WHITEFISH STRATEGIC HOUSING PLAN STEERING COMMITTEE AGENDA

Thursday, January 13, 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 December 2, 2021

4. Presentation by Laura Seyfang, Executive Director, of Big Sky Community Housing Trust (Remote)

5. Update on Affordable Housing Strategies in Progress
   a. Whitefish Housing Authority – Project Updates
   b. Chamber of Commerce – 1% Voluntary Assessment
   c. City of Whitefish

6. Next Committee Meeting
   a. February 10, 2021

7. 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
December 2, 2021 at 6:00 p.m.

1. Call to order:
The meeting was called to order at 6:11 p.m. by Ben Davis

   Present:  Lori Collins, Wendy Compton-Ring, Ben Davis, Rhonda Fitzgerald, John Muhlfeld (via phone), Rebecca Norton, Dana Smith

   Absent:  Bob Horne

   Others:  Three (3) people from the public were in attendance

2. Communications from the Public:
Ed Docter and Toby Scott briefed the Steering Committee on a project from the Big Sky Community Housing Foundation called ‘Rent Local’. The program is funded, in part, from their Community Foundation. In order to do this, the funding will be the most important part. The executive director from Big Sky Community Housing Trust is willing to visit with the Whitefish Housing Steering Committee. The Housing Co-op Group may promote a ‘round-up’ at the register with a variety of businesses to help with workforce housing.

   Kevin – they’ve been talking about this for the past couple of months and all the different groups will need to coordinate efforts so we aren’t all vying for the same funds
   Ben – identified 2 topics: the voluntary assessment (how are we paying for this) and STR conversion
   John – down the road they could do a reallocation for resort tax
   Kevin – agrees it is really important that there is a plan for housing before changing the resort tax allocation
   Ben – read the ‘STR Conversion’ program from the Strategic Housing Plan

3. Approval of Minutes from the October 25, 2021 meetings:
   Fitzgerald/Collins moved to approve the October 25, 2021, meeting minutes. Passed unanimously with a clarifying note: “The WHA is working to revamp the bylaws of Housing Whitefish to better represent the make-up and duties of the new Board. Housing Whitefish is a current 501(c)(3) is good standing and is able to receive donations.”
4. Update on Affordable Housing Strategies in Progress:

a. City of Whitefish

- Staff provided a summary of a meeting city staff had with the Landing Locals program. These folks are from Truckee, CA and were recommended by our housing consultants. The program is similar to what Ed and Toby shared with the group but with a business versus a nonprofit. The owners Landing Locals would be willing to visit with our group about this rental conversion program about their concept.

Dana – this program will help bridge the gap between now and when we can get some housing constructed
Rebecca – good program for employers – have them be a part of the process
Kevin – bureaucracy shouldn’t stand in the way (get employers, funding and then we have a program)
Ben – scalable
Rhonda – reverse a trend and make some immediate progress
Lori – community buy-in; we have the mechanism to accept donations
Rebecca – thinks employers should have a relationship with a housing rental for employees; consistent rental housing

- Staff will be meeting with Wendy Sullivan next week to discuss reviewing the strategies (short, mid, long-term solutions); she’ll have time work on this in January

- Advertising for the Housing Coordinator will be occurring in this next week.

- Staff let the group know that Whitefish was selected as a case study for a university study evaluating communities adjacent to public lands and national parks. The study GNAR (Gateways Natural Amenity Regions) will look at interconnection of ‘housing, transportation and land use issues in western gateway communities.’

NEXT STEPS:
Get Tara to work on developing the program; coordinate with Big Sky & Landing Locals
PROGRAM 1st: Standard lease, program details, etc. (coordinate with Lori Collins at WHA; rental person; real estate)
FUNDING 2nd: could come from a lot of different places; WF Community Foundation?

