

**PLANNING & BUILDING DEPARTMENT**  
418 E 2<sup>nd</sup> Street, PO Box 158 Whitefish, MT 59937  
(406) 863-2410 Fax (406) 863-2409



September 2, 2024

Mayor Muhlfeld and City Councilors  
City of Whitefish  
Whitefish, Montana

Mayor Muhlfeld and City Councilors:

### **Recommendation to Update the Fee in Lieu, Purchase Prices and Rental Prices**

#### Introduction

Since 2019, the City Council has annually updated the fee in lieu, purchase prices and rental prices for the voluntary Legacy Home program. The ownership prices and rental rates are derived from the Area Median Income (AMI) for Flathead County established annually by the federal government (Housing and Urban Development – HUD), while the fee in lieu is based on a three-year average of sales in the Multiple-Listing Service in the 59937-zip code, average square footage of homes sold in the 59937-zip code and the AMI for Flathead County. The average sales price and square footage data is obtained from Northwest Montana Association of Realtors (NMAR).

The Council adopted the use of AMI from HUD, as it is an industry standard in the affordable housing field, and it is an established defensible data source. These numbers are generally released in the Spring every year.

The 59937-zip code was used for the three-year average, as both the 2022 Needs Assessment and the Strategic Housing Plan are also based on the 59937-zip code. Please note, the three-year average from NMAR does not include outliers of \$5 million or greater. According to NMAR, the three-year average was \$795,666. Staff obtains this information in the spring for the previous year's sales.

#### Current Report

Below, please find the updated purchase and rental prices for the various unit sizes and AMI percentages for the unit sizes. The final table is the proposed fee in lieu of providing housing.

2024 Home Price Distribution:

AMI%	0BR	1BR	2BR	3BR
80%	\$177,677	\$190,307	\$215,710	\$241,113
90%	\$199,887	\$214,095	\$242,674	\$271,252
100%	\$222,096	\$237,884	\$269,637	\$301,391
110%	\$244,306	\$261,672	\$296,601	\$331,530
120%	\$266,516	\$285,460	\$323,565	\$361,669

2024 Rental Price Distribution<sup>1</sup>:

AMI %	0BR	1BR	2BR	3BR
60%	\$929	\$995	\$1,194	\$1,379
70%	\$1,083	\$1,160	\$1,393	\$1,609
80%	\$1,238	\$1,326	\$1,592	\$1,839

2024 Fee in Lieu of Providing Units:

FEE:
\$375,443.00

The fee in lieu has increased from \$182,274 in 2022 to \$294,349 in 2023, and the 2024 proposed increase to \$375,443 represents a 27.5% increase from last year.

Recommendation

Staff respectfully requests the Council adopt the updated housing and rental prices, and the fee in lieu of affordable housing to keep pace with the changing housing market.

Sincerely,



David Taylor, AICP  
 Planning & Building Director

<sup>1</sup> Can be adjusted if utilities are *not* included in the rental price.