	Highway Commercial	Private	County island, zoned for commercial; ideal for higher density mixed use, apartment units with surface parking.	24-40	High
I	3.8	Vacant	Agricultural Open	Stillwater Hospital Assoc.	Very ideal for healthcare workforce housing; in sufficient growth area extension of municipal roads and services to east.	40-50+	High
J	0.7	Vacant/Agriculture	R-2	School District	4 existing lots could be assembled by SD; redevelop for higher density; keep neighborhood character.	8-12	High
K	9.6	Vacant/Agriculture	Agricultural Open	School District	Large opportunity site with services and access, adjacent to new modular subdivisions, adequate acreage to subdivide a portion for CLT project. *Used for Site Concept Prototype	80-100+	High

Figure 49: Land Suitability Site Examples, Columbus



- Number of Opportunity Sites: **11**
- Average Opportunity Site Size: **3.55 Acres**
- Number of Jobs within 5 Miles: **1,568**
- Largest Employment Sector: **Resource Extraction, Health Care**
- Largest Employers: **Stillwater Mining Co, 500-999 Employees; Montana Silversmiths: 100-249 Employees; Columbus School District: 150 Employees**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **899**
 - Employed and Living in the Area: **209**
 - Living in Area but Employed Outside: **512**
- Main Commuter Destination: **Billings**

Sweet Grass County

ANALYSIS

Located about a one hour drive to Bozeman and a one hour and 15 minute drive to Billings, Sweet Grass County and its seat of Big Timber offer an idyllic, off-the-beaten path community for those looking to escape the larger cities. Should those moving to the region have a work-from-home option or have family members employed in either job center, Sweet Grass County's location and interstate access create opportunities in a somewhat more affordable location in an increasingly desirable region.

Big Timber is also a commuter town for Stillwater-Sibanye mine employees whose commute to work is over just one hour away. Single family homes are the predominant housing stock yet few have been built in the last five years.

Increasingly, Bozeman workers are choosing Big Timber as their residence since closer homes in places like Livingston have become too expensive or simply not available. Homes are not being built along the Interstate 90 corridor and rental units are limited, however for-sale market rate listings are more numerous than neighboring communities.

Housing Growth Overview

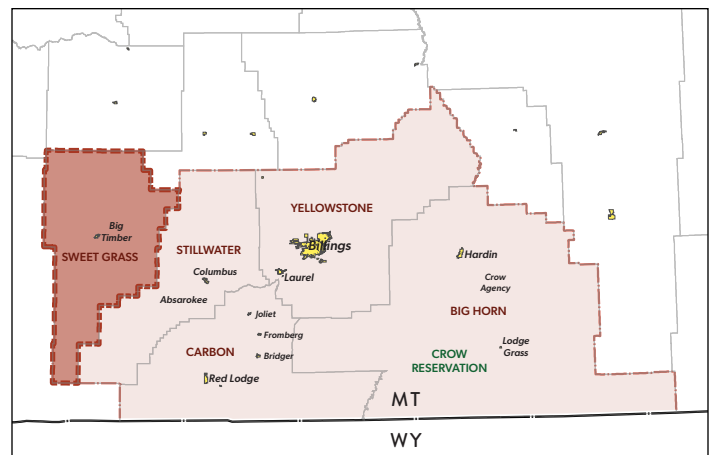
Based on Montana State Library cadastral mapping records and aerial imagery, new housing of any kind has been focused only within Big Timber in the last decade.

Geographic analysis shows minor or major subdivisions or lot splits are few, and build out of existing plats are more likely to see new home construction. With the abundance of platted but unbuilt lots in subdivisions such as Yellowstone Meadows and others, infill is likely to occur before new demand drives additional platting.

Sweet Grass City-County Growth Policy

The city and county share a joint planning jurisdiction

Figure 50: Sweet Grass County Context



and growth policy. Designated areas for growth are not established, however infrastructure availability should guide new housing growth toward the existing public systems in Big Timber.

Land Use and Zoning

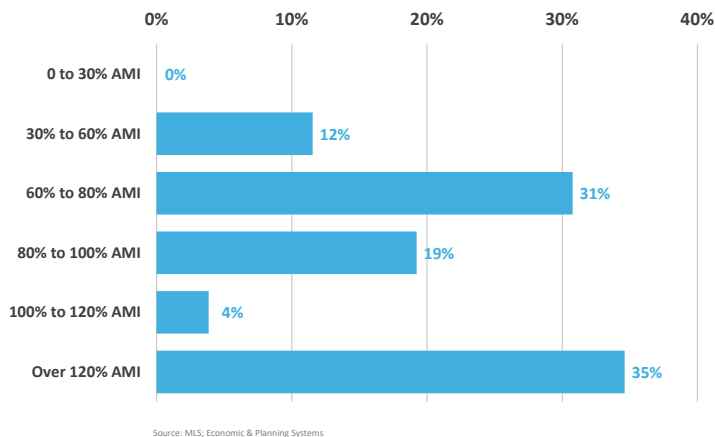
Town Zoning: Six residential zone districts in the town of Columbus provide standards for development within the planning jurisdiction. Upon analysis, the land use codes generally do not restrict the ability to produce housing of various densities that would be applicable to Columbus's character (see Appendix for map).

The R-3 Residential High Density zone is most applicable for locating suitable sites for affordable housing development study due to the ability to increase density. Based on existing development patterns and tax assessor data, multi-family has not seen new construction in town in recent years however some conversions from single to multifamily are seen. Applications of this zone elsewhere on available land may offer the best opportunity to yield a unit count significant enough to create a feasible project.

Several parcels in the HB Highway Business zone offer opportunities for development based on the selection parameters, however residential uses are generally not permitted. A zone change to the R2 or R3 district would allow for needed densities.

The City-County Planning County administers zoning only in the Big Timber planning jurisdiction.

Figure 51: Sweet Grass County Home Sales Prices



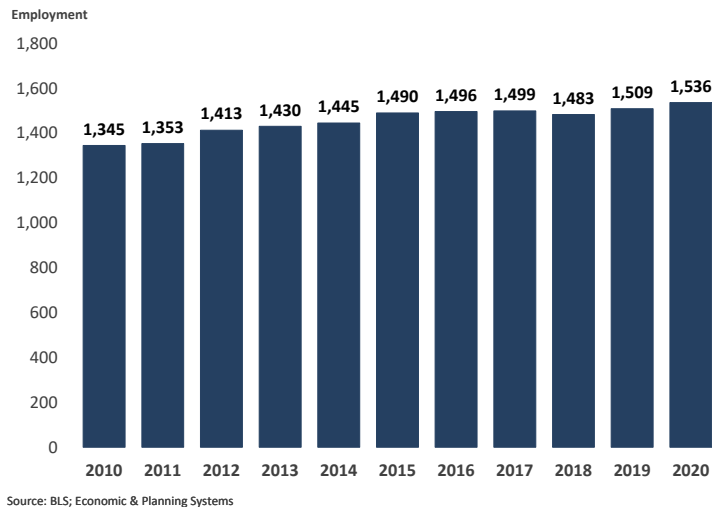
Economic and Demographics

Sweet Grass County is located in the western part of the Beartooth RC&D region, between Billings and Bozeman. Sweet Grass County has the smallest population of all of the counties in the region, with 3,774 residents, and also has the lowest population density. It has not grown significantly over the past 10 years. The County Seat and largest city is Big Timber, located along Interstate 90 and the Yellowstone River.

Sweet Grass County has a small housing market with a low volume of home sales. In 2020, 26 homes were sold, 35 percent of which were sold for more than \$350,000, which is above 120 percent of area median income, while another 38 percent were sold for between \$150,000 and \$200,000. Local stakeholders indicate that the area is experiencing in-migration from people moving out of Bozeman in seek of lower cost housing. Big Timer and the western portion of the County along I-90 are within commuting distance of Bozeman where the average home price is now about \$700,000.

In Sweet Grass County, 18 percent of owner households and 23 percent of renter households are cost burdened, a lower share than the other counties in the region. For both household types, cost burdened households are concentrated at the lower end of the income spectrum, typically below 60 percent of area median income.

Figure 52: Sweet Grass County Employment



Between 2010 and 2020, employment grew by 200 jobs or 12 percent. In terms of employment composition, the largest sectors in Sweet Grass County include Public Administration, Retail Trade, and Accommodation and Food Services.

From 2010 to 2019, available data suggest that Sweet Grass County experienced a net decline in housing inventory, losing approximately 50 housing units. The inventory that was lost primarily includes vacant units, single-unit homes, and mobile homes. During the same time period, Sweet Grass County gained units that are in multi-unit structures and that are renter-occupied, which differentiates it from the housing stock of other counties in the region that have primarily gained owner-occupied single-unit dwellings.

Approximately 30 percent of homes in Sweet Grass County are vacant. These are likely comprised of a combination of second homes and hunting and fishing cabins. The decline in the number of vacant units combined with the increase in renter occupied units suggests that some of these homes are now being rented long term, potentially to people moving out of Bozeman and/or from employees at Stillwater Mine in Stillwater County (Figure 53).

Figure 53: Sweet Grass County Housing Occupancy

Description	2010	2019	2010-2019		
			Total	Ann. #	Ann. %
Housing Units					
Occupied Units	3,752	3,761	9	1	0.0%
Vacant Housing Units	<u>910</u>	<u>1,105</u>	<u>195</u>	<u>22</u>	<u>2.2%</u>
Total	4,662	4,866	204	23	0.5%
<i>Occupied % of Total</i>	80%	77%			
<i>Vacant % of Total</i>	20%	23%			
Occupied Housing Units					
Renter Occupied	936	725	-211	-23	-2.8%
Owner Occupied	<u>2,816</u>	<u>3,036</u>	<u>220</u>	<u>24</u>	<u>0.8%</u>
Total Occupied Units	3,752	3,761	9	1	0.0%
<i>Renter % of Occ.</i>	25%	19%			
<i>Owner % of Occ.</i>	75%	81%			
Units in Structure					
Single-Unit	3,828	4,026	198	22	0.6%
Multi-Unit	182	206	24	3	1.4%
Mobile Home	<u>652</u>	<u>634</u>	<u>-18</u>	<u>-2</u>	<u>-0.3%</u>
Total	4,662	4,866	204	23	0.5%
<i>Single Unit % of Total</i>	82%	83%			
<i>Multi-Unit % of Total</i>	4%	4%			
<i>Mobile Home % of Total</i>	14%	13%			

Source: U.S. Census; Economic & Planning Systems

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Workforce Housing Targets:

Sweet Grass County

Estimated Units Needed:

2021: **13**

2022: **11**

2023: **13**

2024: **13**

2025: **13**

5-Yr Total: **61**

workers in the Big Timber area sought consideration for employee housing in the community. See *Stillwater County, Economics and Demographics* (p. 40) for detailed discussion on employer issues.

Infrastructure Assessment

Big Timber: Big Timber may have the most capacity for growth in rural areas when assessing strictly water or wastewater systems. The Boulder River is the town's municipal water source. The primary source is an infiltration gallery with a peak supply rate of 2.1 million gallons per day, approximately seven miles south of the City. Water is also sourced from an infiltration gallery located at the south end of McLeod Street. This source is rarely needed to meet Big Timber's demand rates for current needs.

In a study dated 2007, 998 water users connected to the City water system. Approximately 120 multi-unit dwellings on the water system were not included in the 998 user count since the count is based on hookups to the city supply lines. The capacity of the upper galleries depends on the level of the Boulder River and varies from 1,200 gallons per minute (gpm) to 400 gpm, with flows ranging from 400-700 gpm. The pumps at the lower gallery have 600 gpm capacity. The two sources of water can provide an average summer combined quantity of 1,300 gpm (700 upper gallery and 600 lower gallery).

In 2000, Big Timber constructed four lined aerated sewage lagoons at its existing lagoon site on the east end on the City. The system was designed to handle a population of 2,050 based on a per capita flow rate of 190 gallons per day. Later phases could bring the capacity up to a population of 3000. As part of the lagoon system replacement and expansion, a new trunk line was installed from the lagoon site to the undeveloped area directly west of the City limits so that developers in this area would be able to connect to the City's sewage disposal network. This project prepared Big Timber for future growth in regard to sewage treatment facilities.

Stakeholder Input

Interviews with town staff led informed similar conclusions to that of Stillwater County. Big Timber is a quiet small town that worries about its future identity as a wave of Bozeman workers flows into town. Local businesses on McLeod Street have enjoyed a slow and steady pick-up but maintaining the town's small town character remains an important objective.

Local input was also provided for site and land suitability. The Stillwater-Sibanye being a large employer with many

IMPLEMENTATION TOOLKIT

In Sweet Grass County, the priority is to expand the housing supply in a way that manages future growth. With mounting market pressure from people leaving Bozeman and a stagnant housing stock over the last several years, the county should target new rental housing.

Infrastructure Assistance

Counties or municipalities can invest public dollars into infrastructure for developments that provide workforce or affordable housing units. Depending on the needs of a project, infrastructure can include streets and roads, water and sewer connections, lighting, right of way purchases, or other utilities. This approach is particularly important in areas that lack existing infrastructure connections, and where costs associated with infrastructure are a major barrier to new housing development. Infrastructure assistance is an effective way to incent the development of new affordable or workforce units by making projects more financially feasible.

Use of City/County-owned Land

Municipalities provide publicly-owned land to developers at a below-market cost for the purpose of building affordable housing. To ensure that affordable units are built, it is up to municipalities to negotiate with developers to provide units at certain price points in exchange for the low-cost land. This approach reduces the cost basis of development in a way that makes affordable units more feasible to provide.

Land Suitability Profile: Big Timber, Sweet Grass County

Figure 54: Land Suitability Map, Big Timber



LAND SUITABILITY

Big Timber shares many characteristics with Columbus like population, employers/economy, housing character and demographics. However being just 40 minutes west means Big Timber is attracting people from the red-hot Bozeman market, creating uncertainty in how much growth the small town will see. Regardless Big Timber's rural character means single family homes are highly desirable. Suitable parcels in the core are few, however adequately sized parcels on the periphery are abundant. A balance must be found between ensuring sites are large enough and unit counts are high enough to make a feasible project and designing projects to match the small towns scale.

Key action considerations for land suitability included:

- Direct multifamily toward the periphery where suitable sites for density are more compatible with surroundings.
- Partner or acquire core area land to complete compact urban mixed use projects (sites C and D) that match the McLeod Ave's form and scale.
- Consider housing projects that are designed for development models like land trusts that provide opportunities for upwardly-moving home ownership.
- Include market rate portions into a development project to finance affordable portions.
- Find sites adjacent to publicly-owned parcels for public/private development partnerships.

Figure 55: Land Suitability Table, Big Timber

Site	Acres	Existing Land Use	Existing Zoning	Owner Type	Site Notes	Potential Unit Range	Overall Housing Potential
A	1.4	Vacant	Hwy Business	Private	Near highway frontage; highly accessible, walkable to core; potential for mixed use with lodging.	6-10	Medium
B	0.9	Telecomm facilities, Vacant	Hwy Business	Private	Near highway frontage; high accessibility, walkable to core and adjacent to municipal services.	4-6	Medium
C	0.4	Vacant	Central Business	Private	Town core lot ideal for vertical mixed use 2 stories; keep consistent with McLeod St character.	4-6	Low
D	0.4	Vacant auto shop building	Central Business	Private	Town core lot ideal for vertical mixed use 2 stories, may require remediation for past use.	4-6	Medium
E	0.5	Vacant	R-2	Private	In multifamily condo neighborhood, adaptable for 12+ unit/acre densities, recommended rezoning (R-3).	12-18	Medium
F	5.4	Open Space	R-1	Non-Profit	Ideal location for multi-phased workforce project; requires annexation/rezoning (R-3), within Planning Jurisdiction	24-40+	High
G	1.0	Community garden	R-2	City of Big Timber, Private	Feasible parcel for public/private partnership for workforce housing; requires land assembly.	8-12	Medium
H	0.7	Storage/Housing	R-1	Sweet Grass County	Recommend county donate land and replace older county-owned units/sheds with workforce units.	6-10	High
I	1.9	Vacant	R-3	Private	Adjacent to interstate and dense housing; opportunity for high density new housing.	24-32	High

Figure 56: Land Suitability Site Examples, Big Timber



Inflow/Outflow Job Counts in 2018



- Number of Opportunity Sites: **9**
- Average Opportunity Site Size: **1.24 Acres**
- Number of Jobs within 5 Miles: **937**
- Largest Employment Sector: **Retail, Education and Health Care**
- Largest Employers: **Stillwater Mining Co, 250-499 Employees; Pioneer Medical Center: 100-249 Employees; Sweet Grass School District: 123 Employees**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **504**
 - Employed and Living in the Area: **212**
 - Living in Area but Employed Outside: **326**
- Main Commuter Destination: **Billings**

Yellowstone County

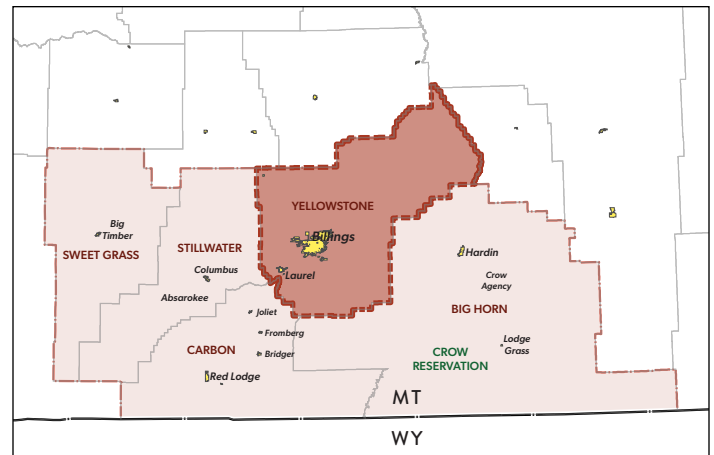
ANALYSIS

Housing development patterns and needs in Yellowstone County reflect the Billings area's economic dominance but relative slow-to-catch-up housing market compared to its counterparts elsewhere in the state. Billings and Yellowstone County now suffer the same cost burdens, lack of inventory and displacement issues as Bozeman, Missoula or other rapidly-developing housing markets. While Billings continues to struggle with changing market conditions, labor issues and more so than its counterparts, homelessness, opportunities exist for innovative methods or unconventional construction techniques. Meanwhile some nearby areas just outside Billings more well-known neighborhoods may offer opportunities for new types of projects that add to desperately needed housing while incorporating economic development strategies much desired by city and community leadership.

