

# Whitefish Legacy Homes Program Administration

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## 1.0 Whitefish Legacy Homes: Program Administration

The purpose of this program administration document is to:

- Provide the technical procedures to deliver the affordable housing required by the Whitefish Legacy Homes Program (LHP); and
- Establish procedures for the City of Whitefish, staff, boards, or committees, the Legacy Homes Coordinator, and any agent of the City (Whitefish Housing Authority) to implement and administer the requirements of the Whitefish LHP.

Appendix A contains all relevant tables, which may be updated on an annual basis and Appendix B contains the most current year's Area Median Income for Flathead County.

## 2.0 HOUSING MITIGATION PLAN: SUBMITTAL REQUIREMENTS

Housing Mitigation Plans (HMP) are required by the City for all residential developments described in §11-1A, Whitefish LHP regulations. HMP will be prepared and submitted by the developer concurrent with the application request for the development permit (subdivision, conditional use permit [CUP] or planned unit development [PUD]). Once projects are approved by City Council, the details described in the HMP become conditions of the development permit approval. HMP for projects approved by staff using an Administrative CUP process will also become a condition of the permit.

### *2.1 Housing Mitigation Plan Contents*

- Total number of market rate and Legacy units
- Square footage of total development and each unit
- Details regarding how the requirements of the LHP will be met, including unit types, sizes, number of bedrooms
- Site plan and amenities
- Incentives utilized by the project
- Average lot size and square footage of market rate and Legacy units – the final details of exact square footages will be reviewed prior to recording the deed restriction
- Location of Legacy units within the project by type and size; justification for clustering of Legacy units, if proposed
- Proposed production schedule of market rate and Legacy units, including issuance of building permits
- If applicable, any proposed alternative methods of compliance with these Policies and Procedures, demonstrating how the alternative meets or exceeds the LHP requirements and helps the City achieve its housing goals as established in the Strategic Housing Plan and the current Housing Needs Assessment
- Any other information deemed relevant by the Legacy Homes Coordinator

A HMP template is available for use or applicants may generate their own document provided all the required information is included.

### 3.0 REVIEW PROCESS:

#### *3.1 Pre-Submission Conference*

Prior to submitting any development request requiring LHP compliance or Site Review Meeting, the applicant must schedule a pre-submission conference with Planning and Building Department staff and the Legacy Homes Coordinator. At this meeting, applicants must provide the number and type of units proposed and how they intend to comply with the LHP. The City and the Legacy Homes Coordinator will describe the requirements of the program, the needs of the City and go over the HMP template.

#### *3.2 Review of Housing Mitigation Plan*

After submittal of a land use permit, the HMP will be reviewed by Planning and Building Department staff, in coordination with the Legacy Homes Coordinator. Following review, staff will either:

- a) accept the HMP if it meets the LHP requirements and make a recommendation to City Council for approval of the Plan,
- b) approve the Housing Mitigation Plan for administrative land use permits, or
- c) not accept the HMP if it does not meet the LHP requirements and refer it back to the applicant with written comments regarding the Plan's deficiencies. If the identified deficiencies are not adequately addressed by the applicant, Planning staff will only approve or recommend approval by the Council with conditions added to address the deficiencies.

#### *3.3 Resubmittal of Housing Mitigation Plans*

If a HMP has been disapproved, an applicant may resubmit a revised Plan addressing and correcting the deficiencies identified by staff.

#### *3.4 Revisions to Housing Mitigation Plans After Approval*

If the applicant wishes to modify or amend an approved HMP due to changes in the development proposal as it proceeds through the development review process or for other reasons, the developer must submit a new or amended HMP for approval by City Council. A substantive change requiring Council approval may include but is not limited to reduction in the size of the affordable units, change in the timing or phasing of construction or a change in the method of complying with the requirements of the regulations. If the changes are minor and not substantive, Planning staff may approve the modification administratively. Minor changes include modifications to the specific location of Legacy units within a development. For projects using the administrative CUP process, the amended HMP will be approved by Planning staff in consultation with the Legacy Homes Coordinator.

#### *3.5 Noncompliance with Conditions of Housing Mitigation Plan*

Failure to comply with the approved HMP is a failure to comply with the conditions of the development approval and may result in the revocation of the development approval.

## 4.0 LEGACY HOMES PROGRAM REQUIREMENTS

### 4.1 Number of Legacy Homes in a Development

If a developer proposes to subdivide residential lots or construct residential housing, twenty percent (20%) of the gross number of residential lots or housing units in a development must be Legacy Homes. Exemptions are listed in the regulations (§11-1A(2)(E)). The applicant for a development permit is required to produce the Legacy Homes on-site. The type of units to be constructed must be proposed in the HMP and will become a condition of approval. In developments where both Legacy and market rate residential units will be constructed, the balance of ownership versus rental units, the type of units (single family attached, detached, or multi-family), and the number of bedrooms offered per unit will be proportional between the Legacy and market rate units.

