

WHITEFISH STRATEGIC HOUSING PLAN STEERING COMMITTEE

MINUTES

February 10, 2022 at 6:00 p.m.

1. Call to order:

The meeting was called to order at 6:00 p.m. by Ben Davis

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

Absent: Kevin Gartland, John Muhlfeld

Staff: Tara Osendorf, Long-Range Planner

Others: Four (4) people from the public were in attendance (Addie Brown-Testa, Ed Docter, Toby Scott, Nathan Dugan)

2. Communications from the Public: none

3. Approval of Minutes from the January 13, 2022 meetings:

Norton/Collins moved to approve the January 13, 2022, meeting minutes. Passed unanimously.

4. Presentation by Colin Frolich, Landing Locals, Truckee, CA

Colin Frolich described the Landing Locals program to convert vacation properties into longer-term rentals. The premise is to look to underutilized short-term properties and turn them into longer term rentals for local workers. Colin provided an overview of the various programs they are working on. In Truckee, CA, the town committed general funding to this program – incentives are based on length of lease and number of employees. In Summit County/Town of Breckenridge, CO the incentives are larger incentives than Truckee. In South Lake Tahoe, CA, just started in January 2022, has included rent caps as part of the program. Colin provided further details on the Summit County/Town of Breckenridge, CO – ‘Lease to Locals’.

Before Big Sky entered into their current program, Landing Locals partnered with Big Sky as a pilot program.

Rebecca – How is property management handled? *In Summit County, CO, Landing Locals is only managing the grant program and not providing property mgmt. This program is an extension of their Housing Program, and their program is intended to convert short-term rentals into long-term rentals. They are only providing administrative support. In Truckee, CA, they have a self-service listing to provide tenant connection (like a clearinghouse) Landing Locals fee? Could be a monthly fee or could consider alternatives; in order to help, they need to understand the market. They recommend a minimum investment of \$500,000 for incentives*

Bob – Do any employers have any skin in the game? *Employers are master leasing units and some are subsidizing the rent, but employers have been part of the ‘one-off’ Interesting that employers aren’t contributing but will benefit. The property owner/property manager selects the tenant.*

Ben – Do the programs have a location requirement? *Depends – some did and some didn’t depending on the housing issues; they are going to be working with Winter Park, CO after they did a pilot the program*

Tara – Did Landing Locals determine the incentives? *Yes, with the town. They ensure compliance and can help field questions*

Lori – Had questions re: vouchers and layering incentives *Their program is for rental conversion from short-term rentals and not existing rentals*

Ben – Questions about the concept of a seasonal rental versus a long-term rentals. *For example, in Truckee, CA. they have found some 2nd homeowners may only use their home one month/year, but it is staggered; can work around those times for someone needing a shorter term*

Ben – There could be the perception that a property owner is ‘getting’ an incentive plus charging high rent. How combat this? *The incentive program in South Lake Tahoe, CA, includes rent caps. In Truckee, CA, people self-select into the program and Landing Locals provides rental information to the property owner on the local rental prices. What could Whitefish expect the process would be working with you? Landing Locals would want to know what are the rental opportunities, what is the need, and what would be the pilot objectives? Would like to see if there are other places I the Flathead that might also be interested in it? The Fall might be realistic, and Colin noted a community needs three things for readiness: Budget, Political will and Consensus – when, what. There was strong support in Summit County, CO so it was quick to get the program up and running.*

Could look at the program guidelines in the three communities – it’s all public record, if we want to set it up ourselves.

The Committee thanked Colin for speaking with the group.

Dana – noted that the Big Sky program had \$206k over two-years to get 23 homes, quite a bit less than the suggestion of \$500k

Rhonda – seasonal program should start March 1st to be ready for the summer season

Ed Docter – the Chamber and Workforce Co-op group are setting up a pay to play 6-7 homes for only employers to sublet to their employees. They are looking at the Winter

Park model where the housing goes to employers with less than 50 employees; the Chamber and Workforce Co-op will set it up, the employers will pay the rent and likely subsidize the rent to their employees. They are planning to learn more from the Winter Park program

Lori – pilot program; what happens after one-year

Dana – we could market to the short-term rentals

Ben – why can't we call Colin and have him help us and do a fund raiser for \$500k

Bob – the reality is those communities have other programs for housing

Rhonda – likes the employer sponsored program – good sense of the dynamics of the program

Ed Docter – 30 employers (small businesses); March 1; noted how the Big Sky program really promoted itself with posters all over town

Rhonda – understand better how it works for WF and it will be good to see how well it works; would like to see the program be a STR conversion program

Toby – do a multi-pronged approach; let the businesses do their program and work with the Landing Locals (or some other company) to do a pilot program converting short-term rentals

