

CHAPTER 3: DEMOGRAPHICS AND HOUSING

Introduction

Conventional approaches to community planning examine population change over time, analyzing past and current population growth patterns to better predict future trends. Analysis of population incorporates not only the increase or decrease in the number of people, but also the gender, age, ethnic, and socioeconomic characteristics of the population. Understanding these population attributes allows communities to anticipate and plan for the future needs of its residents.

One of the basic needs for a growing population is housing. Housing is a fundamental element in the way communities grow and develop. The location and density of new housing are major drivers of transportation patterns, access to public services, and energy consumption. Housing is a prominent feature of the built environment, an investment and consumptive good, a symbol of personal history and familial connections, and a determinant of social interaction and achievement. A home is the largest purchase an individual is likely to make in a lifetime.

Goal

G.15 Promote a diverse demographic of residents.

Policies

- P.15.1 Encourage housing, employment, education and recreation to attract, support and maintain young families.
- P.15.2 Provide services and facilities to support elderly and special-needs residents.
- P.15.3 Promote and respect the culture, heritage and history of Flathead County residents.

Goal

G.16 Safe housing that is available, accessible, and affordable for all sectors of the population.

Policies

- P.16.1 Provide land use-based incentives and density bonuses for the promotion and development of affordable housing opportunities for a range of household types, family sizes, incomes, and special consideration groups.
- P.16.2 Create an affordable housing plan for the county which includes evaluating the need for a county housing committee and establishing coordination between the county and the cities of Columbia Falls, Kalispell, and Whitefish.
- P.16.3 Promote the development of affordable single and multi-family housing in areas of adequate service networks.

- P.16.4 Consider the locational needs of various types of housing with regard to proximity of employment, access to transportation and availability of public services.
- P.16.5 Promote the rehabilitation of historic and/or architecturally significant structures for the purpose of conversion to housing.
- P.16.6 Consider the advisability of adopting a building inspection procedure for new residential construction.
- P.16.7 Identify areas suitable for quality mobile home park development.

Goal

- G.17 Encourage affordable homeownership in Flathead County.

Policies

- P.17.1 Include provisions in the county zoning and subdivision regulations to promote affordable homeownership throughout the county.
- P.17.2 Incorporate density bonuses in zoning and subdivision regulations for developments offering affordable homeownership.
- P.17.3 Encourage mobile home parks as a form of affordable homeownership in areas with access to public sewer and water.
- P.17.4 Develop zoning and design standards for Class A manufactured housing.
- P.17.5 Encourage the establishment of public/private partnerships as a method to offer financing to first time homebuyers.
- P.17.6 Establish affordable housing standards for developing infrastructure that would reduce the cost of affordable lots while maintaining the character of the projects.
- P.17.7 Develop criteria for developers to meet to qualify for affordable housing incentives.

PART 1: Population (see Goal 15)

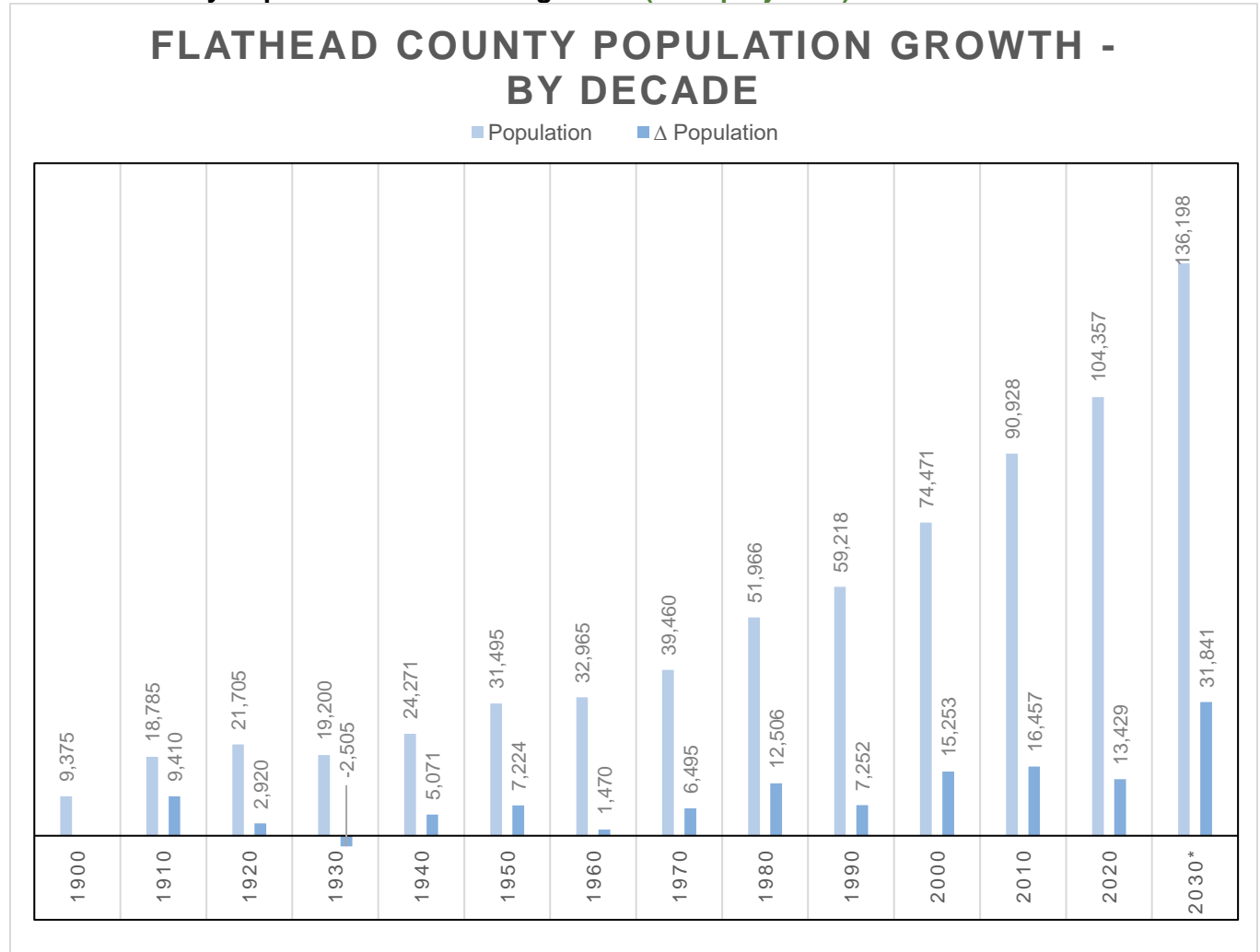
Population Growth

Population growth in Flathead County over the past 100 years has been significant and dynamic, as shown in Figure 3.1 below. With the exception of the period between 1920 and 1930, growth has generally exceeded 10% over the course of each decade. Only the decade between 1950 and 1960 experienced a single digit population growth of 5%. In total, population growth over the last 120 years has been approximately 94,982 people, which translates into [over a 10-fold](#) population increase in the County. For a detailed account of the historical growth and development of Flathead County, please refer to Appendix A: Baseline Analysis.

The population boom of recent time began in the 1970s when population growth accelerated dramatically. The largest growth rate for any 10 year period since 1900 was the ten year period between 1970 and 1980 which experienced a 32% increase in population from 39,460 to 51,966

residents. This growth lessened during the 1980's to 14% as the population increased by 7,252 people. From 1990 to 2000 the growth in population resumed its post 1970 charge with a 20.5% increase, resulting in a 2000 population of 74,471 people. Since then, the population has steadily increased by approximately 15,000 people every 10 years. Moving towards 2030, given a consistent proportional increase, it is anticipated that the numerical change will dramatically increase to approximately 136,198 new residents by 2030.¹

Figure 3.1
Flathead County Population – 1920 through 2030 (2030 projected)



Source: U.S. Census Data, 1900 thru 2020

~~Since 2000 Flathead County's population has increased at a relatively constant rate of approximately 2% per year. Between 2000 and 2005 the US Census estimated a population increase from 74,471 to 83,172 people, representing an approximate 12% increase over the first five years of the decade. By the year 2010 Flathead County's population had increased over 22% during the course of the decade, for a total of 90,928 residents by the time the decennial census was conducted.² While the overall growth rate appears consistent with the growth experienced between 1990 and 2000, the second half of the decade experienced a significantly different level and direction of growth than the first half, as evidenced by Table 3.1 below.~~

¹ United States Census Bureau, population summary data, 1900 thru 2020

² United States Census Bureau State & County QuickFacts; Flathead County, Montana, 2020.

Urban Population Growth

Approximately 64% of the population in Flathead County resides outside of the three incorporated cities of Columbia Falls, Kalispell, and Whitefish (to be known as the incorporated cities). This number has been slowly declining over the last 20 years with 68% of the county living outside of the incorporated cities in 2000. While there has been migration towards more urbanized areas, the incorporated cities have also expanded their boundaries to encompass a greater land area. With this in mind, the population growth of the incorporated cities compared to that of the county has been steadily increasing by almost exactly 2% each year. The data suggests that both rural and urban areas are growing, but urbanized areas of the county are growing at a proportionally faster rate. (Table 3.1) This should not be interpreted to imply that migration within the county is occurring from rural to urban areas, as too many external factors exist (e.g. interstate migration versus intracounty migration).

~~This is a slight decrease from 2000 when 69% of the population in the county lived outside of the cities. Recent data shows that the growth in the cities between 2000 and 2010 has notably increased; however, when comparing the first half of the decade (2000 to 2005) to the second half of the decade (2005 to 2010), a stark contrast is apparent in where growth actually occurred. Cities experienced the highest rate of growth in the earlier half of the decade, with populations increasing by 20% or more in Whitefish, Kalispell and Columbia Falls. During this same time period the County's population grew by only 3%. During the second half of the decade the County experienced the highest rate of growth at 15%, while all three cities slowed significantly and, in the case of Whitefish, appear to have lost population. The combined populations of the cities of Columbia Falls, Kalispell, and Whitefish equate to approximately 34% of the total 2010 population of the county; an increase of 2% since 2000. The city of Kalispell alone comprised approximately 29% of the total population of the county in 2010. Table 3.1 contrasts the population change of the three cities and the unincorporated areas of the county.~~

Figure 3.2
Urban vs Rural Population Changes (2000-2020)