Yellowstone County's growth pattern has resulted in an older housing stock in the urban core, with new development of both single family subdivisions and large multifamily apartments units in the suburban periphery. Until recently, slow multifamily growth has exacerbated the housing shortage for those earning middle-incomes, but recent approval and construction of very large suburban multifamily projects may move the needle on the local housing market with the addition of hundreds of new rental apartments. Infill development of dense mixed use or multifamily projects has not been seen to the extent of Bozeman or Missoula, yet a recent overhaul of the zoning code aims to motivate more developers to do so, for market rate or affordable projects.

In the City of Billings, and outlying Yellowstone County communities like Laurel, Lockwood, or Huntley, land banking is an increasingly viable option for providing land for housing developments. Although land and housing costs are escalating, creative partnerships plus applicable

Figure 57: Yellowstone County Context



subsidies may help finance the gap needed for providing housing in the opportunistic locations.

Housing Growth Overview

Recent growth and development has been focused in Billings's suburban locales of the West End and the Heights. Parcels in outlying communities of Lockwood, Huntley and Shepherd may be opportunities, as more abundant land and amenities like new schools and infrastructure make them more neighborhood-oriented. This means new residents can avoid the drive into Billings. Multifamily units are starting to make up more of the market rate housing stock. Supplying density, whether through incentives and gap financing or land contributions will key to a successful project.

Downtown Billings has not seen substantial growth in housing units in recent years. Reasons for this may include demand for primarily single-family homes, development costs, and political roadblocks. The local regulatory framework has aimed to push downtown housing development for several years.

The City of Laurel becomes a growth target both in economics and desirability for those wanting a smaller family-oriented community within range of Billings healthcare, government or industrial job centers. Laurel is also home to a large oil refinery supplying viable jobs within short commute of achievable home prices. However like in Billings, high residential construction costs still limit inventory.

Rural unincorporated communities like Lockwood and Huntley offer additional affordable markets within driving range. Impacts are being felt as these communities transition from historically agricultural to more suburban areas. Lockwood residents, tired of driving kids to different high schools across the county, voted for a bond measure to build an estimated \$50 million modern high school and sports complex. While not all Yellowstone County communities will be able to do this, it shows the importance of spending on community-based facilities. With such new facilities attracting more and more families, housing has not kept pace either in units supplied or in affordability.

In summary, the recent migration and housing boom has added to supply, yet housing options for those serving the local industry continue to be more and more out of reach.

Billings/Yellowstone County Growth Policy

The county-wide growth policy is tasked with providing development guidance for a county that varies by climate, natural resources, tourism visitation and topography. As such the growth policy, through updated dating 2015 and 2020, provided a basis for the county's smaller areas to implement their own policies. Due to their smaller size and slower growth, rural communities often do not have updated growth policies, or are in the process of an update. These places are recognized in the countywide policy, which acknowledges they receive uneven impacts between jobs and housing growth, including wages unable to keep pace with housing demand.

Housing supply, quality, and affordability in small places was a key issue identified in both the county and city growth policies. In addition, the growth policy acknowledges the risk of development impacts ground on water resources even through development of existing subdivisions, and offers policies to increase awareness of where issues may arise.

Generally, the growth policy directs urban-scale growth to existing communities and uses growth scenario

planning to target growth areas to preserve agricultural lands and open space.

Laurel Growth Policy

Housing policy in the 2020 Laurel growth policy update focused on increasing housing supply through increased density, revitalizing older housing, green building retrofits and infill development.

Specific growth policy goals and implementation strategies that inform this Study include:

- Increase density toward the downtown core where opportunity sites may help create housing job diversity.
- Existing zoning standard updates could allow for tiny homes, accessory dwelling units and/or manufactured units.
- Encourage/partner with non-profit and private sectors to increase affordable ownership and rental units.
- Use density bonuses, reduced impact fees or other incentives, planned unit developments relaxed design standards or mixed uses to encourage density and the private supply of affordable rental/owner housing.

Future Land Use: The city provides a Future Land Use Map as a guide for long-range transition, including identifying areas for high- and medium-density housing. This map (see Appendix) was used as an input for locations of opportunity sites in the Land Suitability Analysis.

Urban Renewal

Both Billings and Laurel are among the few Montana communities to employ tax increment financing districts to help aid in community revitalization. Recent worksessions by the Laurel City Council have identified ways to better use TIF funds to boost economic vitality, which include a series of local grant programs. Recommendations to further utilize TIF for housing projects are instilled into the Implementation and Site Concepts of this Study, and are based off precedents such as

the Sawmill District in Missoula or Downtown Helena TIF District. In this Study, focus is added on public improvements for amenities adjacent to potential housing sites (e.g. playgrounds, path or trails) or by direct site improvements to help lower development costs on an affordable/workforce housing project.

Downtown Billings Housing Strategy (2018)

A Downtown Housing Strategy and report was completed to discuss implementation approaches to supplying housing goals in the downtown and surrounding neighborhoods. Applicable findings from the assessment include:

- Near-downtown areas such as the East Billings Urban Renewal Areas (EBURD) were urban growth target hot-spots that could utilize TIF funding as subsidies were not seeing substantial increment to boost redevelopment.
- Billings market rate development could meet demand, but input proved very few units were available to those earning less than 100% AMI.
- Affordable housing options were very limited and supply has almost completely stopped.
- Condominium ownership was strongly needed based on income ranges however there is a growing decrease of this housing choice.

Sites within the Downtown Strategy's focus districts were prioritized in the Land Suitability Analysis.

Land Use and Zoning

Billings/Yellowstone County: The city and county have recently undertaken a substantial update to the land use regulations known as Project Re-Code. Through analysis this update has provided added flexibility for developers and builders to accommodate new housing types and densities. Particularly with the Neighborhood Mixed Use Zone, the updated City of Billings Zoning Code allows for design and density standards that can achieve projects if sited in appropriate areas.

Attention should be given to communicating the ways the new code's hybrid form-based standards can contribute to development types needed for achieving affordable and workforce housing projects illustrated in the Site Concept Prototypes

Mixed Use Zones: The Neighborhood Mixed Use (NMU) zone was identified as an applicable zone for expanding density to meet housing demand in appropriate areas. Land Suitability Analysis and Site Concept Prototypes were tested and intended to be applicable within the standards of this zone, particularly in instances where infill development would occur.

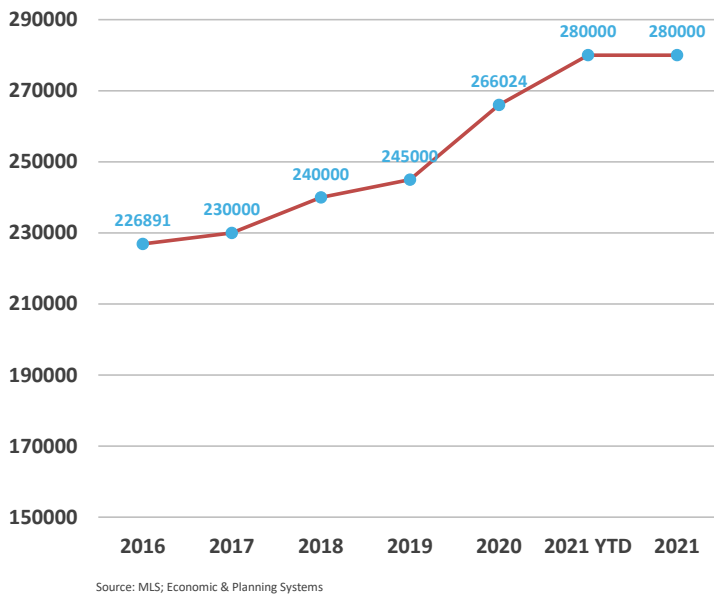
Accessory Dwelling Units (ADUs): The City of Billings has established an ADU Task Work Group to address issues and solutions to implement ADUs as an appropriate way to add to the city's affordable housing supply. Draft language has been created for Section 27-1004 Accessory Uses to create design and development standards that would be applicable to existing and new units and provide a procedure for review and approval of ADUs. The intent is to provide for ADUs while establishing health, safety and compatibility standards in certain zones where single family dwellings are currently permitted. These regulations are recommended to be incorporated into implementation measures in this Study once approved.

Economic and Demographics

Yellowstone County is the largest county in the Beartooth RC&D region, with a population of approximately 164,700. It is home to the largest city in both the region and the State, Billings, which has a population of approximately 110,000. Over the past decade, Yellowstone County has added 16,300 residents, growing by 10 percent.

Yellowstone County also has the largest housing market in the region. In 2020, 3,000 homes were sold, comprising 80 percent of all sales in the 5-county region. Over the past five years, the median home sale

Figure 58: Yellowstone County Home Sales Prices



price has risen significantly, increasing from \$226,891 in 2016 to \$280,000 in 2021 (through May), an average appreciation of 4.0 percent, as shown in Figure 58. Recent appreciation has been notably high, with the median sale price increasing by 8.6 percent between 2019 and 2020, and by 5.3 percent between 2020 and 2021.

As home prices have risen, the wages of major occupations have not kept pace. An analysis of this involved determining the income needed to afford a home at median sale price in Yellowstone County and comparing it against the wages of top occupations in the county over time. As shown in Figure 61, the income needed to purchase a median-priced home in Yellowstone County is higher than the median annual wage for truck drivers, construction workers, starting teachers, and retail salespersons, a gap that grew between 2016 and 2020. At the same time, registered nurses earn a median annual wage above the income required to afford a median price home.

A household is defined as cost burdened if it spends more than 30 percent of its monthly income on housing. Overall,

Figure 59: Yellowstone County Population Growth

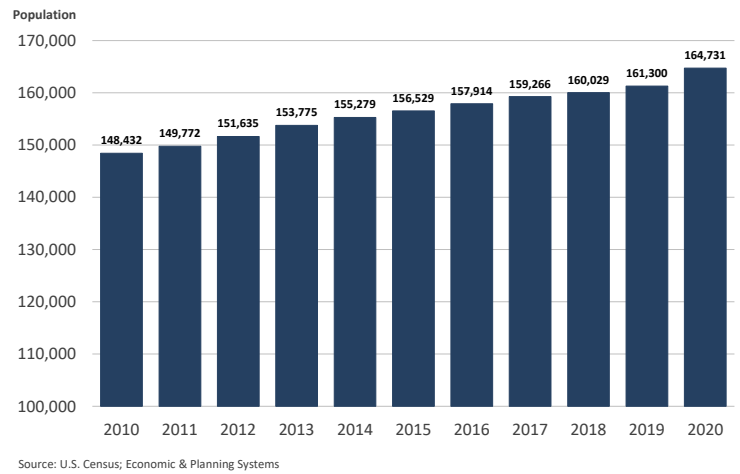


Figure 60: Yellowstone County Home Sales Prices

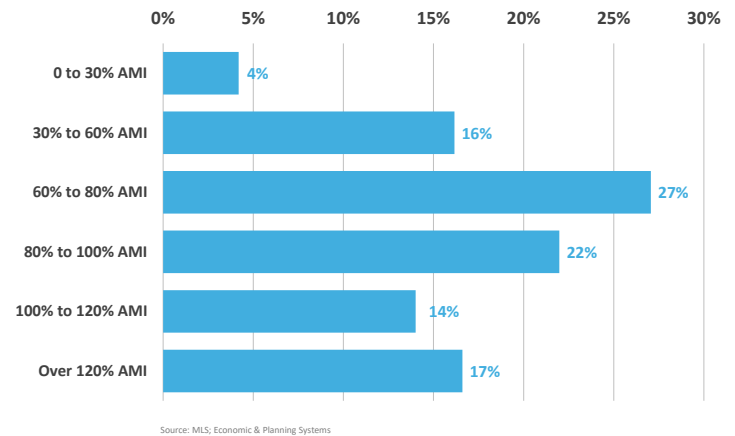


Figure 61: Yellowstone County Income Needed for Median Sales Price

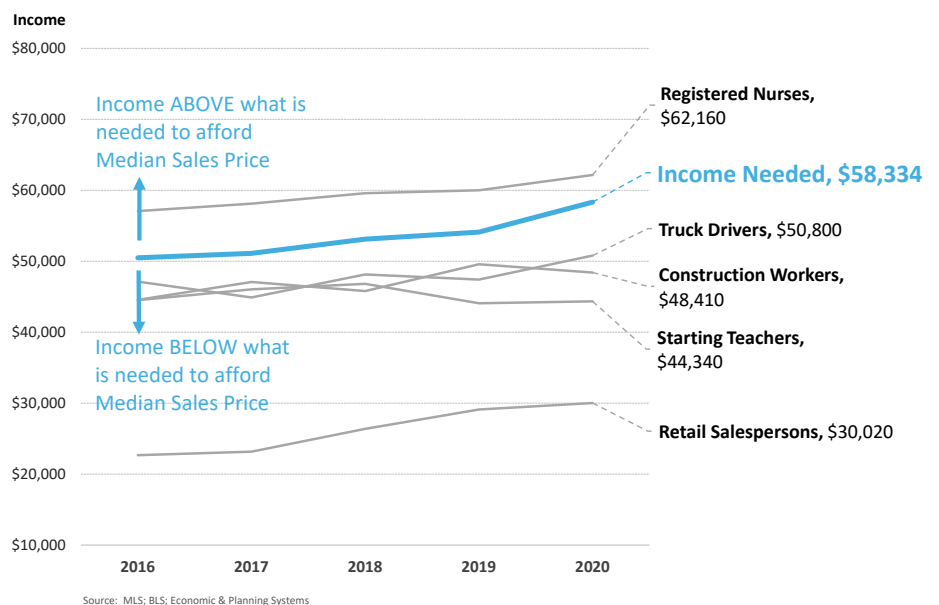


Figure 62: Yellowstone County Home Sales Prices

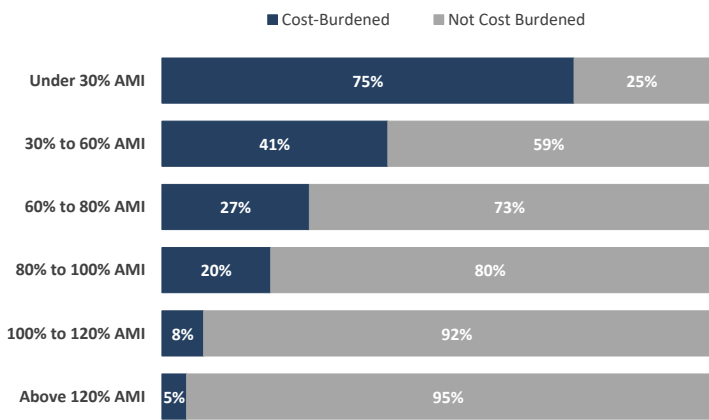
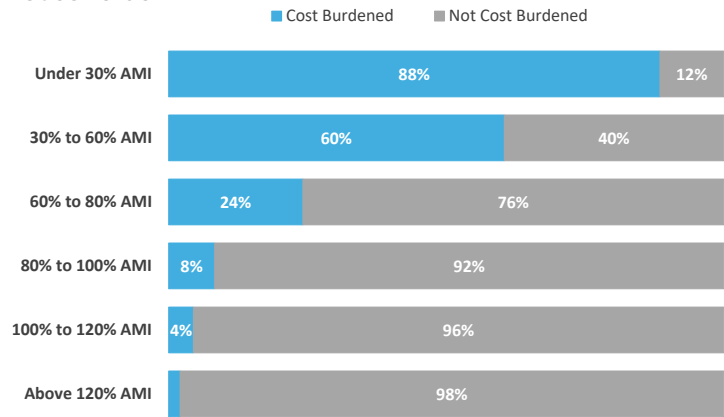


Figure 63: Yellowstone County Cost Burdened Households



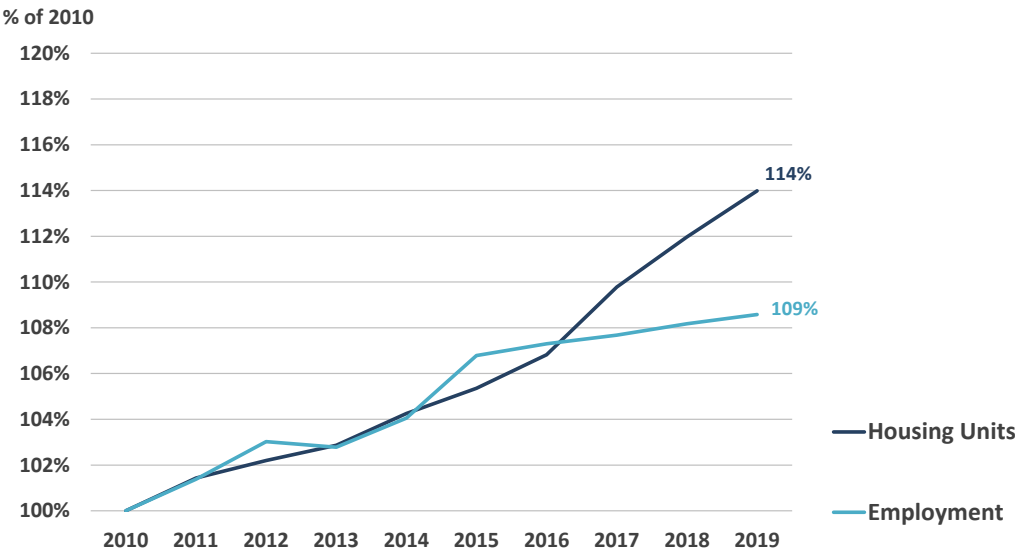
affordability conditions in the for-sale market are better than in the rental market. In Yellowstone County, 29 percent of all households are cost burdened, with 22 percent of owner households and 46 percent of renter households being cost burdened. A significantly higher percentage of households at the lower end of the income distribution are cost burdened in Yellowstone County. These data suggest that rental housing and first time buyer housing should be a priority for policymakers in Yellowstone County and the City of Billings.

