


STAFF REPORT

TO: Hailey City Council
FROM: Mariel Platt, Planner 
RE: Ordinance Amendment – Chapter 15.08, Building Code, of the Hailey Municipal Code
HEARING: September 27, 2010

Notice

Notice for the August 23, 2010 public hearing was published in the Idaho Mountain Express and mailed to public agencies and area media on August 4, 2010. The public hearing was postponed at the August 23, 2010 meeting and was published in the Idaho Mountain Express and mailed to public agencies and area media again on September 8, 2010.

Proposal

Amendments to Chapter 15.08 of the Municipal Code are proposed by the City. These amendments would add a new Section - Section 15.08.012, Build Better Program - creating above-code building standard, with an effective date of January 1, 2011. Refer to the attached ordinance for the proposed language.

Procedural History

On April 26, 2010 the Council reviewed a presentation of the Sustainable Building Committee's recommendation for an above-code building program (the April 26th recommendation is attached). During the April review, the Council instructed staff to 1) draft an ordinance, 2) respond to follow up questions asked by the Council, and 3) continue education and outreach efforts with the public.

Staff presented responses to the Council's questions in May 24, 2010 and has continued with education and outreach efforts, hosting the Build Better, Build Smart Community Series events on July 22, 2010 and August 12, 2010. In addition, the Committee met with members or affiliates of the Hailey Chamber and Rotary and discussed the proposed amendments.

In May 2010, staff submitted the draft ordinance to a technical review committee assigned by the U.S. Department of Energy and the State of Idaho, for a thorough review by building and energy experts. Staff received both groups' comments and follow up on questions and further discussion. The draft amendments reflect the suggestions and comments made by the review committees.

Overview of Amendments

Compliance with State Codes

According to the Building Official, the state of Idaho will require the adoption of the 2009 codes including the 2009 International Energy Conservation Code (IECC), by municipalities on

January 1, 2011. Staff suggests that the Council review the recommended Build Better Program and the 2009 IECC adoption now, but that neither amendment become effective until January 1, 2011. The Building Official will later present further code amendments, which would adopt the remaining 2009 building codes, later this fall, prior to the January 1, 2011 deadline.

The 2009 IECC is a stand alone code that does not conflict with other building codes; therefore, its adoption can be reviewed separately from the adoption of the remaining building codes.

Due to the state requirement to adopt the 2009 IECC, any above-code or local program, must show compliance with 2009 IECC. Therefore, staff has drafted the amendments to reflect the adoption of the 2009 IECC and adheres to the mandatory requirements specified by the 2009 IECC, but makes changes to the methods of compliance and specifies that a 10% increase in energy efficiency above the 2009 IECC standards will be met in order to meet the specifications of the Build Better Program.

Ordinance Formatting

A summary of the proposed amendments and additions to Chapter 15.08, Building Codes, are as follows:

Amends Section 15.08.010, Adoption of codes.

- Adopts the 2009 IECC.

Creates Section 15.08.012, Build Better Program.

- Adds Applicability (Section 15.08.012.A)
- Adds Definitions (Section 15.08.012.B)
- Adds Energy Efficiency (Section 15.08.012.C)
- Adds Water conservation, indoor air quality, construction waste, and durability and assurance (WICDA) (Section 15.08.012.D)
- Adds Points Menu (Section 15.08.012.E)

Amends Section 15.08.020, Amendment of codes.

- Requires the performance method as a compliance path, not the prescriptive method, for both commercial and residential buildings.

Amends Section 15.08.030, Additional requirements.

- References Section 15.08.012, Build Better Program as a requirement above the 2009 IECC.

Administration

The Planning and Building Departments will jointly verify and implement the Build Better Program, in the following manner:

- Building Department will administer energy efficiency, Section 15.08.012.C.
- Building and Planning Department will administer the water conservation, indoor air quality, construction waste, and durability and assurance (WICDA), Section 15.08.012.D.
- Planning Department will administer the points menu, Section 15.08.012.E, excluding parts of Section 15.08.012.E.5 (the energy efficiency section of the points menu).

Timing

The Sustainable Building Committee has recommended that the program be adopted as a mandatory program, without a voluntary introduction period. The committee's research on voluntary programs indicates that voluntary programs are not pursued without sufficient financial incentives such as rebates, tax credits, and fee waivers.