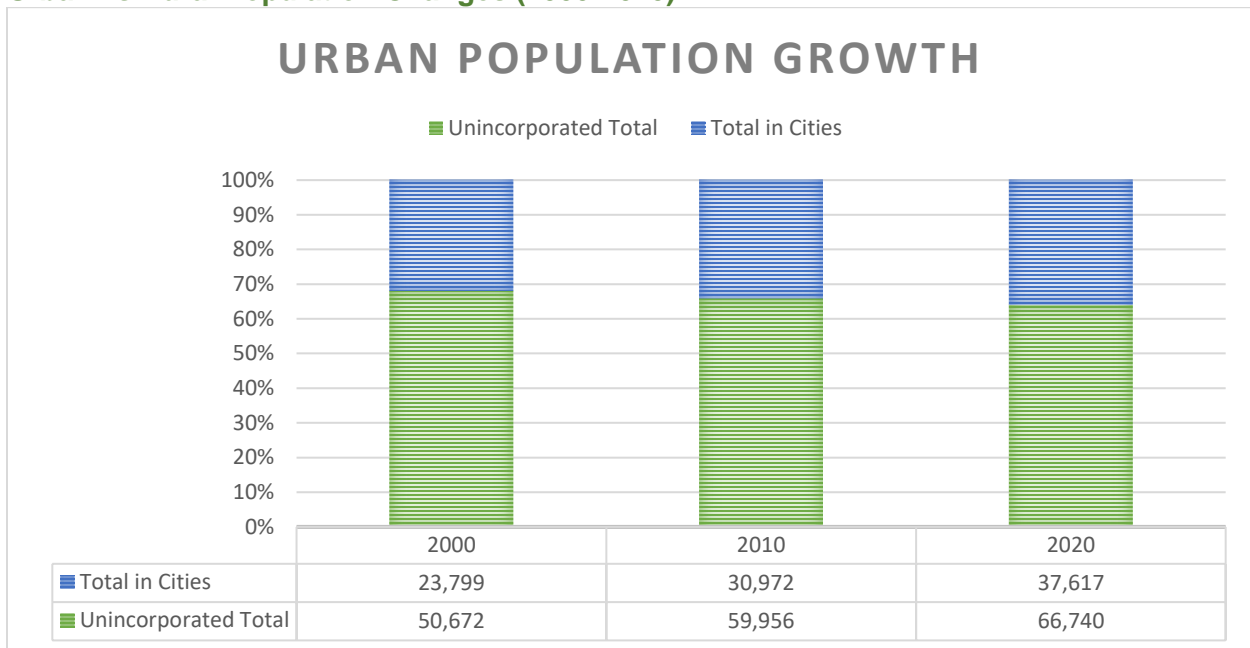


Table 3.1
~~Population Growth in Unincorporated Areas vs. Cities – 2000 through 2010~~
Urban Growth 2000-2020

| | | 2000 | 2010 | 2020 | 2030* |
|---|----------------------|--------|--------|---------|---------|
| <u>Census Designated Places</u> <u>(CDP)</u> | Bigfork | 1,421 | 4,270 | 5,118 | |
| | Coram | 337 | 539 | 572 | |
| | Evergreen | 6,215 | 7,616 | 8,149 | |
| | Hungry Horse | 934 | 826 | 828 | |
| | Martin City | 331 | 500 | 461 | |
| | Somers | 556 | 1,109 | 1,049 | |
| | Lakeside | 1,679 | 2,669 | 2,705 | |
| | Other** | 39,199 | 42,427 | 47,858 | |
| | | | | | |
| <u>Cities</u> | Columbia Falls | 3,674 | 4,688 | 5,308 | |
| | Whitefish | 5,126 | 6,357 | 7,751 | |
| | Kalispell | 14,999 | 19,927 | 24,558 | |
| <u>Totals</u> | Unincorporated Total | 50,672 | 59,956 | 66,740 | 84,443 |
| | Total in Cities | 23,799 | 30,972 | 37,617 | 51,755 |
| | Total in County | 74,471 | 90,928 | 104,357 | 136,198 |
| | Percent Incorporated | 32.0% | 34.1% | 36.0% | 38.0% |

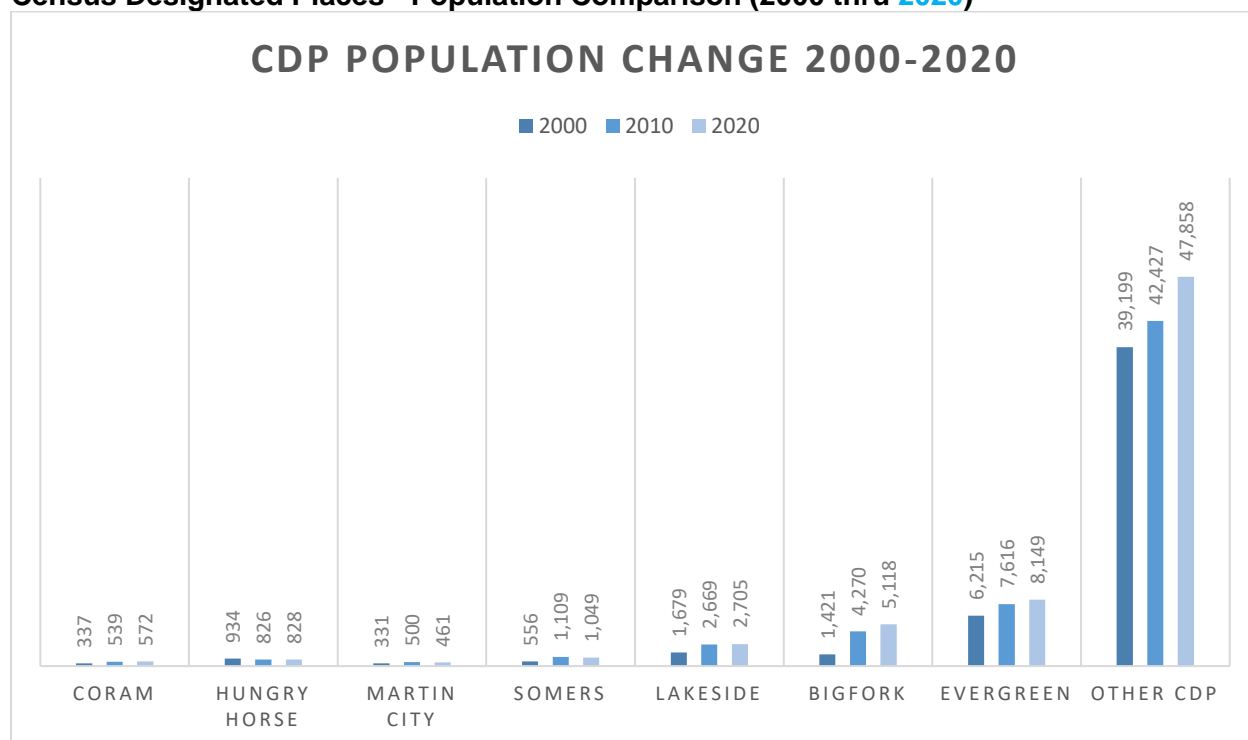
*Denotes population estimate

**Includes minor CDP and areas not in CDP or Incorporated Cities

Source: U.S. Census Bureau Population Counts; 2000, 2010 and 2020

Figure 3.3

Census Designated Places - Population Comparison (2000 thru 2020)



Source: **2020** U.S. Bureau of the Census TIGER Line File, MT Census Places with Population Data

**** Other CDP includes minor CDPs with populations less than 100 and areas outside of incorporated cities and CDPs**

From 2000 to 2010 Bigfork, Somers, Evergreen and Lakeside have had the greatest increases in population over the past ten years. The community of Bigfork nearly tripled in population with a 200% increase between 2000 and 2010. The population of Somers increased by 99%, the population of Lakeside increased by 59 % and the population of Evergreen increased 23% during the same ten year period. The most significant increases in population in rural communities are occurring where vital public services such as public sewer and water facilities are available.

There are fifteen CDPs in the county. These include the communities of Bigfork, Evergreen, Lakeside, Somers, Niarada, Marion, Little Bitterroot Lake, Batavia, Kila, Forest Hill Village, Olney, Hungry Horse, Martin City, West Glacier and Coram. The unincorporated sections of the county have seen the greatest increase in population over the last 10 years with an increase of 5,431 people, or a 12.8% increase from 2010. Typically, these unincorporated areas of the county are rural in nature and have fewer or no land use regulations.

In contrast, there are the three incorporated cities within Flathead County, Kalispell, Whitefish, and Columbia Falls. The greatest population increase of all of the incorporated cities from 2010 to 2020 was in the City of Kalispell, and increase by 4,361 people, or a 23.2% increase from 2010.

In areas with zoning, many of the districts have filled to meet their maximum allowed densities, precluding or slowing further development within the incorporated areas of the county. This has pushed development into areas with fewer land use regulations where development can occur more freely. In urban areas within cities, with utilities, water, sewer and other public services more readily available, significant growth has also occurred.

Several other communities throughout the county are also experiencing growth; some have experienced enough growth over the past decade to be designated CDPs according to the 2020 census. These communities are more scattered, and development is less dense. Residents in these communities are self-reliant with individual water and sewer facilities. These communities include Marion, Kila, Ferndale, Creston, and West Glacier. ~~The more remote~~ Communities such as Polebridge, Olney, and Essex have not experienced the rapid growth that the more accessible communities in the county are currently undergoing, but have still a population increase over the past ten years. ~~These areas have likely reached their growth limit due to a variety of factors including lack of access to utilities, environmental constraints, and low density zoning regulations.~~ ~~Map 3.2 shows the existing overall population per square mile in Flathead County.~~ ~~Map 3.2 shows the existing overall population of each consolidated city or census designated place per square mile in Flathead County.~~

Seasonal Populations

Census population numbers do not account accurately for seasonal fluctuations in population. Seasonal residents require the same local services and infrastructure that full time residents require.

Although there is no precise way to calculate seasonal population, estimates can be derived using several indicators such as electrical hookups and consumption, increased traffic, waste generation, and law enforcement and emergency service calls. Certain communities have higher numbers of seasonal populations. Although it has proven difficult to quantify, the population of the county could be in significant excess of 104,357 persons as estimated by the US Census.

Demand is strong in the county for second home ownership as well as for seasonal, recreational, occasional use and vacation housing. Those housing units dedicated for seasonal, recreational, or occasional use have been identified and quantified in the 2020 US Census. The 1990 Census indicates that there were 2,517 housing units in Flathead County that were occupied seasonally, for recreational use or for occasional use. That number rose to 3,570 in 2000, a 42% increase. By 2010, the number of housing units occupied seasonally or for recreation or occasional use rose to 6,542 units, roughly comprising roughly 14% of the housing stock in Flathead County and exhibiting a nearly 83% increase over the number of units in 2000. ~~During the same period the total number of housing units available rose to 46,963, an increase of 35%. Now, as of 2021, 7,029 seasonal housing units exist in the valley. This comprises still roughly 14% of the existing housing stock.~~³

Population Growth Factors

~~Population growth or decline is attributed to two factors: natural change and net migration. Measurements of these two factors illustrate trends over time and are important when planning for the needs of future populations. The combination of the two factors indicates the overall condition and health of the community. Natural change is the difference between births and deaths. Between 2000 and 2004 Flathead County experienced a net increase of 1,214 people due to natural change, representing approximately 18% of the total population growth. Migration patterns are responsible for the remaining 82% of the population increase; approximately 5,577 people relocated to the county from elsewhere during the four year period.~~

³ Profile of General Population and Housing Characteristics, U.S. Census Bureau: 2000, 2010

The most accurate method of calculating population growth takes into account the number of births in relation to number of deaths, and factors in the net migration of the population. In the early 2000s the Planning Department was able to calculate natural growth in comparison to net migration. Currently, because of the lack of data and large number of variables in attempting to compare natural growth versus net migration, no statistical comparison could be made. Within the last decade, from 2010 to 2020, the population in Flathead County increased by 13,429. This surpasses any plausible natural growth rate, especially considering the average size of a family has decreased over the last decade. It can be assumed that a majority of this growth is due to net migration.

Population Characteristics

In 2000 the county's male-female ratio was approximately 1:1, meaning there were nearly equal numbers of males and females in the population as shown in Figure 3.3. This remained true in 2010, where 49.8% of the Flathead population was male and 50.2% of the population was female. As of 2020 the proportion stands at 49.9% of the population being male and 50.1% of the population being female. Although not charted, U.S. Census Bureau historic data indicated that the near even proportion of genders has remained constant since the 1970's.