On the macro level, the supply of new homes has kept pace with growth in housing demand in Yellowstone

County. As shown in Figure 64, housing unit growth outpaced employment growth (the driver of housing demand) between 2010 and 2019. This shows that the housing market in Yellowstone County has delivered new housing, but has become less affordable at the same time, indicating that new construction is primarily serving the upper end of the market.

Employment in Yellowstone County grew by 5,000 jobs between 2010 and 2020, over 40 percent of which were added in the Health Care and Social Assistance sector, and 25 percent of which were added in the Construction sector. The county economy is diversified, with several sectors comprising over five percent of total employment and no sector comprising over 20 percent of total employment.

Figure 64: Yellowstone County Population Growth



Workforce Housing Targets:
Yellowstone County
Estimated Units Needed:

2021:	881
2022:	896
2023:	910
2024:	925
2025:	939
5-Yr Total:	4,551

Stakeholder Input

City staff, economic development leaders, and local large employers were interviewed to understand immediate impacts and needs as a result of housing conditions.

Findings from these conversations include:

- Development and labor cost for construction have escalated to the point of making affordable units prohibitive to construct.
- Development costs require considerable gap financing to make a feasible affordable project, and utilization of tax increment financing or opportunity zones are seen as potential funding mechanisms.
- Land banking has been useful for encouraging subsidized projects in the 27th Street area yet could be extended to other locations.
- The city is exploring activating underutilized park, recreation or open space lands — possible identified through a site selection process — as potential housing opportunity sites.
- Vacant or underutilized properties in existing communities are available for affordable housing development however costs for services, development, inability to supply land at below-market costs, and political will have hampered their feasibility. This applies specifically to denser multifamily projects.
- Local brokers have seen underutilized parcels in urban renewal areas gaining interest for affordable projects, yet none have been established as feasible.
- Large employers in the healthcare and institutional sectors are strongly in need of middle, to upper middle income workforce housing.
- Areas with existing services are more desirable for projects than new greenfield suburban areas.
- Land use standards and design requirements are not hindering housing supply.

Infrastructure Assessment

Billings Infrastructure: Municipal water and sewer systems generally have capacity to serve growth at current rates, in locations near core areas or designated growth areas. No known infrastructure deficiencies were noted in the Land Suitability Mapping analysis, however it was noted areas in the core likely have aging pipes and delivery systems requiring upgrades to service larger projects.

Laurel: The Yellowstone River has provided adequate water for the city, but in recent years concerns have been raised regarding enough flow due to erosion from flooding and droughts. Laurel has counteracted these concerns through water treatment system upgrades. Improvements were completed on the sedimentation basins and the Water Treatment Plant in 2019.

Additionally, a new water intake in the Yellowstone River was completed in 2017 to ensure a stable water supply despite the changing nature of the river's course and level. A need for a second water reservoir to create extra storage capacity has been identified for urban growth within the city. The city should include this in any future public works planning documents.

The analysis identified the Downtown/Gateway District as an overall opportunity. Utilities serving opportunity sites include municipal water and sewer with a minimum of 12-inch water main and 8-inch sewer main. West and East Railroad Street have 8-inch sewer, while the railroad itself has water services. Private developers are required to extend services to the site.

IMPLEMENTATION TOOLKIT

The recommended housing priorities in Yellowstone County are outlined below. The tools and strategies recommended here are tailored to address housing in these priority market segments.

- Market rate rental housing – The private market can serve a large amount of the rental demand. Current market rents average \$1,100 or \$1.31 per square foot which equate to approximately 80 percent of AMI.
- Affordable rental housing – For housing that serves lower income levels (30-60% AMI), additional policy tools are needed to make development feasible.
- First time buyer and missing middle ownership – For sale housing under \$350,000 will serve buyers in the 80 to 120 percent of AMI range.

Fee Deferrals/Waivers

Development fees and impact fees can be more than 10 percent of the cost of a project. For larger developments and apartments, fees are typically collected before construction which is a large up front cost before any sales or rental revenue is generated. Fee waivers can be offered in exchange for permanent affordability on an agreed upon number of dwelling units. Fee deferrals allow the builder/developer to pay the fees over time which helps with project cash flow and can incentivize construction and result in some modest cost savings due to the time value of money (a dollar today is worth more than a dollar tomorrow). Fee deferrals or waivers can be implemented through development agreements on a case-by-case basis or adopted in an ordinance that defines the specific circumstances for eligibility. Municipalities in Yellowstone County can allow fee deferrals and/or waivers for new owner or renter housing developments that commit to providing units at defined price points. Typically, these price points should fall below 120% of area median income, but can be targeted to even lower price points, depending on the project and the size of the fee deferral or waiver. Fee waivers should include deed restrictions for permanent affordability for a

defined time period such as 20 years to avoid “flipping” and windfalls to the first buyer.

Tax Increment Financing

Tax increment financing is a tool that enables certain districts to channel property revenue resulting from new development (“increment”) into eligible improvements and redevelopment activities. Two types of districts are able to use TIF in Montana: Urban Renewal Districts (URDs) in cities and Targeted Economic Development Districts (TEDDs) in cities and counties, both of which must meet particular criteria and receive local approval in order to form.

TIF in a URD can be used to help finance infrastructure costs to catalyze development. Montana law does not specify housing as a specific expenditure for TIF. Municipalities in Montana do use TIF for related infrastructure and other public costs (street improvements, sidewalks, utilities). TEDDs are more limited to projects that support value added industries. Billings currently has two urban renewal districts: the Downtown Urban Renewal Area and the East Billings Urban Renewal district. A developer that seeks to build housing in one of these districts can apply for TIF to assist with eligible infrastructure costs.

Land Banking

“Land banking” is simply when the public acquires land to hold for future public needs, in this case housing. A land bank can repurpose publicly-owned, underutilized land for housing, providing the land at a low cost to substantially reduce the cost basis of a new development. An effective land bank can catalyze major housing projects by making development more financially feasible. In exchange for free or discounted land, a municipality can negotiate with developers to provide units at certain affordability levels. Land banking is a targeted, effective way to incent new affordable housing development.

The City of Billings Community Development has land holdings that it is currently seeking to repurpose for the

development of affordable housing. Building on this approach would involve an expansion of land holdings and formulating a process to strategically dispose of those land holdings, ideally in a way that targets affordable housing development.

Land Use Code

Project ReCode added flexibility to achieve desired results needed to meet affordable housing targets. The recommendation is to monitor the progress of housing production, particularly multifamily and subsidized units using rezonings to NMU in new neighborhoods to understand if additional changes to the standards of the code are needed.

In Yellowstone County, however, standards for R-zones can be relaxed to encourage multifamily in places like Laurel. Much of the city's residential areas are zoned R60 or R200 while very little is actually zoned Residential Multi Family (the difference being R60 allows up to ten units). Higher densities are needed since feasibility margins so thin. It may not be politically feasible to proactively rezone properties to RMF. Rather the recommendation is to integrate the Land Suitability Maps into growth policy updates to guide future rezoning on designated target areas.

Density Bonuses: In 2011 the city established an Infill Development Policy to accomplish goals of smart growth and affordable housing. This resolution lays the groundwork for density bonuses for affordable projects however the actual mechanism appears to be a gap in the regulatory process. Density bonuses, when located properly, allow the city to decide on a case-by-case basis where increases in unit count and ultimately height and density are appropriate. This is a tool that must be implemented further, particularly in the emergency from the ReCode project as a way to guide denser projects to the downtown core.

Finally, Billings and Yellowstone County would greatly benefit from land use law changes at the state level.

It is repeatedly said the local policy must be changed to enable housing density, however that is politically challenging in the City-County who are on the end of a zoning overhaul which has done its part to provide density. As zoning map changes are increasingly difficult anywhere, tools like inclusionary zoning or upzoning lower-density R-zones may be the most effective tools.

Housing Trust Fund

A Housing Trust Fund (HTF) is often established as a vehicle to receive funding for the explicit benefit of local affordable housing. The funds can come from a variety of sources and can be used for efforts that support or expand affordable housing, such as down payment assistance, direct subsidies, or gap financing. HTFs can also be used as a revolving loan program that becomes self sustaining through revenue generated from loan repayments. Billings does not currently have an HTF. An HTF could be an effective to drive affordable housing production in Billings. The city would need to identify seed funding to establish the fund.

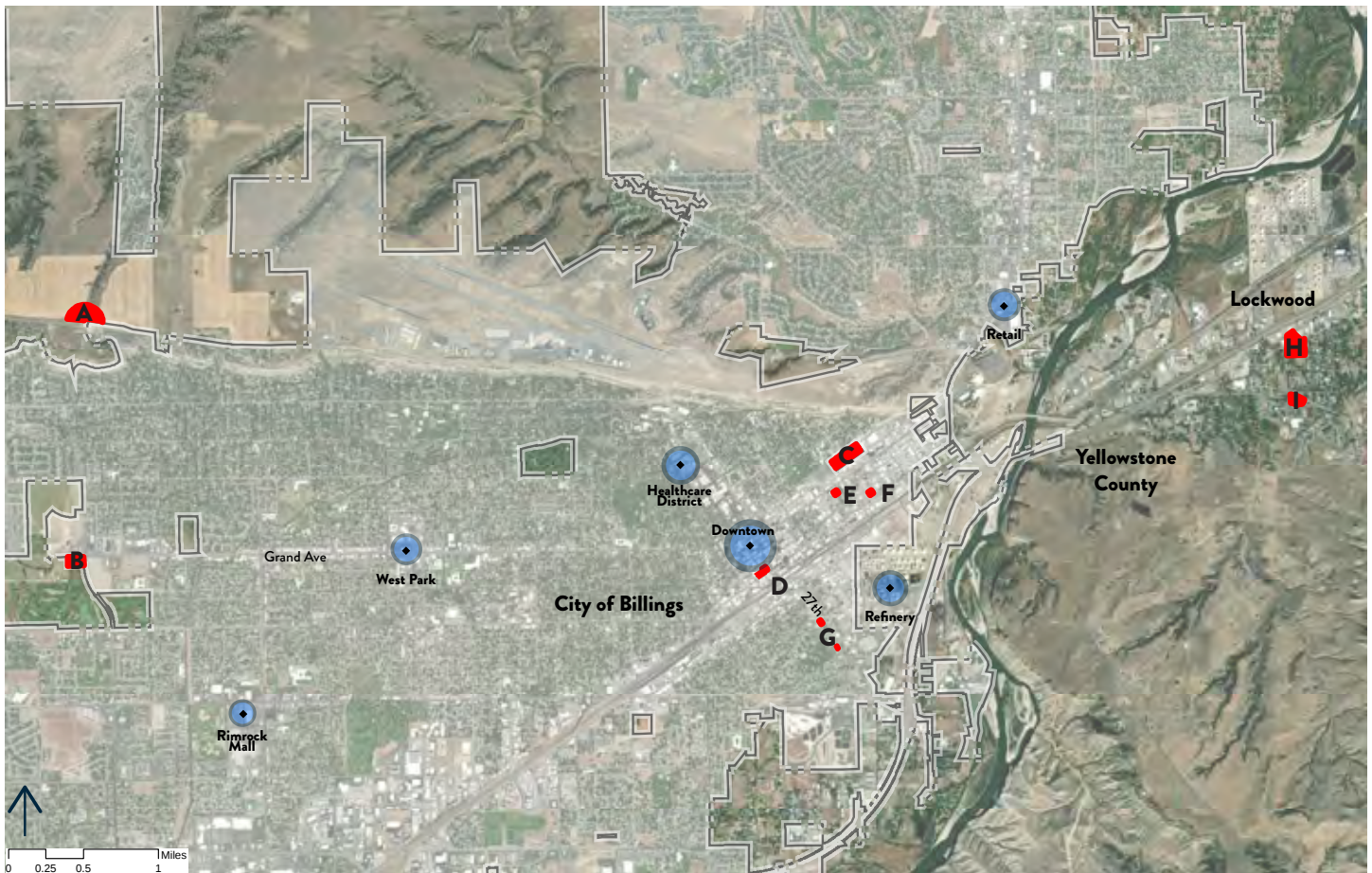
Park Lands

Another idea for answering: "How can Billings contribute lands for affordable housing?" that is gaining interest is offering city park or recreation sites as redevelopment opportunities. Through a facilities planning exercise, the city can explore possible outcomes for the more than three dozen park sites within the municipal boundaries.

The city could utilize a CLT model to enter in to a long-term lease to develop property, bringing funds back into a designated district over time. These funds could then be used to subsidize housing within the targeted area in Billings. Feasibility of this program can be initiated by a parks inventory and assessment plan to identify, rank and determine value of park sites. Through the evaluation several sites may be identified as appropriate for eventual development as standalone affordable projects with the city providing land for a development.

Land Suitability Profile: Billings, Yellowstone County

Figure 65: Land Suitability Map, Billings



LAND SUITABILITY

Numerous applicable opportunities exist in Billings and nearby Yellowstone County communities, and as such the Land Suitability Analysis recommended a spectrum of sites to identify. Characteristically these include urban downtown locations, suburban neighborhoods, future growth areas, urban revitalization areas and rural housing targets in communities like Lockwood. Key action considerations included:

- Identify Billings Community Development Property sites land banked, park sites or nearby sites that could be part of the program.
- Prioritize areas near proposed infrastructure or transportation projects such as the inner belt loop from Highway 3 to the Heights.
- Prioritize sites near MET transit hubs or by intersections served by transit.
- Seek housing in areas rapidly growing or urbanizing with existing infrastructure.
- Prioritize downtown areas identified through stakeholder interviews.
- Identify areas determined as opportunities in the Downtown Billings Housing Strategy.
- Analyze areas with compatible zoning (Neighborhood Mixed Use).
- Identify emerging residential areas in outlying communities like Lockwood with new investment in institutions/ amenities (e.g., schools, grocery stores or other market rate housing).
- Elevate underutilized sites or those in TIF districts with potential as catalysts.

Figure 66: Land Suitability Table, Billings

Site	Acres	Existing Land Use	Existing Zoning	Ownership	Site Conditions	Potential Unit Range	Overall Housing Potential
A	5-10	Vacant	Agriculture 10+	Private	Subdivision required, significant infrastructure improvements needed.	Varies on parcel size	High
B	5.1	Agriculture	PUD	Private	Part of a larger planned development, may require amendment; opportunity for non-residential component on commercial corridor.	80-120+	High
C	6.7	Industrial site	Light Industrial	Private	Opportunity for orientation to 5th Ave Greenway, open air market, free market component likely; had a prior concept for affordable housing. *Used for Site Concept Prototype	180-215+	High
D	0.8	Commercial office, retail	CBD	Downtown Billings Partnership, Private	Likely to require high density for feasibility due to high development/land acquisition cost.	30-38	High
E	0.9	Vacant, Surface parking	EBURD	Billings Senior Citizens, City of Billings	Ideal 2-3 story project; opportunity for live/work, light industrial mixed use; high density needed.	28-32	Medium
F	0.5	Surface parking	EBURD	Private, non profit	Opportunity for partnerships, to build a dense mixed use project with market rate and, affordable units.	16-20	Medium
G	0.9	Vacant, urban land	DX - Downtown Support	Church/Institution, Private	Redevelopment parcels ideal for mixed use or dense housing, partner with institutional ownership to include amenities or services. *Used for Site Concept Prototype	30-38+	Low
H	9.7	Vacant, storage	Corridor Mixed Use	Private	Private property acquisition needed; Lockwood identified as target for modular new neighborhood concept, include playground and open space; strong desire from community to include classroom or community amenity space in within project. *Used for Site Concept Prototype	48-56	High
I	2.9	School buildings, older single family	P2 Public	Lockwood School District	Potential to coordinate with school expansion/master plans to incorporate housing component for district employees.	16-20	Medium

