

**July 15, 2019**

**Bozeman Cohousing meeting in the Venture space, including a conference call with Katie McCamant, president of CoHousing Solutions.**

Call set-up (Thank you Mark) starting around 5:20 pm; call with Katie ran from around 5:30 to 6:45 ish. Thanks once again to Mark and Kathleen for printing meeting agendas.

**Why should we hire you?**

“Who else are you going to hire? I have been working on cohousing for the past 35 years at each level of development: developer, architect, working mom, living in community throughout. This experience is valuable to groups starting a cohousing development, for example direct knowledge of risks, budget, true belief. Ask anyone who has worked with me.” [Eric Bonnet designed a project on which Katie was the developer.]

**How long have your past projects taken?**

A whole range; the time line starts when land is under contract. 3-5 years to build, after land is under contract.

**How can you help us reduce costs?**

We are not likely to like the initial budget; it is her best estimate of true cost. We need to determine the construction costs [city permits, utilities, contractors, finance, insurance, etc] in Bozeman.

**What are controlled and uncontrolled costs?**

How complicated are your buildings – simplicity is less expensive. City fees not within our control.

**What will it look like working with you?**

Regular call at least once/month; maybe weekly calls or a visit during property purchase.

**How will we communicate with you?**

Mostly online meetings.

**How would you work with John Kalmon on this project?**

Depends on whether he has time...I missed some details regarding his day job and availability, but Katie sounded willing to work with him *if* he is available.

**What is the intellectual property you sell us and why is it better than free documents that other cohousing are willing to share with us?**

Free has down sides. Some information may be pertinent to only one group. May lack context and experience. You should visit cohousing developments as widely as possible. Consulting would be worth \$300-400 an hour. Her fee defers cost to the start of construction, when cash is abundant. Early advice is most valuable to new groups.

**Does consulting include IP or are they separate?**

They come together.

**How many projects are you working on?**

About a dozen, in different stages. Not a problem, plenty of time. This is her full-time job; it is now much easier than when she was a working mother! Meetings generally should not be after 5pm. [Katie is in California].

**What does “ready to make an offer” on land look like?**

People ready to write checks for deposit and feasibility, eg environmental, marketing. Do you have an LLC, an attorney, a budget, an architect, maybe a GC? Who is talking to the planning department to determine what you can build? Core group members are not certain until land is under contract.

**What would we want to include in offer for land to make it strong? What would an ideal contract look like?**

Quimper Village [near Port Townsend, WA], which involved a land deal with spare equity. *[Does Eric have more details?]* Do you have enough time to assess risks such as floodplains, wetlands, and brown field issues? Re-zoning can be risky and time-consuming. Planning staff are generally not decision makers, and they may not give accurate information. An ideal contract would give you the longest hold for least money. Hot market and competition for land requires faster development.

**How can you guide us towards estimating unit cost, assuming \$1M/acre and 10 units/acre?**

People tend to be surprised by soft costs: City fees, utility hookups, finance costs, architect cost, ect. Straw budgets are helpful are seeing where the costs are, and which costs are controllable (and uncontrollable). 50-60% construction cost, 40-50% project cost. More square feet to sell = less cost per unit, as project costs are spread across more square feet. Small homes cost more per square foot than large ones of the same materials.

**What is your advice for us at this stage of the project, and what should we be doing that we are not?** Hire me. Develop membership process. Hire consultants: attorney, architect, engineer, etc. Register an LLC to hold the land and eventually distribute costs to new members who buy in later.

**What are the characteristics of groups that succeed/fail?**

Cohousing gets build by the group as developers or codevelopers, sharing money and risk. Groups that close on land generally succeed.

**What are (3) common pitfalls?**

Need a shared vision. Do not avoid conflict. Spend time on process. Cohousing requires many leaders, sharing the work.

### **Have you seen affordable housing incorporated into cohousing?**

What does affordable mean? To me, it means subsidies for below-market-rate units. There is no magic money. The most flexible money is local. Don't try to do everything. Focus on what your core group can afford. Maybe add the photovoltaic system later. [Dream houses do not get built. Passiv Haus and affordability are an incompatible mix? (paraphrase)]

\* \* \*

**Katie asks: do we have an LLC?** Group needs a Montana atty to interp Katie's or other docs in terms of MT state law.

"Pot luck clubs come and go: people talk about how nice it would be to live in community."

### **Eric: Is cohousing 10% more expensive than market rate housing?**

Katie: Lower-cost markets are more challenging for cohousing to compete in compared to market-rate housing. I can't quote a percent difference in cost.

### **Toby: Were you working with any cohousing projects in 2006-2008, and if so, how did they fare?**

Two succeeded, one did not. Get out the whiskey for details.

*In 2006-2008, Katie was working with three active cohousing groups; one failed, two succeeded. The failure consumed her working capital as a developer?*

I missed some details regarding discussion of contract terms...To start: \$1000 retainer (to bill against), plus \$160/hr (a couple of hours a month) [+ 0.5% of total project cost at closing] (?)

"If I can't save you 1% (her approximate fee), I haven't done my job. I am confident that I can. Nobody else out there has my depth of experience with cohousing."

### **End of call with Katie**

Other topics discussed, including many details that I did record: How much does it cost to establish an LLC? Not much. Katherine has many LLCs, one for each of her rentals. Could add one for cohousing. Cost of Couhousing Solutions+LLC+land feasibility should be refundable for members who leave (at closing?). \$500 this summer x 6 households = \$3,000 for Katie plus LLC.

Early contributions for Katie's consulting contract and the Bozeman Cohousing LLC should be shared equally as soon as all members pitch in; set a near-term deadline for evening costs, such as at the time of land purchase.

**Proposal 1:**

We will set a September 1 deadline for an additional \$400 per household contribution, for the purpose of hiring Katie, refundable at closing, from decision-making members. On September 1, members who are in at \$100 level will no longer make decisions. [paraphrase of group proposal with input from several members]

**Approved by unanimous, thumbs-up consensus.**

Eric proposes to execute the Cohousing Solutions consulting contract with \$1000 retainer.

**Approved by unanimous, thumbs-up consensus.**

Next meeting: Wednesday, July 24, 6pm in the Venture space (Thank you once again, Katherine!).

Adjourned ~7:40 pm.

Minutes submitted by Toby Koffman