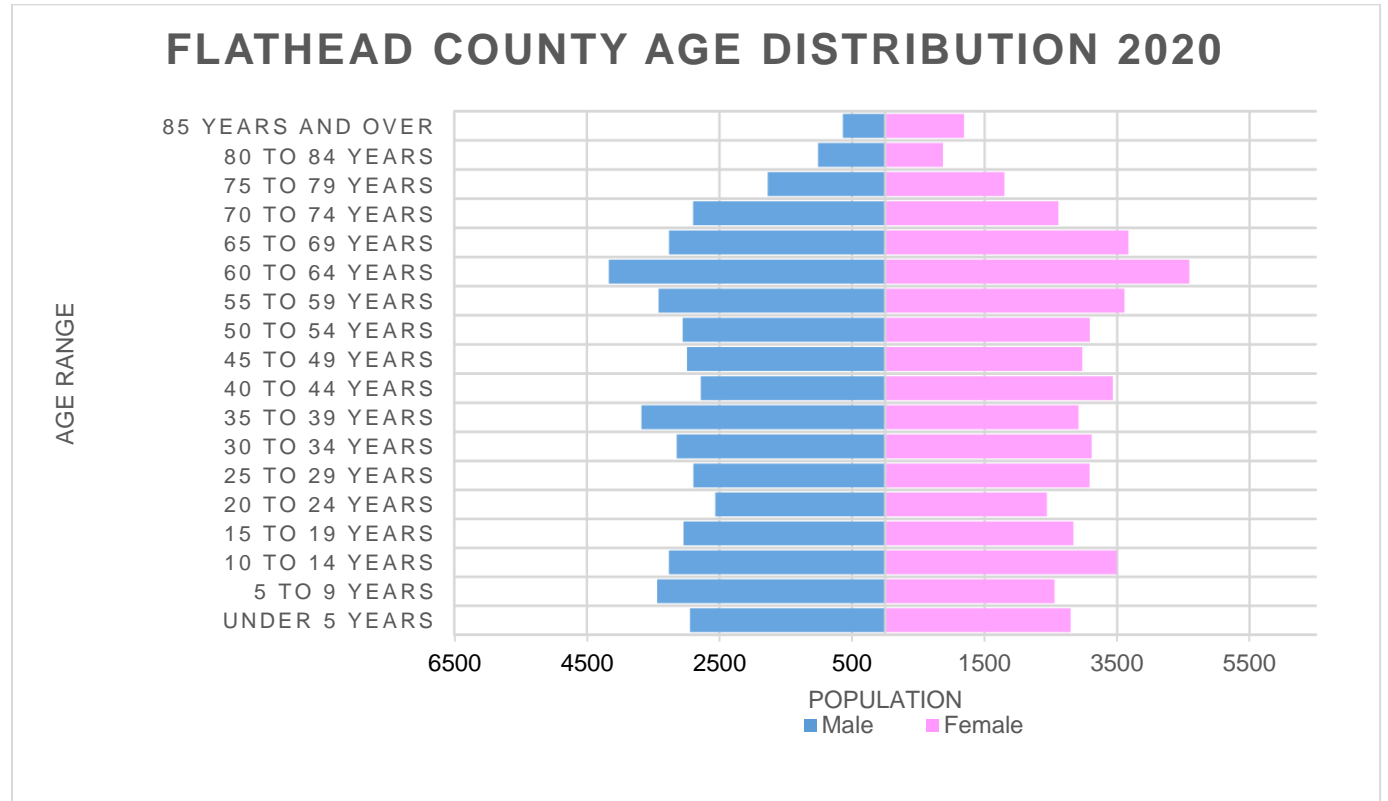
The ethnic composition of Flathead County is rather homogenous. In 2010, approximately 96% of the population was white, with the remaining 4% of the population comprised of one or more other races. African Americans represented 0.5% of the population; American Indian and Alaska Native represented 2.4%; individuals of Asian descent represented 1.0% of the population, with Native Hawaiian, Pacific Islander or those of other origin making up the remaining 0.8% of the population. As of 2020 the racial breakdown is shown in Table 3.2 below.

Table 3.2 Race

| | | |
|--|---------|-------|
| Total: | 104,357 | |
| Hispanic or Latino | 3,329 | 3.2% |
| Not Hispanic or Latino: | 101,028 | 96.8% |
| Population of one race: | 95,855 | 91.9% |
| White alone | 93,416 | 89.5% |
| Black or African American alone | 269 | 0.3% |
| American Indian and Alaska Native alone | 931 | 0.9% |
| Asian alone | 703 | 0.7% |
| Native Hawaiian and Other Pacific Islander alone | 77 | 0.1% |
| Some Other Race alone | 459 | 0.4% |
| Population of two or more races: | 5,173 | 5.0% |
| Population of two races: | 5,006 | 4.8% |

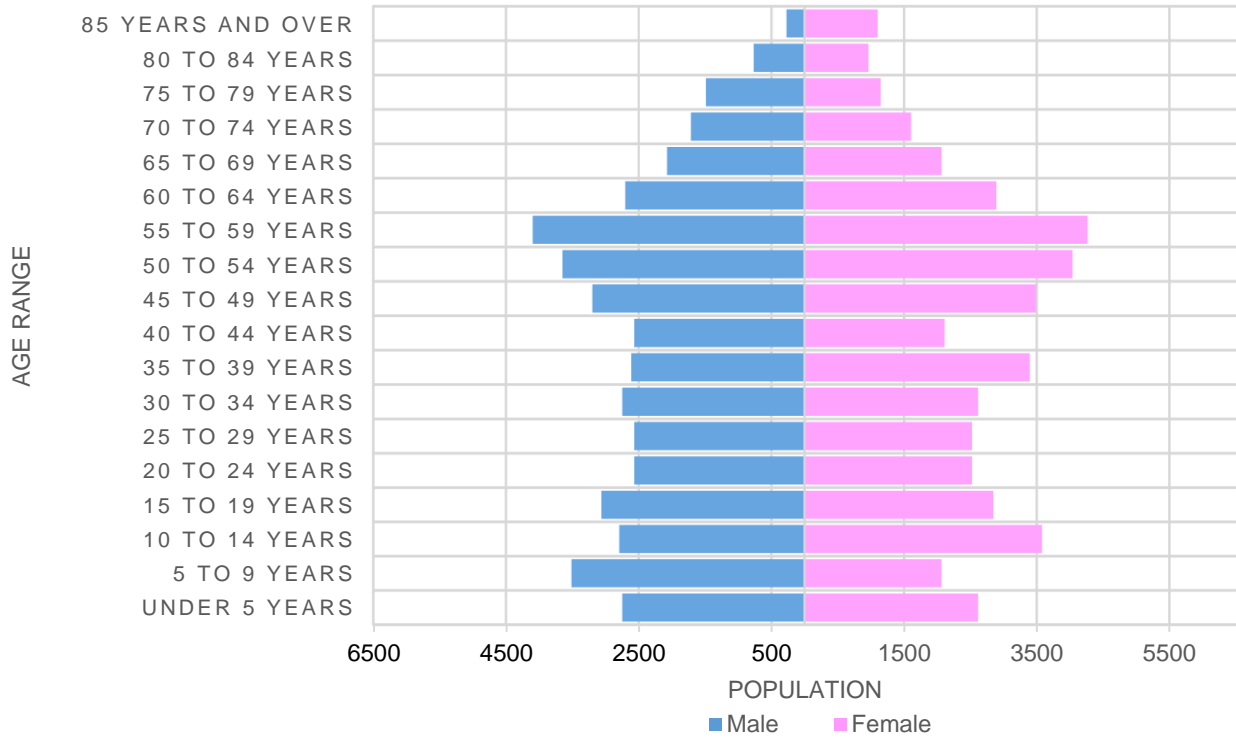
Source: US Census Bureau 2020 P2

Figure 3.3
Flathead County Gender and Age Composition – 2000-2020
3.3a

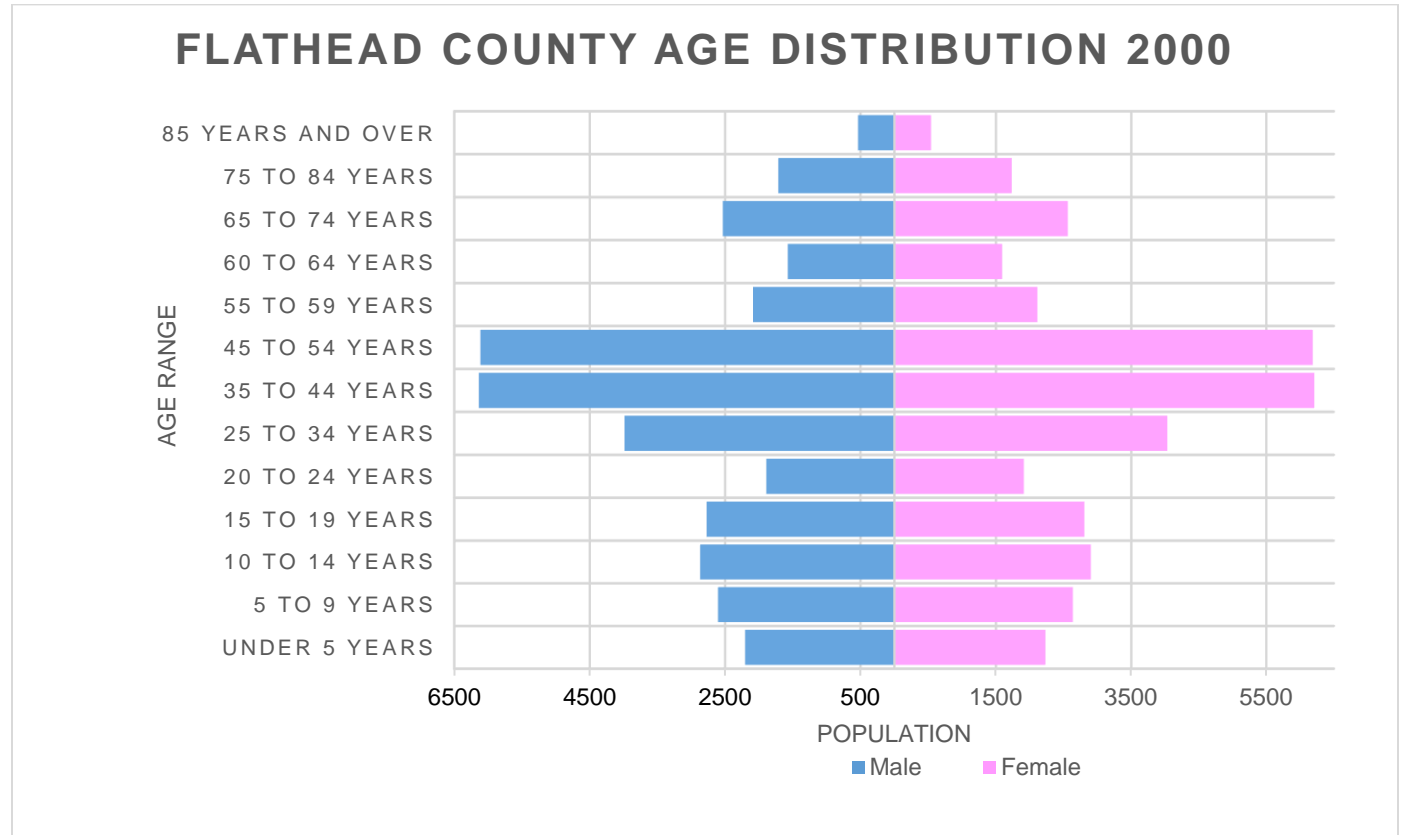


3.3b

FLATHEAD COUNTY AGE DISTRIBUTION 2010



3.3c



Source: Profile of General Population & Housing Characteristics, U.S. Census Bureau 2020