Figure 67: Land Suitability Site Examples, Billings



Inflow/Outflow Job Counts in 2018

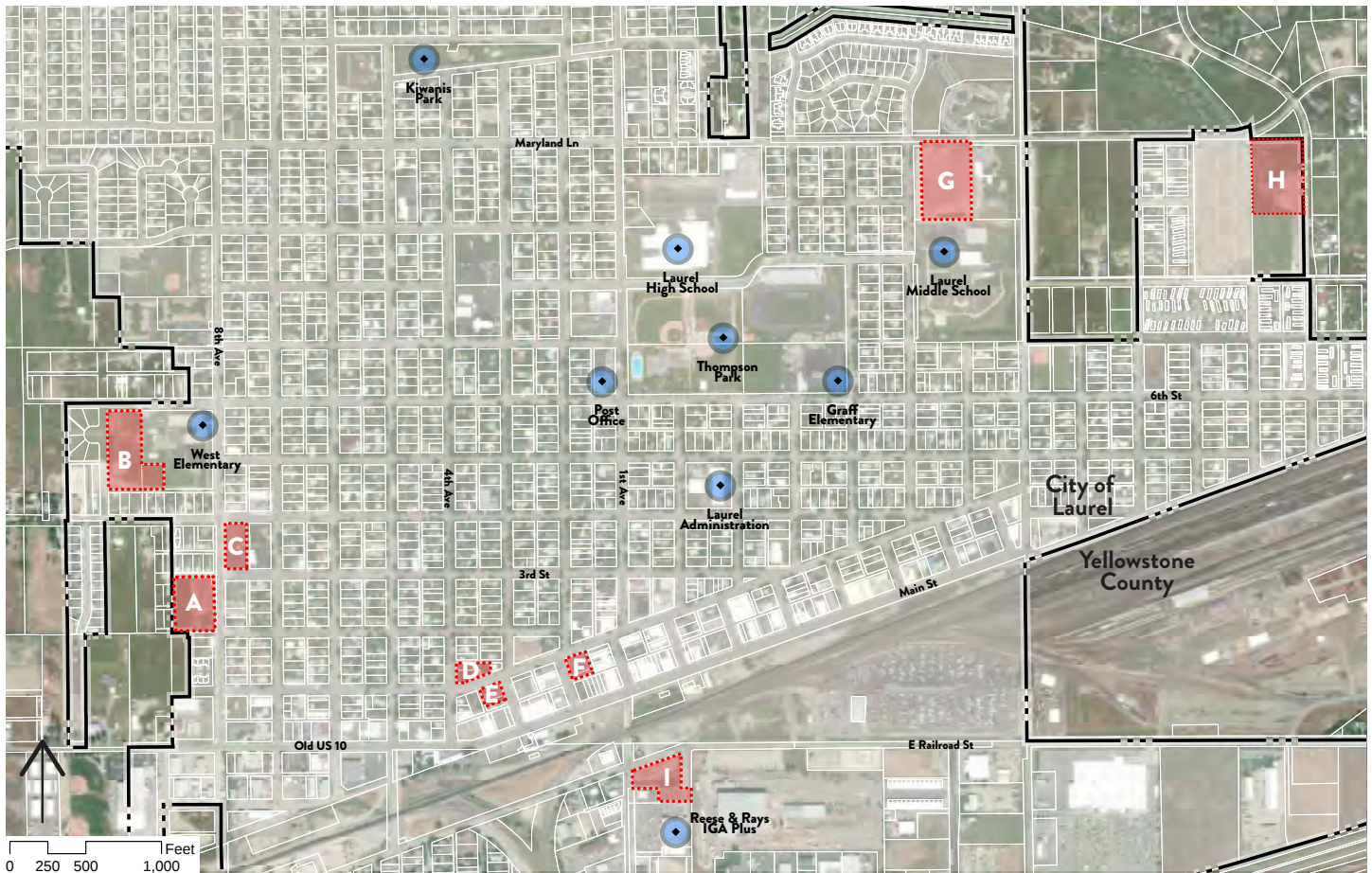


28,093	- Employed in Selection Area, Live Outside
15,078	- Live in Selection Area, Employed Outside
41,680	- Employed and Live in Selection Area

- Number of Opportunity Sites: **9**
- Average Opportunity Site Size: **4.4 Acres**
- Number of Jobs within 5 Miles: **68,773**
- Largest Employment Sector: **Educational Services, Health Care**
- Largest Employers: **Billings Elem/High School Districts, Billings Clinic, St. Vincent Healthcare**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **28,100**
 - Employed and Living in the Area: **41,680**
 - Living in Area but Employed Outside: **15,000**
- Main Commuter Destination: **Billings (in and within community)**

Land Suitability Profile: Laurel, Yellowstone County

Figure 68: Land Suitability Map, Laurel



LAND SUITABILITY

Laurel's urban form is the result of the rail corridor, which established an industrial economy that has defined the city's character. Through urban renewal planning and other redevelopment efforts the city of Laurel aims to capture the early 2020s growth to target areas for mixed use and to revitalize the historic downtown to become more than a bedroom community for Billings. Based on historical mapping record from the Montana State Library, most new housing has been in the form of attached single family or smaller multifamily market rate projects in subdivisions surrounding the older city core. Land suitability strategies embodied this vision and the analysis followed this growth pattern.

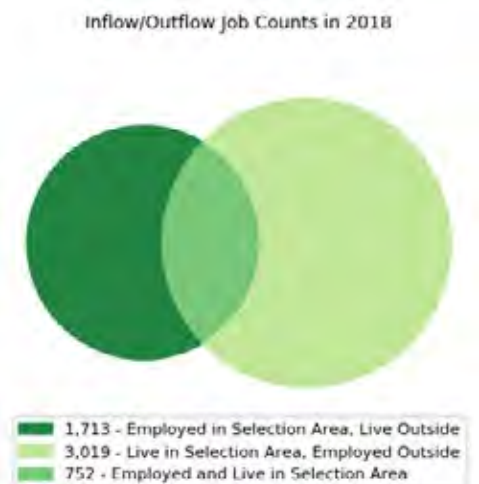
Key action considerations included:

- Identify areas adjacent to activity centers and new development to leverage new infrastructure.
- Identify areas in TIF and special planning districts.
- Since few underutilized or vacant public- or institutional-owned parcels exist in the core, focus on those found in peripheral areas near institutions.
- Follow market rate projects near main street (sites E, F, and G) and create a financial incentive model to gap finance affordable projects, including land acquisition and conveyance.

Figure 69: Land Suitability Table, Laurel

Site	Acres	Existing Land Use	Existing Land Use Zoning (2020 GP)	Owner Type	Site Conditions	Potential Unit Range	Overall Housing Potential
A	2.3	Vacant	Residential Multi Family	Private	Located adjacent to townhome development; affordability opportunity greater with higher density.	24-30	Medium
B	3.2	Sports field	R60	School District 7	Partnership opportunity with SD 7 to develop teacher housing, existing sports field should be replaced.	8-12	Medium
C	0.9	Vacant	R60	Institutional/ Church	Partnership opportunity with institution to develop housing (senior/ workforce), opportunity for modular duplex/ fourplex units.	8-12	Medium
D	0.5	Vacant	CBD	Private	Downtown neighborhood, opportunity for 2-story attached project, private owner likely has plans, incentives likely for affordable units.	6-8	Medium
E	0.3	Vacant	CBD	Private	Downtown core site, opportunity to replace existing older housing or do small 2-story project.	3-6	Medium
F	0.48	Open Space	CBD	City of Laurel, Private	Downtown core site, opportunity to replace existing older housing or do 2-story mixed use project on city-owned land, replacement of commercial parking needed.	8-12	High
G	3.9	Vacant	R200	Institutional/ Church	Partnership opportunity with institution to develop housing in line with their expansion plans, rezoning (RMF or R-50/60) improves feasibility.	10-16	Low
H	3.6	Vacant, gravel parking lot	R200	City of Laurel	City-owned remainder from sports field, annexed with access to services, required rezoning (RMF or R-50/60) lowers feasibility.	12-20	Medium
I	1.7	Vacant	HC, Entryway Overlay	Private	Prime location for dense housing/mixed use project, likely to be market rate, incentives likely for affordable units.	30-40+	Medium

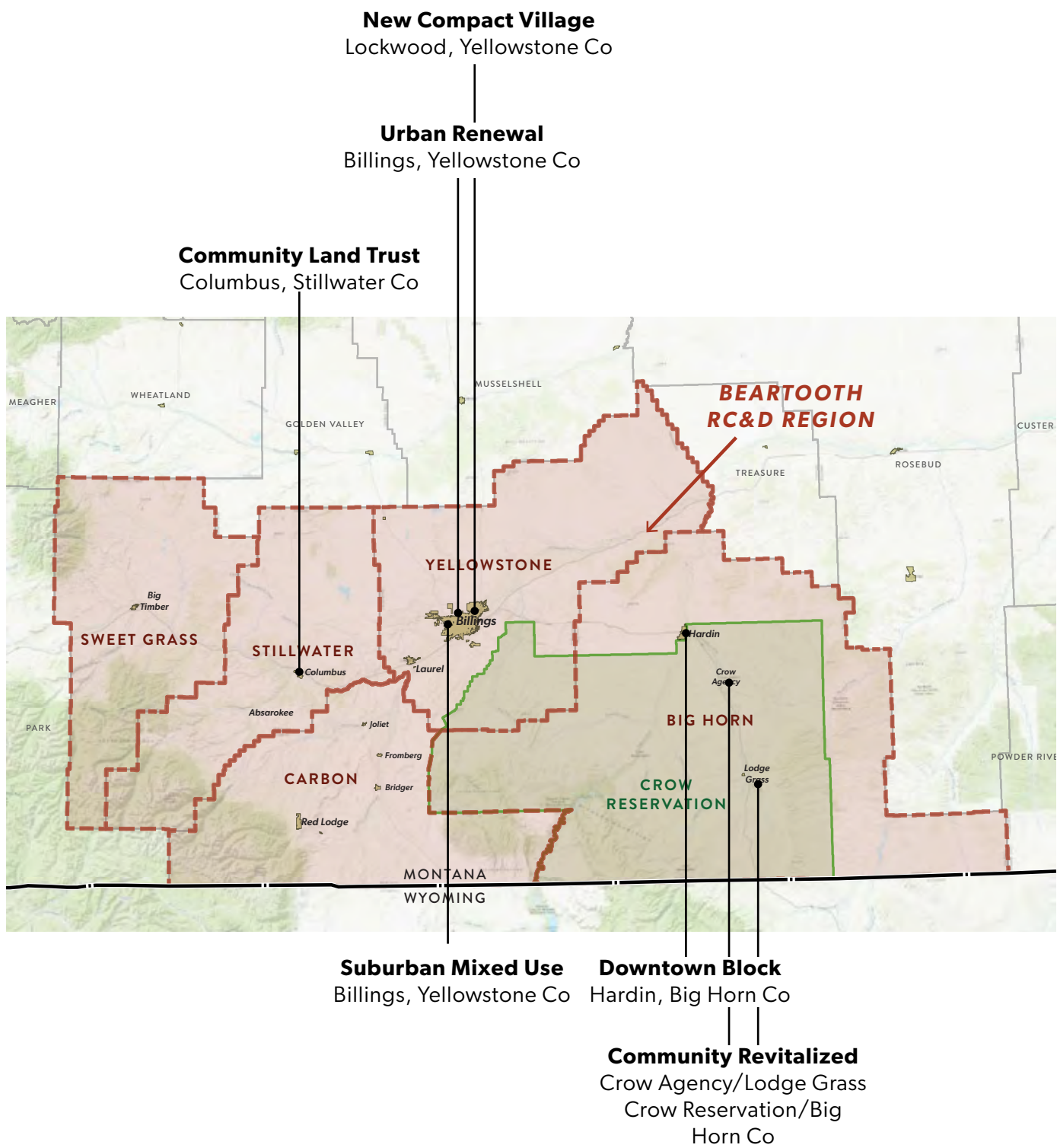
Figure 70: Land Suitability Site Examples, Laurel



- Number of Opportunity Sites: **9**
- Average Opportunity Site Size: **1.85 Acres**
- Number of Jobs within 5 Miles: **4,888**
- Largest Employment Sector: **Education, Public Administration**
- Largest Employers: **Laurel School District 7: 400-450 Employees; Laurel Refinery/CHS: 250-499 Employees; City of Laurel: 250-499 Employees**
- Inflow/Outflow Commuting Pattern:
 - Employed in the Area but Living Outside: **1,713**
 - Employed and Living in the Area: **752**
 - Living in Area but Employed Outside: **3,019**
- Main Commuter Destination: **Billings**

3 | Site Concept Prototypes

CONCEPT GUIDING LOCATIONS



3 | Site Concept Prototypes

WHAT ARE THE PROTOTYPES?

The following are illustrative prototypes that can be used by the community, stakeholders, potential developers, designers and others to demonstrate proposed physical conditions for an area that may be developed to produce housing. These are intended to be applied to prototypical environments meaning they are modeled after a real-world place and condition that is found repeatedly throughout the region. These are drawn for a parcel of land identified as vacant, underutilized or for the conditions reflected in the Land Suitability Analysis optimal for redevelopment for affordable or workforce housing in the intent to meet demand as noted in the data analyses. The prototypes show buildings, roads, connectivity, parking, amenity spaces (open/green space playgrounds or buildings meant for community wide benefit), and landscaping.

WHAT ARE THEY NOT?

The site prototypes are not development plans and are not intended to propose a project on any particular property, private, public or otherwise. Instead they are meant to make real the outcomes of recommendations listed in this Study as a way to take a step out of the process and further enable much needed housing supply that is relevant to the given location.

FINANCIAL FEASIBILITY SUMMARY

In nearly every market multifamily housing is generally not feasible without significant subsidy or flexibility. Each prototype assumes static theoretical costs and each would require some form of financial assistance to construct. The following summarizes needed financial, policy or design flexibility needed for feasibility:

- **Urban Renewal:** TIF funds (infrastructure/site), parking requirement relaxation, market rate component.
- **Urban Block:** Land donation, federal subsidies.
- **Suburban Flats:** Parking requirement relaxation and/or density bonus, LIHTC subsidies.

- **Country Townhome Village :** CLT funds, market rate component.
- **New Compact Village:** Land trust revenues, Housing Authority charter program, non-profit assistance (e.g. Habitat for Humanity), parking relaxation, modular construction techniques.
- **Community Revitalized:** Federal and state grants, land donation, local job training centers.

GUIDING DESIGN PRINCIPLES

Based on physical conditions, community analyses, study of existing policies, stakeholder discussions, economic conditions and market feasibility, the following principles were applied when illustrating site concepts:

- Applicability of a prototype to multiple development conditions across the BRCD region.
- Consideration of innovative or unconventional construction methods.
- Promote of a mix of unit types, densities and price points.
- Smart growth principles of promoting density in suitable areas instead of developing open space and creating suburban sprawl.
- Realistic financial feasibility of a concept in the current market, including amenities and parking arrangements.
- Optimize density to match the character of a site prototype's location.
- Aesthetic appeal.
- Compatibility with local costs, sales prices, vacancy rates or market demand.
- Ability to meet projected housing needs and demographic trends.
- Compliance with local codes and landscape requirements.



5 - 6 Story Mixed Use

Dashed-line indicates underground parking garage:



Railway Corridor: Existing Condition



Concept Summary	Notes
Applies To	Large urban renewal/industrial areas with brownfields or other site remediation needs, in TIF district: Billings, Laurel
Housing Product Type	Market rate 5-6 story mixed use: 147 units; Townhome 3-story: 58 units ; 4-6 story affordable w/mixed use: 115 units Total: 320 units (48 units/acre)
Unit Avg. Square Footage	Market rate: 1,000 – 1,200 SF; Townhome: 1,250 SF; Apartment: 900 SF
Non-Residential	Opportunity for mixed use, non-residential space compliant with City zoning, intended for resident/community services/amenities; ~ 20,000 SF
Parking	Overall site parked at 1.0 stalls per unit, may require parking requirement relaxations
Rental or Ownership Units	Rental
Site Amenities	Greenspace, pathways, connectivity to greenway
Acreage	Site: 5-10 acres (6.7 acres shown)
Orientation and Access	Site designed for phasing and connecting to existing street grid, adapt to future transportation plans, buildings orient to future greenway on rail corridor
Nearby Amenities	Downtown, MET transit, services, Rimrocks, parks, trails, MetraPark

How To Implement:

- Engage community, identify issues and needs.
- Engage a development team.
- Use Land Suitability Map and other inputs to locate a site, ensure site meets in HUD’s qualifications.
- Complete Feasibility Study/Proforma—grant funding is available.
- Determine rent/ownership mix.
- Complete LIHTC application on State of MT website.
- Solicit RFP/RFQ for Architecture/Engineering Services.
- Initiate City of Billings annexation and development agreement.
- Secure project funding (see funding sources at right), engage MT DOC MT Housing.
- Secure all city approvals/final permitting.

Funding Sources:

Funding for this concept should be multifaceted and from several sources to diversify the financing.

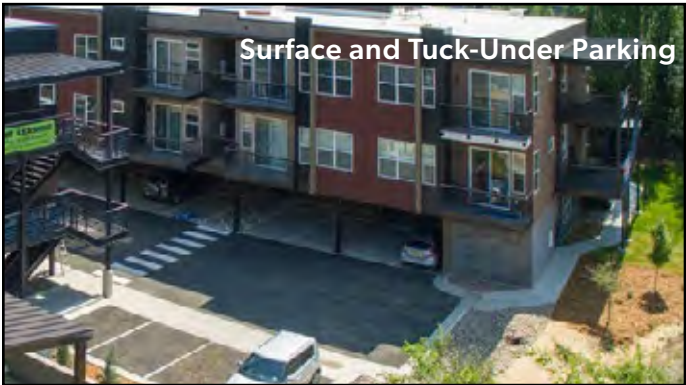
- TIF:** The EBURD TIF funds could be used for site prep and infrastructure upgrades. Dependent on the district produced more increment dollars in forthcoming years.
- Low Income Housing Tax Credits (LIHTC):** federal tax credit program for constructing projects that are dedicated to low- and moderate-income people. In Billings, typical LIHTC awards are between \$4m to \$10m.
- New Market Tax Credits (NMTC):** provide funds for developers to convert credits into cash equity.
- Community Development Block Grants (CDBG):** local governments use CDBG to fund construction of single-family or multi-family housing projects that benefit low- to moderate-income people. Could go toward green building initiatives or on-site sustainability infrastructure.
- HOME Investment Partnership:** federal program for low-income housing. Administered by MT DOC.