If the Council wishes to adopt the Build Better Program with a voluntary time period, staff suggests that this time period be limited to the first 12 months. If the Council decides that a 12 month voluntary period is appropriate, it would allow one year of continued education and outreach on the specific details of the adopted ordinance. It would also allow one building season prior to the program becoming mandatory, which would give an opportunity for any applicants who did want to voluntarily participate in the program to do so. Without specifying the timeframe of a voluntary introduction period, the efforts made to date may lose momentum.

Summary

The Council should review the proposed ordinance amendment and approve, deny, or modify the amendment.

If the proposed change is approved, the Council is required to pass an ordinance making said amendment part of Hailey Municipal Code. The draft ordinance is attached.

Motion Language

Approval:

Motion to approve the proposed amendments to Chapter 15.08, adopting Ordinance ____ and authorize the mayor to conduct the first reading by title only.

Denial:

Motion to deny the proposed amendments to Chapter 15.08, finding that _____ [the Council should state reasons why the amendment is denied].

Continuation:

Motion to continue the public hearing upon the proposed amendment to Chapter 15.08 to _____ [the Council should specify a date].

Mariel Platt

From: mari wania [mwaniamaria57@yahoo.com]
Sent: Saturday, September 18, 2010 11:34 AM
To: Mariel Platt
Subject: community energy

I am in support of reducing our community energy demand & thereby taking one more step to lessen our carbon imprint.
Over the 11 years of living in my Hailey home we have spent time & money to improve our energy efficiency & lower our utility consumption & our homes personal carbon imprint. And, if given the choice to have bought a home built with energy conservation in mind it would have been a no brainer.

Sincerely,
Mari Wania

Mariei Platt

From: Danni Dean [dannimouse@cox.net]
Sent: Monday, September 20, 2010 10:08 PM
To: Mariel Platt
Subject: Proposed Building Energy Codes

I'm writing to express my support for the new building energy efficiency recommendations that are to be considered by the Hailey City Council on September 27.

Many cities and counties around the country have adopted building codes that go beyond minimum standards. The recommendation of Hailey's "green building" committee to build Hailey's structures to a slightly higher efficiency standard than the generic national code is in alignment with the City's stated goal of being a leader in local and regional efforts towards sustainable development and resource/energy conservation.

As I understand it, building codes change with some regularity due to changes in knowledge and best practices. This is an opportunity for Hailey to take a leadership role in resetting the bar for sustainable development. The proposed changes do not represent additional regulation or restriction, but rather make the existing building efficiency standards slightly more rigorous. It's hard to see how this could be a bad thing for our city.

If the City Council is in earnest about efforts to reduce our community's energy demand and growing carbon footprint, approving these new building efficiency recommendations is a logical next step.

Thanks for your consideration.

Regards,

Danielle Dean
1510 Heroic Drive
Hailey

Mariei Platt

From: Elizabeth Jeffrey [makeitgreen@me.com]
Sent: Wednesday, September 08, 2010 10:21 AM
To: Mariel Platt
Subject: Build Better Program

Follow Up Flag: Follow up
Flag Status: Flagged

To: Hailey City Council

Re: Build Better Program

I would like to commend the City of Hailey for their continued support of a more sustainable community with an eye to future sustainability and affordability. As the days and nights get cold again, it reminds me how important a well built/energy efficient house is to my comfort and my ability to afford living here month by month. Additionally, I am constantly concerned about our tendency to postpone thinking about necessary water conservation issues in the high desert. Having our city recognize that NOW is the time to consider how to reduce unnecessary demands on our limited water supply without limiting the potential for reasonable growth in our community is a wise and brave step – even if it's only the first step.

I would also like to thank the City for involving a citizen volunteer committee with members bringing the appropriate levels of experience and knowledge to study this issue. The Sustainable Building Advisory Committees recommendations come after a long and serious study and discussion between professionals from all aspects of the building and energy professions. I think this is a wonderful way for the City to utilize and represent our community to our common good.

Thank you for supporting a sustainable Hailey through this Build Better Program.

Elizabeth Jeffrey

415 S. 2nd Ave.

Ordinance Amendment
Section 15.08.012.E, Points Menu
Explanatory Notes – City Council, September 27, 2010

This document accompanies the Chapter 15.08 Ordinance Amendment, PH 440 on the Sept. 27th meeting agenda. The text below provides an explanation and reasoning for including specific points for certain sections within the Points Menu of the Build Better Program (not all sections have a written explanation).