#### **NUMBER OF UNITS EXAMPLES:**

A proposal to build eight single-family attached townhomes would require  $8 \times 0.2 = 1.6$  Legacy townhomes for ownership.

A proposal to build five single-family attached townhomes and eight rental units would provide one Legacy ownership townhome and 1.6 Legacy rental units. (ownership –  $5 \times 0.2 = 1$  & rental –  $8 \times 0.2 = 1.6$ )

### 4.2 Providing Fractions of Ownership or Rental Units

When the calculation to determine the number of units required by LHP, as described above, results in a fraction of a home, a fee in-lieu (FIL) may be paid for the fraction. To calculate the number of units, multiply the number of proposed units by 20% ( $X \text{ units} \times 0.20 = \# \text{ Legacy Homes required}$ ) and the result is the number of units required.

If the calculation results in a whole number and a fraction (or just a fraction) of a whole number, the whole number is the number of Legacy units required to be constructed and the remaining fraction of the whole number may be satisfied with the FIL. The fee will be the associated rate from Appendix A multiplied by the remaining fraction.

FILs are not and will not be used as an alternate means of compliance, except as outlined below in Section 4.4 *Alternatives That May Be Considered*. The fees are calculated and must be paid prior to issuance of a building permit along with other impact fees or recording of a final plat for subdivisions. The proceeds of the FIL for the LHP will be accounted for in the City's Affordable Housing Fund which are appropriated for eligible affordable housing projects and needs at the discretion of the City Council.

#### **FRACTIONAL EXAMPLE:**

The 0.6 in the previous example would be eligible for a fee in-lieu. A project with 4 units  $\times 20\% = 0.8$  units. This project would be eligible to pay the fee in-lieu at 0.8 of the full rate.

### 4.3 Timing of Compliance

#### 4.3.1 RENTAL UNITS

A proportion of the required number of Legacy Home rental units in a single project must be leased as each building or phase of the project is offered for rent. A phase is defined as a group of units which is completed and ready for occupancy within a period of one

year. This requirement will be reflected in each HMP providing for on-site rental housing. In developments where Council has approved a FIL as an alternative means of compliance, the FIL is due prior to the issuance of a building permit along with other impact fees.

#### *4.3.2 OWNERSHIP*

For ownership units, the Legacy Homes must be made available for sale at the same time and in proportion to the market rate homes in the project which are made available for sale. This requirement will be reflected in the HMP providing ownership units. In developments where Council has approved a FIL as an alternative means of compliance, the FIL is due prior to final plat for the subdivision.

#### *4.4 Alternatives that May Be Considered*

The requirement of 20% of the housing units produced in a development will be Legacy Homes and the Legacy Homes will be constructed on site and interspersed with the market rate residential units. If the intention is to subdivide only and sell individual vacant lots, the developer is still required to provide Legacy Homes on-site. Therefore, a developer only providing vacant lots for sale, or a combination of lots for sale and finished residential units, must provide a financial guarantee for each Legacy unit required, that guarantee to be released upon issuance of a certificate of occupancy for each Legacy unit. Alternatives may be considered as described below.

Additionally, there may be situations when the Legacy Home units are either not compatible with other uses on the proposed development site or the development site is not appropriate for Legacy Homes due to distance from services or characteristics of the property making Legacy Housing impractical. In these situations, the City may consider alternative means of compliance with the LHP. However, all alternatives are approved at the discretion of the City Council and are not guaranteed. High levels of property tax, high homeowner's association dues, a predominance of short-term rental use, or a location far from schools, transit, or shopping are potential characteristics supporting a developer's proposal for alternative means of compliance with LHP requirements. Possible alternatives are described below, however, this is not an all-inclusive list and the developer also may, at his or her own risk, propose an alternative means of compliance not listed below. A combination of alternatives may also be considered.

##### *4.4.1. Off-Site Housing*

In situations where the provision of the Legacy Homes off-site is preferable to providing units on-site, an off-site location may be considered at the discretion of the City Council if the developer can demonstrate how the alternative option meets the City's housing goals established in the Strategic Housing Plan better than the on-site requirement. A developer may also propose to partner with another developer who already has an

#### **OFF-SITE HOUSING EXAMPLE:**

A development proposing 10 housing units is required 2 Legacy Units (20:80 ratio achieved). If the developer is to build 10 on-site market rate units and 2 off-site Legacy Units (12 total), the developer will need to pay a FIL for 0.4 Legacy Units as 12 units built requires 2.4 Legacy Units (20:80 ratio achieved).

approved land use permit and could construct additional Legacy units as part of that project. When Legacy units are provided off-site from market rate units, unit size, quality, design, and construction must be provided in the HMP approved by the City as part of the development permit approval process. The ratio of Legacy units required relative to market rate units in a project remains 20:80 when the off-site option is used.