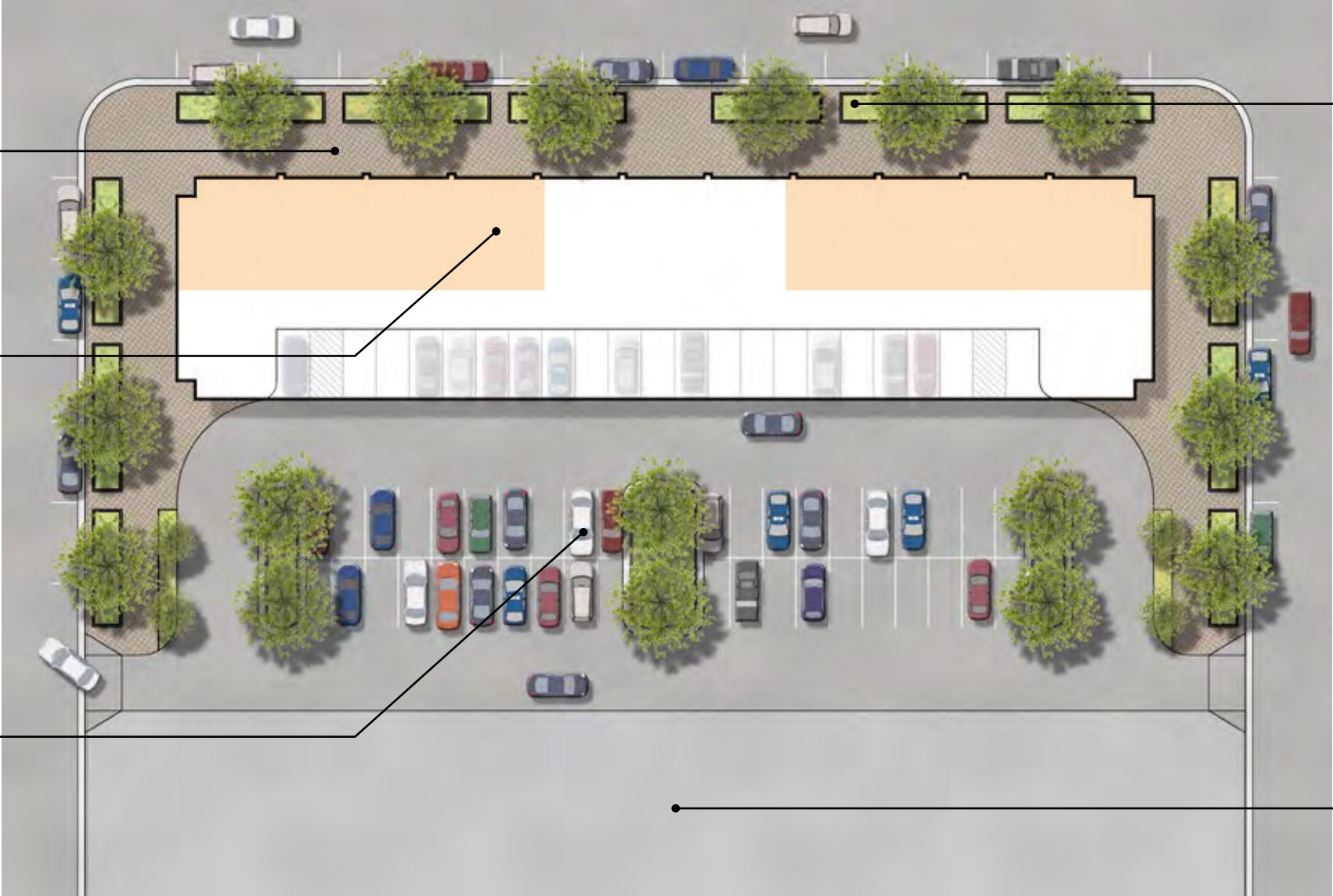
Pedestrian Activated Frontage



Main Street Mixed Use



Surface and Tuck-Under Parking



Green Infrastructure and Streetscaping



Could be Replicated on other Half-block

Concept Summary	Notes
Applies To	Historic main street 300-foot alley-loaded blocks, with local services or accommodations/recreation economies: Hardin, Laurel, Billings, Red Lodge
Housing Product Type	Standard apartment, 3-floors
Number of Units	Market rate: 32 units, CLT: 56, Total: 88 (flexible)
Unit Avg. Square Footage	700 – 900 SF
Parking	62 stalls, 1.6 per unit; surface and tuck-under
Rental or Ownership Units	Rental
Site Amenities/Non-Residential	3,000 to 4,000 SF indoor community space, intended for resident services
Acreage	0.96 AC; 42,000 SF
Orientation and Access	Extend street grid through site, master plan to continue grid for future expansion, vehicle circulation to interior, pedestrian to outside
Nearby Amenities	Downtown, schools, county building, parks

How To Implement:

- Engage development team.
- Use Land Suitability Map and other inputs to locate a site, ensure site is in HUD’s Qualified Census Tracts (QCTs).
- Engage landowner and negotiate to acquire parcel
- Complete Feasibility Study/Proforma and a Mini Market Study—grant funding is available.
- Complete LIHTC application on State of MT website.
- Solicit RFP/RFQ for Architect and Engineering Services.
- Secure project funding (see funding sources at right), engage MT DOC MT Housing.
- Secure all local approvals/final permitting.

Funding Sources:

- Funding options include:
- Community Development Block Grants (CDBG): local governments use CDBG to fund construction of single-family or multi-family housing projects that benefit low- to moderate-income people. Could go toward green building initiatives or on-site sustainability infrastructure.
 - HOME Investment Partnership: federal program for low-income housing. Administered by MT DOC.
 - Low Income Housing Tax Credits (LIHTC): federal tax credit program for constructing projects that are dedicated to low- and moderate-income people. Currently the Rangeview Apartments and Fifth Street Apartments are the only LIHTC-awarded projects in Hardin, both awarded in the 1990s.
 - Local (Laurel only) grant programs through TIF: General Large Grant (projects over \$5,000), General Small Grant, Technical Assistance Grant. \$225,000 available in total funding.

Site Concept Prototype | Suburban Flats | Billings, Yellowstone County

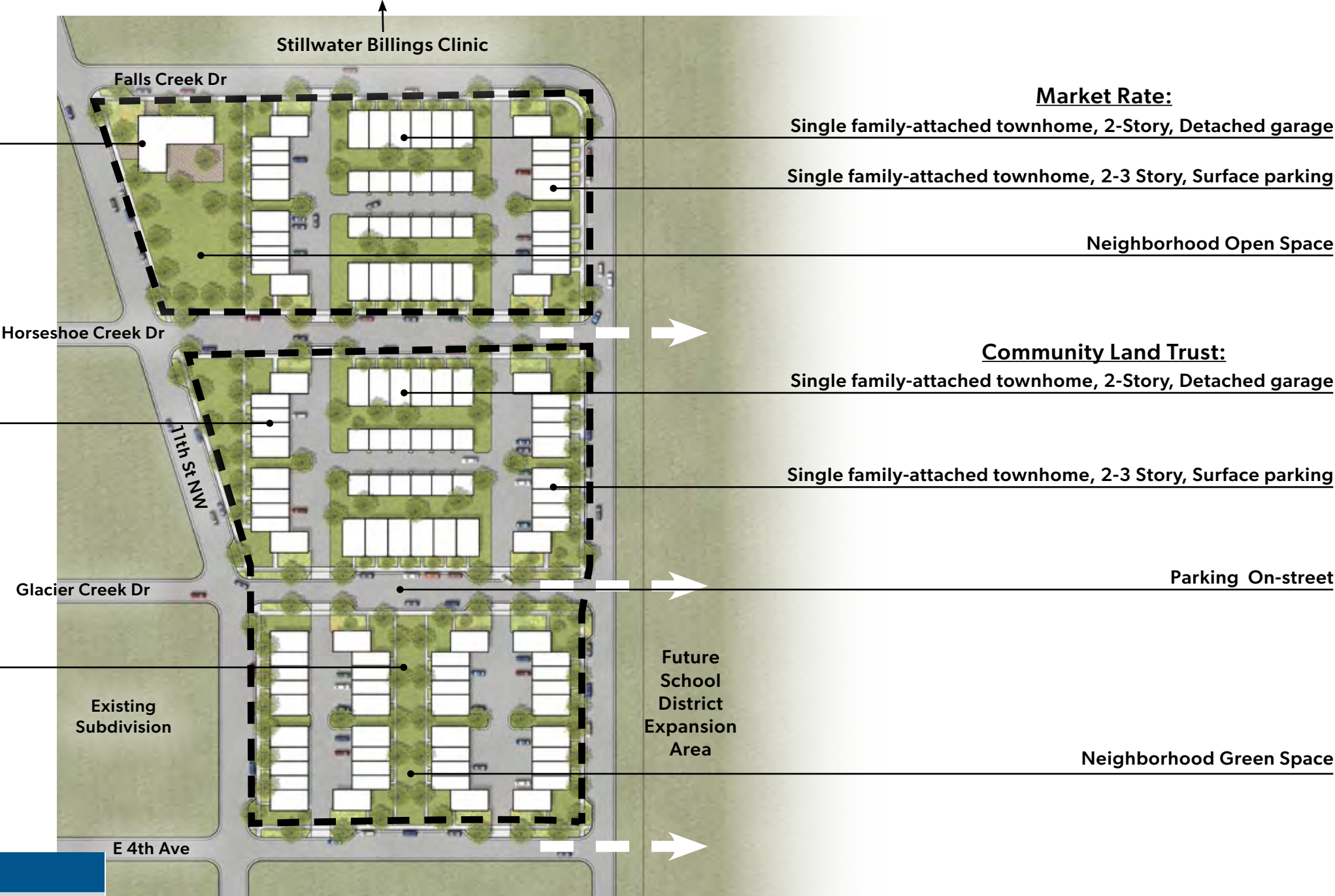


Concept Summary	Notes
Applies To	Rapidly growing suburban fringes on major commercial corridors where land is limited; Billings
Housing Product Type	88 Walk-up apartments, 32 Townhomes 120 Total units
Unit Avg. Square Footage	Townhome: 900 SF, Walk-up: 810 SF
Parking	136 Total stalls; 1.13 per unit; Tuck-under, garage and surface; Would require parking min relaxation
Rental or Ownership Units	Rental/land trust ownership mix
Site Amenities	Indoor amenity space, common green space, pathways
Acreage	4 to 5 AC
Orientation and Access	The site and urban design fronts buildings and entries to street to activate frontage, vehicles are circulated internally and to the rear. Two cross-wise axes establish a greenway corridor in both directions
Nearby Amenities	Pharmacy, retail, healthcare, recreation and open space

- How To Implement:**
- Engage community, identify issues and needs.
 - Engage development team.
 - Use Land Suitability Map and other inputs to locate a site, ensure site is in HUD’s Qualified Census Tracts (QCTs).
 - Complete Feasibility Study/Proforma and a Mini Market Study—grant funding is available.
 - Complete LIHTC application on State of MT website.
 - Solicit RFP/RFQ for Architect and Engineering Services.
 - Secure project funding (see funding sources at right), engage MT DOC MT Housing.
 - Secure all local approvals/final permitting.

- Funding Sources:**
- Funding for this concept should be multifaceted and from several sources to diversify the financing.
- Low Income Housing Tax Credits (LIHTC): federal tax credit program for constructing projects that are dedicated to low- and moderate-income people. In Billings, typical LIHTC awards are between \$4m to \$10m.
 - Community Development Block Grants (CDBG): local governments use CDBG to fund construction of single-family or multi-family housing projects that benefit low- to moderate-income people. Could go toward green building initiatives or on-site sustainability infrastructure.
 - HOME Investment Partnership: federal program for low-income housing. Administered by MT DOC.

Site Concept | Country Townhome Village | Columbus, Stillwater County



Concept Summary	Notes
Applies To	Undeveloped vacant land on services within municipalities; Columbus, Red Lodge
Housing Product Type	Attached single family townhome, 2 stories
Number of Units	Market rate: 32 units, CLT: 56, Total: 88 (flexible)
Unit Avg. Square Footage	900 SF: 48 units, 1,760 SF: 24 units, 2,000 SF: 32 units (flexible)
Rental or Ownership Units	Ownership through land trust
Site Amenities	4,000 SF indoor community space, open space
Acreage	9 AC
Orientation and Access	Extend street grid through site, master plan to continue grid for future expansion, vehicle circulation to interior, pedestrian to outside
Nearby Amenities	Downtown, grocery, healthcare, neighborhood parks

How To Implement:

- Engage community, identify issues and needs.
- Engage property owner, negotiate land acquisition.
- Engage Trust Montana, establish community district and trust.
- Use Land Suitability Map and other inputs to locate a site.
- Engage developer for market rate component.
- Complete Feasibility Study/Proforma—determine funding needed.
- Solicit RFP/RFQ for Architect and Engineering Services.
- Secure project funding (see funding sources at right), engage MT DOC.
- Secure all local approvals/final permitting.

Funding Sources:

- Funding for this concept should be multifaceted and from several sources to diversify the financing.
- Community Development Block Grants: local governments use to fund construction of single-family or multi-family housing projects that benefit low- to moderate-income people.
 - HOME Investment Partnership: federal program for low-income housing. Administered by MT DOC.

Site Concept Prototype | New Compact Village | Lockwood, Yellowstone County



Community Indoor Space:
Child care
Classrooms
Event space
Technology lab

Modular Single Family/Duplex, 2-Story

Community Open Space

Parking On-street

Community Open Space

Concept Summary	Notes
Applies To	Undeveloped vacant land on services, low-density areas near schools and larger job centers; Lockwood, Huntley, Joliet
Housing Product Type	Modular single family and duplex, 2-Story tiny homes
Number of Units	Modular: 68 units, Tiny homes: 6, Total: 74
Unit Avg. Square Footage	Modular: 1,200 SF Tiny homes: 425 SF
Parking	On-street avg. 1.2 spaces per unit
Rental or Ownership Units	Rental, ownership through assistance programs.
Site Amenities	2,500 SF community space, open space
Acreage	4.5 acres
Orientation and Access	2 points of vehicle access, continued pedestrian connectivity from major road throughout site
Nearby Amenities	Grocery, schools, neighborhood parks

How To Implement:

- Engage community, identify issues and needs.
- Engage Housing Authority, enter into home buyer programs.
- Engage a development team.
- Engage modular home provider.
- Use Land Suitability Map and other inputs to locate a site.
- Complete Feasibility Study/Proforma—determine amount needed.
- Secure project funding (see funding sources at right), engage MT DOC.
- Solicit RFP/RFQ for Architect and Engineering Services.
- Secure all local County approvals/final permitting.

Funding Sources:

Funding for this concept should be multifaceted and from several sources to diversify the financing.

- Community Development Block Grants: local governments use to fund construction of single-family or multi-family housing projects that benefit low- to moderate-income people.
- HOME Investment Partnership: federal program for low-income housing. Administered by MT DOC.



Concept Summary	Notes
Applies To	Low density areas with services: Crow Agency, Lodge Grass, Pryor, Wyola
Housing Product Type	Modular Duplex 2-Story 3 Bed, Modular Single Family 3-4 Bed Opportunity to mix modular with traditional materials (e.g. compressed earth block)
Number of Units	36 duplex, 24 single family: 60 total
Unit Avg. Square Footage	2,400 SF
Parking	2+ Spaces per unit, on-street and driveway
Rental or Ownership Units	Rental/land trust ownership mix
Site Amenities	Playground, gardens, open space
Acreage	10-20 AC
Orientation and Access	Site plan and buildings oriented in traditional circular form, open natural lighting to the south, passive heating/cooling
Nearby Amenities	Crow Tribal Housing Authority, schools, cultural/tribal centers

How To Implement:

- Engage community, identify issues and needs.
- Engage job training programs to workshop traditional building materials, site design. Engage Div. of Energy and Mineral Development for guidance.
- Use Land Suitability Map and other inputs to locate a site.
- Complete Feasibility Study/Proforma—grant funding is available.
- Secure project funding (see funding sources at right).
- Utilize local job force, solicit for professional consultant to do preliminary design.
- Secure all local approvals/final permitting.

Funding Sources:

Funding for this concept should be multifaceted and from several sources to diversify the financing.

- Indian Housing Block Grant: A competitive grant, this is a program that should be applicable for this site concept. Utilizing cultural design and community-serving amenities it illustrates design features not typically found in similar projects.
- Low Income Housing Tax Credits: \$4.4 million went to tribe in 2021 for rehabilitation -- could contribute to site, multifamily redevelopment or other efforts.
- Community Development Block Grants: could supplement development or amenities, like community gardens or playground/park space.

4 | STATE LEGISLATION

Policies implemented at the state level have the potential to make a substantial impact on housing and housing affordability in Montana. The State Legislature has power to alter the regulatory environment, establish funding sources, and use state resources to fund various programs. In general, the State of Montana has played a limited role in addressing housing policy. In recent years, however, the legislature has implemented and considered a wider range of legislation that influences housing policy across the state. This section documents what state-level programs are currently in place, what housing-related policies have come up at the state legislature, what policy tools are currently prohibited and would need state action to change, and what a few other states have implemented at the legislative level.

EXISTING PROGRAMS

Multifamily Coal Trust Homes Program

This program passed in 2019 with House Bill 16. It establishes a \$15 million revolving loan fund using dollars from the Coal Tax Trust Fund to fund low-interest loans for multifamily projects with units affordable to low-income renters. Loans are capped at \$1.5 million and serve as gap financing to make projects more feasible. The fund supports approximately 6-7 projects per year and loans can be used by developers to finance new construction, land acquisition, or rehabilitation of existing rental properties.

Typically, the fund supplements projects that are receiving federal low-income housing tax credit incentives. The program expands the funding available to drive affordable housing development in Montana, although its size and corresponding impact is somewhat limited. It is worth noting that in 2020, the legislature

proposed to double the size of the fund to \$30 million, but this was ultimately rejected due to concerns that expanding the fund would place excessive obligations on the Coal Tax Trust Fund.

RECENT LEGISLATIVE ACTIONS

These are policy approaches that have recently been considered at the state level and would need legislative backing to be implemented.

State Workforce Housing Tax Credit Program

In 2021, both houses of the Montana legislature passed House Bill 397, which intended to establish a state-level low-income housing tax credit program (LIHTC). The program was designed to pair with federal LIHTC projects, a major source of funding for affordable housing in Montana. The bill set state funding at 50 percent of available annual federal LIHTC allocations to the state. Despite passing through the legislature, the bill was vetoed by the governor and did not pass a veto override. A state-level tax credit program would have significantly expanded the funding channeled into affordable and workforce housing projects in Montana. Despite the recent veto, this policy approach had broad political appeal and could re-emerge in future legislative sessions.