Section 15.08.012.E, Points Menu

4. Waste Management.

a. **Reuse Existing Building.** Preserving as much of the existing Building as possible extends the life-cycle of the existing housing stock, reduces waste and conserves the embodied energy of the existing Building materials by reducing the amount of new materials needed, because resource extraction, energy use, and pollution due to the transportation of construction materials are reduced.

5. Energy Efficiency.

a. **Insulation** is rated in terms of thermal resistance, called R-Value, which indicates the resistance to heat flow. R-Values are determined by material type, thickness, and installed weight per square foot, not by thickness alone. Roof insulation is excluded because the IECC 2009 requirement of R-49 provides superior insulation for the cost. A greater R-Value installed in the roof has not been shown to provide an increased benefit or return on investment.

d. **Heating, Ventilation, and Air Conditioning (HVAC) Systems.**

iii) Sealed combustion or power vent assisted Water Heating System. Combination systems merge space heating and domestic hot water into a single appliance. Combination systems can reduce the first cost of installing high-efficiency equipment. Domestic hot water is heated directly and space heating is accomplished with a hot water heat exchanger coil that pipes water to the forced air heating system.

e. **Zoned, Hydronic Radiant Heating.** Zoned, Hydronic Radiant Heating systems improve comfort and energy efficiency by reducing thermal stratification and eliminating duct heat loss.

f. **Passive Cooling.** The key is not to let the house heat up. Any combination of natural cooling techniques can be used to reduce overheating in homes. Use awnings and window overhangs primarily on south-facing glass to provide a balance between summer cooling and winter heating through solar gain.

g. **Whole House Fan.** A Whole House Fan with an insulated cover that creates an airtight seal between attic and living space when the fan is off. For maximum effectiveness, the fan should be mounted in a hallway ceiling on the top floor of the house, and should be sized to produce four to five air changes per hour within the home.

h. **Water Heating.** Tankless water heaters, also called instantaneous or demand water heaters, provide hot water only as it is needed. Tankless water heaters heat water directly without the use of a storage tank, and deliver a constant supply of hot water. Point-of-use water heating uses a mini-water heater at remote fixtures to reduce the energy and water use associated with long piping runs. They are sized to supply hot water to a single fixture such as a sink.

i. **Lighting and Appliances.**

i) ENERGY STAR qualified CFLs or LEDs. Compared with a standard house lighting package, ENERGY STAR qualified lighting fixtures use about two-thirds less energy, which will reduce electricity bills significantly. The monthly savings on energy bills offset the higher incremental cost of the Advanced Lighting Package (ALP). Lighting products that have earned the ENERGY STAR rating generate about 70 percent less heat than standard incandescent lighting. This means they are cool to the touch, keep the home more comfortable, and help reduce home cooling costs.

j) **Energy Efficient Appliances.** Because appliances can account for up to 25 percent of household energy use, ENERGY STAR rated appliances offer substantial energy savings.

6. Solar.

a. **Passive Solar Heating Design.** Hailey has 300 days of sunshine per year to take advantage of this type of design. If the Building lot has passive solar opportunity, this is the best way to increase the efficiency of the house and reduce utility costs by decreasing the size of the HVAC equipment needed.

b. **Solar Thermal Domestic Hot Water System.** A solar water heating system includes south-facing rooftop or ground-mounted collectors through which water or a heat transfer fluid circulates and is warmed by the sun. A heat exchanger transfers the solar heat to the domestic water, and the heated water is stored in an insulated storage tank. Water preheated by a solar system can also supplement use of a standard hot water heater.

c. **Pre-Plumb for Solar Thermal System Retrofit.** Preparing for the installation of solar water heating will substantially reduce the cost of future installation, and adds little cost during the time of construction. Solar hot water pre-plumbing will make it easier and less expensive to install a solar water heater in the future.

d. **Active Solar Electric System.** Net metering rules, time-of-use electric rates, and utility and government financial incentives are improving the economics of photovoltaic (PV) systems, which can provide all of a home's electricity on a net annual basis. PV-generated electricity produces no air pollution and reduces the need for building new power plants. PV systems convert sunlight into electricity using PV modules. The direct current (DC) electricity generated by the modules is converted to utility grade alternating current (AC) by an inverter.

e. **Pre-Wire, or Chase Way, or Conduit, and Provide Area for Future Solar Electric, Photovoltaic (PV) System Retrofit.** Making provisions during construction for installing future PV systems can significantly lower the cost when systems are installed later. Net metering rules, time-of-use electric rates, and utility and government financial incentives are improving the economics of PV systems, which can provide all of a home's electricity on a net annual basis. PV-generated electricity produces no air pollution and reduces the need for new power plants.