#### *4.4.2. Fee In-Lieu*

For other than fractional units, fees in-lieu of providing Legacy units may be considered at the discretion of the City Council when the proposed development location and building off-site are both inappropriate for Legacy Homes. Fees for units are assessed at 1.5 times the LHP rate.

Fees are calculated using the FIL calculator for 'Whole Unit Fee' provided in Appendix A and are based upon publication of the Area Median Income (AMI) for Flathead County by the U.S. Department of Housing and Urban Development (HUD). An administrative charge of 10% is included to cover the costs associated with the furtherance of affordable housing initiatives.

The FIL is calculated and due prior to the issuance of a building permit along with other impact fees or at the time of final plat for subdivisions. An applicant may propose an alternative to this timing requirement, subject to the Council's approval.

#### *4.4.3. Land in Lieu*

A developer who is subdividing property and selling parcels but is not a builder of residential homes or apartments may propose to provide land in lieu of the required Legacy Homes. The appraised value of the property to be dedicated must be of equal or greater value than the FIL that would otherwise be required. Additionally, the property to be dedicated must help further the goals of the LHP and provide a greater overall public benefit than if the required Legacy Homes were constructed within the development. It is the responsibility of the developer to propose a means of compliance with the LHP for the City Council to consider and approve at its discretion. Considerations may include but are not limited to whether the parcel is served by existing infrastructure, adjacent land uses, and proximity to services.

#### *4.4.4. Clustering*

There may be special circumstances when clustering the Legacy units on the development site will be considered if clustering will enhance a sense of neighborhood, the market units are used as short-term rentals, the housing provided would be close to trails, bus stops, or places of employment, or the clustered Legacy Homes will otherwise exceed the requirements of the LHP. If Legacy units are not compatible with the proposed future development site, it is the responsibility of the developer or property owner to propose alternatives acceptable to the City.

#### *4.5 Incentives for Developers Meeting and Exceeding the Legacy Requirements*

As a partial offset to the cost of providing Legacy Housing as part of a market-rate development, the LHP provides incentives effectively reducing certain development standards by-right (below).



A developer providing required Legacy units, a FIL, or other approved alternative method of compliance as part of a CUP receives the following incentives:

- Reduce Parking Requirements for 2+ Bedroom Units by 20%
- Increase Maximum Building Height by 5 feet limited to a maximum of three (3) floors<sup>1</sup>
- Increase Maximum Lot Coverage by 10%
- Increase Density by 20%

**EXAMPLE:** In the WR-3 (low density multi-family residential) zoning district, the incentives would provide the following benefits for a one-acre site with an 8-plex and a 6-plex proposed (seven 2-bedroom, four 1-bedroom, and three studio):

	District Development Standard	Reduced Standard
<b>Required # parking spaces</b>	26	23
<b>Max building height</b>	35 feet	40 feet with a maximum of three (3) floors
<b>Max lot coverage</b>	40% = 0.4 acres = 17,424 sf	44% = 0.44 acres = 19,166 sf
<b>Max density</b>	14 units/gross acre	16.8 units/gross acre (two more units could be added)

A land developer subdividing and providing Legacy units, a FIL, or other approved alternative method of compliance will receive the following incentives:

- Reduce Lot Size by 20%
- Increase Density by 20%
- Reduce Lot Width by 10%
- Increase Lot Coverage by 10%

**EXAMPLE:** In the WR-1 (one-family residential) zoning district these incentives would provide the following benefits for a two-acre site with an eight-lot subdivision proposed:

	District Development Standard	Reduced Standard
<b>Minimum lot size</b>	10,000 sf	8,000 sf
<b>Max density</b>	4 units/gross acre = 8 lots	4.8 units/gross acre = 9 lots
<b>Minimum lot width</b>	60 feet	54 feet
<b>Max lot coverage</b>	35% = 3500 sf/10,000 sf lot	38.5% = 3080 sf/8,000 sf lot or 3850 sf/10,000 sf lot

<sup>1</sup> Projects in the WB-3 Zoning District are not eligible for this incentive.

The number of units used to determine density cannot be rounded up. If the subdivision application was four lots per acre, the extra density allowed would be 4.8 units/gross acre, but an additional lot would not be permitted because it would increase density by greater than 20% to 5 units/acre.