Statewide Upzoning

Upzoning is an approach to expanding housing supply through regulatory change. Upzoning allows an increase in the density and number of housing units in residential areas. In 2021, House Bill 134 was introduced in the state legislature that proposed to upzone residential areas across Montana. In effect, the bill would have legalized the development of duplex housing (a housing structure with two dwelling units) by right on all lots zoned for

single family homes in cities with at least 5,000 residents, and would have legalized the development of fourplex housing (a housing structure with four dwelling units) by right on all lots zoned for single family homes in cities with at least 50,000 residents. This law is intended to grow the housing stock without direct subsidy or intervention, relying on the market to leverage a more flexible regulatory framework and build more housing units. It is worth noting that upzoning does not guarantee or mandate affordability of new housing built, although the types of housing it targets – duplexes, triplexes, fourplexes – are often more economical than single family homes and can be built at a lower price point. Upzoning provides incentive and opportunity to interested land owners and allow the private sector to build more housing rather than the government.

State Incentive Programs

Housing is a resource-intensive policy issue that often requires state funding to help areas with more limited resources. States possess financial resources that, if leveraged effectively, can make a significant impact on housing development and affordability. Moving forward, expanding funding for housing will be an essential strategy for addressing housing needs. In Montana, the State government has not taken major policy steps to channel state resources into housing. Two states proximate to Montana, Nebraska and Colorado, have recently taken policy actions that apply state resources to housing, and serve as strong models of how state-level funding can be directed into housing.

Nebraska: In 2020, the Nebraska state legislature established the Middle Income Workforce Housing Investment Fund (MWHF) using \$10 million from the state general fund. The MWHF is a program that provides grants of up to \$1 million for nonprofit development organizations who seek to invest in owner-occupied workforce housing, through new construction or through rehabilitation. The program awards grants on a

competitive basis and stipulates that applicants provide a 1:1 match in funds. Although housing in Nebraska is generally affordable relative to other places, the legislature recognized the need to invest in housing on a state level and took a proactive step to meet growing housing needs and expand the housing stock.

Colorado: The Colorado State Legislature established an affordable housing development incentives grant program in 2021 with \$40 million primarily drawn from federal coronavirus recovery funding. The program provides grants to local governments that adopt at least 3 policy tools that promote the development of affordable housing. The approved policy approaches are explicitly listed in the bill, and include approaches such as upzoning, land banking, density bonuses, and infrastructure assistance. By allocating grants to communities, the bill intends to drive the development of affordable housing. The passage of this bill also represents a growing consensus by Colorado policymakers that leveraging state resources is a critical way to address the urgent affordable housing needs across the state.

CHANGES IN LEGISLATION

The following tools are not authorized in Montana. Changes to state law would be needed for these to be used.

Inclusionary Zoning

Inclusionary zoning is a regulatory tool used to require developers to set aside a certain percentage of new residential units built as affordable, following defined price points. For example, an inclusionary zoning law might stipulate that 20 percent of all new for-rent residential units in a new development must be affordable at or below 80 percent of area median income. It is commonly seen as a way to leverage ongoing residential development in order to create affordable housing.

Its efficacy in producing affordable housing varies and its success depends on the market context in which it is implemented. Inclusionary zoning works best in high cost markets with supply constraints and where there is no or little overlap with affordable or deed restricted prices or rents and market rate housing.

The Montana State Legislature prohibited local governments from implementing inclusionary zoning in 2021 with the passage of House Bill 259. The bill explicitly precludes any local law that requires developers to pay fees or dedicate real property for the purpose of providing housing for specified income levels or sale prices. At the time of the law's passage, Whitefish and Bozeman had inclusionary zoning programs in place, but were forced to roll back the programs to comply with the new law. The passage of this bill indicates a limited political appetite for inclusionary zoning and creates significant barriers for future attempts to implement inclusionary zoning programs.

This legislation does not appear however to restrict local governments' powers to use voluntary development agreements for creating public benefits in partnership with private developers.

Local Option Sales Tax

A local option sales tax is a special-purpose tax implemented and levied at the municipal or county level. The tax is applied only in the municipality or county in which it is implemented and applies to the retail value of goods sold. Currently, local option sales taxes are illegal in Montana. The exception to this is the resort tax, which functions as a local option sales tax, but is limited to areas with a population under 5,500 and with a tourism-driven economy, and is limited to particular types of retail goods.

In 2021, the legislature introduced House Bill 187, which would have enabled municipalities and counties to seek voter approval for a local option sales tax of up to 2%. The bill died in committee, but the issue of allowing local option sales taxes has been raised over the past several years and has gained some political traction. As it relates to housing, a local option sales tax could be used as a revenue stream for housing-related programs, such as a housing trust fund. A local option sales tax is worth further consideration as a means to expanding funding for housing, although the issue is ultimately constrained by political barriers.

Real Estate Transfer Tax

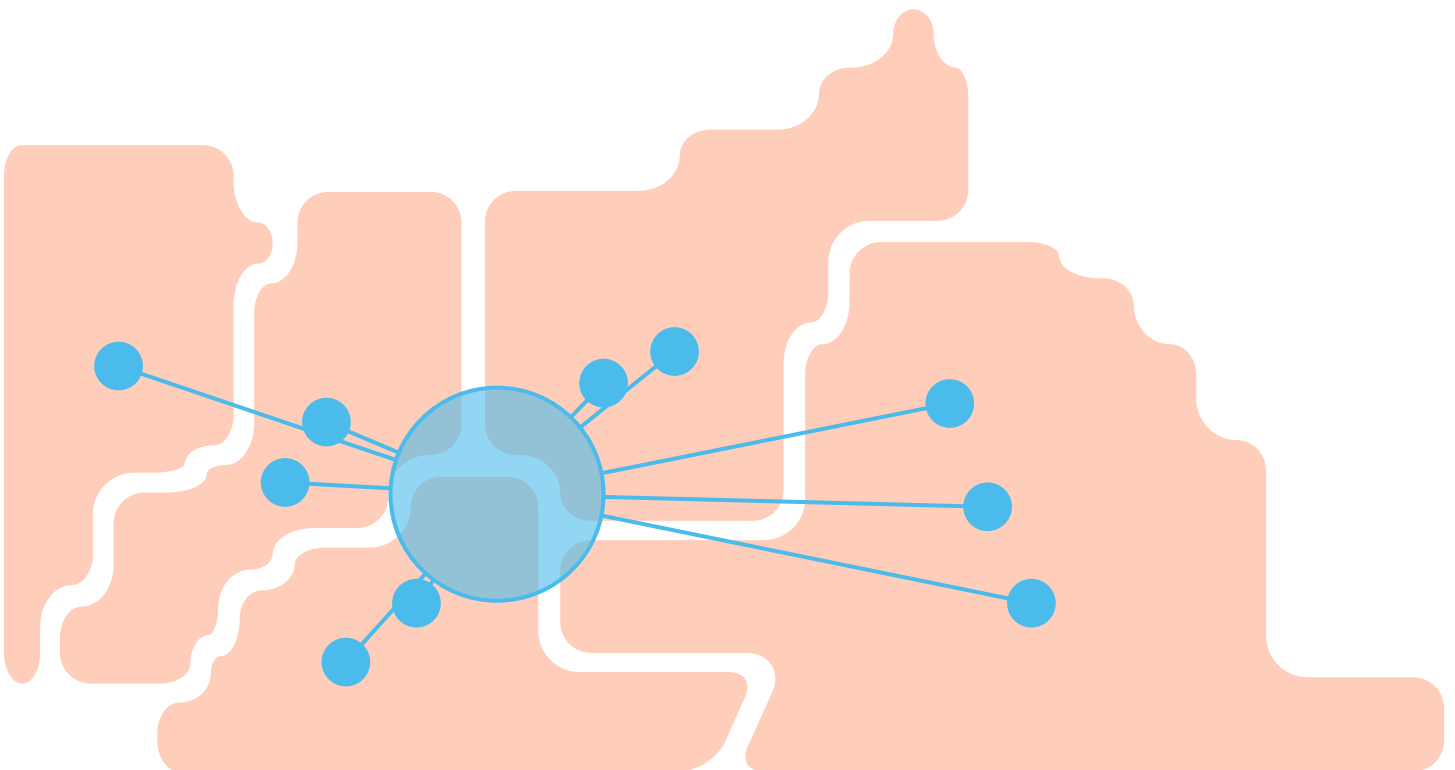
A real estate transfer tax (RETT) is a tax imposed by a state or local jurisdiction on transfers or sales of real property. The tax is levied upon the closing of the sale or transfer and is set at a particular percentage of the sale value. A RETT has the potential to raise significant revenue for local and state governments and can be leveraged as a dedicated funding source for housing. RETT revenue could be used for housing-related purposes including gap financing, rehabilitation, expanding a housing trust fund, down payment assistance, land acquisition, or infrastructure assistance. However, Montana has a constitutional prohibition on real estate transfer taxes. Overturning this would require significant political will, and no attempts have been made to advance this effort.

5 | Implementation

Regional Approach

The benefits of regional thinking when it comes to housing are obvious: when issues are tackled in a shared economic and cultural area with mutual job markets, commuting areas, commerce, services, institutions and amenities, sharing resources to create housing opportunities is more powerful than individual communities attempting to bridge the gap in isolation. From seeking state and federal funding, to creating a long-term and reliable entity devoted to housing supply, to accomplishing short-term development projects, regional efforts can build the momentum needed to tackle urgent needs.

Required is a multi-year campaign to create the human, financial and physical infrastructure for success. This approach leverages existing partnerships between non-profits, and the public and private sectors.



FORMING A REGIONAL APPROACH

The diversity across BRCD's communities contributes to many potential avenues to approach regional housing. Much of the activities in the following are currently employed in areas of the five-county region and could be expanded. Establishing partnerships and lines of communication are paramount. Below is a simplified representation of the approach:

1. **Gathering:** The Implementation Strategy recommends a Regional Consortium to conduct a series of housing summits to build off this study. Measures of success include identifying potential partners and gaining support in more rural communities.
2. **Outreach:** Strong efforts are currently underway at the local non-profit level. Establishing a line of communication to gauge local progress, resources and interest is a crucial first step. This would include local jurisdictions, employers, charitable organizations, financial institutions and community groups.
3. **Find local champions to galvanize interest and energy:** The region is not lacking in established non-profits and existing land trusts, while the State of Montana offers resources through the Department of Commerce.
4. **Generate a network of local members from non-profits and other active community organizations:**
 - A membership-base of businesses and non-profits can self-assess modest fees for administration, time expenses or pre-development resources.
 - Seed funding sources utilized by other communities elsewhere include revolving funds, lodging fees or other exaction fees.
5. **Engage local banks and form partnerships with development teams:** Whether local or outsourced, a core entity to manage this step is critical.
6. **Determine an appropriate approach for initial equity funding:** Other communities have used a web of local land trusts to assist in the creation of an equity investment funding pool.

7. **Create a development arm and asset management arm:**

- **Development:** This arm would offer project management, construction administration and design and delivery oversight.
- **Asset Management:** Administering federal and state tax credits or other programs requires substantial resources for compliance reporting and project management, depending on the allocation mechanism. Local and outside expertise is beneficial to ensure eligibility and compliance with tax credit and/or grant administration, e.g. reporting rent thresholds and design compliance.

APPLICABILITY TO THE BRCD REGION

Much of the needed networks and financial/human infrastructure appears to be in place however establishing a regional approach will require connecting the web and communication. Challenges and opportunities to consider include:

Opportunities

- **Available land:** is plentiful and often optimally sited across the region, and in many cases may be leveraged or conveyed.
- **Local support:** is strong among cities and towns of all sizes, which harbor a strong volunteer resources.
- **Non-profit networks:** must be partners in communication, outreach, management and community engagement.
- **Demonstrated need:** is evident across low- and middle-income cohorts.

Challenges

- **Administration is complex:** for a regional trust or other approach and may require outside consulting and incremental steps over time.

- **Experience and expertise:** in affordable housing development is gaining strength regionally, and it may require outside expertise.
- **Financial seed money:** is limited and will require diverse sources as well as new partnerships among the local lending community.
- **Political support:** at the state level is lacking, in policy and precedent. At all jurisdictionally sizes, implementing a regional model will take time and education to be accepted.
- **The multifamily feasibility gap:** exists even for market rate projects further extending the gap in financing. Creative financing mechanisms and equity sources will be necessary to subsidize units to a reasonable level to be attainable based on area median incomes.

EXAMPLES

State of Vermont Housing Conservation Board: The State of Vermont was among the first to utilize a regional community land trust model to gain the benefits of its local non-profit land trusts. Using a state-wide non-profit land trust, the state has built 13,420 units with membership from dozens of local CLTs.

OPAL Housing Trust: Orca's Island, WA:

<https://www.opalclt.org/about/how-it-works/>

One of the earliest housing trusts in the western US, OPAL (Of People and Land) utilizes private donations, state and federal grants, low-interest mortgage loans, and volunteer hours to create permanently affordable housing in a rural area where materials, costs and remoteness prevented the market from supplying much needed local housing.

OPAL is among the first to implement individual-to-individual lending program. Called the Island Loan Fund, this program connects those who wish to lend with those in need of a loan.

FORMING A LOCAL, SHORT-TERM APPROACH

Immediate, locally-driven short-term initiatives will build confidence in the community's ability to catalyze change. Local areas can do this by doing public improvement or infrastructure projects, or more effectively, partnering to do a workforce housing development.

Examples of short term efforts are housing-supporting infrastructure or utility projects (e.g. water, sewer, power), adding parks or amenities to identified housing development areas, or actually developing a community housing project. A market and feasibility study should be performed to understand detailed local needs and to gauge physical sites for unit yield, scale and appropriateness.

EXAMPLES



Butternut Grove Condominiums:

<https://www.getahome.org/butternut/>

The Champlain Housing Trust, a member CLT in the Vermont state trust, recently completed this permanently affordable ownership project with 18 3-bedroom and two 2-bedroom units.



Kirkland Ave Townhomes:

<https://www.schemataworkshop.com/kirkland-avenue-modular>

The Housing Authority of Renton, WA developed this 18-unit modular townhome project as a subsidized, market rate rental property. Maximum income per household size must not exceed 50% AMI, and the security deposit required of \$300-\$500.

5 | Implementation

Implementation Tables

BRCD REGION-WIDE

Recommendation	Actions	Lead Organization/Partners
Take a regional approach to housing.	Create a Regional Housing Consortium to create policy and direct resources for housing projects.	BRCD to provide initial list of members.
	Enlist members from regional stakeholder groups and local government staff and department heads.	Groups to consider: • MT Housing Coalition • HomeFront • Economic Development representatives • Red Lodge Area Community Foundation • HRDC • Montana/Billings Assoc of Realtors • MSU Extension • MT Budget and Policy Center • MT Dept. of Commerce CTAP
	Schedule and hold regular meetings to discuss issues and potential solutions with each region.	BRCD, consortium partners.
	Direct members to funding sources for direct housing assistance.	
	Interact with State Legislators	
	Study feasibility of a regional housing trust with local partnerships.	
Implement the Housing Study	Form implementation working groups to take on action items in Implementation Plan. Hold regional meetings on “How to move forward” with first being within a month after Study completion.	Local county stakeholders.
	Identify measures of success (e.g. and monitor every five years.	Local county planning staff/stakeholders.
	Post online, distribute to development community, housing authorities, local jurisdictions.	Local county planning staff/stakeholders.
	Direct county implementation action items and follow up with progress.	Local county planning/staff.
	Implement Land Suitability Maps in growth policies to monitor progress of land acquisition or conveyance.	Local county planning staff.
	Assist counties with infrastructure projects and monitor completion.	Local non-profits.
	Actively market Site Concepts as well as Land Suitability Map sites to for-profit and non-profit developers in and out of state. Contact property owners and use maps and illustrations to apply for housing grants.	Local county planning staff/stakeholders.
Educate on regional housing issues.	Create a monthly/bi-monthly educational series focused on educating decision makers with topics including: • New programs to implement/introduce at regional, county, local level. • Group-share on what each community is accomplishing. • Bring in subject matter experts to speak on best practices based on implementation strategies (e.g. how have ADUs worked in different communities?)	Local government elected officials, BRCD staff, community members.

Implementation Tables

BIG HORN COUNTY

	Policy Recommendation	Actions	Lead and Other Agencies	Type of Investment Required	Impact	Relevance to Land Suitability/Site Concepts
1	Provide infrastructure assistance.	Identify insufficient capacity areas through preliminary engineering reports, estimate upgrade costs. List infrastructure projects suitable for affordable housing sites into a capital projects plan.	Local governments.	Resources for consultants.	Significant; can lower costs and catalyze housing development.	Yes; overall infrastructure must be upgraded prior to any significant housing project regardless.
2	Use of municipal/tribal/county owned land.	Use land banking or CLT, or other methods to acquire or bank lands. Prepare and issue RFP, select development team	Local governments.	Use and disposal of publicly owned land.	Significant; can lower costs and catalyze projects.	Yes, the proposed site concept in Crow Agency is more feasible if land is provided for. Even with multiple grant or federal funding sources land is a critical financial incentive for housing concepts to remain affordable.
3	Use a Land Trust model.	Identify a suitable site, hire a design/development team and engage community.	Local governments, engage with Trust Montana, others.	Financial subsidy or land donation to the land trust.	Would create deed-restricted homes; scale is limited.	Yes; largely applicable to townhome ownership models on tribal or public lands.
4	Implement Land Suitability Analysis.	Update growth policies to include Land Suitability Maps to create affordable housing targets.	Local governments/Planning Depts.	May require consulting fees.	High in long-term, low initial cost.	Yes; Site Concepts can guide future rezonings and development applications if growth policy is updated.
5	Install technology infrastructure.	Include technology, classrooms, space for training programs, child care etc into housing projects. Work with service providers and MT DOC to submit project proposals for broadband service to affordable projects.	Community Development Corporation. Local governments, Utility providers, Community development corps.	Direct financial resources. Matching funds from local government.	High in long-term, low initial cost. Significant; can catalyze projects. Will boost housing and economic development helping retain families.	Included conceptually; Should be part of every new housing project (over 10 units). Use Land Suitability Analyses and Site Concepts to demonstrate optimal sites for broadband service.
6	Housing rehabilitation program.	Perform an evaluation to determine which neighborhoods have the highest need. Seek grant funding or loan programs to allocate to existing residences.	Housing authority. Housing authority. Contact HUD about Tribal Housing Improvement Programs (HIP).	Direct financial resources for study. Matching grant funds.	Low-cost, high impact effort to improve health and safety in short term.	Relevant to Land Suitability Analyses; sites identified for potential rehabilitation on maps.
7	Develop a housing project.	Identify a site, prototype, bring in experts, and develop RFP.	Community Development Corporation, Tribal entities.	Direct financial resources.	High-cost, high-impact project that builds short-term resilience for long-term success.	Relevant to Land Suitability Analyses; site prototypes identified.

