

WHITEFISH STRATEGIC HOUSING PLAN STEERING COMMITTEE AGENDA



Thursday, July 14, 2022, at 6:00 p.m.
City Hall - Whitefish City Council Conference Room

1. Call to Order
2. Communications from the Public
3. Approval of Minutes from May 20, 2022 and June 27, 2022 (Refresh 2022)
4. Revisit Proposed Work Program to Provide Additional Workforce Housing Opportunities through Up Zoning.
5. Update on Affordable Housing Strategies in Progress
 - a. City of Whitefish
 - b. Whitefish Housing Authority
 - c. Chamber of Commerce
6. Update on Needs Assessment/Strategic Plan – Upcoming Meeting Dates
7. Next Committee Meeting
 - a. Regular Meeting: August 11, 2022
8. 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 20, 2022 at 2:00 p.m.

1. Call to order:

The meeting was called to order at 2:05 p.m. by Ben Davis

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

Absent: Lori Collins, Kevin Gartland, John Muhlfeld

Staff: Riss Getts, via MS Teams

Others: Six (6) people from the public were in attendance

2. Communications from the Public: none

3. Approval of Minutes from the May 12, 2022 meetings:

Horne/Smith moved to approve the May 12, 2022, meeting minutes. Passed unanimously.

4. Update on Needs Assessment/Strategic Plan.

The group was asked to determine if there are other people that should be on an expanded Committee to review the Updated Strategic Housing Plan

Bob – look at positions from the Growth Policy Steering Committee

Riss – young people, renter; people with lived housing experience

Rhonda – WF Community Foundation, people that gets ‘stuff’ done, NVH – they have property (maybe there are other major employers with land)

NEXT STEPS:

Invite the people we want since it is a public meeting versus creating a special committee; if Committee members have names of those to personally invite, forward these to Dana

Monday, June 27th from 2-5PM

5. Review Proposed Work Program to Provide Additional Workforce Housing Opportunities through Up Zoning.

Ben – provided background on why the topic is here before us and the question of ‘if not multi-family at Mtn Gateway then where’? Staff provided a background of information on where additional multi-family could be added in a work session to the City Council several months ago. Where can we meet our goals without having to amend the Growth Policy and develop something that can be forwarded onto the Planning Board and City Council for consideration.

Bob – described the zoning map and code amendment project

Rebecca – confirmed that this is not mandatory?

Bob – No, a property owner could opt in if they want. He continued to provide an overview of a possible workplan and reviewed the tasks

*** Dana left the meeting, a quorum of members remained ***

Rhonda – seems to be a housekeeping matter, there needs to be a screen to ensure it is not for speculative investment, but for housing for local people

Bob – this could be added to the list of ‘what could go wrong’

Rhonda – concerned about the 2nd home ownership out pacing primary ownership

Bob – would need to work with property owners to ensure the housing is for locals

Ben – could it be part of the primary ownership program; ask for a soft deed restriction in exchange for taking the lead in the rezone

Angie – wants to make sure it isn’t perceived as contract zoning – we can’t make an exchange of promises; cannot promise zoning in exchange for deed restrictions

Rebecca – this isn’t spot zoning?

Bob – no, each zone change still needs to meet the criteria and make sure infrastructure is reviewed to ensure the property can be developed

Addie – provided an example for discussion and wondered who is going to actually build the affordable housing when a property owner is looking at getting the most \$\$

Ben – our job is to establish the rules, provide opportunities to a developer that integrates housing into the community; not a program to build cheap housing, we simply need to increase the supply of housing

Addie – remained concerned as the value is in the land

Rhonda – Mtn Gateway was in the wrong location, where is the right location?

Rebecca – likes the idea of the inventory; wonders about a mechanism to keep people here versus sell and leave; we want to maintain the contributing members of society and enhance the stream of income; this will need strong incentives on the front & back otherwise everyone will leave

Ben – you have to allow build housing

Rebecca – good idea, but cautious

Rhonda – appreciates the logical steps and approach

Bob – reviewed the ‘what could go wrong’ memo; another reason to do this is to prepare for the legislature and their impacts

Rhonda – timeline? Good to be done before legislature – at least underway

Communications from the Public:

Mayre Flowers, CFBE: any consideration for a community land trust option; Strategic Housing Plan had a % of ownership versus renters; wonders about the Growth Policy build out analysis for the infill policy – what has changed? Noted new housing funding from the Biden Administration; infrastructure is important; land use and transportation plan are linked to one another

Nathan Dugan, Shelter WF: language will be important to sell this. It is not a ‘ban single family homes’ zoning. This will happen slowly over time. He is unhappy about the decision for a 2PM meeting on a Monday – not easy for the public to participate but maybe good for service industry. It is important to talk about renters and they will continue to be an important group of people and should be part of the evolved committee in the future.

