

RESOLUTION NO. 3182

A RESOLUTION TO CONDUCT A HOUSING NEEDS SURVEY, ANALYSIS AND REPORT FOR THE CITY OF RED LODGE.

WHEREAS: The City of Red Lodge has not conducted a housing survey and analysis since 1993; and

WHEREAS: The Red Lodge Comprehensive Economic Development Strategy ("CEDS") found that affordable housing was in short supply; and

WHEREAS: Recent mudslides on the Beartooth All-American Highway caused the community substantial economic setbacks, which require substantive economic adjustments, and housing needs is a major component the community needs in reacting to this natural disaster; and

WHEREAS: The CEDS also identified the need to maximize and make better use of existing facilities and people (6.); and, the high level of citizen involvement (16.) - all of which can and will be addressed in this housing survey; and

WHEREAS: The CEDS provides for action items at Goal 7 (Action 7.1, Action 7.2, Action 7.4, Action 7.5, Action 7.6) that will be advanced as a result of a housing survey; and

WHEREAS: The City has identified funding within the budget for approximately \$19,000.00. These funds were initially used for a housing rehabilitation done on a forgiveness loan, and because certain people did not hold onto rehabilitated properties for the full five years to forgive the loan, monies were brought back into the program, which have not been previously identified for us; and

WHEREAS: The City finds that this is a necessary contract for services by a professional exempt from competitive bidding.

Now therefore:

BE IT RESOLVED: The City shall conduct a housing survey using such funds are available from its housing rehabilitation program in the approximate amount of \$19,000.00 for FY 05-06 year; and

BE IT RESOLVED: The Mayor is directed to budget for such additional funds as may be appropriate to complete this housing survey; and

BE IT RESOLVED: The City has received a proposal for professional services to conduct this survey, which is attached and made a part of this Resolution; and

BE IT RESOLVED: The aforesaid proposal has been submitted by a reputable local organization capable of conducting this survey charged with implementing the CEDS for the community, and therefore, the proposal submitted herewith is accepted by the City.

BE IT RESOLVED: The Council charges the Mayor to finalize the terms of this proposal, administer the agreement reached based on this proposal, and provide the Council with the final report upon its conclusion.

PASSED and APPROVED by the Red Lodge City Council this 28th day of June, 2005.

City of Red Lodge

By: Richard C. Gessling
Richard C. Gessling, Mayor

Attest: Debbie Tomicich
Debbie Tomicich, City Clerk

City Clerk

From: Estelle Tafoya [etafoya@vcn.com]
Sent: Thursday, June 23, 2005 4:13 PM
To: cityclerk@vcn.com
Subject: for the packets 6/28

PROPOSAL

Submitted To

THE CITY OF RED LODGE

For the purpose of

CONDUCTING A SURVEY AND ANALYSIS OF AREA HOUSING NEEDS

Introduction

The Board of Directors of the Red Lodge Area Economic Development Corporation (RLA-EDC) wishes to contract with the City of Red Lodge to conduct a housing needs assessment for our community.^[1] The last survey was conducted in 1993 by DoubleTree Consultants. It was used to document need for affordable housing. Based on the data gathered, the City, Beartooth Front Community Forum and the Billings HRDC jointly submitted a successful application to the Montana Board of Housing. Funds were granted enabling the construction of five affordable new homes and the rehabilitation of four existing homes.

The 1993 survey and housing plan are no longer reflective of our housing status and need to be updated using data from the 2000 US Census and the 2003 data from the Montana Department of Commerce. The CEDS survey of community weaknesses states that "The cost of housing in the Red Lodge area continues to rise, which reduces the availability for low and moderate income households. The average new home price in the community is \$150,000 to \$170,000. In the survey of community leaders, 59% responded that low-income families did not have an adequate supply of housing in the Red Lodge area." (pages 20 – 21). Both the 1996 Master Plan and the 2001 Growth Policy cite affordable housing as a priority issue.

We believe that there is a housing gap in the Red Lodge Area and that it has negative consequences for

economic growth and community health. Red Lodge appears to have little housing affordable for hourly wage earners and others of low and moderate income. Housing that requires more than 30% of a worker's income restricts that family's ability to pay for healthcare, insurance and other critical costs.

Seasonal residents and retirees from throughout the U.S. appear to bid-up the cost of the most desirable properties, often leaving local workers renting sub-standard housing. Or they may live outside Red Lodge and commute to work.

Statement of Goals and Objectives

Goal

To update the previous (1993) housing study to identify and catalog existing housing resources, the demand for housing in various price ranges and types, and the opportunities for development of desired housing." (CEDS, Goal 7, page 48).