Implementation Tables

CARBON COUNTY

	Policy Recommendation	Actions	Lead and Other Agencies	Type of Investment Required	Impact	Relevance to Land Suitability/Site Concepts
1	Provide infrastructure assistance.	Identify insufficient capacity areas through preliminary engineering reports, estimate upgrade costs. List infrastructure projects suitable for affordable housing sites into a capital projects plan.	Local governments.	Resources for consultants.	Significant; can lower costs and catalyze housing development.	Use Land Suitability Analyses to demonstrate priority areas for infrastructure expansion.
2	Resort Tax.	Explore ways to utilize Resort Tax Revenue stream as funding for housing.	Local governments.	Time resources.	Can quickly generate funding for housing, although amount is relatively small	
3	Short Term Rental fees.	Explore a fee system to permit and transfer costs of STRs to local housing.	Local governments, should seek legal consultation.	Consultant fees.	Funds generated could be small but could go toward administering program or housing assistance.	
4	Expand ADU program.	Install programs that encourage ADUs while creating design guidelines that ensure compatibility in neighborhoods.	Local governments changing regulations	In the case of subsidies for ADUs, a financial investment required.	Creates more affordable units without major subsidy.	
5	Explore a Land Trust model.	Identify a suitable district, hire a design/development team and engage community.	Local governments, engage with Trust Montana.	Financial subsidy or land donation to the land trust.	Would create deed-restricted homes; scale is limited.	Use Land Suitability Analyses to demonstrate optimal sites.
6	Implement Land Suitability Analysis.	Update growth policies to include Land Suitability Maps to create affordable housing targets.	Local governments/ Planning Depts.	May require consulting fees.	High in long-term, low initial cost.	
7	Install technology infrastructure.	Work with service providers and MT DOC to submit project proposals for broadband service to affordable projects.	Local governments, Utility providers, Community development corps.	Matching funds from local government.	Significant; can catalyze projects.	Use Land Suitability Analyses and Site Concepts to demonstrate optimal sites for broadband service.
8	Adaptively re-use buildings or sites.	Assess the need to perform an architectural/engineering studies (old hospital and canning/brewing building) to determine housing feasibility.	Housing authority, Community foundation.	Direct financial resources for study.	Low-cost, high impact effort to incorporate housing and preserve historic buildings.	
9	Use of municipal/county owned land.	Red Lodge: Consider revision to policy to allow below market conveyance of land for affordable housing projects.	Local governments.	Use and disposal of publicly owned land.	Significant; can lower costs and catalyze projects.	Use Land Suitability Maps to identify parcels.
10	Develop a housing project.	Identify a site, prototype, bring in experts, and develop RFP.	Local governments, Housing authority, Community foundation.	Direct financial resources.	High-cost, high-impact project that builds short-term resilience for long-term success.	Relevant to Land Suitability Analyses; site prototypes identified.

Implementation Tables

STILLWATER COUNTY

	Policy Recommendation	Actions	Lead and Other Agencies	Type of Investment Required	Impact	Relevance to Land Suitability/Site Concepts
1	Use of municipal/county owned land.	Use town lands by identifying options (site G on Land Suitability Map, Big Timber) and replacing existing use for redevelopment as housing.	Local governments.	Use and disposal of publicly owned land. May require partnering with adjacent private owner.	Significant; can lower costs and catalyze projects.	Sites F and G (Columbus)
2	Use of institutional land.	Partner with school district, healthcare providers, churches or other institutions to acquire or subsidize land for projects.	BRCD, Local governments.	Use and disposal of exempt land. May require partnering with adjacent private owner.	Significant; can lower costs and catalyze projects.	Sites I, J and K (Columbus)
3	Provide infrastructure assistance.	Identify insufficient capacity areas through preliminary engineering reports, estimate upgrade costs. List infrastructure projects suitable for affordable housing sites into a capital projects plan.	Local governments.	Resources for consultants.	Significant; can lower costs and catalyze housing development.	Use Land Suitability Analyses to demonstrate priority areas for infrastructure expansion.
4	Explore ADU program.	Encourage ADUs through design support or subsidy; creating design guidelines that ensure compatibility in neighborhoods.	Local governments, Planning Depts.	In the case of subsidies for ADUs, a financial investment required.	Creates more affordable units without major subsidy.	
5	Explore a Land Trust model.	Identify a suitable district, hire a design/development team and engage community.	Local governments, engage with Trust Montana.	Financial subsidy or land donation to the land trust.	Would create deed-restricted homes; scale is limited.	See Site K on Suitability Map; See Site Concept Prototype "Community Land Trust".
6	Implement Land Suitability Analysis.	Update growth policies to include Land Suitability Maps to create affordable housing targets.	Local governments/ Planning Depts.	May require consulting fees.	High in long-term, low initial cost.	Direct relevance
7	Install technology infrastructure.	Work with service providers and MT DOC to submit project proposals for broadband service to affordable projects.	Local governments, Utility providers, Community development corps.	Matching funds from local government.	Significant; can catalyze projects.	Use Land Suitability Analyses and Site Concepts to demonstrate optimal sites for broadband service.
8	Adaptively re-use buildings or sites.	Assess the need to perform an architectural/engineering studies (Absarokee School) to determine housing feasibility.	Planning/city departments, Housing authority, Community development corps.	Direct financial resources for study.	Low-cost, high impact effort to incorporate housing and preserve historic buildings.	
9	Develop a housing project.	Identify a site, prototype, bring in experts, and develop RFP.	Local governments, Housing authority, Community development corps.	Direct financial resources.	High-cost, high-impact project that builds short-term resilience for long-term success.	Relevant to Land Suitability Analyses; site prototypes identified.

Implementation Tables

SWEET GRASS COUNTY

	Policy Recommendation	Actions	Lead and Other Agencies	Type of Investment Required	Impact	Relevance to Land Suitability/Site Concepts
1	Provide infrastructure assistance.	Identify insufficient capacity areas through preliminary engineering reports, estimate upgrade costs. List infrastructure projects suitable for affordable housing sites into a capital projects plan.	Local governments.	Resources for consultants.	Significant; can lower costs and catalyze housing development.	Use Land Suitability Analyses to demonstrate priority areas for infrastructure expansion.
2	Explore a Land Trust model.	Identify a suitable district, hire a design/development team and engage community.	Local governments, engage with Trust Montana.	Financial subsidy or land donation to the land trust.	Would create deed-restricted homes; scale is limited.	Use Land Suitability Analyses to demonstrate priority areas.
3	Implement Land Suitability Analysis.	Update growth policies to include Land Suitability Maps to create affordable housing targets.	Local governments/ Planning Depts.	May require consulting fees.	High impact in long-term, low initial cost.	Use Key Action Considerations in mapping analysis.
		Develop a GIS database so developers know optimal places to build.	Planning Depts.	Staff time.	High impact in long-term, low initial cost.	Direct relevance.
4	Install technology infrastructure.	Work with service providers and MT DOC to submit project proposals for broadband service to affordable projects.	Local governments, Utility providers, Community development corps.	Matching funds from local government.	Significant; can catalyze projects.	Use Land Suitability Analyses and Site Concepts to demonstrate optimal sites for broadband service.
5	Adaptively re-use buildings or sites.	Assess the need to perform an architectural/engineering studies to determine housing feasibility.	Planning/city departments, Housing authority. Community development corps.	Direct financial resources for study.	Low-cost, high impact effort to incorporate housing and preserve historic buildings.	
6	Use of municipal/county owned land.	Use town lands by identifying options (site G on Land Suitability Map, Big Timber) and replacing existing use for redevelopment as housing.	Local governments.	Use and disposal of publicly owned land. May require partnering with adjacent private owner.	Significant; can lower costs and catalyze projects.	See Site G on Map.
7	Develop a housing project.	Identify a site, prototype, bring in experts, and develop RFP.	Local governments, Housing authority, Community development corps.	Direct financial resources.	High-cost, high-impact project that builds short-term resilience for long-term success.	Relevant to Land Suitability Analyses; site prototypes identified.

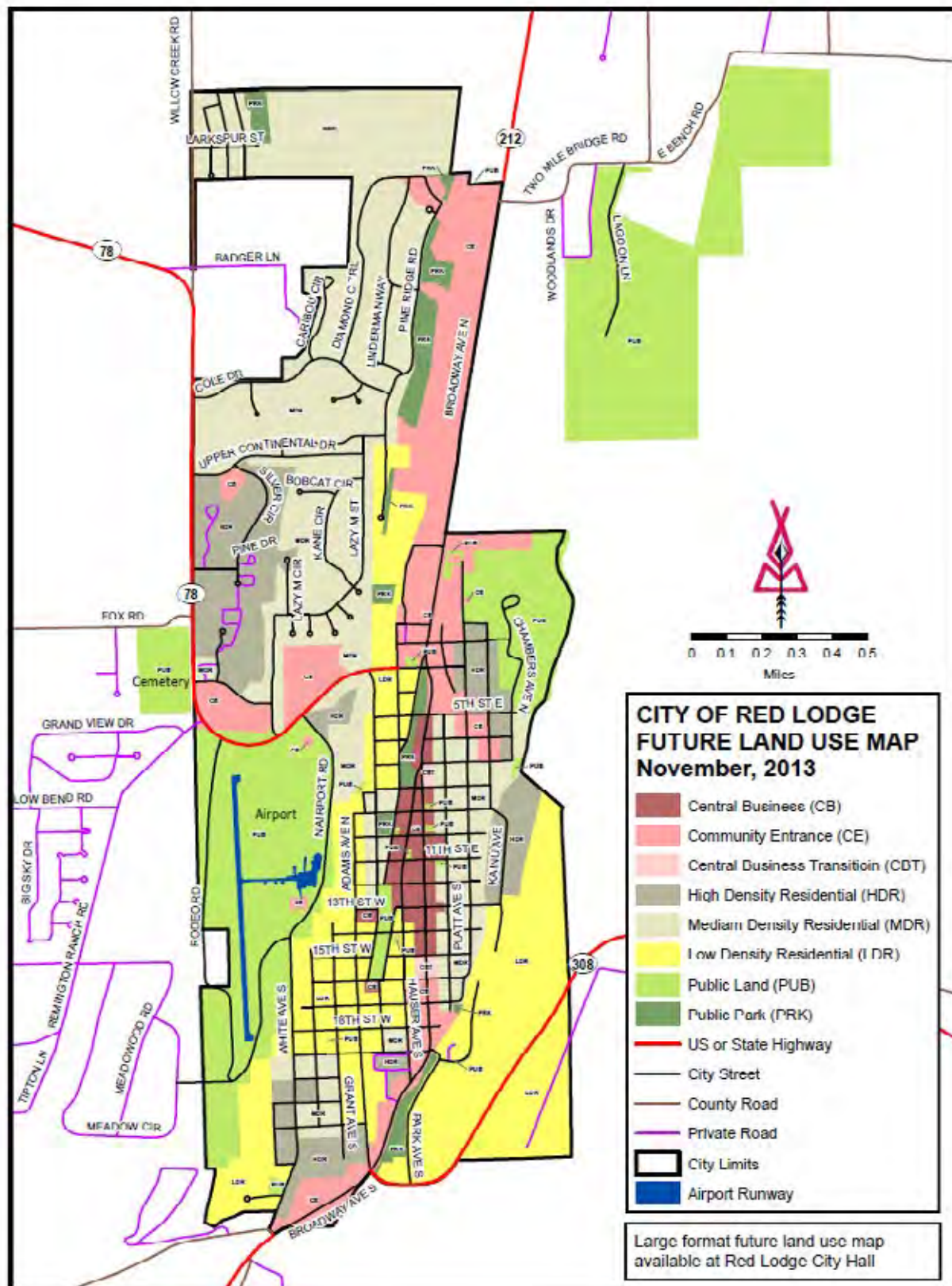
Implementation Tables

YELLOWSTONE COUNTY

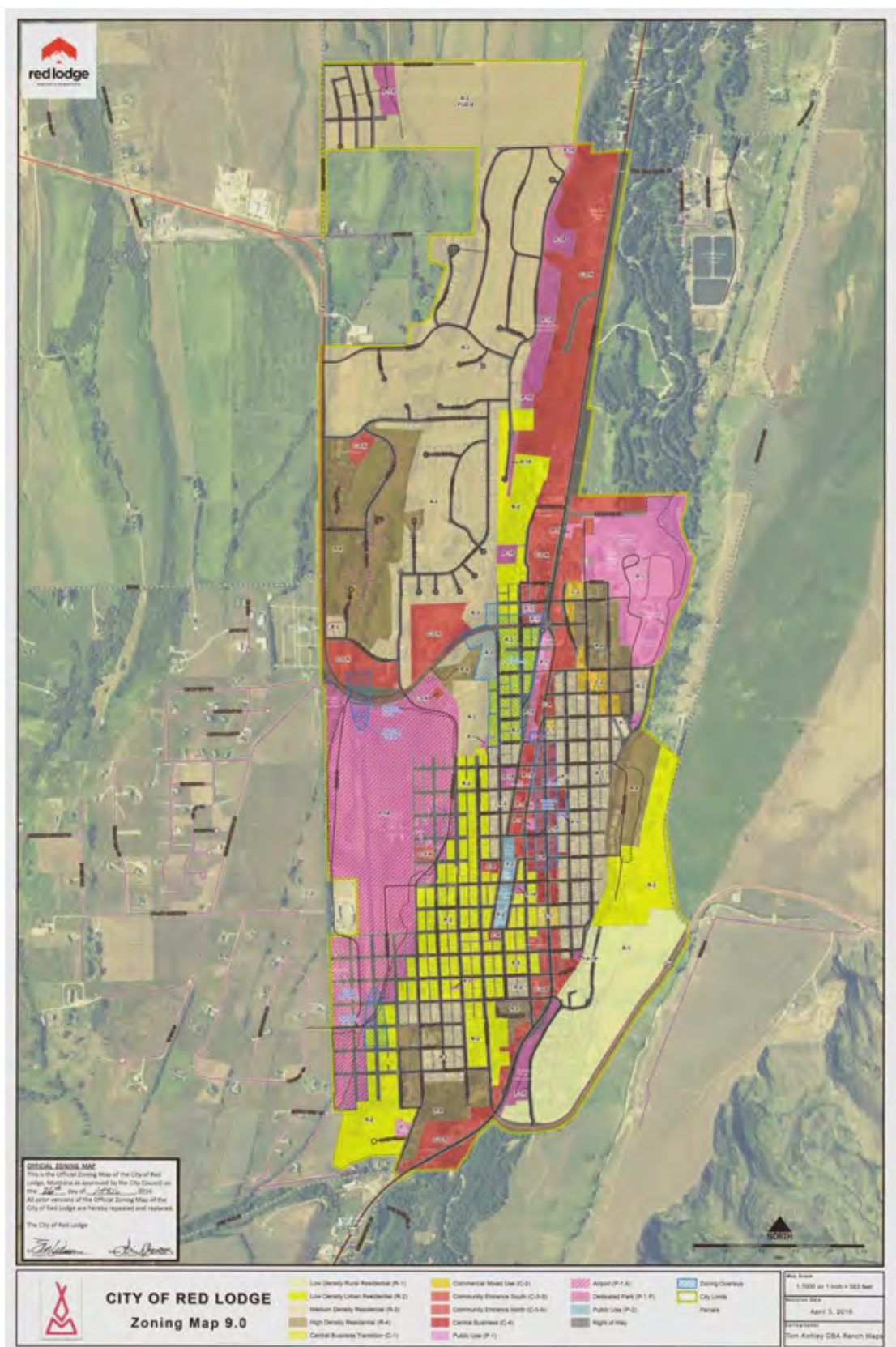
	Policy Recommendation	Actions	Lead and Other Agencies	Type of Investment Required	Impact	Relevance to Land Suitability/Site Concepts
1	Use of municipal/county owned land.	Expand land banking program by revisiting opportunities and challenges; Determine what resources are needed to expand acquisition. Determine which areas of city could be targeted.	Billings Community Development Dept.	Use and disposal of publicly owned land.	Significant; can lower costs and catalyze projects. Requires marketing for acquired sites.	Site G (Billings).
		Use city/county owned sites to determine use as redevelopment parcels.	City of Billings.	Staff time.		Site E (Billings). Site H (Laurel).
		Explore use of land banking system for park sites.	City of Billings.	Staff time.		
2	Use of institutional land.	Partner with school district, healthcare providers, churches or other institutions to acquire or subsidize land for projects.	BRCD, Local governments.	Use and disposal of exempt land. May require partnering with adjacent private owner.	Significant; can lower costs and catalyze development.	Sites D, E, G, I (Billings) Sites B, C, G (Laurel).
3	TIF expansion	Evaluate TIF effectiveness and complete small-area reinvestment studies to boost investment.	Engaging existing urban renewal districts; engaging consultants.	Property tax increment is diverted from taxing districts and into projects.	Strong; can catalyze major developments	Sites C, E, F (Billings)
4	Fee deferrals	Offer in exchange for permanent affordability on agreed-upon unit number.	Municipalities use them on a case-by-case basis.	Forgoing fee revenue that a municipality would otherwise collect.	Supports project feasibility.	
5	Provide infrastructure assistance.	Identify insufficient capacity areas through preliminary engineering reports, estimate upgrade costs.	Local governments.	Resources for consultants.	Significant; can lower costs and catalyze development.	Use Land Suitability Analyses to demonstrate priority areas for infrastructure expansion.
		List infrastructure projects suitable for affordable housing sites into a capital projects plan.				
6	Implement ADU program.	Support Billings ADU Task Force agenda by ensuring Task Force members are on Housing Collaborative.	Local governments, Planning Depts.	In the case of subsidies for ADUs, a financial investment required.	Expands housing diversity, availability and cost, particularly in Billings/urban areas.	
7	Implement Land Suitability Analysis.	Update growth policies to include Land Suitability Maps to create affordable housing targets.	Local governments/Planning Depts.	May require consulting fees.	High in long-term, low initial cost.	Direct relevance.
8	Install technology infrastructure.	Work with service providers and MT DOC to submit project proposals for broadband service to affordable projects.	Local governments, Utility providers, Community development corps.	Matching funds from local government.	Significant; can catalyze projects.	Use Land Suitability Analyses and Site Concepts to demonstrate optimal sites for broadband service.
9	Implement Infill Development Strategy	Build on Strategy's framework to include a Density Bonus program for affordable projects.	Billings Community Development Dept.	Staff time.	Significant; can catalyze projects.	
10	Housing Trust Fund	Engage Billings Community Development Office and other depts. about forming and funding one.	City of Billings/Local governments. BRCD.	Will require revenue source.	Substantial; Can be an funding engine for long-term housing projects	
11	Develop a housing project.	Identify a site, prototype, bring in experts, and develop RFP.	HomeFront, Local Community and economic development corporations.	Direct financial resources.	High-cost, high-impact project that builds short-term resilience for long-term success.	Relevant to Land Suitability Analyses; site prototypes identified.
12	Establish a Billings and County-based housing collaborative.	Find/engage existing stakeholders to hold roundtable discussions, hold educational events, and form measures of success.	Community and economic development corporations.	Stakeholder time commitment.	Significant; can organize and catalyze energy/support financial aid.	