7. Material Efficient Framing and Structure.

a. **Advanced Framing Techniques.** Conventional framing techniques use about 15 to 20 percent more framing material than the following material-efficient framing systems. Advanced or efficient framing practices can reduce the need for lumber while still providing sufficient structural support. A reduction in lumber demand reduces material costs and can also reduce labor and shipping costs.

i) **24-inch On-Center Framing.** By using 2"x 6" studs on 24-inch centers rather than 2" x 4" studs on 16-inch centers, builders save time and labor costs

(offsetting slightly higher per-item material cost). The increased room for insulation allows for additional insulation in wall cavities, which improves thermal performance and saves the homeowner money on energy bills.

ii) **Resource Efficient Insulated Headers.** Insulated headers reduce thermal bridging to increase the energy efficiency of the wall framing. Points are awarded for incorporating a minimum R-10 insulation in the header section.

iii) **Trusses with energy heel.** The perimeter intersection between walls and roof framing is often an area of increased heat loss because conventional trusses reduce the cavity that can accept insulation to less than 6 inches. Raising the heels on trusses allows for full insulation around the house, saving energy and money. Install where conventional trusses are used. The increased height may require modifications to exterior soffits and trim design.

iv) **HVAC Ducts Within Conditioned Spaces.** Installing all of the ductwork within the Conditioned Spaces of the home reduces heat loss/gain and air leakage compared to duct systems installed in unconditioned spaces. Detailing the plans to show that all of the HVAC ducts can be accommodated within Conditioned Space will allow the points shown above to be awarded.

v) **Minimum 24-inch Roof Overhangs.** Design at least a 12-inch overhang with gutters around the Building's entire roof. Install gutter and downspout system to divert water five feet away from foundation and, from there, into the overall on-site drainage area or install crushed stone or other material below roof drip line to minimize splash on siding in high snow areas. Overhangs and gutters protect siding, windows, and doors from water intrusion, thereby reducing the likelihood of rot and mold issues. Overhangs also provide protection from the sun's harsh UV rays, which can degrade Building materials and furnishings. All overhangs must meet Building code and zoning restrictions.

8. Sustainable Products.

a. **Forest Stewardship Council (FSC) Certified.** FSC Certification assures that the forest from which the wood was harvested is managed in an environmentally, economically, and socially responsible manner. FSC maintains chain-of-custody certification throughout the cutting, milling, and final delivery of products, thus ensuring that wood labeled as FSC actually came from a certified sustainably managed forest. Although other certification systems maintain chains of custody, FSC remains the most robust certification program.

b. **Environmentally Preferred, Low Emission, and Local Materials.** Many new products are available including those that have lower emissions, are sustainably produced, include recycled content, are rapidly renewable, etc. Using products that are extracted, processed, and manufactured within the region encourages the use of indigenous resources, reduces environmental impacts from transportation, and increases awareness of the environmental impacts associated with material extraction and consumption, such as deforestation, mining, etc., thereby encouraging a conservation ethic. Purchasing locally sourced materials is also supporting local industry and businesses, which is an important aspect of our region's economic vitality.

9. Indoor Air Quality

a. **ENERGY STAR's Indoor airPLUS (IAP) Requirements.** ENERGY STAR's IAP goes beyond energy efficiency and requires that duct leakage be controlled, the thermal envelope tightened, air pressures balanced, fresh air introduced, pest control measures installed, indoor contaminants reduced, and all major moisture issues managed.

These requirements help to effectively manage Building comfort, health and durability.

b. **Mechanical Ventilation.** Mechanical ventilation systems are used to deliver fresh air in tightly sealed homes. Whole house ventilation systems improve indoor air quality by diluting pollutants. Properly ventilating bathrooms will reduce the possibility of rot, mold, and other moisture problems. Integrated systems use the furnace fan to bring in outside air through a dampered duct, and should be equipped with controls to regulate air volume. Energy Recovery Ventilation Systems (ERVSS) employ heat exchangers to recover heat. The unit must be integrated into the HVAC system. Ventilation is particularly appropriate with blower door test results of less than 0.35 Natural Air Changes Per Hour (NACH). A timer or humidistat requirement for bathroom fans ensures proper run-time to adequately remove moisture from the room.

