

WHITEFISH STRATEGIC HOUSING PLAN STEERING COMMITTEE AGENDA



**Friday, May 20, 2022, at 2:00 p.m.
City Hall - Whitefish City Council Conference Room**

1. Call to Order
2. Communications from the Public
3. Approval of Minutes from May 12, 2022
4. Review Proposed Work Program to Provide Additional Workforce Housing Opportunities through Upzoning.
5. Update on Needs Assessment/Strategic Plan.
6. Next Committee Meeting
 - a. June 9, 2022
7. Adjourn

Committee Documents:

Click [here](#) to access the Workforce Housing Needs Assessment

Click [here](#) to access the 2017 Whitefish Strategic Housing Plan

WHITEFISH STRATEGIC HOUSING PLAN STEERING COMMITTEE

MINUTES

May 12, 2022 at 6:00 p.m.

1. Call to order:

The meeting was called to order at 6:08 p.m. by Ben Davis

Present: Wendy Compton-Ring, Ben Davis, Rhonda Fitzgerald, Kevin Gartland, Bob Horne, John Muhlfeld, Rebecca Norton, John Muhlfeld, Dana Smith

Absent: Lori Collins

Staff: Riss Getts, via MS Teams

Others: Two (2) people from the public were in attendance

2. Communications from the Public: none

3. Approval of Minutes from the April 14, 2022 meetings:

Fitzgerald/Muhlfeld moved to approve the April 14, 2022, meeting minutes. Passed unanimously.

4. Continuation of Review of WSW Memo. Reviewed items 1-3 at the previous meeting.

4. SNOW Lot *Is there anything to be done to move this forward faster? Develop support for the project now.*

Rebecca – wondered if there is another location this project could occur in the event this project doesn't work here?

Wendy – hope the WHA will lean on staff to help move the project along

Rhonda – agrees, the identified projects need tailwind to help move things along; when

Riss is on-board her role can bridge the gap between the City and the WHA

Riss – has been attending the weekly developer updated meetings

Education/PR – wants the public to perceive the project and development of it as effective; thinks it would be helpful to provide status reports on the project for the public

5. Next Tier Projects. *Land & Redevelopment Opportunities* (potentially pairs with Land Banking and Housing Trust items)

Ben – this is the Capital Improvement Plan needed for planning and fundraising purposes; what is our building plan for the future and how we are spending the money; this wholly falls under purview of the Housing Whitefish

Rhonda – still confused on how all the various housing groups work together; who is advising whom

Kevin –this group will continue to feel like we are floundering until both the City and the Housing Whitefish staff get on board

Riss – described her enthusiasm to develop a Capital Plan and work with Housing Whitefish

Ben – this is a strategic plan for Housing Whitefish

Kevin – Housing Whitefish is not alone on developing this; we can help them do this – we are asking them to do what they need to do; we need to think outside of the box and we need to be creative; is there land that can be re-purposed? City land, parks, school district, BNSF

Rebecca – need to look outside city limits

Rhonda – look at all the different locations and ideas for development, a lot of the larger employers with a lot land are looking at opportunities for housing and this should be encouraged

TO DO:

- map all public lands
- map underutilized private land – include outside city limits within the Urban Growth area

Bob & Ben – have been brainstorming ideas on what to do with the map Dave made several Council work sessions ago; Bob developed a work program – further identify land that can be developed-redeveloped; he would like to kick start with a work program – share with the Committee; Bob is concerned with what could happen with the upcoming legislative session and does not think we can wait until the Growth Policy is done

Ben – what helped was the series of steps and to see something in writing

TO DO:

Will circulate Bob’s memo and schedule a meeting for Friday, 20th at 2PM – bring Dave’s map from the work session

Re-Do the Committee (Core Component #1):

John – this committee ought to be re-structured to get the right people in the room to get those involved; help focus the discussion

Dana – housing will always be an issue so it should be a standing committee

Ben – bring a draft of the Committee make-up to the next meeting

Kevin – do we need three Councilors? *No*

Dana – added that we do not need staff as a full committee member; staff will attend the meetings

6. Code/Policy Changes/Upgrades

Annexation Policy – currently the City and staff are looking at procedural aspects of annexation versus annexation as a policy for housing

Rebecca – might be a good idea to extend sewer/water to areas we want to see build for housing

Dana – noted we need to find funding to do that

Ben – Is annexation a Council goal? *No*. Perhaps Tara and Riss can work on the annexation policy and bring it back to the Housing Committee.

