

WHITEFISH CITY COUNCIL

February 22, 2022

7:10 P.M.

1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Qunell, Feury, Caltabiano, Davis, Sweeney, and Norton. City Staff present were, City Clerk Howke, City Manager Smith, City Attorney Jacobs, Planning and Building Director Taylor, Public Works Director Workman, Parks and Recreation Director Butts, Police Chief Kelch, Fire Chief Page and Senior Planner Compton-Ring. Approximately 33 people were in the audience and 5 attended virtually.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Boy Scout Troop 1936 to lead the audience in the Pledge of Allegiance.

Mayor Muhlfeld presented former Councilor Melissa Hartman a plaque for her service and dedication on the City Council from 2018-2020.

3) PRESENTATION

a) Whitefish Housing Authority update on the Snow Lot project and other potential projects

Addie Testa-Brown, Whitefish Housing Authority Board member reported on some of the projects they are working on. Alpenglow Apartments on Edgewood Place, of the 36-units seven head of household are over the age of 62; and seven households with school age children; the current waitlist for this project is over one hundred.

Whitefish Housing Authority has contracted with David Saenze from Montana Construction Company as owner's rep/construction manager, and Jenn Clary of Encompass Design as architect and engineer. To date they have secured full funding for this project through TIF, ARPA and payment in lieu funds. Home sale prices will be set for these households making between 80% to 120% of AMI. At the current construction estimates they anticipate home prices will stay below \$300,000. They anticipate building 22 two-bed two-bath townhomes with 20 being two-story and two being single story units. The subdivision and PUD applications will be submitted in May; construction bid packages will be sent out with the infrastructure build to begin in March of 2023; the final plat application and architecture review will commence with building permits in June of 2023. They are assuming and hoping for a 16-month construction build.

They are also moving forward with Housing Whitefish, a 501c(3) non-profit arm of the Whitefish Housing Authority, to allow the ability to accept donations. They are working to revamp their non-profit with the full and complete name change to Housing Whitefish, and a standalone board of no less than seven members with an executive director. Three members of the Whitefish Housing Authority have been appointed to the Board. They have received ten letters of interest from members of the public and will begin interviews in March. They have received a grant of \$75,000 from Explore Whitefish to hire a grant writer to help find and secure long-term funding for affordable housing projects in Whitefish and staff.

The Whitefish Housing Authority owns a piece of land adjacent to the Alpenglow Apartments for additional rental housing. They have determined it could create up to 19 additional units of affordable housing for our community. They are looking toward donations and having the new Housing Whitefish Director work with the grant writer to bring in funds so that they can move forward. The Whitefish Housing Authority Board members have reached out to other landowners in our community to

potentially partner with or purchase suitable land and they will continue to work to find additional land. They are currently in talks with the city to potentially develop city-owned land on Monegan Road, with the potential of 100 units of affordable housing.

Councilor Sweeney asked and Addie stated the units by Alpenglow Apartments will be rental units. Donations can be made through the Whitefish Community Foundation or directly to the Whitefish Housing Authority. Other than the funds for the Snow Lot, they have received less than \$18,000 in donations.

4) COMMUNICATIONS FROM THE PUBLIC— (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments but may respond or follow-up later on the agenda or at another time. The mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)

Rhonda Fitzgerald-412 Lupfer Avenue spoke towards the Viaduct Improvement Project that is on the agenda. She stated this is a really super important project because it not only connects the bike and pedestrian system, but it also integrates the north side of the railroad tracks with the downtown. She hopes the Council can find a little extra money to make this project a huge success. She is sure everyone who walks and bikes it will appreciate it.

Nathan Dugan, 937 Kalispell Avenue addressed rentals and housing as these have been in short supply for a long time. Lately we have seen the small amount of rental housing slowly decrease in numbers. We have also seen tax credit projects recently convert to market rate further reducing the number of affordable rental units in Whitefish. In his opinion, we are not doing a great job at building more. The 2016 Housing Needs Assessment indicated a need for 360 affordable rental units. Since that time only 70 total deed restricted units, and 49 rentals have been built. Since 2013 the City has denied 89 affordable rental units; what would have been at least 48 affordable ownership units and at least 480 total rental units. It is impossible to build affordable units at the pace that we need without the scale of the market rate offerings with which they coexist. The alternative that we have instead decided to go for is building nearly zero percent affordable in a fruitless effort to stop the development. Just 5.9% of the 1,185 units built since 2016 have been affordable. That is notably worse than the voluntary Legacy Homes Program and is a direct result of City Council denying these project so frequently. There is an item on tonight's agenda that proves how challenging it is to build 100 percent affordable projects even with the best intentions. He personally hopes the people who stood at this podium over the past few months and preached that we need a non-profit only solution or a different public private partnership than Mountain Gateway to fix our housing crisis will help Jerry Dunker buy down the cost of his homes and keep them affordable. The Growth Policy, as outdated as it may be, states that care must be taken to assume that affordable housing is close to employment, parks, schools, and commercial services. It states that we will provide affordable housing so that our teachers, police officers, firefighters, sales, and service people and other whose services we depend on can continue to be a part of this community. It is time to stop kicking the can down the road and do something about this now before it really is too late. His opinion is the size of the buildings doesn't matter if there is no one living inside of them.