c. **High-Efficiency HVAC Filter.** MERV, or Minimum Efficiency Reporting Value, is a metric used to measure an air filter's efficiency. The MERV scale ranges from 1 to 20. The higher the MERV number, the more efficient the filter is at removing particles. The U.S. Environmental Protection Agency (EPA) has identified micro-particulates as a leading cause of respiratory discomfort. By removing these particles a high-efficiency filter protects the HVAC equipment elements and makes the living space healthier.

i) Filters with MERV ratings of 6 to 10. Any MERV rating from 6 to 10 is recommended for cleaner air without compromising the performance of standard mechanical systems. Filters with MERV ratings of 10 or more create resistance to airflow, because the filter media becomes denser as efficiency increases. Only use a filter with a MERV of 10 or higher if the HVAC fan system is specifically designed for it.

d. **Attached Garage Exhaust Fan.** A garage exhaust fan creates a healthier indoor environment by reducing the amount of contaminants that can enter the house from the garage.

10. **Homeowner Information - Operations and Maintenance Binder.** The performance and durability of a Building can be enhanced through proper use of its features and maintenance of its systems throughout its service life. Occupants benefit from information about how to use and maintain the home's energy efficiency measures and equipment.

11. **Design Process and Innovation.**

a. **Green Building Consultants.** A general understanding Hailey's Build Better Program; therefore, using a consultant that has received certification in one of the numerous "green" building programs is beneficial to the construction process.

b. **ENERGY STAR Builder.** For this point option, the general contractor must be an ENERGY STAR Builder. Builders can sign up on the ENERGY STAR web site free of charge. This gives builders guidelines to include ENERGY STAR standards and the opportunity to market themselves as ENERGY STAR Builders and use the branding power of EPA's distinguished marketing and verification program.

c. **Innovation Points.** Minimizing the environmental impact of the house by incorporating green design and construction measures that have tangible and demonstrable benefits beyond those outlined in the points program. Suggested innovations include: exceptional performance (e.g., zero energy, carbon neutral); innovative design strategies; or emerging technologies, materials, or construction practices.

HAILEY ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF HAILEY, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, AMENDING THE CITY OF HAILEY MUNICIPAL CODE, CHAPTER 15.08, BUILDING CODE ORDINANCE, BY ADOPTING THE 2009 INTERNATIONAL ENERGY CONSERVATION CODE, ALONG WITH AMENDMENTS THERETO RELATIVE TO LOCAL CONDITIONS; BY AMENDING CHAPTER 15.08, BUILDING CODE ORDINANCE, BY ADOPTING A NEW SECTION 15.08.012, BUILD BETTER PROGRAM, TO INCREASE ENERGY CONSERVATION AND SUSTAINABLE BUILDING PRACTICES; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Idaho Code Sections 39-4109 and 39-4116 require the City of Hailey to adopt the 2009 International Energy Conservation Code ("2009 IECC"), excluding certain provisions and appendices;

WHEREAS, Idaho Code Section 30-4116 allows the City of Hailey to amend the 2009 IECC to reflect local conditions, provided the amendments provide an equivalent level of protection;

WHEREAS, Idaho Code Section 39-4109 allows the adoption of the 2009 IECC effective January 1, 2011; and

WHEREAS, the adoption of the 2009 IECC and the Build Better Program will conserve energy, water and other natural resources and preserve the health of our environment through requirements related to design, construction, operations, recycling, and thereby promotes the public health, safety, and welfare.

WHEREAS, buildings use the most energy of any sector in the US - more than the transportation sector - therefore; it makes sense to curtail impact where they are greatest.

WHEREAS, Hailey's climate requires lots of energy to heat during the winter, which translates to higher energy costs and provides an opportunity to substantially increase efficiencies and savings.

WHEREAS, the average life span of a building is 75 years and during this time the status of energy prices and availability could change, especially considering the potential impacts of climate change and future policies aimed at curtailing emissions associated with climate change.