A developer using the PUD process may use by-right either set of incentives based on the project needs but may not use both. Should the developer need or want additional reductions in these standards, or other development standards, the request needs to be made through the PUD process; therefore, requires City Council approval. The density bonus provided for in the PUD chapter (§11-2S-3) may be used if the project meets the community benefit criteria (§11-2S-6). Note: It is only considered a community benefit if a project provides more affordable housing than what would otherwise be required by the LHP (§11-2S-6).

## 5.0 TYPE OF HOUSING - Rental:

Legacy Home Program (LHP) rental units must be marketed, leased, and occupied according to these criteria:

### 5.1 Eligible Renters

WHA will screen rental applicants for income and residency eligibility and maintain a list of eligible renters for LHP units. In general, households earning incomes between 60% and 80% AMI will be eligible to rent Legacy Homes; however, the range of incomes allowed for eligible households will be somewhat broader to ensure there are enough renters for the Legacy Homes produced. The range of eligible household incomes will be established by the WHA but will be capped at 100% AMI. Priority will be given to households with at least one household member who is employed in the City of Whitefish, then to those with members employed within the 59937-zip code area, and finally to those with employment outside the 59937-zip code area. Further program eligibility criteria may be established or modified by WHA.

### 5.2 Rental Rates

The monthly rent of an LHP unit being rented pursuant to a HMP is provided in Appendix A under the rental price distribution table. There must be no side agreement obligating the Legacy tenant to pay the property owner for any add-on features or services. Security deposits may not exceed the sum of two months' rent at the Legacy Home rental rate for a unit and in no case can the security deposit be a larger percentage of rent than what is required for market rate units.

Legacy Home rental rates are based on AMIs for Flathead County as established by HUD using Montana Board of Housing (MBOH) methodology. Rental housing is affordable when housing expenses (including rent and utilities) are no more than 30% of a household's income. Since AMI varies by household size, the following assumptions about the number of people in a household are made for LHP rental units with different number of bedrooms:

# Bedrooms	# People in Household
0	1
1	1.5
2	3
3	4.5

The prices provided in Appendix A assumes the landlord pays all utilities. If heat, electric, or water utilities are not included in the rental price, the monthly rate will be reduced accordingly. Contact the WHA for details on this calculation. Prices will be updated annually following HUD's updates to AMI for Flathead County.

### 5.3 Recording of Deed Restrictions

Prior to recording the deed restriction, using the standardized deed restriction provided by the City, the following details must be provided:

- Details regarding how the requirements of the LHP will be met, including unit types, sizes, number of bedrooms, amenities, heating systems and estimated utility costs, target income category, and initial rental prices.

The developer will record, at Flathead County Clerk and Recorder, a deed restriction to fulfill the requirements of this section regarding controls placed on the occupancy and rental of the LHP unit. The effect of recording said deed restriction is to create, in accordance with state law, an obligation that runs with the property. The Legacy Homes Coordinator/City Attorney will provide a template deed restriction to be used.

### 5.4 Adjustment of LHP Rental Rates

The Legacy Homes Coordinator will review and adjust the rent in each income range and for each unit size based on annual updates to AMI and using the MBOH methodology. The Legacy Homes Coordinator will publish the new rents immediately upon adoption of a Resolution approved by the City Council.

### 5.5 Minimum Requirements for Legacy Home Rental Units

LHP rental units will be built to conform to local, state and federal laws according to the following guidelines concerning design, equipment, and physical features.

#### 5.5.1 Floor size

Legacy Home rental units must be constructed according to the minimum and average requirements for square footage of habitable residential space shown in the table below. The size of each unit type may vary within a development, but no unit may be smaller than the minimum size, and the size of all units by type must meet the average size shown below. However, as an alternative to the standards set forth below, the developer has the option of offering Legacy units similar in floor area to the market rate units in the same project. Should the developer choose this option, the justification for doing so must be addressed in the HMP.

<b>Unit Type</b>	<b>Minimum Square Feet</b>	<b>Average Square Feet of all units/type in development</b>
0 Bedroom (Studio)	350	450
1 Bedroom	550	650
2 Bedroom	725	825
3 Bedroom	900	1000

Minimum floor areas of habitable residential space include partitions, closets, heated utility rooms, halls and stairways but exclude attics, porches, unfinished basements, garages and unheated storage space.

### 5.5.2 Equipment and hookups

Each LHP rental unit must include a new ENERGY STAR® kitchen range and refrigerator, hookups for a clothes washer, dryer, or laundry on site.

### 5.5.3 Design and location

The proposed design and location of the Legacy Home rental units within the development will be reviewed by Planning staff, in consultation with the Legacy Homes Coordinator, and approved by City Council or Planning staff in order to achieve spatial integration, dispersion throughout and compatible exterior architectural and landscaping appearance with the market units in the development.