Mallory Philips, 937 Kalispell Avenue, thanked Councilor Qunell for being the only Councilor willing to speak for the working class and recognizing how past votes may have impacted our current situation. She encourages the Councilors and the public to read the following *The Color of Law, Walkable City Rules, Strong Towns A Bottom-Up Revolution to Rebuild America*. we need to re-imagine what our neighborhoods looks like. We need to examine where our belief systems about what our neighborhoods should look like come from and figure out if these belief systems protect or harm the character of our community.

Tim Salt, 533 Texas Avenue, has provided a few letters that are provided in the packet pertaining to the Texas Avenue Reconstruction Project, particularly the lighting options. He and his wife are opposed to any new lights on Texas Avenue but do support the proposed bollards only option as a reasonable and flexible solution to enhance public safety and protect to rural character of the neighborhood.

Suki Pfirman, 937 Denver Street, provided a letter and photo that is included in the packet in regard to the Texas Avenue Reconstruction Project. Up to this point the neighborhood has compromised on this project; a lot of them only wanted the sewer system to put in; they didn't ask for a wide bike path, nor streetlights. The survey that was sent out was invalid. It didn't contain the option that many of the neighbors wanted, which is no lights at all. People signed that they wanted bollards because there was no option on the survey for no lights. They signed bollards because that was the least light that would be shown in the area. It is not because they wanted it. It is because there was no other option. They encourage the Council to discuss this and think about having no lights at all.

Tim Strand, 937 Denver Street, prefers the option of no lights on Texas Avenue. Texas Avenue is really a transition zones between rural county and the city. He is asking to keep this part of Whitefish a dark sky in a rural feeling atmosphere.

5) COMMUNICATIONS FROM VOLUNTEER BOARDS

a) Whitefish Community Library – 2021 Year in Review Report (p.19)

Joey Kositzky, Whitefish Community Library Director, a list of the 2021 Year in Review is provided in the packet on the website. She stated for the tenth year in a row, the library received the Montana State Library Excellent Library Service Award. Through the summer reading challenge, a total of \$1,000 has been donated to the Whitefish Community Center for the Meals on Wheels Program; \$500 from Whitefish Credit Union and \$500 from a private donation. The Library purchased a "Giving Tree" during the holidays, decorated with mittens, gloves, scarves and small toys for kids to pick something off the tree for themselves or to give as a gift for Christmas.

Jessica Malberg, Flathead City-County Health Department Board Member, reported she is the Chair of the Behavior Health Committee. She helped organize a tour with the Great Valley Health Center to look at the in-school clinics that they have established at Evergreen Elementary School and Linderman School. These clinics provide health care to students on campus, help students sign up for Medicaid and other insurance programs and provide mental health services. They also stopped by the Heart Locker which provides resources to housing insecure students and youth. This is very important because we have a lot of students in our community that are living in cars, SRO, or with other families. This program provides them clothing and resources.

6) CONSENT AGENDA (The consent agenda is a means of expediting routine matters that require the Council's action. Debate does not typically occur on consent agenda items. Any member of the Council may remove any item for debate. Such items will typically be debated and acted upon prior to proceeding to the rest of the agenda. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

a) Minutes from February 7, 2022, Regular Session (p.23)

b) Consideration of a request for an amendment to the Amended Declaration of Unit Ownership and Declaration of Covenants, Conditions and Restrictions Establishing and Governing the Lodge at Whitefish Lake (p.33)

Councilor Sweeney made a motion, seconded by Councilor Qunell to approve the Consent Agenda. Councilor Caltabiano made corrections to the February 7, 2022, minutes; page 6, Councilor Caltabiano made a motion, seconded by Councilor Norton to deny Ordinance No. 22-02 the proposed PUD and accepting the Findings of Fact of the Planning Board. Councilor Caltabiano stated the PUD has

become an issue about affordability of housing. The Planning Board addressed every Finding of Fact and accepting Findings #1,3,5,6,8 and 9; and not accepting Findings #2,4,7,10,11,12,13 and 14. He believes this city needs to keep moving long-term planning in zoning ~~legislature-legislating~~ to make sure there is room for workforce housing. He believes the issue should be separated from the PUD. With that reason he is going with the recommendation of the Planning Board.