WHEREAS, the City Council finds that enactment of this ordinance is required to ensure the enforcement of this ordinance by January 1, 2011.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, AS FOLLOWS:

Section 1. Section 15.08.010 of the Hailey Municipal Code is amended by the deletion of the stricken language and addition of the underlined language, as follows:

15.08.010 Adoption of Codes: Pursuant to Idaho Code Section 39-4116(1), the following Codes published by the International Code Council are hereby adopted by reference:

- A. 2006 International Building Code (“2006 IBC”), including all rules promulgated by the Idaho Building Code Board to provide equivalency with the provisions of the Americans with Disabilities Act accessibility guidelines and the Federal Fair Housing Act accessibility guidelines; and including Appendix E: Supplemental Accessibility Requirements;
- B. 2006 International Residential Code (“2006 IRC”), parts I-IV and IX including Appendix F: Radon Control Methods;
- C. 2006⁹ International Energy Conservation Code (“2006⁹ IECC”);
- D. 1997 Uniform Code for the Abatement of Dangerous Buildings;
- E. 1997 Uniform Building Code (“97 UBC”) Volume 3, Material, Testing and Installation Standards; and
- F. 1997 Uniform Building Code, Volume 1, Table 1-A, Building Permit Fees.

Section 2. Section 15.08.012, of the Hailey Municipal Code, Build Better Program, is created by the addition of the following language:

A. Applicability: This Section 15.08.012 is a supplement to the other adopted International Codes and is not intended to be used as independent construction regulations or to abridge or supersede safety, health or environmental requirements under other applicable codes or ordinances. All commercial and residential New Construction, Additions, Repairs and Alterations shall comply with the standards of Section 15.08.012, unless otherwise stated herein.

1. Referenced Codes and Standards. It is the expressed intent of this section to require higher minimum standards relating to Building performance than the corresponding minimum standards set by the referenced codes and standards, and in such cases, the higher minimum standards of this section shall take precedence.

2. Other Laws and Codes. The provisions of this chapter shall not be deemed to nullify any provisions of local, state or federal laws and codes.

3. Residential New Construction Exemptions. U.S. Green Building Council’s Leadership in Energy and Environmental Design for Homes certification level or National Association of Home Builder’s Green Building Program bronze level project are exempt from the Build Better Program requirements. Either exemption must verify that the project is 10% more energy efficient than the 2009 IECC, using a HERS Index. The exemptions listed above must show intent to meet the requirements at the Building Permit review stage through plans and an initial HERS score based on the proposed design. Prior to receiving a certificate of occupancy, copies of all program documentation and a final HERS score shall be submitted to the Building Department.

4. Commercial New Construction Exemptions. U.S. Green Building Council's Leadership in Energy and Environmental Design for New Construction minimum certification level projects are exempt from the Build Better Program requirements, provided the applicant verifies that the project meets the minimum energy efficiency requirements for Commercial Buildings, as identified in Section 15.08.012.C.2.a of the Hailey Municipal Code. The applicant must identify the intent to meet U.S. Green Building Council's Leadership in Energy and Environmental Design for New Construction certification level, at a minimum, at the Building Permit review stage with an indication on the plans and with a written narrative what Leadership in Energy and Environmental Design points will be achieved. Prior to receiving a certificate of occupancy, copies of all program documentation shall be submitted to the Building Department.

5. Exemptions for Commercial and Residential Alterations and Additions. In Addition to the exemptions listed in Section 101.4 of the 2009 IECC, the following projects are exempt from Section 15.08.012:

- a. Window frame and glass replacements of the same size and location.
- b. Bathroom remodel projects limited to the replacement of fixtures and cabinets.
- c. Kitchen remodel projects limited to the replacement of cabinets, counter tops, plumbing fixtures, and appliances.
- d. Electrical work associated with permits issued only for electrical work
- e. Plumbing associated with permits issued only for plumbing.
- f. Replacement of HVAC appliances associated with permits issued only for appliance replacement.
- g. Reroofs.
- h. Additions less than 500 square feet of Conditioned Floor Area.
- i. New construction or Additions of any size that do not include any Conditioned Floor Area.
- j. Alterations that do not affect the integrity of the Building envelope.
- k. Alterations that do not require a Building Permit.
- l. Tenant and ADA improvements required by the Building Department.
- m. Structures listed on the National Historic Register.

6. In-lieu fees. The city may accept voluntary cash contributions, in lieu of meeting the additional energy efficiency increase percentage beyond the minimum requirements set forth by the 2009 IECC, Section 15.08.012.C and in lieu of meeting the points requirement set forth by Section 15.08.012.E.

a. The contribution amount shall be \$500 for every percentage point beyond the minimum energy efficiency requirement specified by Section 15.08.012, (C) and \$100 for every 0.5 points that are required, but not satisfied.

b. Collected in lieu fees shall be used for energy and waster conservation projects that have a public benefit, as identified and approved by the Council.

B. Definitions. For the purpose of this Section 15.18.012, the following capitalized words and phrases shall apply as defined herein, in addition to definitions found in Chapter 2 of the 2009 IECC.