Objectives

1. Inform the public of the survey objectives and process.
 - 1.1 Organize a Housing Task Force consisting of the RLA-EDC directors plus representation from other areas of the community such as civic organizations, the school district, the Chamber, senior citizens, realtors and developers, and local workers.
 - 1.2 Schedule a meeting of the Task Force to inform them of the survey process.

2. Develop a housing survey and profile to be administered that includes
 - 2.1 Demographic characteristics.

Household composition. Ages. Wages. Current housing stock.
 - 2.2 Economic factors.

Job base. Is existing housing stock hurting local development efforts to create jobs?
 - 2.3 Environmental and lifestyle factors.

Are we experiencing development pressure and elevated costs due to out-of-state investors and/or seasonal home buyers attracted to our resort community?
 - 2.4 Financial resources.

What is the availability of local financing for home mortgages, land acquisition and construction?

2.5 Legal factors.

Do local building, zoning ordinances; subdivision regulations influence the local housing profile?

3. Design and administer the survey.

- 3.1 Research other surveys used in State communities of comparable size.
- 3.2 Research survey requirements of the Montana Board of Housing.
- 3.3 Submit the survey for approval to the State, City and Task Force.
- 3.4 Inform the public of the importance of completing and returning surveys. Enlist the Task Force in the effort as well as local media.

4. Analyze Survey Results and define housing problems and needs.

- 4.1 Describe housing suitability related to condition, size, and number of occupants
- 4.2 Determine the lack or excess of housing stock related to services and employment.
- 4.3 Determine affordability of the cost of acquisition of housing, the cost of renting, and the cost of occupancy.
- 4.4 Determine housing accessibility related to issues for households with elderly and/or handicapped members.
- 4.5 Determine problems for first time home buyers and need for financial assistance.

After analysis of the housing needs indicated by the survey, RLA-EDC may construct a statement of strategies to resolve housing needs. This information can be used by the City to develop a formal Housing Plan which is the necessary step in application for housing funding from a variety of agencies including :

- Community Development Block Grants (CDBG)
- HOME investment Partnership Program
- USDA Rural Housing Program

-Seattle Federal Home Loan Bank

-Local and regional financial institutions

-Private foundations and corporations

HOUSING SURVEY COST ANALYSIS

AND

BUDGET REQUEST

The following hourly rates are based on an analysis by the Montana Board of Housing and the Federal rate analysis of hourly consulting costs. ^[2]

ADMINISTRATION	Estimated HOURS	Additional expense	TOTAL COST
Hourly rate, \$61.53 ^[3]			
Research			
Survey regulations, rules	20		
Gather demographics	20		
Contact agencies	15		
Develop tasks, timeline	10		
Draft survey			
Organize task force	30		
Prepare first draft	50		
Meet with city, task force	15		
Revise draft	50		
Advertise and distribute survey	60		
Collect surveys, meet individuals as needed	60		
Interpret survey			
Analyze data	20		
Prepare results	25		
Publish results	5		
Share w/city, task f.	36		\$21,904.68
Office cost		\$900	
Supplies, materials,		500	
Communications		500	

Postage		600	
Printing		500	
Travel and training			
Meetings with DOC		600	
Contingency			
Unexpected expenses		1000	\$ 4,600.00
TOTAL			\$26,504.68

^[1] According to Gus Byron, Director of the DOC Housing Program, the City may use its program funds from payback on the 1993 grant to contract a housing needs survey. The City is not required to submit RFP's.

^[2] Montana Dept. of Commerce, "Designing a Small Community Housing Program" Appendix C

^[3] Doubletree Consultants charged the City of Red Lodge \$52 per hour for the 1993 housing plan.

10/12/07
11:01:18

CITY OF RED LODGE
Detail Ledger Query

For the Accounting Periods: 6/ 4 - 10/ 7

Funds 2396-2396, Objects 300-300, Accounts 470100-470100

Fund/Account				Acct.		
Doc/Line #	Description	Vendor/Receipt From	Period	Debit	Credit	
2396 CDBG - LOCAL SOURCE						
470100 Community Public Facility Projects						
300 Purchased Services						
CL 14236 1	home source-cdbj <i>housing survey</i>	Red Lodge Area Economic	10/05	8,306.55	- cdbj cash	
CL 14680 1	cdbj/home-resolution3182 <i>housing survey</i>	Red Lodge Area Economic	2/06	5,845.35	- cdbj cash	
CL 15517 1 3	<u>cdbj-housing survey</u>	Red Lodge Area Economic	9/06	4,860.87	- cdbj cash	
	Object Total:			19,012.77		
	Account Total:			19,012.77		
	Fund Total:			19,012.77		0.00
	Grand Total:			19,012.77		0.00