Ben – no brainer to get more information from Landing Locals; want to build something for the long-term – even if it's small

Bob – we need to be careful about who we approach, we don't want to kick out some employees to house someone else's employees

NEXT STEPS:

Do the pilot, fold into a robust program and evaluate after the summer

Continue our discussions with Landing Locals

5. Update on Affordable Housing Strategies in Progress:

a. Whitefish Housing Authority – project updates

Housing Whitefish – complete most of the major paperwork to set up the Whitefish Housing nonprofit. Working with an atty from Msla, the bylaws for the nonprofit are done, three WHA Board member will be on the Board of the nonprofit (Katie Williams, Kate Berry and Addie Brown-Testa). These three will appoint 4 more members. Bylaws adopted at the next meeting. Then the full Board will interview a grant writer which is the top priority, to find funding for projects and salary for a potentially new development person.

SNOW Lot – they had the 1st Site Review and plan to have another one soon – they will be asking for a subdivision and PUD. The plan may change to make sure it meets all the City standards. The WHA plans to open up the wait list on the webpage soon.

Rhonda – will we guarantee they are workforce? *We will have a priority: city workers first, 59937 worker second and all others but we have to follow Fair Housing Law and cannot discriminate.*

Ben – if the WHA is going to apply for a LIHTC grant now is the time; *the challenge is people are starting to get paid more than the qualifying AMI*

NEXT STEPS:

Nothing from the Committee

b. Chamber of Commerce

Read letter from Kevin Gartland, Chamber of Commerce, as he was absent (attached to minutes)

NEXT STEPS:

Forward letter to Committee

c. City of Whitefish

- Provided a summary from our meeting with Wendy Sullivan, will provide a suggested list of for our Committee at the March 10th meeting
- Monegan project – starting with a survey, then Growth Policy and Zone Change, and then the property will be going to the WHA to develop
- Described the Housing Coordinator position
- Worksession with City Council at the February 22nd meeting to discuss where workforce housing should be located – zoned land, other zoning topics
- State of MT Rental Assistance program still has a lot of \$\$ - Addie understands the complicated program; it's a short-term fix for someone that cannot pay their rent; however, it is an onerous process

NEXT STEPS:

Nothing from the Committee

6. Next Committee Meeting: March 10, 2022

7. Adjourn: The meeting adjourned at 8:03 p.m.



Chamber of Commerce

To: Whitefish Strategic Housing Plan Steering Committee
From: Kevin Gartland
Date: Feb. 10, 2022
Re: Chamber updates

Since our last meeting, the Chamber's Board of Directors approved the re-activation of our Workforce Housing Task Force, with two specific goals/tasks assigned:

1. To create and launch a permanent, business-based funding stream to assist in the development of future workforce housing developments, programs and projects; and
2. To identify and implement programs that will help ease the employee housing crisis that faces our business community this summer.

Task #1 centers around the development and activation of a program to solicit monetary support from our business and philanthropic communities. This Tier 1 strategy was envisioned in the 2017 Housing Plan as a "Voluntary Assessment" for worker housing, patterned after the 1% Tourism Promotion Assessment that has been collected by the Whitefish Visitor & Convention Bureau for the last decade and a half.

As has been discussed on several occasions, our city's workforce housing crisis affects businesses across the board, not just those in the hospitality industry. As such, our goal is to develop a structure that allows all businesses to participate in a manner that makes sense for their specific industry. That could mean a voluntary assessment, a cash register "round-up" campaign, direct contributions based on employee count, business volume or individual transactions, private charitable contributions, etc.

Our intent is to develop the structure for the program – let's call it the Whitefish Workforce Housing Fund, for lack of a better name – and be prepared to launch actual fund-raising efforts as soon as Housing Whitefish (or another appropriate non-profit entity) has an approved long-term strategic plan that we can promote, and is prepared to accept and administer the funds. The Chamber has offered to lead the fundraising efforts for the first 12-18 months, or until such time as Housing Whitefish is adequately staffed and prepared to assume operational control of the program.

Task #2 is focused on providing some degree of relief to short-staffed employers this summer, while also "test driving" a hybrid version of the Rent Local program which is currently under consideration by the Steering Committee. This Tier 2 strategy was identified in the 2017 Housing Plan as "Short Term Rental – Conversion to Long Term," with implementation envisioned in 2021-22.

Without a funding source in place for this summer to help subsidize the program, we are looking at a "pay-to-play" model, with employers contributing the \$300-400/month subsidy per employee that is needed to incentivize property owners to leave the STR pool and rent long-term to local workers.

The Chamber will be meeting with a group of interested business owners next Friday to explain the program, gauge employer interest and invite their participation. It is our goal to have our plans for Summer 2022 finalized by March 1, and to immediately begin soliciting STR conversions through a variety of marketing/PR efforts.

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