“Program Administrators” shall mean city staff from the Building and Planning Departments who administer Section 15.08.012 of the Hailey Municipal Code, the Build Better Program.

“Certified HERS Rater” shall mean a Home Energy Rating System provider who has current and valid certification under Residential Energy Services Network (RESNET) and who adheres to the RESNET defined standards of practice and code of ethics.

“Compact fluorescent light bulb” or “CFL” shall mean a fluorescent light bulb that has been compressed into the size of a standard-issue incandescent light bulb, known for its long life span and superior energy efficiency when compared to incandescent lights.

“COMcheck Energy Analysis” shall mean a software used to verify commercial code compliance and above code requirements with the 2009 IECC.

“EnergyPlus” shall mean software used to evaluate and analyze building energy performance.

“ENERGY STAR Advanced Lighting Package” or “(ALP)” shall mean an ENERGY STAR Certified Home that includes a comprehensive set of ENERGY STAR qualified light fixtures that at a minimum consist of 60% ENERGY STAR qualified hard-wired fixtures and 100% ENERGY STAR qualified ceiling fans where installed.

“ENERGY STAR Builder” shall mean a builder who has completed ENERGY STAR’s Partnership Agreement, has selected a Home Energy Rater, and who is listed on the ENERGY STAR website as an ENERGY STAR partner.

“ENERGY STAR Indoor airPLUS” or “IAP” shall mean an ENERGY STAR Certified Home that includes a number of construction practices and technologies to decrease the risk of poor indoor air quality, including careful selection and installation of moisture control systems, heating, cooling, and ventilation (HVAC) equipment, combustion venting systems, and building materials that are tested and verified by an independent party.

“ENERGY STAR Northwest Program” shall mean an independently tested and verified home energy certification program that ensures homes are built 15% more energy efficient compared to current code building homes.

“EQuest” shall mean a software used to evaluate and analyze building energy performance.

“Forest Stewardship Council Certified” or “FSC Certified” shall mean a label that verifies a chain of custody certification that wood that has been grown in a manner that meets the FSC’s sustainable forestry practices and standards.

“Home Energy Rating System Audit” or “HERS Audit” shall mean a comprehensive visual and technical energy analysis of a home using Residential Energy Services Network’s (RESNET) protocol and a REM/Rate™ Energy Analysis and includes a prioritized list of suggested improvements and their associated energy and financial savings. At a minimum, the audit evaluates the following, to determining the rating of the home: blower door test, duct blaster test (if applicable), an inventory of the lighting, appliances, insulation, solar orientation, and heating and cooling equipment.

“Home Energy Rating System Index” or “HERS Index” shall mean a scoring system established by the Residential Energy Services Network (RESNET) in which a home built to the specifications of the HERS Reference Home scores a HERS Index of 100, while a net zero

energy home scores a HERS Index of 0. The lower a home's HERS Index, the more energy efficient it is in comparison to the HERS Reference Home.

“Light Emitting Diode” or “LED” shall mean an electronic device that emits light when an electrical current is passed through it, known for its long life span and superior energy efficiency when compared to incandescent lights.

“Leadership in Energy and Environmental Design Accredited Professional” or “LEED AP” shall mean a person who has successfully passed a test on the LEED process, points, and documentation requirements, in accordance with the US Green Building Council’s specifications

“Minimum Efficiency Reporting Value” or “MERV” shall mean a rating method used for comparing the efficiency of an air filter; the higher the MERV rating, the better the filter is at removing particles from the air.

“National Association of Home Builder’s Green Building Program” shall mean a program based on the International Code Council 700-2008 National Green Building Standard™ and is a 3rd party tested and verified green building program.

“Natural Air Changes Per Hour” or “NACH” shall mean the natural movement of the total volume of air in a given space that is exchanged over a period of one hour, measured using a blower door test at 50 Pascal.

“New Construction” shall mean any building with less than 50% of its exterior walls and foundation remaining or that is being built on a vacant building envelope, where no previously built structure exists at the time of building.

“REM/Rate™ Energy Analysis” shall mean a residential code compliance and rating software developed specifically for the needs of HERS raters, that calculates heating, cooling, hot water, lighting, and appliance energy loads, consumption and costs for new and existing single and multi-family homes:

“REScheck Energy Analysis” shall mean a software used to verify residential code compliance and above code requirements with the IECC.