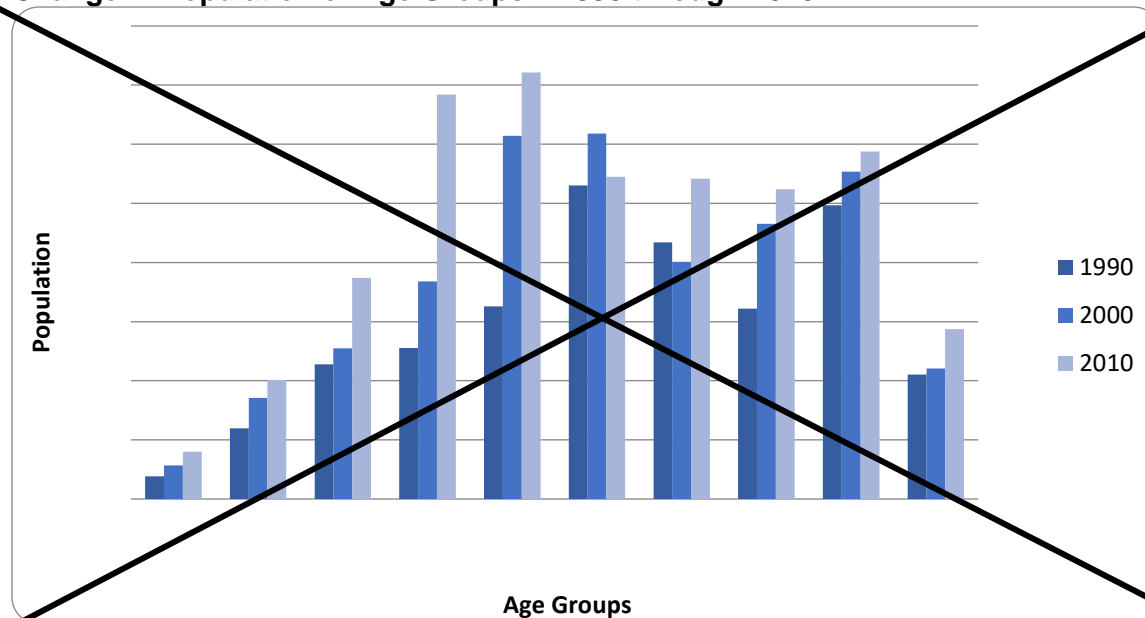
Figures 3.3 a-c depict the population of Flathead County bracketed into age groups from 2000 to 2022. This style of chart is called a population pyramid and is utilized by demographers to depict natural population growth trends. A classically shaped pyramid implies a rapid, naturally growing population. A steep sided tower that is larger at the base than it is at the top implies healthy, natural growth. As previously discussed, there is a large seasonal population within Flathead County, and subsequently one of the primary drivers of population growth is migration, as opposed to natural population growth.

Typically, a population pyramid could be utilized to determine how a population will naturally grow. A classically shaped pyramid implies a rapid naturally growing population. A healthy natural growth would be depicted with a steep sided tower that is larger at the base than it is the top.

The population pyramid for Flathead County, however, cannot be utilized as a standard to predict future growth. As one can see in Figure 3.3, the shape is abnormal and inconsistent. Similarities between 'pyramids' show a relatively small proportion of children and teens, which tapers around young adulthood, sharply increases towards ages 40-65, and then sharply tapers again. While growth predictions cannot be made from this chart, the cause, however, could be attributed towards a deficiency in the distribution of the existing housing stock.

As will be discussed in Part 2, housing is a precious resource within the Flathead Valley. Due to limited space given the amount of public lands, environmental constraints, and the large number of secondary and tertiary home ownership that occurs, the housing market is generally limited. While there may appear to be an abundance of available housing, much of the excess within the housing stock is taken up by seasonal residents and is generally unused for 3-9 months out of the year. The limited nature of housing, the decline in stock of multi-family housing (Figure 3.x and the decrease in young adult and elderly residents, indicates housing may be lacking within Flathead County.

Figure 3.4
Change in Population of Age Groups – 1990 through 2010

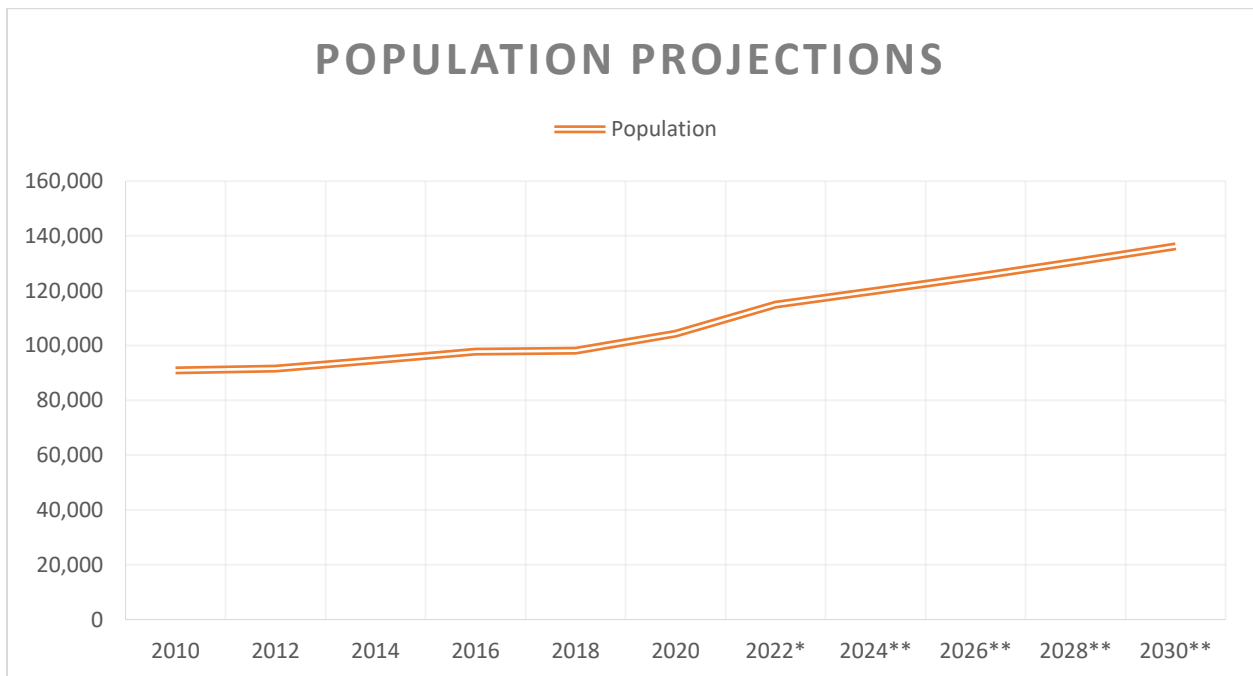
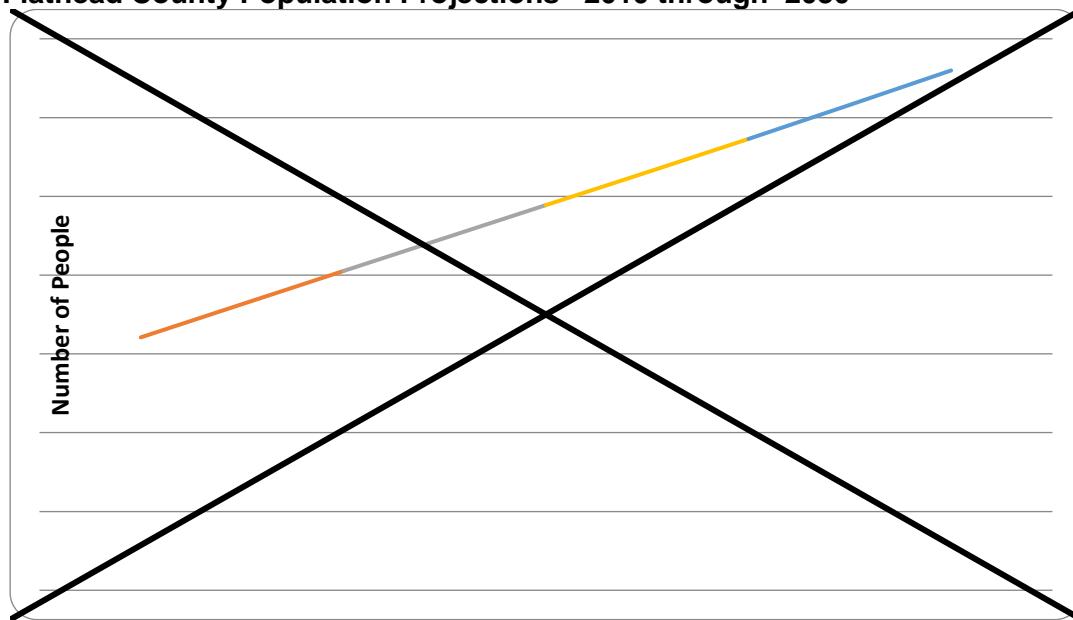


Source: Profile of General Population & Housing Characteristics, U.S. Census Bureau
2020, 2010, 2000, 1990

Population Projections

Projections are estimates illustrating plausible courses of future population change based on assumptions about future natural change and net migration patterns. These projections are trends established from existing population data. The projected population for Flathead County through the year 2030 is shown in Figure 3.5 below. The projected population for 2030 is estimated at 136,198, representing an increase of 31,841 people from the existing population in 2020 population of 104,357. The projection shows that the total population is likely to increase by approximately 33%. Based on existing natural change and net migration factors, this projected population increase will be due primarily to net migration and constrained by natural change.

Figure 3.5
Flathead County Population Projections– 2010 through 2030



Source: NPA Data Services, Inc, 2008

More data are required to adequately provide for the land use needs of a growing population. Information on the desires and preferences of residents and in-migrants will determine suitable housing locations, as well as projected requirements for commercial and industrial uses. Accurate information on the service costs per mile of road maintenance, school bus operation, emergency services and other county services will inform the public and decision makers as land use designations are made.

PART 2: Housing (see Goals 16 and 17)

General Affordability

Housing costs often constitute the largest single monthly household expenditure. The affordability of housing is a major factor in community growth and development. Affordable housing is also a driving force of a vibrant economy. Home ownership is a goal for many Americans and it is an achievement that can be a stepping stone to increased economic involvement in the community. This Growth Policy has goals and supporting policies which recognize the desirability of affordable housing and home ownership. A standard definition of “affordable housing” is yearly housing payments that cost no more than 30% of a household’s gross annual income. Households paying in excess of 30% of their income for yearly housing costs are considered cost-burdened and may have difficulty meeting the costs associated with common necessities such as food and transportation⁴. Calculating the annual household income needed to afford the median-value home in a given area provides a snapshot of the current housing affordability.

Table 3.2 displays housing affordability. These estimates assume a \$289/month car payment (the average car payment for the State of Montana), a \$20,000 down payment, paying 30% of monthly income, the average interest rate for the given year, a 30 year mortgage, the 0.81% property tax of Flathead County, and \$800/year of home owners insurance.