Ben - Does it make sense to develop a scope of work and hire a consultant to get this done

Bob – as an alternative to pull information from lots of places to start the discussion

ADU – staff can bring back the refinement of the incentive program for new and existing units.

Impact Fee Waiver/Deferral – this will be part of the budgeting discussion with the Council

Assess Area for Increase Density – to discuss at May 20th meeting

Zoning for Affordability – as described before, this is an on-going goal for staff to amend as items are identified

Zoning-Designing for Affordability – different types of housing (hotel conversions, temporary/seasonal housing, dorms, tiny homes)

Wendy – have talked to many people about all these types of housing. This should be a priority.

Have staff draft amendment and bring back to the Committee to move these forward.

7. Update on Affordable Housing Strategies in Progress:

a. Whitefish Housing Authority – updates none

NEXT STEPS:

Bob – what has the WHA learned about the Community Reinvestment Act as a source of funding?

b. Chamber of Commerce – update none

c. City of Whitefish

Committee Restructuring: staff will bring back an idea to the next meeting

Plan Update-Housing Needs Assessment Update: getting a contract put together and will be meeting with the consultants next week. We'll need to plan on a time to meet with the Committee and Consultants

Public Relations – Dana met with Brian Schott to discuss public relations need for affordable housing; doesn't exactly fit within the crisis communication contract the City currently has but could do a separate contract

Budge Update – Dana is recommending two mills for housing, looking at consultant money to get long-range planning projects done, and possible allocation for lobbying support

Resort Tax meeting – May 25th 7:05 AM in city hall (to discuss reallocating a portion to affordable housing – Ben Davis and Kevin Gartland agreed to attend)

Rhonda – asked about the status of the Monegan project. *Dana noted there are some challenges with the growth policy that need to be worked through before the project can move forward*

8. **Next Committee Meeting:** June 9, 2022
9. **Adjourn:** The meeting adjourned at 8:00 p.m.

Proposed Work Program

Providing Additional Workforce Housing Opportunities Within the City of Whitefish

This work program is intended to build upon the inventory of properties already generated by the City of Whitefish that have been deemed preliminarily suitable for more intensive residential development. Outlined herein are the steps necessary for a more thorough evaluation of these properties, zone changes, and zoning text amendments so that an expanded number and variety of housing suitable for the local workforce can be provided in the community.

Task 1: Assess the current development potential of selected parcels in the inventory.

Giving preference to larger parcels suitably located for multi-family development, current zoning and ownership information will be recorded. Then, factors such as parcel size, configuration, physical factors including steep slopes or wetlands, access, available utilities, and surrounding zoning and land use will be used to determine a maximum potential density range (10 to 12 du/ac, 16 to 18, etc.) for future multi-family development.

Task 2: Assess the potential for increased density through upzoning. Based upon the above analysis, determine the potential for increasing the density of each selected parcel through “up zoning” to an appropriate zoning district that allows a higher density than the existing district without amendments to the Growth Policy. In addition to the factors above, the quality, character, density, and unit types of the surrounding neighborhood will be considered.

Task 3: Committee Review. Have the results of Tasks 1 and 2 reviewed by the Workforce Housing Strategic Plan Committee (Planning Board, or separate work group), and revise the parcel analyses as necessary. Determine which properties will move forward into Task 4.

Task 4: Owner Outreach. The owners of each selected property will be contacted by mail in order to determine their interest in upzoning. The owners will be invited to meet with City staff and/or consultant to discuss the program if they so desire. If adjustments to any of the analyses are requested by the owners, those requests shall go back to the Committee for further consideration. Should any owners choose not to participate, the City will take no further action on those properties. Either in this task or prior to any public hearings in Task 5, one or more neighborhood meetings shall be held for each property proposed to be upzoned.