A | Appendix

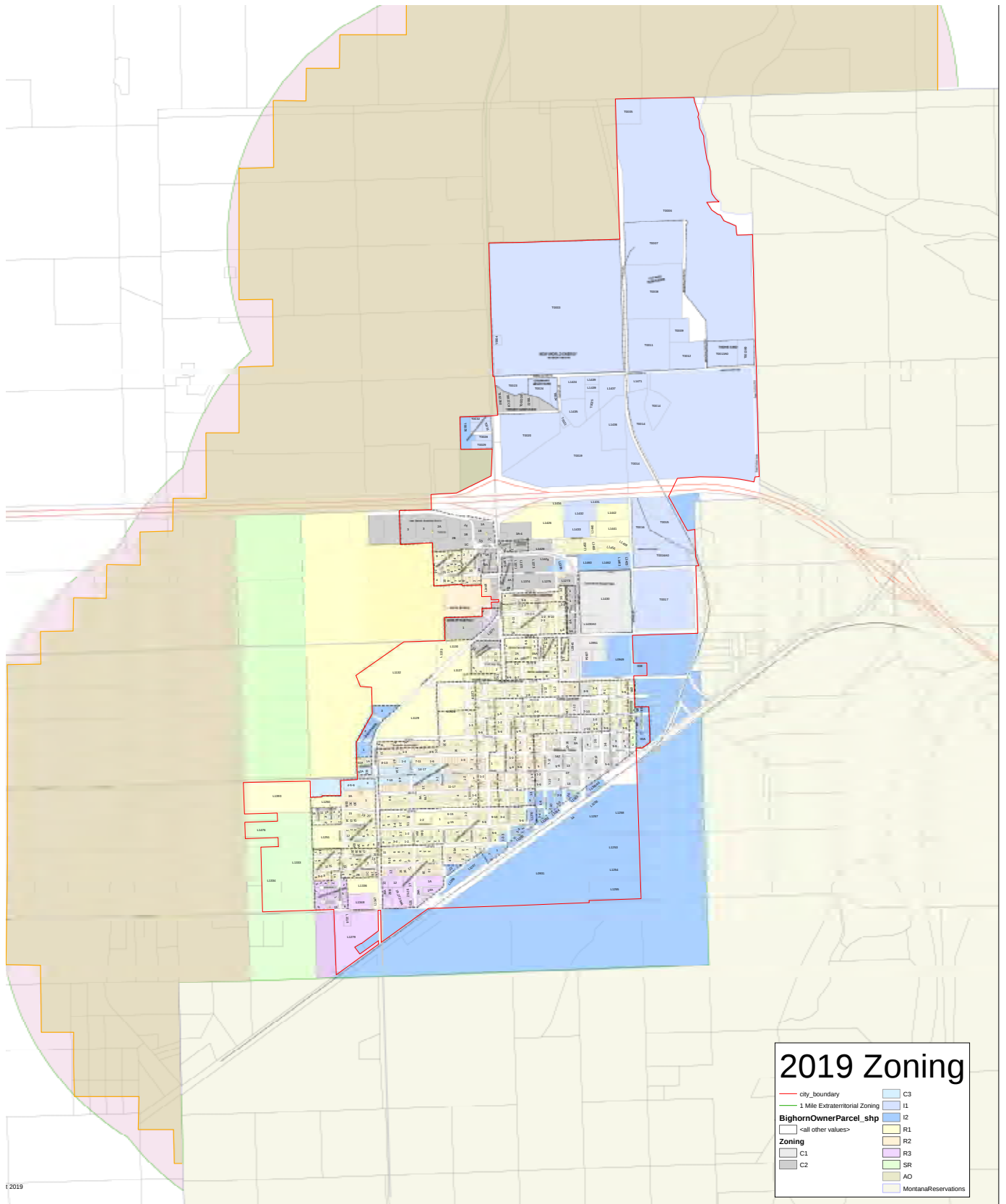
A.1: Red Lodge Future Land Use Map



A.2: Red Lodge Official Zoning Map



A.3: Hardin Zoning Map



A.4: Big Timber Zoning Map

Official Zoning Map

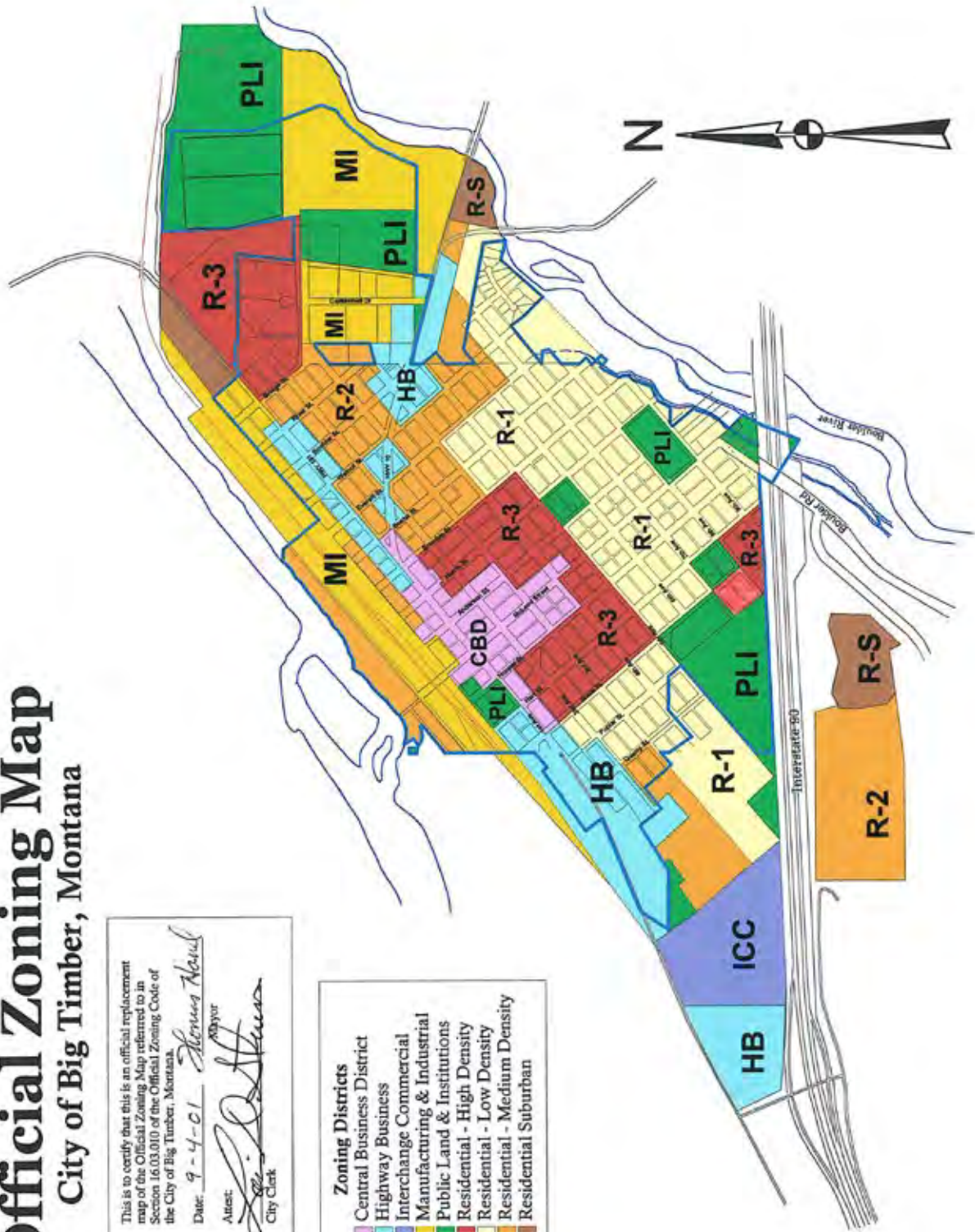
City of Big Timber, Montana

This is to certify that this is an official replacement map of the Official Zoning Map referred to in Section 16.03.010 of the Official Zoning Code of the City of Big Timber, Montana.

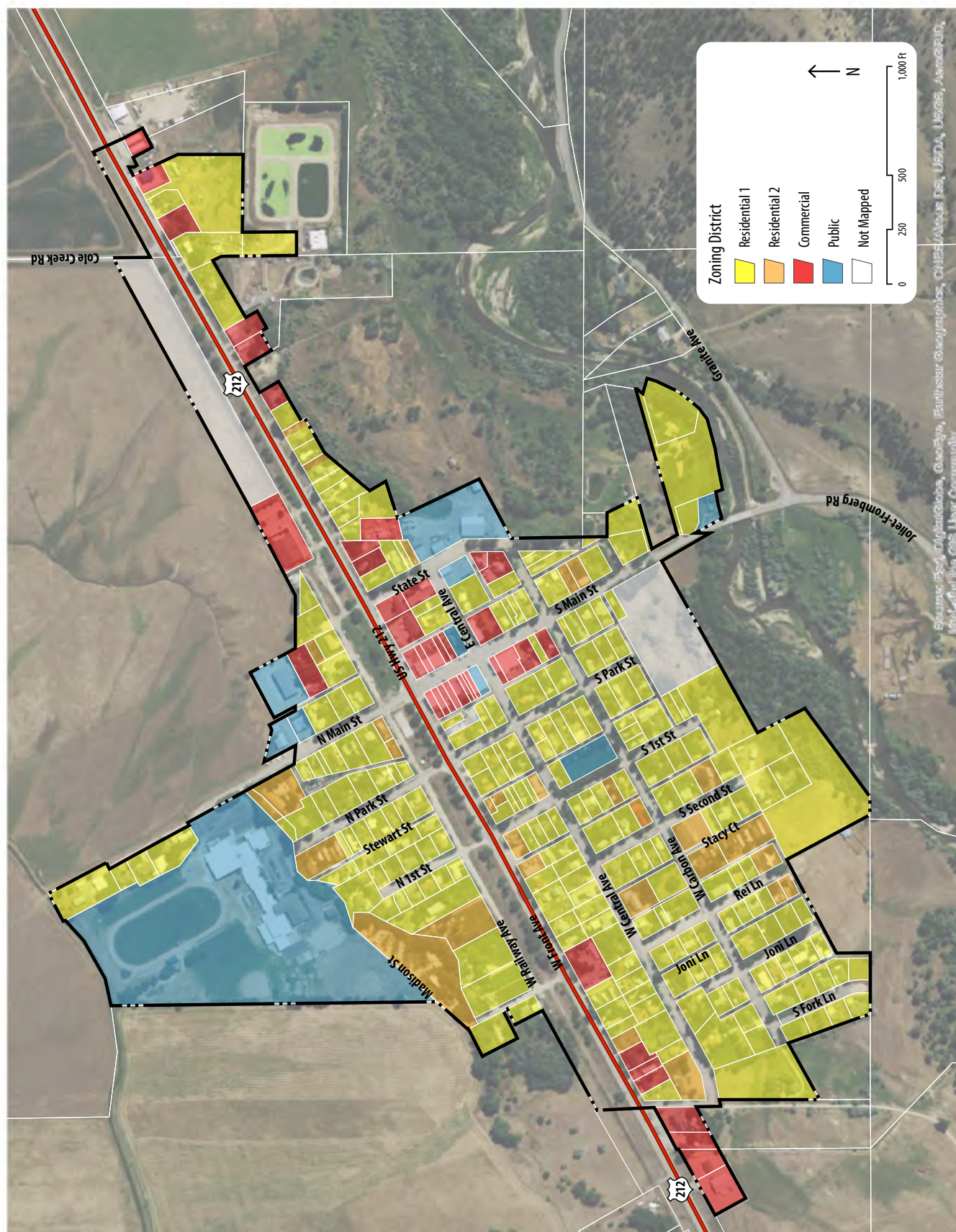
Date: 9-4-01 *Thomas Hand* Mayor

Attest: *[Signature]* City Clerk

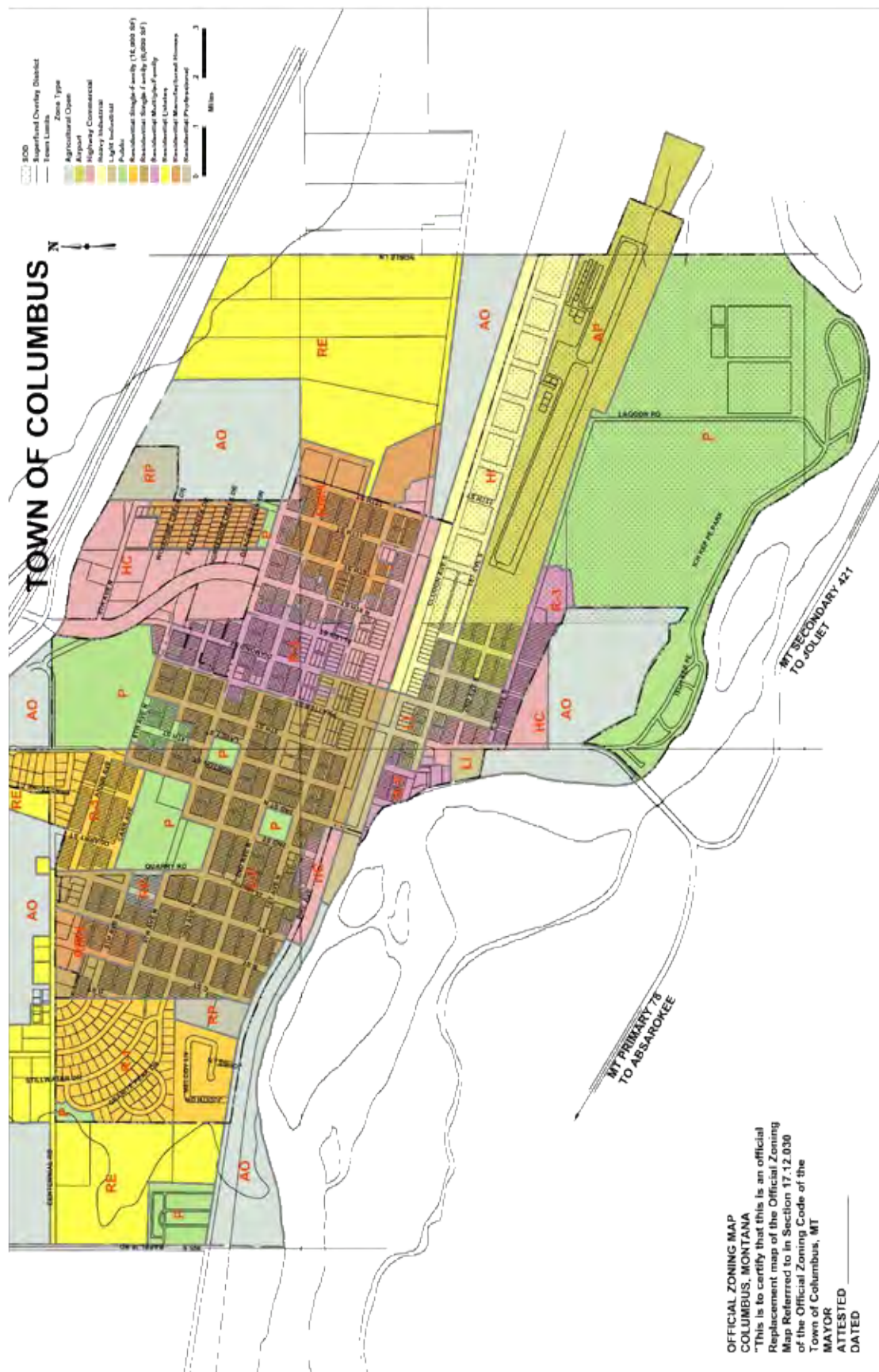
- Zoning Districts**
- Central Business District
 - Highway Business
 - Interchange Commercial
 - Manufacturing & Industrial
 - Public Land & Institutions
 - Residential - High Density
 - Residential - Low Density
 - Residential - Medium Density
 - Residential Suburban



A.5: Joliet Zoning Map



A.6: Columbus Zoning Map



A.7: Laurel Proposed Land Use Map