Table 3.2
Housing Affordability

| | Median Home Price | What median income can afford | Cost to Affordability Ratio |
|------|-------------------|-------------------------------|-----------------------------|
| Year | Inflation Adj. | | |
| 2021 | \$313,981 | \$286,968 | -9.41% |
| 2020 | \$270,398 | \$234,554 | -15.28% |
| 2019 | \$260,678 | \$244,226 | -6.74% |
| 2018 | \$246,968 | \$215,891 | -14.39% |
| 2017 | \$233,595 | \$249,502 | 6.38% |
| 2016 | \$218,393 | \$212,090 | -2.97% |
| 2015 | \$210,277 | \$202,733 | -3.72% |
| 2014 | \$200,921 | \$191,983 | -4.66% |
| 2013 | \$186,821 | \$219,212 | 14.78% |
| 2012 | \$184,797 | \$205,752 | 10.18% |
| 2011 | \$190,617 | \$184,624 | -3.25% |
| 2010 | \$206,598 | \$178,148 | -15.97% |

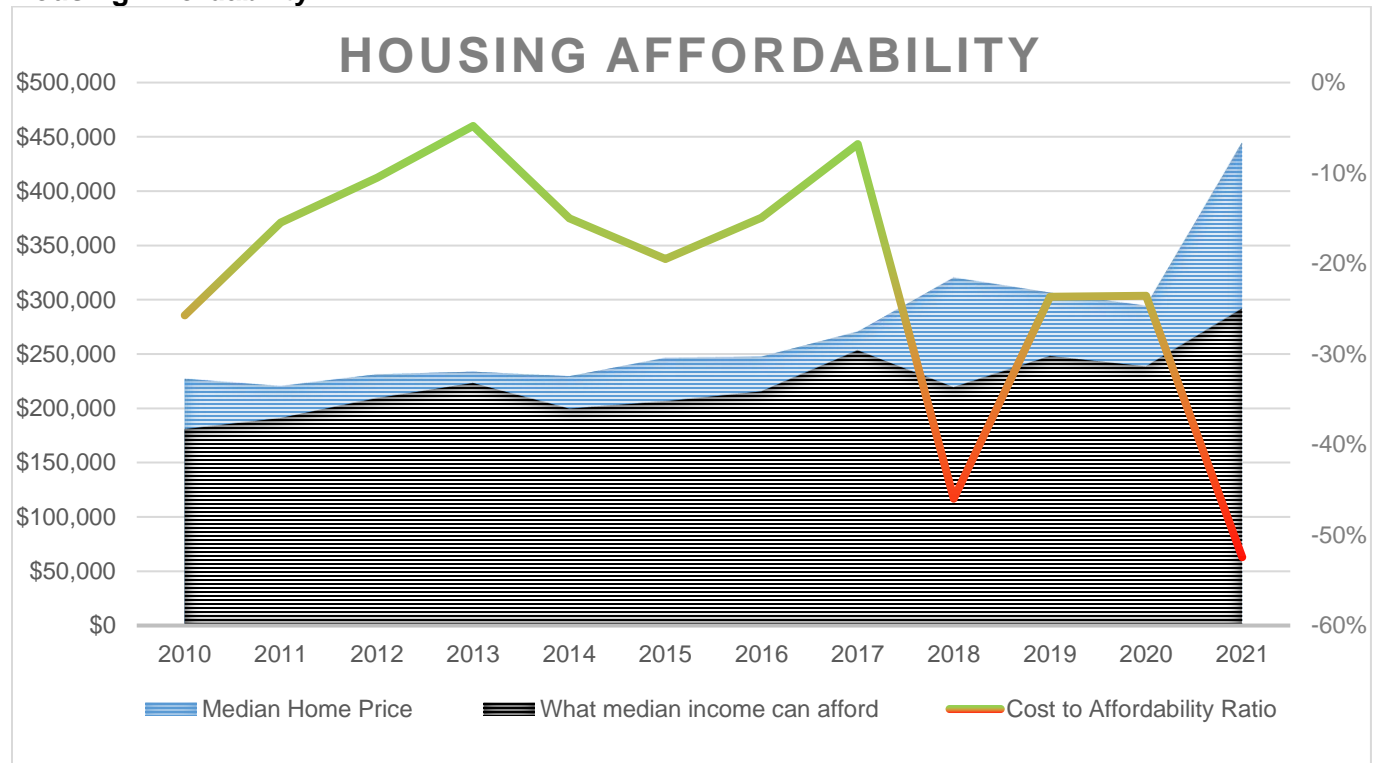
U.S. Federal Housing Finance Agency, All-Transactions House Price Index for Flathead County, MT [ATNHPIUS30029A], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ATNHPIUS30029A>, December 1, 2022

Average household in Flathead County in 2021 is 2.50 people, therefore an estimate of a family of 3 will be utilized for poverty estimates

Comparing the annual household income needed to afford the median home price in the county to the actual median household incomes for the same time periods provides insight as to whether the median home price is affordable to the median household. Figure 3.4 shows that a disparity exists between median incomes and median home prices in Flathead County.

⁴ U.S. Department of Housing and Urban Development

Figure 3.4
Housing Affordability



Source: Flathead County - Annual Median Income, 1990-2010; Research & Analysis Bureau, Montana Department of Labor & Industry. <http://www.ourfactsyourfuture.org/cgi/dataanalysis/incomeReport.asp?menuchoice=income>

Table 3.3
Median Income

| | Flathead County | Montana | United States |
|------|-----------------|---------------|---------------|
| Year | Median Income | Median Income | Median Income |
| 2010 | \$56,848 | \$53,919 | \$63,246 |
| 2011 | \$58,206 | \$54,858 | \$62,648 |
| 2012 | \$59,912 | \$55,209 | \$62,919 |
| 2013 | \$60,773 | \$56,998 | \$63,402 |
| 2014 | \$59,253 | \$55,625 | \$64,425 |
| 2015 | \$58,604 | \$59,397 | \$66,915 |
| 2016 | \$61,876 | \$59,514 | \$68,543 |
| 2017 | \$72,176 | \$62,588 | \$70,736 |
| 2018 | \$62,708 | \$63,723 | \$71,335 |
| 2019 | \$72,506 | \$64,971 | \$74,701 |
| 2020 | \$66,101 | \$63,671 | \$73,192 |
| 2021 | \$72,276 | \$68,631 | \$75,649 |

U.S. Federal Housing Finance Agency, All-Transactions House Price Index for Flathead County, MT [ATNHPIUS30029A], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ATNHPIUS30029A>, December 1, 2022

The median home price in Flathead County increased by nearly 64% between 2000 and 2010; while a significant increase, it is not nearly as large as the jump in median home price between 1990 and 2000, which more than doubled the median cost of a home (116%) while the median household income only increased by 42.7% over that same period of time⁵. By looking even closer at the breakdown by year, one begins to see the annual change in median housing price between 1998 and 2010 has varied significantly, as shown in Table 3.4.

Table 3.4
Median Home Prices – 1998 through 2010

| Year | Median Home Value | Annual Percent Change |
|------|------------------------|-----------------------|
| 1998 | \$110,000 | --- |
| 1999 | \$108,000 | -1.8% |
| 2000 | \$138,950 | 28.7% |
| 2001 | \$126,000 | -9.3% |
| 2002 | \$136,000 | 7.9% |
| 2003 | \$159,000 | 16.9% |
| 2004 | \$178,500 | 11.9% |
| 2005 | \$215,000 | 20.4% |
| 2006 | \$234,900 | 9.3% |
| 2007 | \$249,000 | 6.0% |
| 2008 | \$239,000 | -4.0% |
| 2009 | \$205,000 | -14.2% |
| 2010 | \$227,300 ⁶ | 10.9% |

Source: Housing Affordability & Montana's Real Estate Market, Bureau of Business and Economic Research, June 2010

⁵ American Factfinder, US Census 2000

⁶ U.S. Census Bureau , ACS Profile Report - H9 Home Values, Census 2010

| Year | Median Home Cost | Annual Percent Change |
|-------|------------------|-----------------------|
| 1998* | \$110,000 | |
| 1999* | \$108,000 | -1.82% |
| 2000* | \$138,950 | 28.66% |
| 2001* | \$126,000 | -9.32% |
| 2002* | \$136,000 | 7.94% |
| 2003* | \$159,000 | 16.91% |
| 2004* | \$178,500 | 12.26% |
| 2005* | \$215,000 | 20.45% |
| 2006* | \$234,900 | 9.26% |
| 2007* | \$249,000 | 6.00% |
| 2008* | \$239,000 | -4.02% |
| 2009* | \$205,000 | -14.23% |
| 2010 | \$227,300 | 10.88% |
| 2011 | \$220,600 | -2.95% |
| 2012 | \$231,400 | 4.90% |
| 2013 | \$233,800 | 1.04% |
| 2014 | \$229,600 | -1.80% |
| 2015 | \$246,600 | 7.40% |
| 2016 | \$247,800 | 0.49% |
| 2017 | \$270,500 | 9.16% |
| 2018 | \$320,400 | 18.45% |
| 2019 | \$306,500 | -4.34% |
| 2020 | \$294,600 | -3.88% |
| 2021 | \$444,600 | 50.92% |

U.S. Federal Housing Finance Agency, All-Transactions House Price Index for Flathead County, MT [ATNHPIUS30029A], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ATNHPIUS30029A>, December 1, 2022

The average yearly increase in median home prices between 2010 and 2021 was equal to 4.0%. As the economy rebounded from the recession of 2008, home prices were generally dropping at the beginning of the decade. Around 2014 the average median home price began to steadily increase, averaging approximately a 5.4% yearly increase from 2014 through 2020. In 2020, the pandemic dramatically changed the socioeconomic status within the US, and due to the value now placed on rural communities, the home price jumped by over 16%. This is the largest increase in home values since the year 2000, when the median home value jumped 28.7%.

~~if the annual median housing prices had continued to increase at this rate each year, the median home price in 2010 would have equaled \$272,498, requiring a minimum median household income of \$78,098 (an increase of 127% from 2003) to afford a median-priced home. However, beginning in 2008 the median price of a home in Flathead County began to decrease, only rebounding in the past year to reach approximately \$227,300.~~

Rental housing is often a more affordable option for those without the ability to own a home. The median rent in 2010 equated to \$707 which would require a minimum yearly net income of approximately \$28,280 if the gross rent were to equate to exactly 30% of the occupants' monthly

gross income. By 2021 the median rent in Flathead County was recorded at \$877, which would require a minimum annual income of roughly \$35,080 by those same standards.⁷

While Policy 16.2 calls for the creation of a county plan for affordable housing in coordination with the cities, it should be noted that this growth policy recognizes the need to address this as a community wide issue. A solid plan would include data on the availability of affordable housing for various income classifications and demonstrate the severity of the problem county-wide. Rapidly increasing home prices like those experienced over the last decade, combined with a growing number of service workers and lower-wage employment opportunities, has resulted in a serious problem that will continue to affect the county's ability to attract industry and maintain a robust work force in the future.

Housing Stock

According to the US Census Bureau statistic in 2021, 77.4% of the homes in Flathead County are 1-unit, detached structures. Multi-family housing, comprised of 2 units or more, accounts for 12.5% of the housing stock. Manufactured or mobile homes are the second most dominant housing type, comprising 7.9% of the housing stock. The remaining 0.1% of housing is provided by recreation vehicles, boats, vans and other mobile types.

As manufactured homes, RVs and other cluster developments are created in methods similar to multi-family housing, they have been included within the count in Figure 3.6.

The number of housing units in the county has steadily increased over recent years. The total number of housing units in 2000 was 34,773 and grew to 36,077 in 2004, exhibiting a 4% increase⁸. By 2010 there were 46,963 housing units recorded in Flathead County, an increase of 30% since 2004. ~~and 35% over the decade.~~ From 2010 on, the average yearly increase remained under 1% aside from 2017 which saw a 1.7% increase in housing stock. From 2020 to 2021, the county experienced a massive jump of 3.4% or 1,662 housing units built.

Units are identified as the individual living quarters and include single family homes, individual condominium units as well as individual apartments, meaning a multi family dwelling is comprised of several housing 'units'. As shown in Figure 3.6 the total yearly construction of single family dwellings has dramatically accelerated since 1992.

⁷ U.S. Census Bureau, ACS Profile Report - H11 Gross Rent, Census 2010

⁸ Population Division, US Census Bureau. *Table 4: Annual Estimates of Housing Units for Counties in Montana: April 1, 2000 to July 1, 2004 (HU-EST2004-04-30)*. July 21, 2005.