### 5.6 Mix of Unit Types

The mix of LHP rental units must match the mix of market rate rental units but may be modified annually by the City to meet the needs identified in the Workforce Housing Needs Assessment, Strategic Housing Plan, or any housing needs identified subsequent to adoption of those documents.

### 5.7 Marketing to and Certifying Tenants for Legacy Rental Units

The WHA will certify tenants who are income eligible to rent LHP units and will maintain a list of eligible tenants. Marketing of the LHP units is the responsibility of the developer or property manager. The WHA may assist with marketing but will not be responsible for a unit being vacant because of insufficient marketing or any other reason. Reviews, background checks, decision to rent or not rent, execution of rental leases, and the day to day management of the rental units will be the responsibility of the developer/property manager or their designee or successor.

The WHA will establish and maintain an equitable process for allocating rights to lease the rental units, including waiting lists when demand exceeds supply.

### 5.8 Certification of income after occupancy

The income of tenants will be recertified by the WHA upon lease renewal, or no more often than once per year. Based on its findings, the WHA will determine whether the lease will be renewed.

### 5.9 Terms of compliance

Rental housing developments subject to the LHP requirements must maintain required occupancy rules and rental rates in LHP units for a period of 90 years after the date of issuance of a certificate of occupancy for the entire development or portions thereof. Subsequent 90-year deed restrictions must be renewed any time the property changes hands. This requirement is applicable to successors in title by means of a deed restriction. A City approved deed restriction template must be used.

## 6.0 TYPE OF HOUSING - Ownership:

This section covers all requirements specific to Legacy Homes ownership.

### *6.1 Eligible Buyers*

Following are general eligibility criteria for purchasers of Ownership Housing, although further program eligibility criteria may be established or modified by WHA. Ownership Legacy Homes created through the LHP will be sold to and occupied by an eligible owner-occupant household. An eligible owner-occupant household will be certified by the WHA no more than 90 days prior to a purchase contract being executed for a Legacy Home. Such certification is valid for 12 months following the execution of the purchase contract. If the 12 months elapses before closing of the unit for which the Legacy Home buyer is under contract, the household's eligibility will be re-certified and valid for an additional 90-day period. Priority will be given to households with at least one household member who is employed in the City of Whitefish, then to those with members employed within the 59937-zip code area, and finally to those with employment outside the 59937-zip code area.

### *6.2 Income*

Legacy Homes will be targeted for households earning 80.1% AMI to 120% AMI. However, the range of incomes allowed for eligible households will be somewhat broader to ensure there are enough buyers for the Legacy Homes produced. The range of eligible household incomes will be established by the WHA but will capped at 150% AMI. The AMI is updated annually by HUD and is provided in Appendix B for the current year.

### *6.3 Liquid Assets*

Eligible purchasers must not have more than two times their annual income in liquid assets, excluding retirement funds, college savings funds, and funds in Health Savings Accounts.

### *6.4 Characteristics of Legacy Ownership Units*

The type of housing unit (single-family detached or attached, duplex, triplex, townhome, etc.) and the number of bedrooms offered (not necessarily the square footage) must match the market units offered in a development. If the development provides a mix of unit types, the Legacy units must proportionately match the mix among market units acknowledging rounding may be required (round down for 0.4 units or less, round up for 0.5 units or more). For example, a development of market rate townhomes must provide townhomes for the Legacy units. Exceptions may be allowed if all market units are single-family detached homes, in which case up to half of the required Legacy units may be attached single family homes (triplexes, townhomes). If the project is a subdivision only in which the developer plans to sell lots but not build market rate units, the Legacy unit types and numbers of bedrooms required will be based on the needs identified by the WHA based on the most current Housing Needs Assessment.

The mix of the number of bedrooms offered in Legacy units will mirror the mix of bedrooms offered in the market rate units, provided the mix is responsive to the needs and demographics of Whitefish residents as established by the WHA based on the most recent Housing Needs

Assessment and the performance of previous housing developments. The City reserves the right to adjust the mix once some Legacy Homes have been built in the community and the performance of various bedroom mixes established. Three-bedroom units satisfy the Legacy Homes requirement for market units with four or more bedrooms. The sizes of the Legacy units may vary in a development, but no unit may be smaller than the minimum square footage (SF), and the size of all units must at a minimum average the SF, listed below. However, as an alternative to the standards set forth below, the developer has the option of offering Legacy units similar in floor area to the market rate units in the same project. Should the developer choose this option, the justification for doing so must be addressed in the HMP.

# Bedrooms	Minimum SF	Minimum Average SF
Studio	400	500
1 Bedroom	700	1,000
2 Bedrooms	800	1,150
3 Bedrooms	1,100	1,300

When a Homeowner's Association's CC&Rs define a minimum square footage for homes in the development, an exemption for Legacy Homes and their smaller square footages must be made.