Landing Locals schedule for the next meeting; Big Sky program; how did they figure out the one-time funding matrix; funding will be the next steps

b. Whitefish Housing Authority (project updates)

SNOW Lot – Designs are done, need to put it in an accurate survey which has been delayed; needed to create an accurate budget; homes will be at different price points to serve a broader group
John – helpful when Katie brought an update; can the WHA Board provide the Council and public an update; schedule for a January and show the drawings (15-20 minutes); looked like January 3rd would be good

Lori – will start the staff discussion in February; December 15th Audit, January meeting – all things Housing Whitefish; WF Community Foundation discussion; capital campaign for Alpenglow II; met with Mike Jenson; and are looking at properties for land banking

Rhonda – Whitefish CVB is dedicating $75,000 to Whitefish Housing to contract for a grant writer

Rebecca – still working with the City’s engineering department? Yes, Craig is on the SNOW Lot team email and he was on the team to help hire the construction manager

Rhonda – state trust land plan identified two areas for housing including a spot at Happy Valley; Mike Jopek could provide further details

c. Chamber of Commerce (1% voluntary assessment survey results)

Kevin – provided a summary of the survey (emailed out as part of the packet) to see if businesses were willing to provide a voluntary assessment for workforce housing; the Chamber, the City and WHA all have a role to play; where does the $ go? Makes sense that it goes to the WHA, but make sure WHA has a clear Strategic Housing Plan; important to have professional staff and fund raiser to organize this – shouldn’t be done by volunteers; need to think about the businesses that don’t have a retail aspect – some sort of voluntary fund raising (e.g., AERO); ask the business groups how it would work best for them; the 1% TPA works for those particular businesses that participate but the exact same model won’t work here

Kevin – the Chamber wants to ensure a solid revenue stream and there will likely be multiple sources

Ben – this really needs to be pursued, but how can this be moved forward? A structure needs to be set-up

Rhonda – the AERO was a good approach

NEXT STEPS:
Continue to meet to discuss

5. Other Committee Comments:

Rebecca – emergency housing for people in crisis and housing for city employees (temporary housing?); add these as goals for the City

6. Next Committee Meeting: January 13, 2022

7. Adjourn: The meeting adjourned at 8:00 p.m.
Big Sky Community Housing Trust Update

OUR MISSION

To provide a diversity of housing affordable for the community in order to grow and retain a strong base of residents and employees living in Big Sky, which will support the local economy and enhance the character of the community.

BSCHT is now incorporated as a stand alone organization with three employees, separate from HRDC.
WHY DO LOCAL WORKERS NEED HOMES?

Because “being homeless is a Big Sky rite of passage,” is not a joke. It's a reality for many locals who have lived here for years.

1. 2021 AVG SALE PRICES:
   - Condo: $1,157,457
   - House: $2,651,855

2. Gallatin County has a worker shortage because there's nowhere to live.

3. 78% of workforce commutes for 40+ miles.

4. 0% rental vacancy rate in Big Sky and Bozeman.
VACATION RENTALS: MAJOR CONTRIBUTOR TO BIG SKY'S LACK OF HOUSING

THE GROWTH OF VACATION RENTALS IN BIG SKY

The vacation rental market grew from 14 available listings in 2014 to 855 in 2017.
Vacation Rentals

Long Term Rentals to Locals
Rent Local Program

• Less than 30% of Big Sky homes are occupied by residents.
• Assist owners by screening local renters, showing units, and providing alternate lodging for owners’ short Big Sky visits
• Created website to help local renters find housing and help owners list their property
• Program goal is to motivate condo owners to rent long-term to locals instead of to vacationers
## Join Rent Local

**Earn Cash**

**Make A Difference**

<table>
<thead>
<tr>
<th></th>
<th>6-Month Lease</th>
<th>1-Year Lease</th>
<th>2 Year-Lease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$2,160</td>
<td>$5,400</td>
<td>$11,880</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$2,520</td>
<td>$6,300</td>
<td>$13,860</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$2,880</td>
<td>$7,200</td>
<td>$15,840</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>$3,240</td>
<td>$8,100</td>
<td>$17,820</td>
</tr>
</tbody>
</table>

Owner must rent to at least one person per bedroom to qualify for higher bedroom awards.
In 18 months, BSCHT flipped 14 vacation rentals when offering no cash incentives.

In first seven weeks with incentives, BSCHT added 11 new units to the long-term rental market.

62 Big Sky residents have been placed in long-term rentals since August 1, 2021.

CASH REWARD created MORE new inventory 89% FASTER
RENT LOCAL incentivizes condo owners who rarely use their Big Sky property to rent to local workers. HOME SHARE makes it possible for these owners to still visit Big Sky.
HOW HOME SHARE WORKS

Your property might not be appropriate for a long-term rental, but you can still make a difference. By lending your home to Big Sky Community Housing Trust for a week (or more), you allow other unit owners who commit to a year-long lease to still visit Big Sky.

The visiting owner borrowing your home pays $500 per week to cover cleaning fees. Staying in an upscale unit, possibly on the mountain with amenities, appeals to condo owners in older units.