Task 5: Applications for Zoning Map Amendments. Following completion of Task 4, zoning map amendment (zone change) applications will be prepared for selected properties by staff and/or consultant. All applications shall be co-signed (or otherwise authorized) by the property owner. These applications shall be scheduled for Planning Board review and public hearings, and referred to the City Council for final disposition according to the Whitefish Municipal Code and state law.

Task 6: Identify additional properties for upzoning. Using the process set forth in Tasks 1 and 2, identify smaller properties that may be upzoned for “missing middle” projects such as two to four-family buildings and/or small (800 to 1,400 sf?) single-family homes. These properties may or may not require a Growth Policy amendment for upzoning to occur. Committee/Planning Board review, contacting of owners, and zoning map amendments may proceed generally as described in Tasks 3 through 5. Should any Growth Policy amendments be needed, the amendments will be drafted by staff and/or consultant, and taken through the adoption process of public hearings and reviews by the Planning Board and City Council pursuant to Montana law.

Optional Task 7: Upzone entire areas of the City consistent with the current Growth Policy. At this time, we have large areas within the City of Whitefish that are designated “Urban” on the Future Land Use Map (Growth Policy), but may be zoned something like WLR or WR-1. Depending on where these areas are located within the City, these properties may be capable of supporting higher densities, such as townhomes, twin homes, or small lot single-family homes. This is an additional opportunity to address the “missing middle” of affordable housing on a greater scale than previous tasks.

The first step in this task would be to compare the Future Land Use Map with the current Official Zoning Map to locate areas of the community that may be suitable for higher density zoning district. Once these areas are located, evaluated, and potentially suitable zoning district is determined, owner outreach and the rezoning process would proceed as per Tasks 2 through 5.

Optional Task 8: Zoning Text Amendments. This task primarily involves examining the five least dense residential districts in the Whitefish zoning code: WA through WLR. As Whitefish no longer administers zoning in the extra-territorial jurisdictional area (ETJ) of the county, some of these zones may not be needed. However, it appears from the Official Zoning Map that the WA district is used as a “holding zone” for some private property, and as a “public/semi-public” zone for the wastewater treatment plant and some park lands. In some cases, the allowable density could be raised and/or the minimum lot size, lot width, and/or lot coverage could be liberalized in order to provide additional housing opportunities. Text and map amendment procedures are set forth in Sec. 11-7-12 of the zoning code.

Upzoning: Finding Additional Multi-Family Units On the Whitefish Zoning Map

Here in Whitefish, we knew we had a housing problem long before the rest of Montana realized they had also one, and began to call it a “crisis”. Our 2007 Growth Policy (formally adopted in 2008) spoke of “cost burdening” of our workforce, and second homes and short-term rentals putting upward price pressure on residential real estate at all levels. Furthermore, we were able to look critically at our housing issues and realize that they were only going to get worse in the coming years. We even described linkage and inclusionary zoning requirements, and recommended that those tools be explored.

Now here we are in 2022; 14 years later, and our housing problems are worse than we ever imagined. Even modest single-family homes have increased 300% in value since 2005. Rental rates for multi-family housing and housing in two to four-unit buildings have increased so much over just the past year that we are seeing even more cost burdening among those who make up our workforce. The 2016 Whitefish Housing Needs Assessment determined approximately 600 workforce housing units were needed to address current shortfalls and the additional demand generated through the year 2020. While the City has added affordable units since 2020, the gap between the number of units needed and units on the ground has only widened.

Just as a reminder, the Growth Policy (called the “comprehensive plan” in most other states) is a community vision; a broad body of public policy addressing every component of community building. The section of the Growth Policy titled “Growth Policy Amendments and Updates” specifically recommends the document “be thoroughly reviewed every two years, and updated as needed.” (State law requires the growth policy to be reviewed at least once every five years.) While periodic reviews have taken place, the Growth Policy has not been comprehensively revised since it was adopted. The Growth Policy is not regulatory, but it cannot be ignored in growth management decision making either (*Heffernan v. City of Missoula*, 2011). The zoning code is one way of implementing the growth policy, and it does carry the force of law. While the growth policy is adopted by resolution of the governing body, the zoning code---being law----is adopted by ordinance and becomes part of the municipal code.