When phased construction is planned for a development, the proportion of Legacy units must be constructed in proportion to the market rate units constructed during each phase of development. In a 10-unit development in which five units will be constructed in each of two phases, one Legacy unit must be constructed in each phase. If the development will be constructed in one phase, a financial assurance or some other guarantee that the Legacy units be completed concurrently with market units is required.

Legacy Homes must meet the requirements of the City of Whitefish land development regulations and building codes. Legacy units must be architecturally compatible with surrounding development. Exterior finishes must be substantially compatible and consistent with the materials and finishes used on the market rate units. A minimum of 20 square feet of storage space must be provided.

Legacy units must meet mandatory minimum building codes for insulation and air sealing. Electric resistance or wood heat is not allowed except when all market rate units are using the same heating system. The design must address livability, maintenance, health, safety, climate, lifestyle, and the needs of the types of households the units are intended to serve. Balconies, decks and private yards similar to the market rate units are required to enhance livability of the Legacy units.

*6.5 Pricing of New Housing for Ownership*

The initial sales price of the Legacy ownership homes is the lesser of either 80% of the appraised market value of the home, or the price shown in the price distribution table in Appendix A. The Legacy Homes must be priced in a spectrum consistent with unit size, location, and market

demand, with the average price of Legacy Homes affordable to households earning 100% of AMI. The following assumptions about the number of people in a household are made for Legacy ownership units with different numbers of bedrooms:

# Bedrooms	# People in Household
0	1
1	1.5
2	2.5
3	3.5

Variables affecting the initial target sales price of a Legacy ownership unit include the mortgage interest rate, the amount of the down payment, the term of the mortgage, and the portion of the monthly mortgage payment going toward principal and interest. These variables will be updated annually as needed. The distribution of target prices is shown in Appendix A.

The actual sale price will include the following costs to the buyer as described on the settlement sheet for the sale:

- The sale price of the home
- Any sales commission which is payable by the buyer
- Any monthly fee such as a homeowner's association fee or common area fee
- Any other settlement cost charged to the buyer which in Whitefish is normally charged to the seller

#### *6.6 Adjustment of New Legacy Home Prices*

The Legacy home prices approved by Council by Resolution annually will remain in effect until the updated AMIs are published by HUD, after which time the prices may be adjusted as set forth in these administrative procedures unless otherwise amended by Council.

Beginning in 2020 and annually thereafter, the Legacy Homes Coordinator will review and adjust the Legacy Home price for each income range and for each unit size based on annual updates to AMI. The Legacy Homes Coordinator will publish new Legacy Home prices immediately upon adoption of a Resolution approved by the City Council.

Nothing herein prevents the City Council from amending the LHP ordinance without such recommendations from the Legacy Homes Coordinator.

#### *6.7 Deed Restrictions for Ownership Housing*

Prior to recording the deed restriction using the standardized deed restriction provided by the City, the following details must be provided:

- Details regarding how the requirements of the LHP will be met, including unit types, sizes, number of bedrooms, amenities, heating systems and estimated utility costs, target income category, initial sales prices or rental prices, homeowner's association (HOA) structure and fees, if applicable



- Exemption within a development's Covenants, Conditions and Restrictions (CC&Rs) for Legacy Homes providing an exemption from the minimum square footage

All deed restrictions applicable to Legacy ownership homes must include resale restrictions binding future buyers and sellers to the applicable conditions set forth in this Program Administration as updated annually and will be in a form approved by the Legacy Homes Coordinator and the Whitefish City Attorney.

The Legacy Homes will be deed restricted for a term of 90 years subject to renewal of the 90-year term anytime the property changes ownership.

#### *6.8 Recording of Deed Restrictions*

The developer or any owner selling a Legacy Home must cause to be recorded with the Flathead Clerk and Recorder's Office, simultaneous with the recording of the deed of sale, deed restriction fulfilling the requirements of this section regarding controls placed on the occupancy and resale of Legacy Homes. The effect of recording said deed restriction is to create, in accordance with state law, an obligation that runs with the property. The Legacy Homes Coordinator/City Attorney will provide a template deed restriction to be used for the transaction. Initial affordability will be achieved by including in the HMP the terms of an escrow instruction requiring certification of LHP compliance by an escrow agent.

#### *6.9 Rental Prohibition*

Legacy Homes may not be rented to a second party, except at the discretion of and as approved in writing by the Legacy Homes Coordinator for instances in which the owner is under duress by reason of unemployment, family medical emergencies, inability to sell the home for an amount equal to or greater than the original sale price, or other unique circumstances of family hardship such as military deployment. In providing written permission, the Legacy Homes Coordinator will specify a limit on the rental not to exceed 24 months.

