



August 29, 2022

Whitefish Housing Efforts

The City of Whitefish is pleased to hear that the Governor’s Task Force on Housing has reached out to communities around Montana to learn more about the work we are doing to bring more affordable housing to our cities and towns. As a visitation-based community, we have always recognized the need for affordable workforce housing, not only for our tourism service workers, but also for essential community employees such as our police officers, teachers, nurses, and many others. Along with our partners like the Whitefish Housing Authority and Whitefish Chamber of Commerce, we have worked very hard and devoted considerable resources to achieve an adequate supply and variety of housing sizes and types, especially in the past 15 to 20 years. Therefore, we are happy to present this brief summary of our efforts for the Task Force’s consideration as it works to develop recommendations to make housing more affordable and attainable in all communities in Montana.

Dana Smith, Whitefish City Manager

Past and Current Affordable Housing Efforts

Housing Needs Assessment/Strategic Housing Plan

Starting in 2015, business owners and the Whitefish Chamber of Commerce hosted a housing summit due to an increasing concern with employee shortages. The City partnered with the Chamber on a new Housing Needs Assessment in 2016 which projected that 980 new housing units would be needed by the year 2020 and 62% of those units should be below market rate to meet the needs of permanent residents and the local workforce. An updated needs assessment is currently underway, which shows 1,310 additional housing units are needed by 2030, and at least 980 of those units should be below market rate.

A Strategic Housing Plan was completed in late 2017, which recommended a three-tiered approach consisting of 40 separate housing strategies. Tier 1 strategies included a development partnership on the “Snow Lot”, a property owned by the City of Whitefish, an inclusionary zoning (IZ) program, and a “Zoning for Affordability” zoning code audit and revisions.

An updated Strategic Housing Plan is currently underway to be completed in November which will refine the City’s strategies for addressing the shortfall and loss of workforce housing city wide. With additional staff capacity, there is a special emphasis placed on public participation, particularly market-based

stakeholder parties including local workers, Chamber of Commerce / business community, local developers, and banks and other financial institutions.

Hired Housing Coordinator

The city filled a new position of Housing Coordinator in Fiscal Year 2022 to manage and coordinate citywide affordable housing efforts and manage implementation of the Strategic Housing Plan.

Zoning for Affordability Legacy Homes Program

As an implementation of the Strategic Housing Plan, the City created an inclusionary zoning program which required new multi-family developments and subdivisions to set aside 20% of the units or lots for long term affordability to medium income residents. After the State Legislature enacted a law prohibiting mandatory affordable housing statewide, the City amended the Legacy Homes Program into a voluntary program with heavy incentives such as increased density, reduced parking, increased building height and lot coverage, etc.

Multi-family Housing in Commercial Zones - 2020

The City amended the zoning for two commercial zones (WB-1 and WB-2) to permit multi-family housing where residential uses were not previously allowed.

ADU Ordinance Overhaul - May 2022

The City of Whitefish recently revised regulations for accessory dwelling units (ADUs) to make ADUs easier, quicker, and less costly to get permitted. The City did away with owner occupancy requirements and made them a use by right rather than being subject to a conditional use permit. Incentives including more square footage, no parking, and impact and building permit fee reimbursement will be made available to the owner for agreeing to rent for 12-month leases for five years to a local person.

In Progress

Snow Lot Workforce Townhome Development

Completion: Mid 2023

An affordable ownership development with 22 townhomes aimed at 80% - 120% Area Median Income (AMI) community members is proposed. The City of Whitefish contributed the land, provided TIF funding, and fee in lieu of affordable housing funds toward this affordable housing development partnership with Whitefish Housing Authority. In 2020, the City contributed an additional \$2 million of ARPA funds toward the project.

Rental Conversion Program

The City of Whitefish is in the initial stages of exploring a partnership with local philanthropy groups and businesses to build and fund a program that provides incentives to property owners to rent to local community members. This serves as an anti-displacement program that benefits community members and their employers by tapping into the current housing market. Whitefish's program is an adaptation of similar programs in other mountain / resort towns with higher-than-average home / rental prices and higher proportions of vacation homes and short-term rentals than most communities. Comparable towns with similar incentive programs include Big Sky, MT, Truckee, CA, and Winter Park, CO.

Near Term

Growth Policy Update – 2022 – 2023

Our growth policy update will be started in late 2022 with intense focus on livable communities and affordable housing. This will include further efforts toward: identifying residential growth areas of the city including areas designated for workforce housing, evaluating parking requirements and minimum lot sizes, evaluating single family zoning areas for opportunities to increase density, etc.

Impact Fee Process Improvements for Affordability

State law does not explicitly provide for the waiver of impact fees for affordable housing projects. Therefore, the City is exploring a code amendment to delay the collection of impact fees for deed restricted affordable housing projects that may not qualify for reimbursement in other incentive programs to allow for improved cashflow of projects.

Local Funding for Affordable Housing

The Whitefish City Council approved a 4-mill property tax levy totaling about \$198,000 for Fiscal Year 2023 to support the development of affordable housing and improve the use of current housing stock through incentive programs, such as the reimbursement of impact and building permit fees for deed restricted affordable housing units and the anticipated rental conversion program. Additionally, the Whitefish City Council directed City staff to proceed with an analysis of a reallocation of funds generated by the City's voter approved Resort Tax to include affordable housing. City staff anticipates the question on the uses of Resort Tax funds will be presented to voters in November 2023.

Recent Community Housing Developments

Project	Total Units	Studio	1br	2br	3br	Income Level	Year Built
Trailview	58		Y	Y		80-150% AMI	2019/2020
Whitefish Crossing	6		2	4		<70% AMI	2017
Riverview Trails	5	1	2	2		<70% AMI	2021
Alpenglow	38		12	20	6 (3 are T/H type w/ garages)	<60% AMI (LIHTC)	2021