

**Exhibit A – SCOPE OF SERVICES**

Part 1 - Housing Needs Assessment Update

Contractor will produce a well-documented and comprehensive update to the 2012 Affordable Housing Needs Assessment for the City of Bozeman. It will document the current and future housing needs across the continuum of housing. This report will inform development of housing strategies and solutions in the Action Plan phase.

The report will contain a summary of key conclusions and recommendations resulting from Contractor's analysis, providing a synopsis of significant findings for decision-makers. This section will be designed to allow easy transition into the second part of the study – Housing Action Plan.

The Housing Needs Assessment Update will cover:

Demographic and Economic Trends – data upon which the housing analysis and needs are built, including:

- Household characteristics such as income, own/rent, household size, age, and type;
- The current number of workforce households and jobs;
- Rates of job growth (current and projected); and
- Commuting patterns and community connectedness.

Housing Inventory – information on:

- The occupancy rate, type, and age of units;
- The number of market, affordable/income-restricted, and special needs housing units; and
- Housing in the planning/development pipeline.

Housing Costs and Availability – analysis of the average and median prices of units for-sale, average rents and vacancy rates, and the relative affordability of units to residents and the workforce.

Housing Problems – analysis of housing problems in Bozeman, such as:

- Cost-burden;
- Overcrowding;
- The loss of affordable housing stock, as available from local information (e.g. mobile home park redevelopment, expiration of low-income housing tax credit restrictions); and
- Impacts of short-term rentals.

Current Housing Resources and Programs – a brief inventory of local housing resources and existing programs available in Bozeman, such as:

- Area housing organizations and departments (e.g., Bozeman affordable housing program manager, HRDC, etc.);
- Existing housing programs (e.g., down-payment assistance); and
- Current Inclusionary Zoning Ordinance, including units produced.

Current and Projected Housing Needs - quantitative estimates for the current and projected number of community housing units over the next five (5) years. This analysis will describe the current and projected gaps in the market, and what additional housing is needed by income and tenure.

Community Comparison - a summary of housing programs, policies and approaches in up to five communities that have similar access to amenities, a university with student housing demand, and effective community housing programs in place, which may include Bend, Oregon; Boulder, Colorado; and Burlington, VT. This list will be finalized at the kick-off meeting. This section will include information that is easy to reference and useful to inform the formation of the Housing Action Plan.

The report will integrate secondary information with primary research from interviews, focus groups, public outreach and employer surveys, including:

- Employer problems identified through the survey, including unfilled jobs and employee turnover, will be presented;
- Current contributions that employers are making to ease housing problems among their employees;
- Housing profiles and preferences of resident buyers and renters, including unit amenities, location, access to transportation, and other needs;
- The effect of lending requirements on home purchase ability and potential impact as interest rates rise; and
- Resident perceptions of affordable housing, including willingness to purchase or rent deed restricted units.

## Research

Contractor will use a combination of secondary data sources and primary research. Primary research is proposed to include a kick-off meeting, a site visit, a focus group with rental property managers, a focus group with Realtors and lenders, a focus group with developers and builders, and an online employer survey.

Employer survey. Contractor will propose a short on-line survey to be distributed to area employers between the Thanksgiving and Christmas holidays. City will seek assistance from the Chamber and other relevant entities to promote the survey through effective channels (radio, newspaper, employer meetings, etc.) and distribute the link to businesses in the City of Bozeman. The employer survey will probe the number of employees, where workers live (commute patterns), employee retention and recruitment issues and housing perceptions. Contractor will follow up as necessary with participating employers to clarify responses and generate a deeper understanding of issues.

Realtor and lender focus group. Local Realtors and lenders (mortgage brokers, banks) will be interviewed in a focus group to obtain information on the ownership market including current prices, recent trends, occupancy patterns, availability and what households are seeking when looking to purchase a unit. This discussion will also help define housing preferences in the area, including unit type and locations. Lenders will provide information on the availability of financing and the challenges faced when residents try to

buy a home. This focus group will be conducted during Contractor's site visit during the first week in November.

Property manager focus group. Property managers will be interviewed in a focus group to obtain information on the rental market including rents, vacancy rates, recent trends, and units most in demand. This focus group will include apartment property managers and companies managing units on behalf of individual owners (single-family homes, condominiums and cabins in the area). This focus group will also be held during the first week in November.