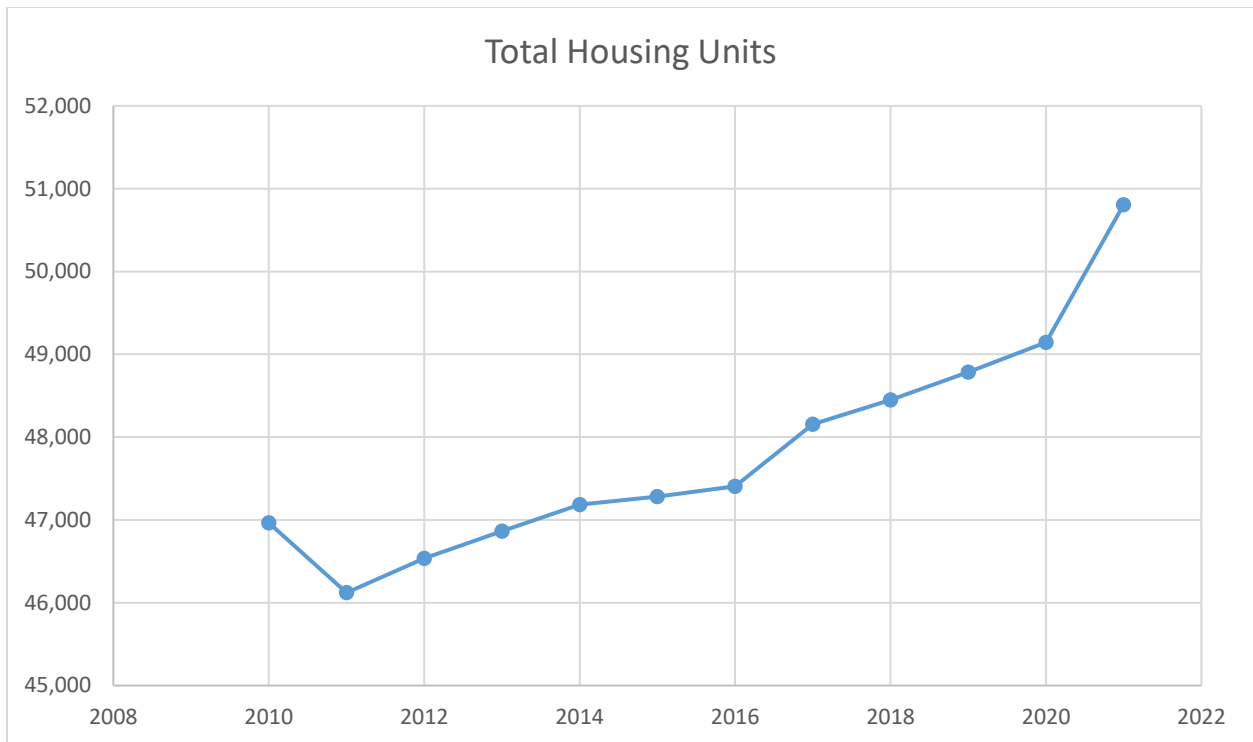
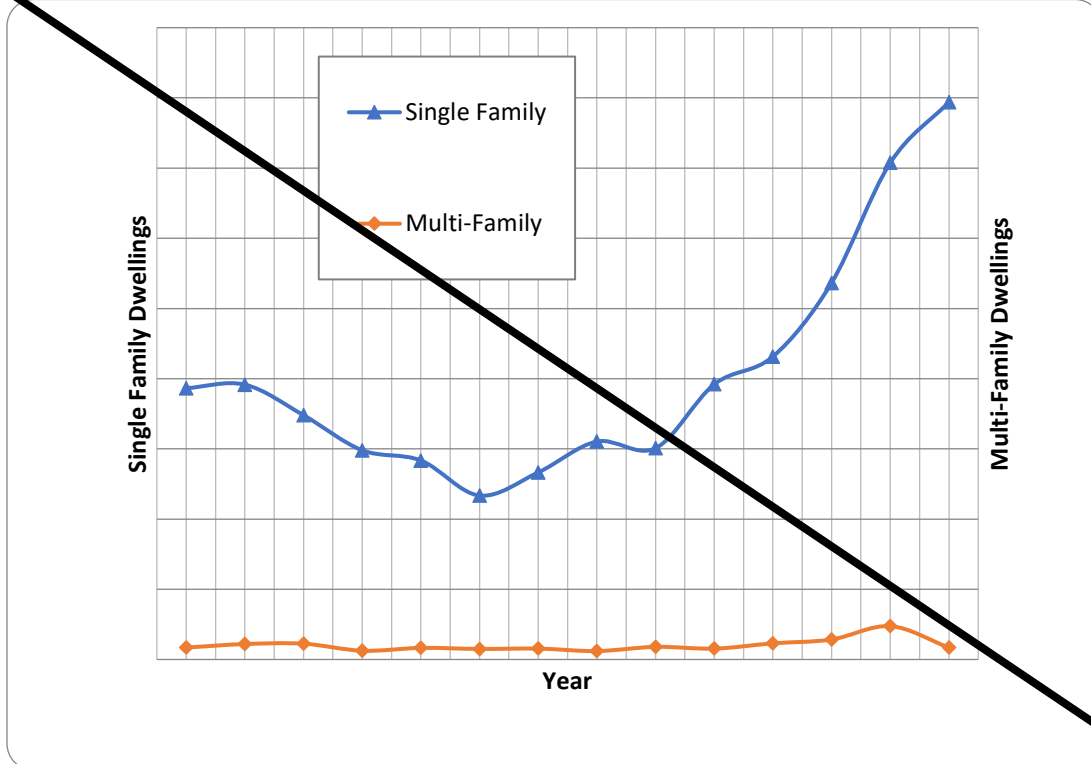
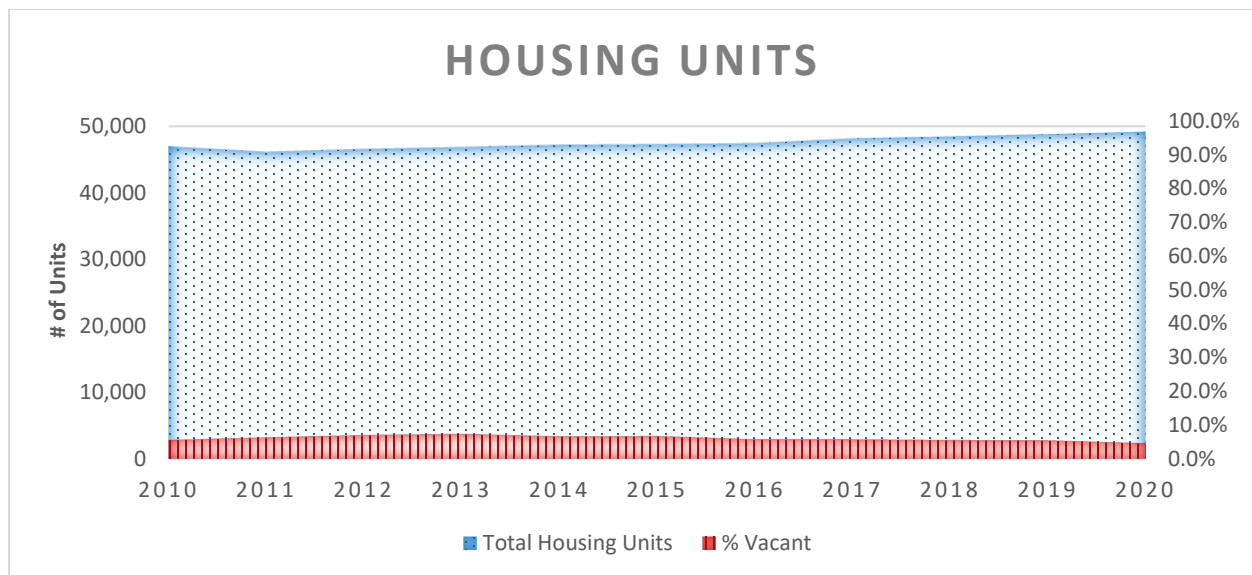


Figure 3.6
Construction of Single Family & Multi Family Dwellings per Year – 1992 through 2005



Source: Economic and Demographic Analysis of Montana: Volume III Housing Profile. Montana Department of Commerce, January 2007.

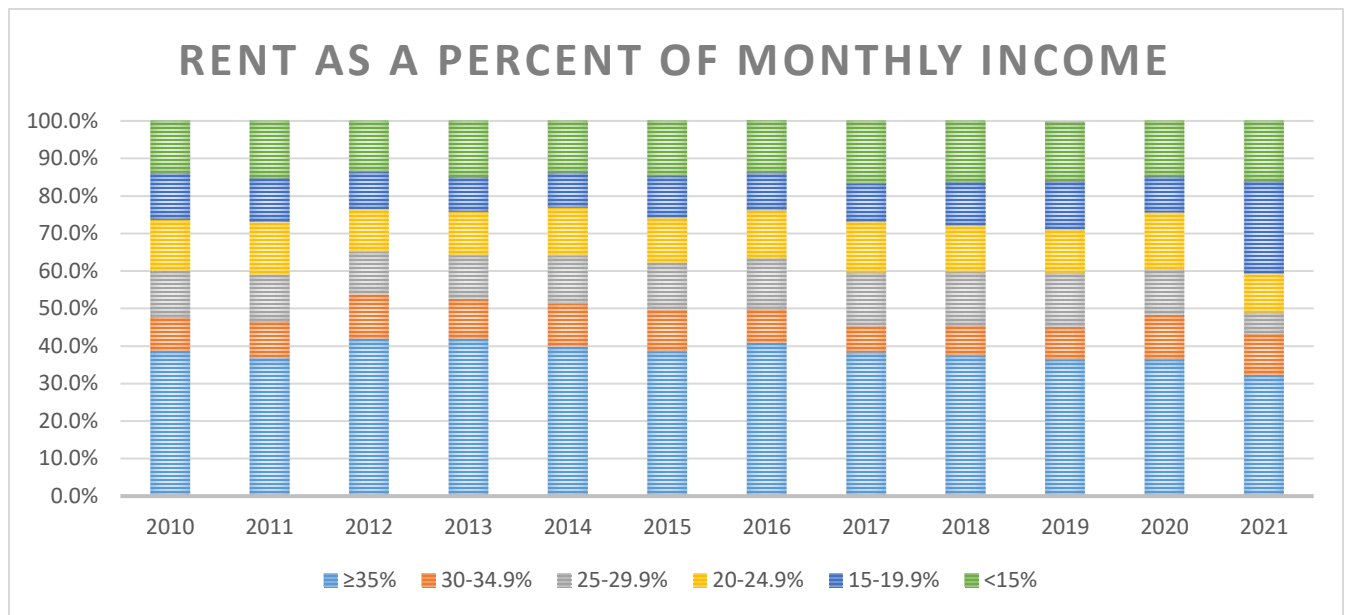


Housing is either rented or owned. Housing types as defined by the Montana Department of Commerce are either residential or commercial. Residential housing is homes that can be purchased as individual units and include mobile homes, condominium units, and single family residences. Commercial housing mainly refers to multi-unit rental properties including apartments, duplexes, and mixed use structures⁹.