State law stipulates that zoning regulations must be “made in accordance with a growth policy” (Sec. 76-2-304, MCA). This could be interpreted that any significant revision to our zoning code must be in “accordance” with our growth policy. But once again, our growth policy has not undergone any significant revisions since first adopted in 2008. And so it becomes a legal question (if challenged) how much we can amend our zoning code without first rewriting the growth policy. What we most likely can do is to rezone certain properties in accordance with the Future Land Use Map in the Growth Policy, and if necessary, make relatively minor revisions to the Growth Policy to support addition rezonings and/or text amendment to the zoning code. The City has prioritize a total rewriting of the Growth Policy, but that could take two to three years to complete.

As everyone knows, we lost our inclusionary zoning program in the 2021 Montana legislative session. And now many Montana law makers are poised to take even more planning and regulatory tools away from local governments when the 2023 session rolls around this coming January. Since the 2021 session, there have been several articles and op eds published in newspapers around the state that claim local zoning is the main obstacle preventing more affordable multi-family housing from being developed in Montana. Legislators, convinced that zoning is the villain in the “housing crisis”, could enact extreme laws such as banning or restricting single-family zoning districts in cities. While many of us feel that such legislation would be misguided, it has been enacted in other states and some municipalities. Legislators have their eyes on Montana’s cities and town to see what positives steps we are taking to revise our zoning codes in such a way that we at least encourage the development of more multi-family units. If we don’t act, they will.

Following the City recent rejection of the Gateway project, located in the northern part of Whitefish around the intersection of East Lakeshore Drive and Big Mountain Road, people in the community began to ask, if multi-family housing can’t go there, where in town can it go? Answering that question gives us yet another reason for undertaking this project. We now have the opportunity to proactively identify potential multi-family sites, and to work with property owners, neighbors, and the public to facilitate their development. The City is in a unique position to facilitate an increase in the housing supply in a way that protects the character and qualities of Whitefish. Otherwise, we will likely continue to have proposed developments come forward that do not reflect the Whitefish community vision, and that are unpopular with the community’s citizens.

Recently, the City of Whitefish Planning Department produced an inventory of properties that are potentially suitable to produce more residential units in the community. Some of these properties are already zoned for some type of multi-family development, but others would require a zone change and/or growth policy amendment for multi-family units to be built. Regardless of how we feel about “up-zoning” for more multi-family housing, it behooves us to make a good faith effort to examine our zoning code and growth policy to determine opportunities to increase our multi-family housing stock while still protecting the character and qualities that have made Whitefish the livable and successful community that it is.

The next obvious questions are----“What do we do now? How do we get started and what do we do first?” Hopefully, the accompanying work program will address these questions.

A logical first step would be to identify the “low-hanging fruit”. By this we mean properties of sufficient size located in or near the core of the community, that are best able to produce higher densities and additional units reasonably quickly. These units may or may not be zoned for higher densities currently, but at least they should be capable of being rezoned without a growth policy amendment. Those that need to be “upzoned” Existing zoning and ownership information of each parcel in the inventory must be looked up. Additional information such as parcel size,

configuration, physical factors, access, infrastructure, and surrounding neighborhood must be gathered so that some assessment can be made of how many units could be built under existing zoning. Following that, we move into Task 2 where we assess the potential for increased density through a zoning map amendment and/or growth policy text amendment.

Task 6 is intended to find properties of particular location and size that lend themselves to development of “missing middle” multi-family housing. These are generally considered to be townhomes or apartments in two to four-unit buildings, which means they are often compatible with and complementary to single-family neighborhoods.

An optional task, 7, that has been added to the work program would look at our existing zoning districts to determine if any should be eliminated, or at least, minimum lot size and/or setbacks and lot coverage reduced. For example, the three or four lowest density residential districts are likely only in the code because the City previously administered this code in the rural Extra-Territorial Jurisdictional Area (ETJ). Presently, there may be no practical use for these districts. Also, the minimum lot area in WRL could be reduced, or, this district too could be eliminated and land within the district rezoned to WR-1. We will likely find many possibilities to increase our attached housing stock without impacting our established neighborhoods.