Developer and builder focus group. Developers and builders will be interviewed in a focus group to obtain information about the development environment including costs, trends, entitlement process, inclusionary zoning ordinance, and incentives and barriers to the development of community housing. This focus group will include small to large scale residential developers, multi-family developers, home builders, and general contractors. This focus group will also be held during the first week in November.

Stakeholder organizations. Contractor will be in contact with representatives of HRDC, Habitat for Humanity, Family Promise, Haven and related organizations active in Bozeman to obtain needed data and information for the study on their services offered and assistance provided, units managed (as applicable), challenges and planned projects/direction.

City departments, Chamber of Commerce and other stakeholders. Contractor will consult with city departments, Chamber of Commerce, and others to obtain needed data. City departments to obtain needed data on recent development trends, proposed commercial and residential projects that may be in the planning stages, County Assessor records and housing inventory data.

### **Work Sessions and Presentation**

Kick-off meeting. Early in the process (3<sup>rd</sup> week of October) contractor will facilitate an in-person and virtual kickoff meeting to clarify the goals of the project, identify communities to include in the community comparison and target information resources. This will preferably also include the full Housing Working Group.

Draft report and conference call. Contractor will issue the draft report the last week of January. Contractor will host a question and answer session and gather input from city departments, Community Affordable Housing Advisory Board (CAHAB), and other Housing Working Group members within two weeks of issuing the draft report. Information gathered from this discussion will be used to finalize the report.

Final report. Contractor will issue the final report and present report findings and recommendations in partnership with the City of Bozeman staff to the City Commission the third week in February. Contractor will prepare Power Point slides to support the presentation, which can be used in the future if there are other opportunities to present the findings.

**Preliminary Schedule of Events and Due Dates**

Week	Oct					Nov				Dec				Jan					Feb				Mar			
	1	2	3	4	5	1	2	3	4	1	2	3	4	1	2	3	4	5	1	2	3	4	1	2	3	4
<b>Part 1 - Housing Needs Assessment Update</b>																										
Compile working group		x	x																							
Kick-off meeting (week of 10/15)			x																							
Secondary data collection				x	x	x	x	x	x																	
Site visit (week of 11/5)						x																				
Employer Survey (in field)										x	x	x														
Analysis and report write-up												x	x	x	x	x	x									
Draft report submitted (week of 1/28)																		x								
Draft report conference call (week of 2/4)																			x							
Final report and presentation (2/18)																				x						

Note: Exact dates and number of site visits are subject to change as agreed to by both parties.

**City Participation and Support**

City will assist and support Contractor with the following tasks:

- Recruiting Housing Working Group Members. Identifying and recruiting approximately 20 diverse stakeholders. Members should be available for kick-off meetings, four work sessions (2-3 hours each), and attendance at open houses and presentations. Working Group members function as ambassadors of the Action Plan and will be expected to keep their constituencies or membership (as may be applicable) apprised of the process and share their input.
- Focus Groups. Identifying, providing contact information for, and recruiting Realtors, lenders, property managers, developers, and builders to participate in the focus groups. Providing a meeting room, materials and refreshments.
- Data. Assistance compiling needed City and County data, including existing reports/studies, Assessor data/contacts, planning/building department records, etc.
- Survey. Assistance promoting the survey through various media (radio, newspaper, websites, etc.), distributing the survey to employers, and publicizing the online employer survey link.
- Media Outreach/Publicity. Press releases, interviews for articles, distribution of web site link to Chamber members and widespread notification through print and social media about the two open houses and presentations to City Commission.
- Working Group/Consultant Communication. Forwarding materials, relaying issues that may arise, sending reminders of work sessions, open houses, and presentation schedules.

- Meeting Support. Organizing and providing the meeting place/venue, refreshments for participants, public notice when applicable, work session/open house materials (white boards, projectors, etc.) as needed by consultants.

### Deliverables

A clear, well documented, transparent report on the Community Housing Needs, Resources and Opportunities in Bozeman. This report will document our research, methodology, data, and trends, as defined above. This will provide the information needed to help target housing tools and develop the Housing Action Plan in Part 2.

Contractor acknowledges that two hard copies and a PDF version of all preliminary and final drafts will be provided to City planning staff, that all documents will be provided at least 14 working days prior to any public hearing or meeting with the City Commission in an electronic format, ADA accessible, approved by the City; and that all work submitted will become property of the City of Bozeman.