The 2000 overall vacancy rate for the available rental and owner occupied housing units was nearly 15%, or 5,186 units. Approximately 69%, or 3,570 units, of those units were designated as seasonal, recreational, or for occasional use. Therefore, the actual vacancy rate in 2000 for non-seasonal housing was 7% for rental units and 1.7% for owner-occupied. In 2010 the vacancy rate for available rental and owner occupied housing units had risen to 21.8%. As 6,542 units were classified as seasonal, recreational or for occasional use, the current vacancy rate is actually closer to 8% for rental and owner occupied housing.¹⁰ As of 2020, there are approximately 9,220 vacant housing units and 7,029 units utilized for seasonal, recreational, or occasional use, so the actual vacancy rate for rentals is approximately 4.5%.

⁹ Center for Applied Economic Research. *Housing Conditions Study*. 2002. Montana Department of Commerce: Billings, MT.

¹⁰ U.S. Census Bureau 2010 American Community Survey 1-Year Estimates; Selected Housing Characteristics ([B25004](#))



In 2020 there were 10,465 rental units occupied, and in 2021 there are 9,221 rental units occupied, demonstrating a drop, over a 3% decrease, in rental occupancy. So while the median rent has increased, the vacancy rate is at a ten year high. Over the last decade, the majority of renters pay more than 35% of their income on rent. This is generally considered to be a burden and impacts quality of life.

Based on the 2000 housing unit estimates, nearly 27% (7,190 units) of the 29,588 occupied housing units were renter occupied, while the remaining 73.3% were owner occupied. This means that the rate of homeownership in Flathead County in 2000 was 73.3%. By comparison, the amount of owner occupied housing dropped to 55.4% in 2010, or 26,002 units, indicating the rate of homeownership dramatically declined over the previous decade. ~~This can be attributed to the economic downturn that has affected the Country since 2008. Housing density in Flathead County is depicted in Map 3.3.~~ As of 2021 the rate of owner occupied housing has continued to recover from the housing crash of 2008. Factors stunting growth can be contributed to the challenges in recent years from the issues caused by the pandemic of 2020.

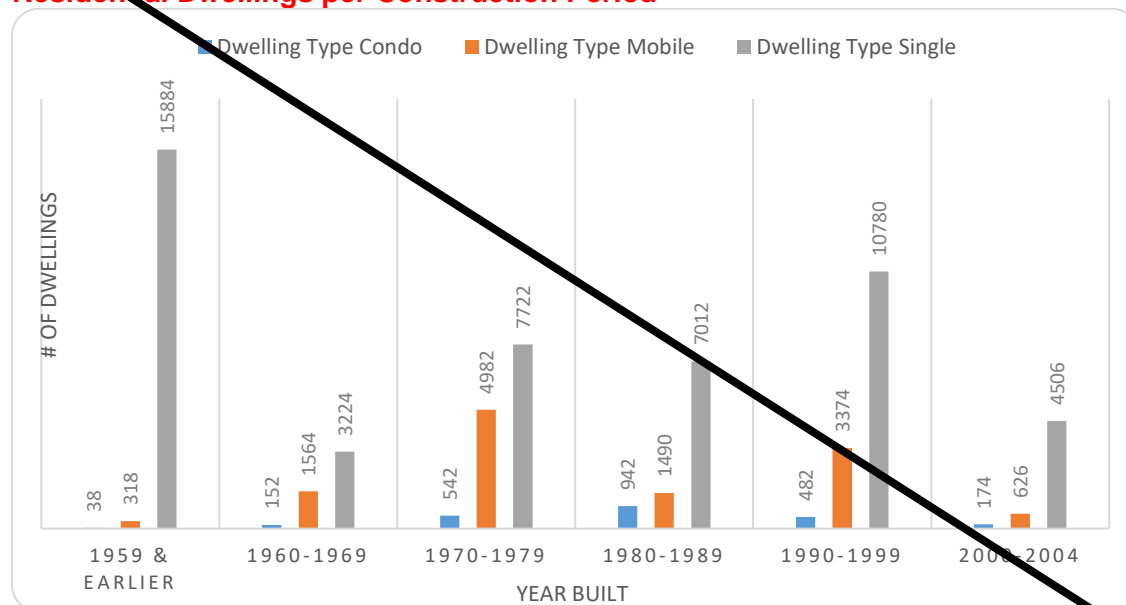
As shown by Figure 3.7 below, approximately 28% of the housing in the county was constructed prior to 1960 in 2000. Approximately 8% of the homes in the county were constructed between 1960 and 1969, resulting in the least productive era of home construction. ~~It is significant to note that although the majority of housing was built earlier than 1959, this era covers multiple decades.~~ The periods of 1971 to 1980 and 1981 to 1990 witnessed significant home construction, comprising 13% and 16% of the total housing stock, respectively. The most significant increase in housing stock, by percent of existing stock, occurred from 2000-2010 with 9492 units being constructed and comprising approximately 18.7% of the existing housing. Over the last decade there has been an increase of 6.9% of the total housing stock, and from January of 2021 till August of 2021 the housing stock has increased by 1.2%, which at the current rate would nearly match the boom that occurred at the beginning of the millennia. This said, the housing market has seen a drop and it is unlikely to continue increasing at a similar rate.

While estimates and data were submitted for the previous growth policy regarding the distribution of dwelling types before 2010, staff was unable to find data regarding this distribution that applies to Flathead County and will not make projections without adequate data.

Housing construction increased slightly in the 1990s, with 25% of homes built during this decade. Over the past ten years nearly 11,000 housing units were constructed in Flathead County, totaling nearly 23% of the total number of housing units.⁴¹

The largest era of single family home construction occurred prior to 1960. Manufactured or mobile homes peaked in construction during the period of 1970 to 1979, while the majority of condominiums in the county were constructed between 1980 and 1989.⁴² Manufactured and mobile homes are often first home purchases. They are an integral part of a viable affordable housing program.

Figure 3.7
Residential Dwellings per Construction Period

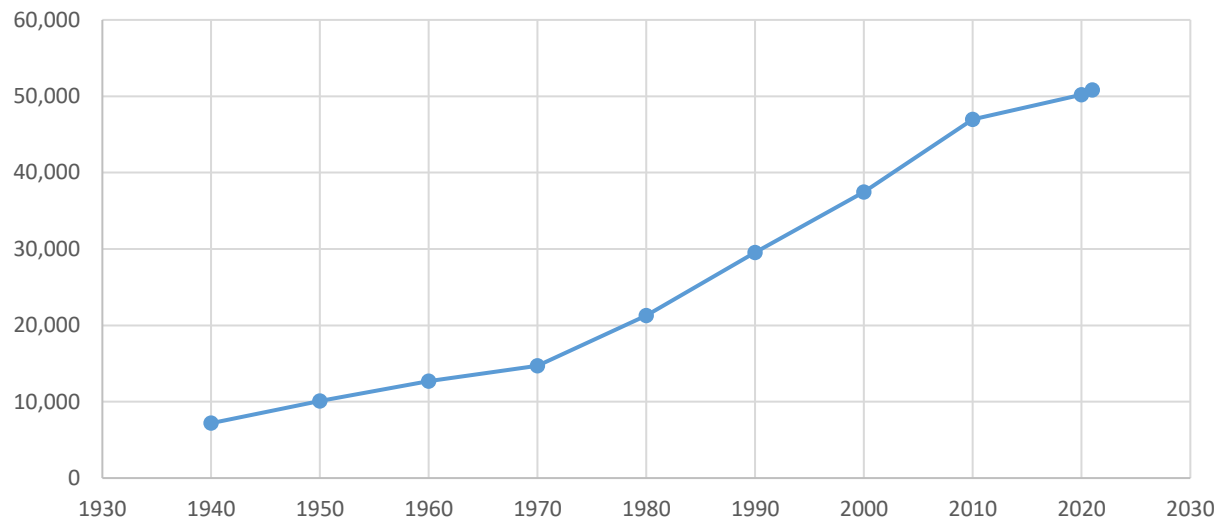


Source: Montana Housing Condition Study, Appendix I. Montana Department of Commerce 2005

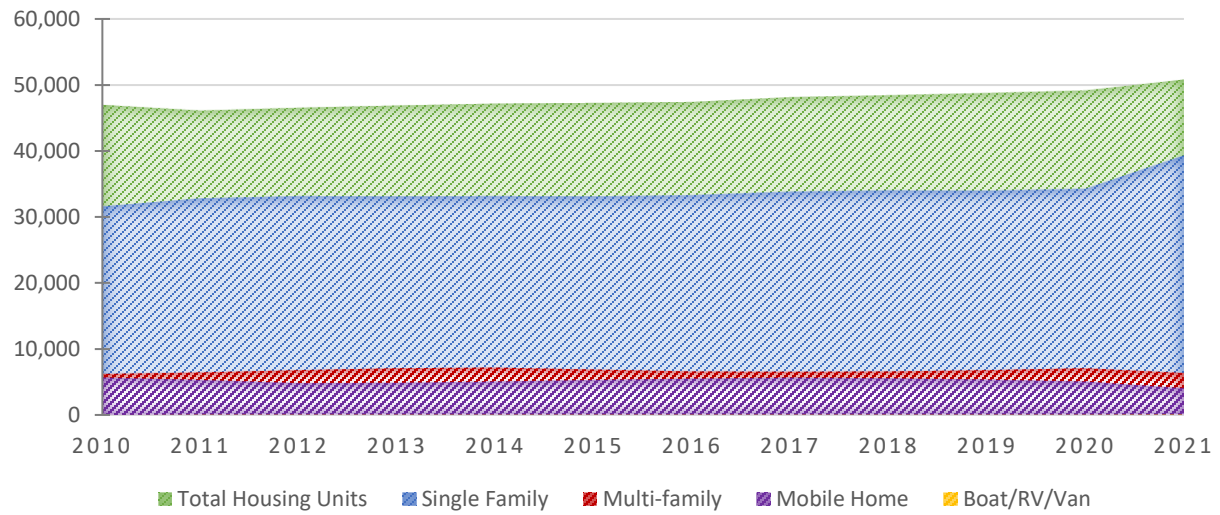
⁴¹ U.S. Census Bureau 2010 American Community Survey 1-Year Estimates; Selected Housing Characteristics (DP04)

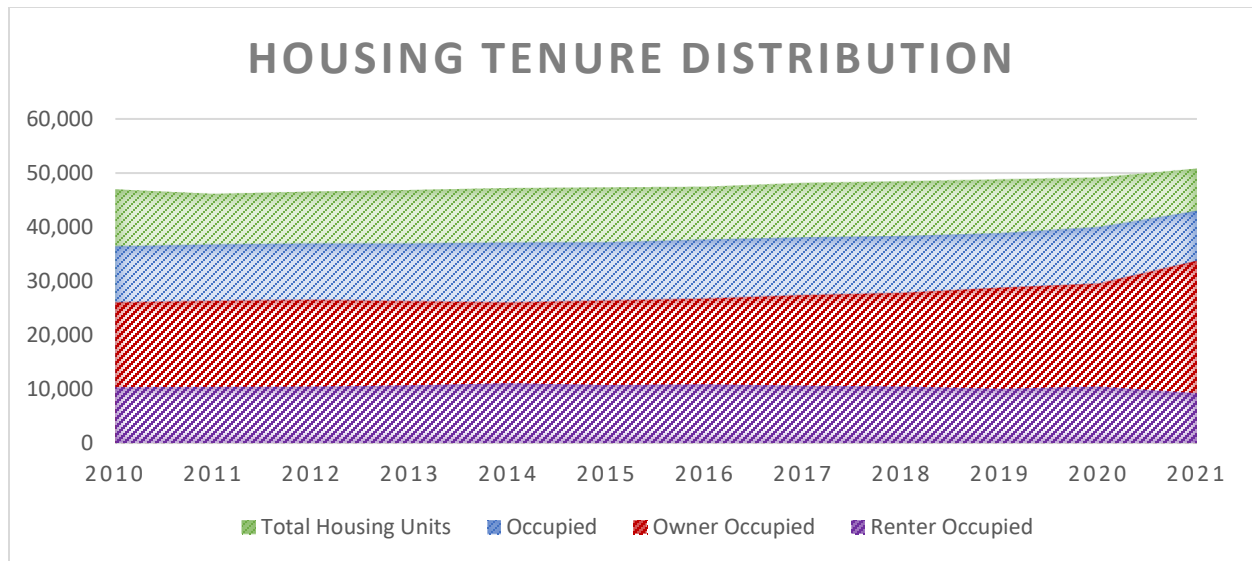
⁴² Montana Housing Condition Study, Appendix I. Montana Department of Commerce, 2005.