JOIN HOME SHARE

1. CONTACT BSCHT
   When is your property available for HOME SHARE?

2. SHARE DATA
   Give BSCHT photos, unit description, & address.

3. PREP HOME
   When a match is made, prepare home for rent.
# Short-Term (2 Bedrooms) vs. Long-Term (2 Bedrooms)

<table>
<thead>
<tr>
<th></th>
<th>In</th>
<th>Out</th>
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</thead>
<tbody>
<tr>
<td><strong>Gross Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(median night rate:</td>
<td>$44,055</td>
<td></td>
</tr>
<tr>
<td>$267 for 165 nights/year; 45%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8% Lodging + 4% Resort Tax</td>
<td>($5,287)</td>
<td></td>
</tr>
<tr>
<td>20% Manage/List/Cleaning Fee</td>
<td>($8,811)</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>($3,400)</td>
<td></td>
</tr>
<tr>
<td>Short-term Rent Insurance</td>
<td>($1,750)</td>
<td></td>
</tr>
<tr>
<td>Maintenance ($1 per 1 sq ft)</td>
<td>($1,000)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>($20,248)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income Short-Term:</strong></td>
<td>$23,807</td>
<td></td>
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</tbody>
</table>

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<tr>
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<tbody>
<tr>
<td><strong>Gross Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>($1,000 per bedroom a month)</td>
<td>$24,000</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8% Lodging + 4% Resort Tax</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>5% Manage/List/Cleaning Fee</td>
<td>($1,200)</td>
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</tr>
<tr>
<td>Utilities</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Landlord Insurance</td>
<td>($875)</td>
<td></td>
</tr>
<tr>
<td>Maintenance ($2 per 1 sq ft)</td>
<td>($2,000)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>($4,075)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income Long-Term:</strong></td>
<td>$19,925</td>
<td></td>
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</tbody>
</table>

# Rent Local incentivizes condo owners, who rarely use their Big Sky property, to rent to local workers and residents. HOME SHARE makes it possible for these owners to still visit Big Sky.

## Rent Local Long-Term (2 Bedrooms)

<table>
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<td></td>
</tr>
<tr>
<td>($1,000 per bedroom)</td>
<td>$24,000</td>
<td></td>
</tr>
<tr>
<td><strong>RENT LOCAL Incentive</strong> (for one year lease)</td>
<td>$6,300</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td></td>
<td>$30,300</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8% Lodging + 4% Resort Tax</td>
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<td></td>
</tr>
<tr>
<td><strong>HomeShare Program - max 4 week stay</strong></td>
<td>($2,000)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>($4,875)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income RENT LOCAL Long-Term:</strong></td>
<td>$25,425</td>
<td></td>
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# Rent Local Makes Leasing to a Big Sky Resident Profitable.

Compared to a vacation rental (at 45% occupancy) a RENT LOCAL owner can earn $1,618 more. This includes visiting Big Sky for four weeks through HOME SHARE.

HOME SHARE offers luxury accommodations in Big Sky to RENT LOCAL owners. (HOME SHARE now has properties in Spanish Peaks and Moonlight!)
## Impact of Short-Term Rentals on HOAs

<table>
<thead>
<tr>
<th></th>
<th>Short Term Vacation Rentals</th>
<th>Long Term Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parking</strong></td>
<td>Usually not an issue</td>
<td>Need to limit cars per HOA rules</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>HOA Costs increase dramatically if exceed limit in Bylaws. For individuals, standard homeowner's insurance may not cover short-term rental use.</td>
<td>No impact</td>
</tr>
<tr>
<td><strong>Noise</strong></td>
<td>Can be a concern as renters are on vacation and enjoy partying</td>
<td>Owner liable and can follow up with tenants</td>
</tr>
<tr>
<td><strong>Garbage</strong></td>
<td>Often excessive amounts and lack of respect for disposal rules</td>
<td>Generally follow HOA guidelines</td>
</tr>
</tbody>
</table>
Tools for HOAs

Restrict number of Short-Term Rentals to Create Balance

• Charge fees to homeowners who rent on vacation market
  – Fees go to HOA and/or BSCHT
• Change Bylaws to limit future addition of STRs when exceed insurance triggered limit
  - BSCHT can provide legally allowed language
• Promote Long Term Rental Incentive Program to Owners
  - Funded by BSCHT
• Promote Permanent Deed Restriction Program (as it becomes available)