NEXT STEPS:

Ben – incorporate feedback into the steps

Bob – the ‘what can go wrong’ could be turned into an FAQ

Rebecca – the inventory will be helpful; but we need a more defined program; address different types of neighborhoods differently

Continue to refine and come back to the next meeting

6. **Next Committee Meeting:** June 9, 2022
7. **Adjourn:** The meeting adjourned at 3:45 p.m.

WHITEFISH STRATEGIC HOUSING PLAN STEERING COMMITTEE: REFRESH 2022 MINUTES

June 27, 2022 at 2:00 p.m.

Call to order:

The meeting was called to order at 2:07 p.m. by Ben Davis

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

Absent: Bob Horne

Refresh Group: Addie Brown-Testa; Ryan Porter, Glacier Bank (for Lin Akey); Casey Malmquist (for Dan Weinberg); Katie Williams; Riss Getts; Linda Grady; Kevin Abel; Kate Berry

Refresh Group Absent: Lin Akey, Dylan Boyle, Dan Weinberg, John Kramer

Others: Seven people from the public were in attendance

Welcome and Introductions:

Dana Smith welcomed the group, provided a brief overview of the previous housing plans and introduced the consultants. Wendy Sullivan and Seana Doherty introduced themselves and described the process for the meeting. Committee members and the public introduced each other.

Public Comment:

Daniel Wright, developer, offer his services to build financial models for projects. He has a number of models built that could be used.

2022 Refresh Process Explained:

The consultant team described the 2022 Refresh and how it fits into the overall update, the Committee's work and the overall timeline.

The Refresh will include updated Housing Needs and updated Housing Strategy Plan that will include management and monitoring. The group reviewed the key trends from 2016 Housing Needs Assessment and the issues at that time.

DATA DISCUSSION – any other sources to consider/information to gather:

Mayre Flowers – requested the annual planning department reporting reflect the Housing Needs Assessment and use common language

Casey Malmquist – look at Glacier Flathead Report Service and noted this information is often in the Flathead Beacon

Rhonda Fitzgerald – the visitor economy has cannibalized housing (both STR and 2nd homes); will the data be looking at the number of primary homes? Noted concerns with STR

Katie Williams – the total loss of affordable homes since 2016

Rebecca Norton – small area for growth within the city limits, need to look at expanding areas outside the City and include areas realistic for growth

Riss – what assumptions are being used; spectrum of housing types – not just only rental or ownership include the missing middle

2017 Strategic Plan Overview – and path forward:

The consultants provided a reminder of the 2017 Plan so everyone is on the same page and is using the same language – provides the community backdrop. The 2017 Objectives included: maintaining the ownership/rental mix; targeting particular incomes; maintaining the primary/secondary home relationship; and keeping up with the job/housing relationship. The consultants reviewed the various strategies, wins and accomplishments.

Pending priorities – employer supported housing; mill levy is in the budget and the resort tax for the next budget

WHAT ARE THE OBSTACLES TO BUILDING AFFORDABLE HOUSING?

Rhonda – thinks the projects were unacceptable and the affordable housing was the ‘bait’

Casey – thinks the community says yes housing is great, but ‘not here’; cautionary tale – being an ambassador use the data and avoid blaming that’s the easy way out - we need to focus on the solutions

Rhonda – the flaw may be the zoning with the bonuses; too permissive in order to leverage

Rebecca – infrastructure problems (traffic); strong brand for aesthetics; smaller in scale projects

Dana – moving forward, identifying land as to where can we put these projects? Be aware of actions that could later be removed by the legislature. We need to have a common language.

John M – trying to find a suitable location for housing is a big risk for a developer; is there a role for the City to help facilitate projects

Riss – public process important – especially those who are users of the affordable housing

Linda – loss of affordable housing over the years through both tax credits and natural development

Giuseppe – the 2007 Growth Policy is out of date, even though we’ve done corridor plans; it has been a Council goal for many years – the more holes in zoning and Growth Policy the more legislating from the bench and knee jerk responding the Council is forced to do; we need a vision for the community

Ben – many projects that would be palatable to the public but don’t meet the zoning; align growth policy with housing goals

Linda – suggest limits on growth but prioritize affordable housing

Moving Forward – needs to be a partnership; housing is confusing, complicated and creates myths; break it down. The consultants handed out samples from other cities of a ‘placemat’ to show progress. It is also a tool for being an ambassador.

Kate – Avoid acronyms; love the idea of an online dashboard

Riss – described a list of terms; digital tools along with something written

2022 Refresh Objectives and Outcomes:

The group was split into smaller groups to discuss success, definitions and how the individuals will contribute to the process. The groups presented their responses to full Committee.

The consultants described next steps.

Wrap-Up/Next Steps: The meeting adjourned at 5:00 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