## 7.0 RESPONSIBILITY FOR ADMINISTRATION

### *7.1 Legacy Homes Coordinator/Whitefish Housing Authority*

The Legacy Homes Coordinator and the WHA are responsible for the following functions regarding administration of the Whitefish LHP:

- 7.1.1 Attend a pre-submission conference with City Planning Staff and the applicant of a development request to review Legacy Homes requirements.
- 7.1.2 Facilitate flow of information and communication among City staff, WHA, and applicants for development.
- 7.1.3 Set, review, adjust and publish Legacy Home rental rates, housing prices, and fee in-lieu rates based on available AMI and other variables for Flathead County.
- 7.1.4 Review the individual HMPs in coordination with City staff to determine if each plan can be approved by staff or recommended for approval by the City Council. If Plans are found to be deficient, the Legacy Homes Coordinator and City staff will work with the developer to resolve deficiencies.
- 7.1.5 Track "available" and "in progress" Legacy Homes.
- 7.1.6 Manage all prior affordable housing agreements and the prior affordable housing program.
- 7.1.7 Act as the primary resource to prospective and active Legacy Home buyers and renters in the Legacy Housing Program by:
  - Developing and implementing public education and information activities including workshops, newsletters and public presentations.
  - Providing technical assistance.
  - Screening and qualifying households eligible to purchase or rent Legacy Home units.
  - Maintaining lists of pre-qualified households and matching qualified households with available housing units.
  - Assisting with marketing of Legacy rental and ownership homes.
  - Monitoring compliance of renters with Legacy Homes eligibility criteria.
  - Providing information to home purchasers and owners regarding allowed appreciation of deed restricted units and determining resale values of Legacy Homes.
  - Determining allowable annual increases in rent for Legacy Homes based on MBOH methodology.

### *7.2 Planning and Building Department*

This City department or its designees will be responsible for the following functions regarding administration of the LHP:

- 7.2.1 Attend a pre-submission conference with the Legacy Homes Coordinator/Whitefish Housing Authority and the applicant of a development request to review Legacy Homes requirements.
- 7.2.2 Require applicants to prepare a HMP concurrently and as part of the development review process.
- 7.2.3 Work with applicants to ensure the Legacy Homes proposed in the HMP follows the LHP Administration and helps the City meet its goals for housing as outlined in the 2017 Strategic Housing Plan.
- 7.2.4 Recommend to City Council approval or disapproval of HMPs, including proposals for alternatives.
- 7.2.5 For administrative CUPs, review and approve HMPs as part of development approval process.
- 7.2.6 Monitor developer compliance with LHPs regulations through completion of construction, and in the event of noncompliance, request the City Manager direct action by appropriate departments regarding the department's responsibility for administrating the LHP.

### *7.3 City Council*

The City Council will be responsible for approving HMPs as part of the standard development permitting process. Council is also responsible for adopting any updates to this Program Administration document including changes to AMI or affordable rates and evaluating whether the housing goals are being met.

## APPENDIX A: 2020 Home Prices, Rental Prices and Fee In Lieu

### 2020 Home Price Distribution:

<b>AMI%</b>	<b>OBR</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
<b>80%</b>	\$153,356	\$164,331	\$186,281	\$208,083
<b>90%</b>	\$172,525	\$184,872	\$209,566	\$234,094
<b>100%</b>	\$191,695	\$205,414	\$232,852	\$260,104
<b>110%</b>	\$210,864	\$225,955	\$256,137	\$286,114
<b>120%</b>	\$230,034	\$246,496	\$279,422	\$312,125

### 2020 Rental Price Distribution<sup>2</sup>:

<b>AMI %</b>	<b>OBR</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
<b>60%</b>	\$776	\$831	\$998	\$1,152
<b>70%</b>	\$905	\$970	\$1,164	\$1,344
<b>80%</b>	\$1,034	\$1,108	\$1,330	\$1,536

### 2020 Fee in Lieu of Providing Units:

<b>FRACTIONAL UNIT FEE:</b>	<b>WHOLE UNIT FEE:</b>
\$82,618.00	\$123,927.00

<sup>2</sup> Can be adjusted if utilities are *not* included in the rental price.

