



INTRODUCTION TO THE WHITEFISH LEGACY HOMES PROGRAM SUMMARY SHEET - UPDATED 9-8-20

Purpose:

Facilitate the creation of permanently affordable workforce housing in the City of Whitefish

Why:

2016 Whitefish Housing Needs Assessment, adopted by the Whitefish City Council, shows 980 affordable units needed by 2020 (580 rental/400 ownership) of which 62% should be provided at an affordable rate. The 2017 Strategic Housing Plan, also adopted by the City Council, identified Inclusionary Zoning as one tool to build affordable housing.

What is Inclusionary Zoning?

A regulation requiring a certain percentage of homes to be deed restricted for long-term affordability. The regulations require **20%** of the total project be deed restricted and targeted toward a particular Area Median Income (AMI) depending on whether it is a rental or ownership product.

What is AMI?

AMI is the 'Area Median Income' established by the federal government annually. The 2020 AMI for Flathead County for a 2-person household (the average in Whitefish) is \$59,100. This is also referred to as 100% AMI.

What is Affordable?

- Mortgage no more than 30% gross monthly income for households making 80.01-120% AMI
- Rental no more than 30% gross monthly income for households making 60-80% AMI

What Types of Development Will be Subject to the WF Legacy Homes Program?

- Subdivisions (Major & Minor);
- Planned Unit Development (PUD) involving residential;
- Conditional Use Permits (CUP) involving multi-family residential

Compliance:

1. Provide housing on-site and in-lieu fees (ILFs) for fractional units;
2. ILFs x 1.5; or
3. Other options may be considered.

Incentives for Developers/Builders:

Reduction in parking, lot sizes, lot width

Increase in building height, density, lot coverage

A streamlined development approval process for smaller projects

WHITEFISH LEGACY HOMES PROGRAM

DETAILED OVERVIEW

Purpose of Program

To facilitate the creation of permanently affordable workforce housing in the City of Whitefish.

20% = the percent of new homes deed-restricted for affordability required in a project

Applicability

- Major and minor subdivisions
- Planned Unit Developments (PUDs) involving residential units
- Conditional Use Permits (CUPs) involving multi-family residential units

Exemptions

- Subdivision creating only 1 additional lot
- Accessory apartments
- Minor waiver of subdivisions
- Residential units allowed by right
- Units deed or in other manner restricted for long term occupancy by households meeting some other housing program’s eligibility criteria, at the discretion of the City.

Pricing

Based on needs identified in the 2016 Workforce Housing Needs Assessment, residential **ownership** units will be targeted for 2-person households earning **80.01-120%** AMI, as published annually by the U.S. Department of Housing and Urban Development, and rental units will be affordable to households earning **80% or less** AMI.

The following represents rentals and home pricing based on April 2019 AMI. These numbers will change annually based on updated AMI information from U.S. Department of Commerce:

AMI	Category 1 – Rental Units	Category 2 – Ownership Units
60-80%	\$998 to \$1,330/month: 2-bedroom	
Average 70%	\$1,164/month 2-bedroom	
80.1-120%		\$186,281 to \$279,422: 2-bedroom
Average 100%		\$232,852 2-bedroom

Characteristics of Deed Restricted Units

- On-site and interspersed with market rate units with exemptions, as appropriate
- Same type of units as rest of development (if a mix, then proportional to rest of development)
- Owner/renter mix matches rest of development
- The bedroom mix for the deed restricted units will align with the bedroom mix of the market units provided it is responsive to the needs identified in the Workforce Housing Needs Assessment
- Phasing of the deed-restricted units will match phasing of the rest of the development

The sizes of the deed restricted units may vary in a development, but must meet these requirements:

Rental	Minimum SF	Average SF
Studio	350	450
1 Bedroom	550	650
2 Bedrooms	725	825
3 Bedrooms	900	1000
Ownership	Minimum SF	Average SF
Studio	400	500
1 Bedroom	700	1,000
2 Bedrooms	800	1,150
3 Bedrooms	1,100	1,300

Deed-restricted units will be architecturally compatible with surrounding development; exterior finishes will be compatible and consistent with the materials and finishes used on market rate units. Adequate storage space must be provided.

Compliance

A Housing Mitigation Plan will be submitted as part of the development permit application; it will detail how the proposed development will meet or exceed the WHP requirements and its contents will become conditions of the development permit approval. The proposal should clearly demonstrate how it meets or exceeds the requirements of the WHP and helps the City achieve its housing goals as established in the Strategic Workforce Housing Plan. Alternatives may be considered on a case-by-case basis.

Inclusionary Rate

The developer is expected to provide deed restricted Legacy units on site or pay a fee in lieu of the units equal to 1.5 times the rate regardless if the intention is to sell individual lots. The developer can also offer other options for the City Council to consider.

Fees in Lieu

Fees in lieu are allowed for fractions of units when the total number of units required does not equal whole units. For example, an 8-unit subdivision would require 1.6 units. Fees in lieu are allowed by right for the 0.6 unit required. The 2020 fee in lieu is: \$82,618.

For other than fractional units, fees in lieu of providing Legacy units may be considered at the discretion of the City Council. Fees for units will be assessed at 1.5 times the WLHP rate. The 2020 1.5 times fee is: \$123,927.

Incentives for Meeting and Exceeding the Requirements

As an offset to providing deed-restricted housing as part of a market-rate development, the WHP offers a shopping list of incentives to effectively reduce certain development standards. A project meeting the requirements could make use of the incentives below.

Incentive categories include:

- Reduce parking requirements by 20%
- Increase building heights by 5-feet (no more than 3 stories)
- Increase density by 20%
- Increase percent maximum lot coverage by 10%
- Reduce minimum lot size by 20%
- Reduce minimum lot width by 10%

Additionally, an Administrative Conditional Use Permit is the land use permit process for small projects, as recommended in the Strategic Housing Plan. Along with the Administrative CUPs, additional review criteria for multi-family and mixed-use projects are required. These review criteria include: building orientation, parking lot design, grading/tree retention, open space and neighborhood scale.