Two additional steps in this project are keys to its success. The first is described in Task 4 of the work program: owner outreach. We must personally contact the owner of each property in the inventory and notify them of any possible zoning action that may affect them. We must earn the trust of these owners, and to that regard, they must hear from the City before they read about this project in the local papers. Should any owners not wish for their property to be part of this program, the City should honor their wishes and take no further action.

Second, we want to be sure we engage and involve concerned neighbors early in the process so that there is ample time to incorporate reasonable ideas and preferences they may have. Keeping all parties informed, and taking their comments seriously, is a key to building trust and for the project to succeed.

Which brings us to our final question: What does success look like? Well, it could be argued that just conducting a good faith exercise to study our zoning map and determine where additional opportunities for multi-family housing might lie is success. But more likely, real success will be measured in the projected number of additional units that this exercise will produce. If at the end, we are able to say that we have rezoned X acres with a potential increase of Z multi-family units on the ground, that will define success.

Whitepaper Outline: Opportunities to increase housing supply in Whitefish

Policy goal: The growth policy is significantly out of date, however it will take years to update. Identify stopgap measures to increase allowed market housing supply that stays true to the overall vision for the community.

Key points for intro:

- a) The growth policy is badly out of date, is in the process of being updated, but it will take years to do so. However, there are stopgap measures that can be taken now, within the scope of the existing growth policy, which will help meet community goals and would likely be incorporated into the new growth policy anyway.
- b) The City needs to focus on opportunities to allow for an increase in housing supply in a way that is suitable to the community. Otherwise, we will continue to get proposed projects that are broadly unpopular, poorly planned, and/or no housing will be built.
- c) A work program such as this is superior to any top-down solutions likely to be proposed through the state legislature
- d) This work program is exactly what was intended by adopting the 2007 growth policy, it's just unfinished work to bring consistency between the zoning maps/standards and the growth policy [explain]
- e) Explain in broad terms the difference between growth policy vs zoning, map vs text amendments, missing middle vs high density

"Upzoning" work program

- 1) **Parcel specific upzoning, high density** – *may include growth policy amendments*. Policy goal: provide an avenue for parcel specific map amendments (zoning and/or growth policy). Have the City initiate process for some identified parcels, and create a path for other landowner requests for the same. Best used on a limited basis for parcels suitable for larger multi-family housing development.
 - a. Identify inventory of privately owned, under-utilized parcels which would be suitable for higher density multi-family development but are not currently zoned as such
 - b. Assess the suitability for increased density on each site
 - c. Committee review [not housing committee – something more like a planning board]
 - d. Owner outreach [what's the role of the owner in this?]
 - e. Prioritize parcels by geographic area/size/suitability. Parcels not requiring a growth policy amendment are higher priority, as are parcels with a supportive owner.
 - f. Draft growth policy amendments & zoning amendments
 - g. Final approval by city council
- 2) **Zoning map amendments, middle density** - *no growth policy amendments*. Identify entire land areas where the assigned zoning is below the density identified in the growth policy. For example, WLR zoning in Urban growth policy areas. Rezone accordingly on an area-by-area basis. Best used to broadly increase the availability of land for the "missing middle".
 - a. Perform GIS analysis to superimpose growth policy map and zoning map, identify mismatches
 - b. Rezone identified parcels [what does the rezoning process look like?]
 - c. Considerations in this process:
 - i. Consider if any zoning classification below WR2 makes sense for undeveloped land. *Anything lower only produces 1mm+ dollar housing units*
 - ii. Evaluate each zoning district for suitability in today's community – can certain low density districts be consolidated/eliminated into R1-R2

Other Steps to evaluate under a separate but simultaneous work program

- 3) **Zoning text amendments** to increase allowed density in certain existing zoning districts. Best used to broadly increase the availability of land for the “missing middle”.
 - a. Consider other parameters in addition to units/acre, such as minimum lot size, lot width and coverage percentage
 - b. Mostly only applicable to low density zoning districts (WLR-R2)
- 4) **Annexation:** consider steps to facilitate development outside of existing city boundaries
 - a. Identify desired areas for future annexation
 - b. Consider opportunities for extension of services to city boundary in these areas, with latecomer policy
 - c. Separate but related: craft a comprehensive annexation policy