## APPENDIX B: 2020 Area Median Income for Flathead County, HUD

<b>MONTANA HOUSING</b>															
<b>Tax Credit and MF Loan Program Income Limits for 2019</b>															
<b>EFFECTIVE APRIL 24, 2019</b>															
		Maximum Income								Maximum Rent					
MSA/ County	AMI	%	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	Eff.	1 Bdr	2 Bdr	3 Bdr	4 Bdr
<b>Dawson</b>	70,500	40%	19,760	22,560	25,400	28,200	30,480	32,720	35,000	37,240	\$494	\$529	\$635	\$733	\$818
		49%	24,206	27,636	31,115	34,545	37,338	40,082	42,875	45,619	\$494	\$529	\$635	\$733	\$818
		50%	24,700	28,200	31,750	35,250	38,100	40,900	43,750	46,550	\$617	\$661	\$793	\$916	\$1,022
		55%	27,170	31,020	34,925	38,775	41,910	44,990	48,125	51,205	\$617	\$661	\$793	\$916	\$1,022
		60%	29,640	33,840	38,100	42,300	45,720	49,080	52,500	55,860	\$741	\$793	\$952	\$1,100	\$1,227
		100%	49,400	56,400	63,500	70,500	76,200	81,800	87,500	93,100	\$1,235	\$1,322	\$1,587	\$1,833	\$2,045
<b>Fallon</b>	72,300	40%	20,280	23,160	26,040	28,920	31,240	33,560	35,880	38,200	\$507	\$543	\$651	\$752	\$839
		49%	24,843	28,371	31,899	35,427	38,269	41,111	43,953	46,795	\$507	\$543	\$651	\$752	\$839
		50%	25,350	28,950	32,550	36,150	39,050	41,950	44,850	47,750	\$633	\$678	\$813	\$940	\$1,048
		55%	27,885	31,845	35,805	39,765	42,955	46,145	49,335	52,525	\$633	\$678	\$813	\$940	\$1,048
		60%	30,420	34,740	39,060	43,380	46,860	50,340	53,820	57,300	\$760	\$814	\$976	\$1,128	\$1,258
		100%	50,700	57,900	65,100	72,300	78,100	83,900	89,700	95,500	\$1,267	\$1,357	\$1,627	\$1,880	\$2,097
<b>Flathead</b>	69,600	40%	19,520	22,280	25,080	27,840	30,080	32,320	34,560	36,760	\$488	\$522	\$627	\$724	\$808
		49%	23,912	27,293	30,723	34,104	36,848	39,592	42,336	45,031	\$488	\$522	\$627	\$724	\$808
		50%	24,400	27,850	31,350	34,800	37,600	40,400	43,200	45,950	\$610	\$653	\$783	\$905	\$1,010
		55%	26,840	30,635	34,485	38,280	41,360	44,440	47,520	50,545	\$610	\$653	\$783	\$905	\$1,010
		60%	29,280	33,420	37,620	41,760	45,120	48,480	51,840	55,140	\$732	\$783	\$940	\$1,086	\$1,212
		100%	48,800	55,700	62,700	69,600	75,200	80,800	86,400	91,900	\$1,220	\$1,306	\$1,567	\$1,810	\$2,020
<b>Gallatin</b>	90,300	40%	24,360	27,840	31,320	34,800	37,600	40,400	43,160	45,960	\$609	\$652	\$783	\$905	\$1,010
		49%	29,841	34,104	38,367	42,630	46,060	49,490	52,871	56,301	\$609	\$652	\$783	\$905	\$1,010
		50%	30,450	34,800	39,150	43,500	47,000	50,500	53,950	57,450	\$761	\$815	\$978	\$1,131	\$1,262
		55%	33,495	38,280	43,065	47,850	51,700	55,550	59,345	63,195	\$761	\$815	\$978	\$1,131	\$1,262
		60%	36,540	41,760	46,980	52,200	56,400	60,600	64,740	68,940	\$913	\$978	\$1,174	\$1,357	\$1,515
		100%	60,900	69,600	78,300	87,000	94,000	101,000	107,900	114,900	\$1,522	\$1,631	\$1,957	\$2,262	\$2,525
<b>Golden Valley</b>	79,500	40%	20,560	23,480	26,400	29,320	31,680	34,040	36,360	38,720	\$514	\$550	\$660	\$762	\$851
		49%	25,186	28,763	32,340	35,917	38,808	41,699	44,541	47,432	\$514	\$550	\$660	\$762	\$851
		50%	25,700	29,350	33,000	36,650	39,600	42,550	45,450	48,400	\$642	\$688	\$825	\$953	\$1,063
		55%	28,270	32,285	36,300	40,315	43,560	46,805	49,995	53,240	\$642	\$688	\$825	\$953	\$1,063
		60%	30,840	35,220	39,600	43,980	47,520	51,060	54,540	58,080	\$771	\$825	\$990	\$1,143	\$1,276
		100%	51,400	58,700	66,000	73,300	79,200	85,100	90,900	96,800	\$1,285	\$1,376	\$1,650	\$1,906	\$2,127