The motion to approve the Consent Agenda as amended carried.

- 7) **PUBLIC HEARINGS** (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30-minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
- a) **Ordinance No. 22-** ; **An Ordinance amending the Whitefish City Code to add Article Y, Chapter 2, Title 11 to establish the WB-T zoning district (Business Transitional District), as an implementation of the Highway 93 South Corridor Plan (WZTA 22-01) (First Reading) **MOVED FROM FEBRUARY 7, 2022 PUBLIC HEARING** (p.46)**

Planning and Building Director Dave Taylor presented his staff report and provided a PowerPoint that is appended to the packet on the website. There were no comments from the public at the Planning Board meeting. The Planning Board recommended unanimously to approve the proposed text amendment as written. Staff received written public comment since the Planning Board meeting that are provided in the packet on the website.

Discussion followed between Council and Staff; when the City receives a petition to annex, it has been the City's practice to designate the city zoning equivalent to the county zoning. If a property petitions for annexation, it is Council's responsibility to decide on its merits according to statutory language whether or not to accept the petition. Staff has added enough into the conditional use category that we will capture most of the things that are bigger in that category to have to go through a conditional use process to mitigate some of the impacts. The intent is to try to make it palatable enough so someone would at least consider trying to get on city services.

Mayor Muhlfeld opened the Public Hearing.

Mayre Flowers, Citizens for a Better Flathead, via Webex, 135 Main Avenue, Kalispell, provided written comment that is included in the packet. The city has a lot of commercial and capacity to add more commercial. By adopting this zone, you are inviting commercial uses that are not appropriate and have long been debated in the corridor. Whitefish Council has the ability to say no to a petition to annex. Council also has the ability of having a concept plan and might be something to consider for this corridor. She thinks Council has to really set a large vision what it is the city needs and wants. It is also time for council and county commissioners to talk about how to do a better job of planning for housing and creating a vision of something other than ~~drip-strip~~ commercial along the highway corridors connecting the three cities. The proposal tonight is not ready for final adoption. She provided a list of undefined uses in her written comments. She thinks council needs to go back and think about revising the plan to emphasize housing and to define the kind of uses more clearly that are appropriate in this area. She urges the council to table this and to bring it into a broader community discussion.

Rhonda Fitzgerald, 412 Lupfer Avenue, via Webex, stated she has commented repeatedly on this transition zone at many corridor planning meetings. She continues to be very troubled by it because it continues to be evident to her that it is just more of the same. She cannot see how this proposal is anything but that. It is just planned suburban sprawl, community commercial sprawl. We are in serious need of housing, but we are not in serious need of more commercially zoned property. She agrees with the cartoon that was provided in the op-ed, it is sustainable development and not good planning.

There being no further public comment, Mayor Muhlfeld closed the Public Hearing and turned the matters over to the Council for their consideration.

Councilor Caltabiano made a motion to approve WZTA 22-01, the Finding of Fact in exhibit ‘B’ and the language in exhibit ‘A’ as recommended by the Whitefish Planning Board on January 20, 2022. The motion failed for a lack of a second.

Councilor Qunell asked if we do adopt this then at least the planning staff has some guidance as to what they can expect somebody to annex under? Director Taylor stated there are parameters laid out on what types of uses are acceptable, which ones are going to face a lot of scrutiny and they are going to have to make sure they are meeting our criteria. Not just those standards but our other criteria of what we expect.

Councilor Feury stated we are in a little bit of a tough spot. We have to be cognizant of the fact that there are 55 permitted uses currently in the WB-4, of those 55 uses, six would require services only. That means there is probably another 49 uses out there. There is a lot of other things that are going to happen out there that don’t require services and don’t require us to approve an annexation. There is some zoning on the ground today, most of them are pretty unpleasant. He is uncomfortable with some of the specific uses. He wonders if scale, bulk and massing can be addressed through a little bit more stringent set of design standards? It is pretty much mostly commercial out there right now. He does think we need to do something with a commercial component because it is already out there. We have to have a certain amount of attraction for them to want to come for annexation and get on services which would allow us to have some design standards, and some say over what happens. There are some specific uses he is not comfortable with. He would like to encourage housing in that corridor.

