

# WHITEFISH COMMUNITY HOUSING COMMITTEE MINUTES

**May 22, 2023 at 4:00 p.m.**

## **1. Call to Order**

The meeting was called to order at 4:00 p.m. by Ben Davis

*Present:*, Cameron Blake, Ben Davis, Rhonda Fitzgerald, Carolyn Pitman, Jeff Raper, Daniel Sidder

*Staff:* Wendy Compton-Ring, Senior Planner; Luke Sponable, Housing Coordinator/Long-Range Planner, Dave Taylor, Planning Director

*Others:* none

## **2. Communications from the Public:** None

## **3. Approval of Minutes from April 24, 2023, Meeting**

Motion by Rhonda to approve as written. Seconded by Carolyn, no discussion

Vote: unanimous in favor.

## **4. Ben reviewed priorities from the last meeting.** Development and financing plan meeting – next week. Priority No. 1 - Deed restriction light and No 2 – possible changes to short term rental regulations. Staff are still working on deed restriction light.

## **5. Review of short-term rental regulations**

Dave Taylor reviewed the current code. City was proactive and zoned early, spelling out where short term rentals could be located with Resort Residential zone. Traditional rentals are 30 day minimum. In 2012 updated code to better regulate – business license and resort tax. Created standards – so safe with respect to fire, etc. Proof of MT accommodation license. Emergency contact. Enforcement is a challenge. People work around. Tried medium term rental reg – 30 – 90 but can't touch. Nine cease and desist last year. Some don't register in zones that allow. Use to have software \$16,000 to \$18,000 that combs the internet for short term rentals but didn't give enough detail. No real benefit so don't use anymore. 358 legal licensed in City Limits – WB3 and Resort residential and one in WB2 zone - Eagle Lakes – grandfathered in.

City of Whitefish surrounded by County. County only needs administrative CUP but changing regs and beefing up to only allow two per property.

Daniel – is there really a problem? How many illegal?

Dave – hard to know for sure. Takes serious forensics to track. Neighbor complaints make easier. Also, some of 30-90 days that take off market for long-term.

Rhonda – airdna says over 530 unique rentals, only a handful over 30 days. So at least 200 unlicensed and/or illegal. Airdna takes airbnb and vrbo and combines and eliminates duplicates. In City limits.

Rhonda – Legislature - Greg Hertz wanted to qualify as residential. Could we modify zoning districts so clearly not residential I areas allowed. Hertz wanted to clarify that short-term rentals aren't under landlord tenant laws.

Ben – do we really think 200 are illegal?

Rhonda said yes.

Jeff – what is in the purview of this committee?

Ben - read and reviewed Roadmap/short term rentals.

Cameron - what is still on table given legislature?

Rhonda – can change language regarding licenses, given new legislation.

*Roadmap: Additional staff to enforce existing regulations being hired at City (zone permissions, licensing requirements) in year one.*

*Enhanced enforcement may highlight needed fee or regulation modifications.*

Rhonda – enforcement in City has not been a priority.

Dave – City does enforce. Could use another person. Hardest part is identifying with proof to take to court. If fine is \$500 and getting \$500 a night, will not deter. Business license was way to regulate.

Rhonda – need a new way to regulate/system as a trigger for review – can't call a license.

Daniel is there recourse with companies? Airbnb?

Ben – is there more to do? Would more resources help?

Dave –yes, resources would help.

Rhonda – not priority in City budget, position not filled.

Ben – are we here to discuss enforcement or regulations?

Rhonda discussed changing wording to make clear STR's are not residential.

Cameron – even if change regs still have enforcement issue.

Daniel – campaign around education?

Ideas – mailing – welcome to City. discuss with realtors – they are touchpoint. Mailing to new owners. City newsletter is no longer mailed.

Jeff - any realtor would be sued if they promoted property as able to rent short term rent when it cannot be. Inventory problem – what will enforcement do?

Carolyn – won't 528 create a bigger possibility for illegal rentals?

Ben – Short term rental part was not passed.

Only change is less parking, bigger, no impact fees (ADU's). Aren't going to see that many as expensive to build.

Discussed merits of enforcement, concerns, community views as not enforced, continued conversion to STR's of homes needed for resident housing. People ignoring or working around regs. What can this committee do? Recommend that enforcement is a priority.

Ben – what else from policy standpoint?

From Roadmap:

*Consider or lobby legislature, in future years, for ability to:*

*Prohibit short-term rental of community housing*

Discussion around nothing more to do here but definition of community housing has likely expanded.

*Prohibit short-term rentals in new developments and annexations.*

Dave - If already zoned – can't stop.

Annexation – would not be STR except if already CUP with County, must honor.

*Scale permit fees based on number of bedrooms and/or whether properties are rented by an owner-occupant or investor.*

Dave - permit fees - can only charge for staff time – so can't scale permit fees based on number of bedrooms. Can't cross bridge of impact fees – not legal.

*Charge a different/higher tax on short-term rental accommodations than commercial hotel/lodge businesses.*

Can't charge more than hotels. Want to be on parity with hotels. Can beef up all short term?  
Rhonda - Bed tax already 8% - State so bigger houses pay more. City doesn't have a role in setting.

*Potential legislative lobby topic: support more flexibility for jurisdictions to regulate short-term rentals and discourage legislation that restricts ability to regulate/manage short-term rentals.*

We all did that – we all testified. Airbnb/State does not (will not) disclose to City. Airbnb collecting and distributes but don't know which houses coming from.

Rhonda – could we band together with other resort communities to lobby Airbnb, etc to collect resort tax by their platform?

Jeff - This would not go into resort tax until get a percent allocated back to housing. Should start now to get other resort tax areas on board. Big Sky may lead charge.

Ben – does anyone have policy changes that make sense.

Jeff – Get resort tax added to taxes for bed tax for short term rentals. Bed tax is earmarked.

Discussion – have to ask Airbnb, etc to collect. Illegal ones don't collect.

Carolyn – so illegal ones are still the issue – enforcement is the issue.

Dave – will be talking about (enforcement) in budget.

Carolyn – Put enforcement into budget for next year.

**Rhonda made a motion to advise City Council to prioritize hiring of additional staff for enforcement of illegal short term rental units with the goal of taking the estimated 200 units to zero in 24 months.**

**Jeff seconded. Unanimous approval.**

Carolyn and Rhonda emphasized the need for education.

## **6. Other items not on the agenda**

a. Rhonda – new Ruis project approved by planning. Can we as a committee support when it goes to City Council.

Ben – This is a policy committee. He is on Council. How do you decide what to support?

Can support individually.

Jeff- we don't want to be influencing City Council.

b. What can the committee work on next?

Will deed restriction light be available to review.

The Development and Finance plan sub-committee will start meeting next week.

## **7. Next committee meeting**

Monday, June 26<sup>th</sup> at 4:00 p.m.

## **8. Adjourned 5:20 pm.**