Total Housing Units



HOUSING TYPE DISTRIBUTION





The Montana Department of Commerce 2005 Housing Condition Study rates the physical condition of residential housing—condominium units, mobile homes, and single family homes—as excellent, very good, good, average, fair, poor, very poor or unsound. Housing rated good, very good, or excellent in Flathead County comprises 37% of the existing stock. 42% of condominium units were given the top rating of excellent. 87% of the residential housing units in Flathead County were rated as average or above. Below average rating of either fair, poor, very poor, or unsound were given to 4% of single family homes and 49% of mobile homes in the County.¹³

Commercial housing, which offers units for rent and often refers to multi family structures, is rated for condition as good, normal, fair, poor, or very poor. Nearly 93% of the housing classified as commercial in Flathead County rates as either normal or good.¹⁴

¹³ Montana Housing Condition Study, Appendix I – Residential Dwelling. MT Department of Commerce, 2005.

¹⁴ Montana Housing Condition Study, Appendix I – Commercial Dwellings, MT Department of Commerce 2005.

Special Consideration Groups

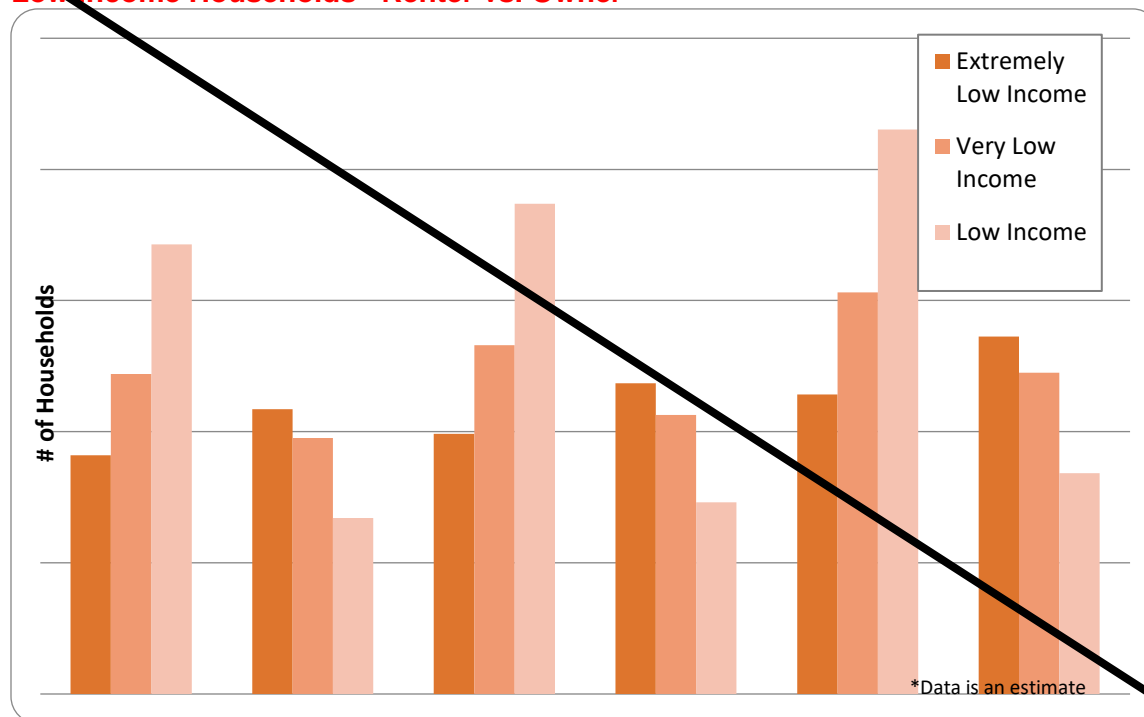
The US Department of Housing and Urban Development sets standards based on median family income (MFI) for assessing low income housing needs. Three classifications are used when discussing low income households: extremely low income (30% or less of MFI), very low income, and low income. These categories are defined as follows:¹⁵

- Extremely low income - those households with an income of 0% to 30% of the MFI;
- Very low income – those household with an income of 31% to 50% of the MFI;
- Low income – those households with an income of 51% to 80% of the MFI

Figure 3.8 shows the number of renter and owner households in the county by income category for low, very low, and extremely low income households.

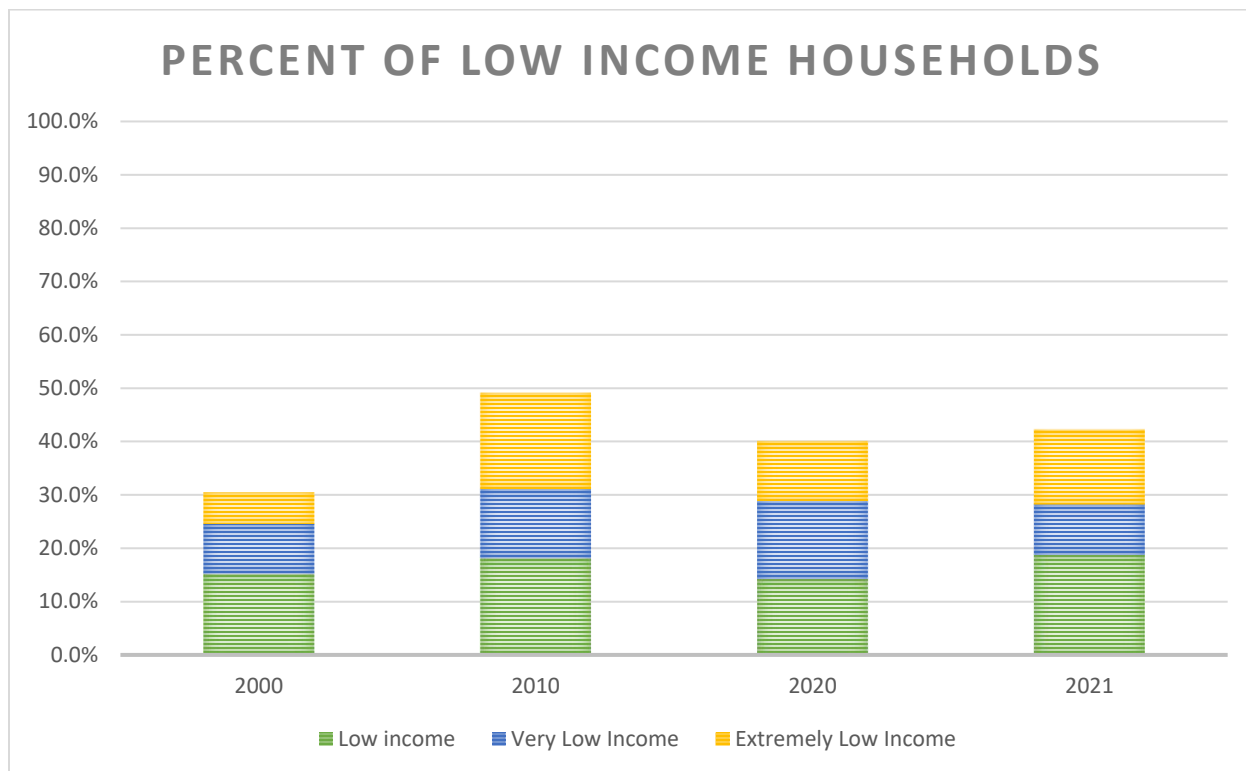
Figure 3.11 shows the number of renter and owner households in the county by income category for low, very low, and extremely low income households. In 2000 Flathead County had approximately 30% of households considered somewhere on the spectrum of low income, as defined above. In 2010 this number spiked to nearly 50% likely due to the housing crisis of 2008. Over the most recent decade this number was reduced to approximately 40% with a slight increase at the start of the 20s, likely due to the economic challenges of the pandemic.

Figure 3.8
Low Income Households– Renter vs. Owner



Source: Montana Housing Needs Assessment, Montana Department of Commerce 2010

¹⁵ U.S Department of Housing & Urban Development. FY2012 Income Limits.
<http://www.huduser.org/portal/datasets/il/il12/index.html>



HUD also defines types of low income households as small related, large related, elderly, and other households, in addition to special needs households which have members with mobility impairment, disabilities, or drug or alcohol addiction. Elderly and special needs households comprise a large portion of the low income housing population. Over half of elderly and special needs households are considered low income, and these groups are expected to increase as the population ages.

Homeless persons are defined as individuals who lack a fixed, regular, and adequate nighttime residence and have a primary nighttime residence that is a supervised shelter for temporary living accommodation, an institution providing a temporary accommodation, or a public or private place not designed for sleeping¹⁶. Three homeless shelters are located in Flathead County, all within the city of Kalispell. The Samaritan House provides shelter for the homeless with 20 beds for men, eight beds for women, and four family units. According to their website, the Samaritan House served over 32,000 meals and housed over 1,120 people in 2011.¹⁷ The Ray of Hope is another homeless shelter located within the city limits with the ability to provide housing and assistance for 15 to 20 individuals at a time. The Flathead Warming Center has space for 40 beds and provides overnight shelter from October – April. Outside of the winter months they provide food, shower and laundry services, plus additional onsite resources. According to their website, during the 2021/2022 season they housed 349 individuals.

¹⁶ U.S. Department of Housing and Urban Development. Federal Definition of “Homeless”; <http://portal.hud.gov/hudportal/HUD?src=/topics/homelessness/definition>

¹⁷ Homeless in the Flathead; <http://www.homelessintheflathead.blogspot.com/>, December 27, 2011 entry.

Location of Housing

Costs associated with the [location of housing](#) can be significant. The cost of transportation to and from destinations such as home, work, and school increases as the distance increases. The same is true for the cost of serving homes located away from public services such as police and fire protection, solid waste collection, and public sewer and water services. The average travel time to work for Flathead County commuters between 2017-2020 was 19-20 minutes, which coincides with the fact that many residents in the County live outside of cities in rural areas. The term 'rural' refers to all population, housing and territory outside of urbanized areas (UAs) or urban clusters (UCs), as defined by the Census Bureau, which have a population of 2,500 or more¹⁸. ~~Excluding the cities of Kalispell, Whitefish and Columbia Falls, unincorporated rural communities have the largest concentrations of housing. Communities such as Bigfork, Coram, Evergreen, Hungry Horse, Lakeside, Martin City and Somers are just a few Census Designated Places identified in the sections above and shown on Map 3.1.~~ The average travel time to work for Flathead County commuters in 2010 was 15-19 minutes. In 2020 the median commute time was 19.1 minutes. Compared to the national average of 26.9 minutes, the average commuter in Flathead County spends approximately 29% less time commuting. While improvements should be made to existing infrastructure to promote variable styles of commuting and alternative transportation systems, the average commute time is one of the most livable aspects of Flathead County.

<https://www.census.gov/geo/www/ua/2010urbanruralclass.html> there is a new 2020 urban area criteria

¹⁸ 2010 Census Urban and Rural Classification and Urban Area Criteria;
<http://www.census.gov/geo/www/ua/2010urbanruralclass.html>