Councilor Feury made a motion, seconded by Councilor Sweeney to postpone this agenda item to March 7, 2022, keeping the Public Hearing closed. The motion carried on a 5-1 vote, Councilor Caltabiano voting in opposition.

- b) **Ordinance No. 22-02; An Ordinance amending the Conditions of Approval of the Trail View Planned Unit Development (First Reading) **MOVED FROM FEBRUARY 7, 2022 PUBLIC HEARING** (p.75)**

Senior Planner Wendy Compton-Ring presented her staff report that is provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing.

Ben Johnson, 813 Trail View Way, supports Jerry Dunker, developer of Trail View Subdivision and his dedication to the Trail View neighborhood. Aside from the federally supported low-income housing projects, Trail View has offered more deed restrictive units than any other development of Whitefish and is all privately funded. Although he does not want to see the deed restrictions removed from these ten units the reality of this project penciling may necessitate some creative solutions. Over the last couple of months, he has heard a lot of people saying they are fully supportive of workforce and affordable housing particularly in areas like Monegan Road and expressing the interest and invoking public-private partnerships in meeting that need. This is an opportunity for the members of this community to step up with that support to guarantee that those last ten units of Trail View can remain permanently deed restricted and show Jerry we have his back as he looks down the road at the next housing opportunities for this community.

Jerry Dunker, 84 Armory Road, provided an update that is appended to the packet on the website. As of March 1, 2022, there are 22 homeowners, the average sale price is \$315,522. There are 7 homes under contract or construction with the average sale price of \$329,714. There are 4 non-qualified buyers; and 25 qualified buyers. There are 14 qualified and approved buyers on the waitlist with 36-139% AMI. The average sale price for a single-family home increased 30% in 2021 to \$1,366,612. Trailview sales price have increased an average of 7.2% since April 2020. The lowest priced single-family home currently for sale in Whitefish is \$799,000 for an 896 square foot home.

There being no further public comment, Mayor Muhlfeld closed the Public Hearing and turned the matters over to the Council for their consideration.

Councilor Caltabiano made a motion, seconded by Councilor Norton to consider the applicants request for amending Condition number 21, Ordinance No. 22-02. Councilor Sweeney asked and Councilor Caltabiano stated the motion includes changing the Findings of Facts as proposed in the staff report. Councilor Caltabiano stated this is how it is done. This is how the city works together with private enterprise and donors so that we finally can offer more affordable housing. **The motion carried.**

- c) **Ordinance No. 22-03 An Ordinance amending Whitefish City Code Title 7, Public Ways and Property, Chapter 3, Public Parks and Grounds (First Reading) (p.98)**

Parks and Recreation, and Community Services Director Maria Butts presented her staff report that is provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing. There being no public comment, Mayor Muhlfeld closed the public hearing and turned the matters over to the Council for their consideration.

Councilor Sweeney made a motion, seconded by Councilor Caltabiano to adopt Ordinance No. 22-03 An Ordinance amending Whitefish City Code Title 7, Public Ways and Property, Chapter 3, Public Parks and Grounds (First Reading). The motion carried.

Mayor Muhlfeld called for a recess at 9:10 p.m. and reconvened at 9:18 p.m.

8) COMMUNICATIONS FROM PUBLIC WORKS

- a) **Consideration to award the engineering contract for the Viaduct Improvement Project (p.106)**

Public Works Director Craig Workman presented his staff report that is provided in the packet on the website.

Councilor Feury made a motion, seconded by Councilor Norton to award the engineering contract to WGM Group for the Viaduct Improvement Project. Councilor Feury assumed that we have \$250,000 and when we go through the engineering process and the design process that we are going to get as much as we can for our \$250,000. **The motion carried.**

- b) **Consideration of approval for final design for Texas Avenue Reconstruction Project and authorization to Bid (p.133)**

Director Workman presented his staff report that is provided in the packet on the website.

Councilor Davis made a motion, seconded by Councilor Norton to accept design presented incorporating option 3, which is standard city streetlights at intersections with bollards spaced in between. Councilor Davis stated he is one of the recipients of streetlights in his front yard, and stated we have to consider the fact that this part of town is very rural, but it is also a part of town that may develop further as time goes on. In his opinion, option #3 seems to be a good middle ground. It allows to maintain streetlights at key intersections, and it significantly reduces the total amount of lights that are shining over the road by the use of the bollards. Councilor Sweeney is conflicted in supporting the motion, particularly since the neighborhood does not want these lights. Councilor Qunell asked and Director Workman stated Council's direction was to install conduit and bases for future streetlight addition in the Lone Pine Subdivision. That is an opportunity here as well. There wasn't a shared use path that went in with Lone Pine, there was just a sidewalk, and it is not deemed a collector roadway to move as much traffic as Texas Avenue. It is recommended by the manufacturer that bollard lights be placed about three times as frequently on 60-foot centers as opposed to 180-foot centers. Director Workman stated he would substitute the bases between the intersections with bollard lights at the standard 180-foot spacing. **The motion carried.**

9) COMMUNICATIONS FROM CITY MANAGER

- a) **Written report enclosed with the packet. Questions from Mayor and Council? (p.199)**

None

- b) **Other items arising between February 16th through February 22nd**

City Manager Smith congratulated Bridger Kelch as the new Chief of Police.

- c) **Review and consideration of the annual 2021 Impact Fee Report (p.200)**

City Manager Smith presented the annual 2021 Impact Fee Report that is provided in the packet on the website.

Councilor Caltabiano made a motion, seconded by Councilor Sweeney to accept the annual 2021 Impact Fee Report. The motion carried.

10) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

Councilor Caltabiano is saddened that the Whitefish Housing Authority has only collected \$18,000 on top of \$75,000 that the CVB has donated. The CVB acts as a non-profit managing bed tax money and grants and is a private business collecting around \$800,000 that are going to be devolved into promoting tourism outside of Whitefish. He understands that the mandate of the WCVB is to promote tourism. He struggles with the fact that probably we should think and discuss if those \$800,000 would have been better spent on top of the \$75,000 that was donated to the Whitefish Housing Authority. Mayor Muhlfeld stated that the WCVB's proposed budget will be presented to the Council in the next two months.

Councilor Qunell stated he is hopeful we have a lot of great people in this community that are willing to dig in to do some hard work to provide more housing for the workforce in this community so that we keep the people who want to work and live here and provide a place for them to do that. He does believe firmly that is what has made this town great.

Councilor Sweeney wanted to thank the Scouts for coming. He commended Director Taylor and Planning Compton-Ring for doing what Council asked in regard to the Highway 93 South zoning. Unlike some of the comments that were received, we will never get any opportunity for any of those

places to incorporate into the city if we only allow residential zoning. He thinks Council did the right thing for tabling it this evening and that there are probably a couple of things that will need to be changed. Staff was sensitive to the feelings of this community. He also mentioned that Jerry Dunker has done a great job and we need more Jerry Dunkers in this city.

Councilor Davis commented towards the Highway 93 South zoning district. He thinks the one thing about the Highway 93 South proposal that changes things is the presence of residential. There is a lot of land, and we are not only talking about the first 100 feet of the highway. He thinks that the way that a lot of these parcels may get developed is with commercial and residential behind. A lot of these uses could be done on septic but residential is one of the hard things to do on a septic, so it changes the equation for both the developers and the city. He thinks with more restrictive requirements on the commercial side we may still see people trying to annex because they would like to also build residential in the back of the lots. He thinks we should make the transitional zoning district what we think it should be to match the community, not what the county does. In his mind it would be small scale commercial, no strip, with opportunities to develop housing in the back.

Councilor Norton congratulated Police Chief Kelch. She also asked Director Butts if alcohol and marijuana is allowed in City Parks. Director Butts stated the consumption of marijuana is still not permitted in public places. It is just legalizing possession. You still cannot consume alcohol or marijuana in public parks without a permit. She asked and Planner Compton-Ring stated the public notice signs provide a phone number, a web page, the QR code or they can come into the office to enquire or ask questions pertaining to the notice.

Mayor Muhlfeld discussed a date for the Council retreat to be tentatively May 6th and 7th. He read a letter from Matt Jones, Executive Director of Public Affairs for BNSF, regarding the delays and the increased frequency of the delays. Two trains required inspection at Whitefish that could not stop clear of 2nd Street and Birch Point. BNSF operations and Whitefish avoid this scenario whenever possible by conducting inspections of longer trains in Havre or Houser, Idaho. Unfortunately, occasionally circumstances require inspections at Whitefish, but they will continue to prevent those events when possible. They are making an effort to reduce conflict at both crossings. He congratulation Chief Kelch. He was on the interview panel and did not realize the depth of Chief Kelch's professional career which has been very decorated. He is proud that our new Chief of Police being born and raised a citizen here in Whitefish.

11) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)

Mayor Muhlfeld adjourned the meeting at 10:19 p.m.

/s/John Muhlfeld
Mayor Muhlfeld

Attest:

/s/Michelle Howke
Michelle Howke, Whitefish City Clerk