“Residential Energy Services Network” or “RESNET” shall mean an industry not-for-profit membership corporation that is the national standards making body for building energy efficiency rating systems.

“Structural Insulated Panels” shall mean a high performance building panels used in floors, walls, and roofs for residential and light commercial buildings. The panels are typically made by sandwiching a core of rigid foam plastic insulation between two structural skins of oriented strand board (OSB).

“U.S. Green Building Council’s Leadership in Energy and Environmental Design for Homes” or “LEED for Homes” shall mean a consensus-developed, third party-verified, voluntary rating system which promotes the design and construction of high-performance green homes.

“U.S. Green Building Council’s Leadership in Energy and Environmental Design for New Construction” or “LEED for New Construction” shall mean a rating system designed to guide and distinguish high-performance commercial and institutional projects, including office buildings, high-rise residential buildings, government buildings, recreational facilities, manufacturing plants and laboratories.

“Verification of Accountability by Responsible Party” shall mean a form furnished by the Program Administrators for the use of verifying, by the Building owner, contractor, or

other responsible party, that points have been met in accordance with the requirements of Section 15.08.012.E, Points Menu.

“WaterSense Program” shall mean a water conservation program with oversight by the U.S. Environmental Protection Agency that requires all toilets, urinals, faucets, showerheads, and other products labeled under the program to undergo independent 3rd party testing to ensure that water conservation is at least 20% greater than conventional items in the respective category.

“Whole House Fan” shall mean a type of fan installed in a building's ceiling, designed to pull hot air out of the building and increase building cooling.

“Zoned Hydronic Radiant Heating” shall mean a heating system using a boiler to heat water and a pump to circulate hot water through radiant floor panels, wall radiators, or baseboard convectors. The pipes, embedded in the floor, carry heated water that conduct warmth to the surface where it broadcasts energy to separated radiant heat zones, which are controlled a thermostat and served by a manifold which distributes the flow of warm water to the individual circuits of tubing within each zone.

C. Energy Efficiency: All commercial and residential New Construction and Additions shall comply with the 2009 IECC, and shall increase energy efficiency 10% beyond the 2009 IECC requirements.

1. Residential Energy Efficiency. Energy Efficiency shall be 10% greater than the 2009 IECC requirements for New Construction, Additions, and Alterations with Conditioned Space, 500 square feet or greater. New residential construction certified under the current ENERGY STAR Northwest Program is exempt from Section 15.08.012.C.1.

a. New Construction. Energy efficiency shall be verified by a RESNET Certified HERS Rater using a REM/RATE™ Energy Analysis and IECC Section 405 criteria. Applicants shall submit an initial HERS Index score based on the proposed design with a Building Permit application. Prior to receiving a certificate of occupancy, a final HERS Index score shall be submitted to the Building Department, verifying that both project is 10% more energy efficient compared to the 2009 IECC.

b. Additions. A RESNET Certified HERS Rater shall conduct a Certified HERS Audit of the entire Building associated with the Addition. The energy efficiency of the Addition itself shall be verified by a REScheck Energy Analysis. Applicants shall submit a REScheck Energy Analysis based on the proposed design with a Building Permit application. Prior to receiving a certificate of occupancy, the specifications of the REScheck Energy Analysis will be verified by the Building Department during routine inspections. The REScheck Energy Analysis shall project a 10% more energy efficient design compared to the 2009 IECC.

c. Alterations. All Alterations that require a Building Permit and affect the Building envelope are required to conduct a Certified HERS Audit by a RESNET Certified HERS Rater of the entire Building associated with the Alteration. A REScheck Energy Analysis shall be submitted to the Building Department verifying that the Alteration exceeds the energy efficiency requirements of the 2009 IECC by 10% or by calculating the energy efficiency rating of a specific component that affects energy efficiency associated with the alteration. For example: the 2009 IECC requires a U-factor of 0.3 for a new window installation. A new window that is 10% more efficient would have a U-factor of 0.33 or better.

2. Commercial Energy Efficiency.

a. New Construction. Buildings less than 10,000 square feet of Conditioned Space shall verify energy efficiency using a COMcheck Energy Analysis and Buildings 10,000 square feet or larger shall verify energy efficiency using an energy model.

i) Buildings under 10,000 square feet of Conditioned Space. Applicants shall submit a COMcheck Energy Analysis based on the proposed design with a Building Permit application. Prior to receiving a certificate of occupancy, the specifications of the COMcheck Energy Analysis will be verified by the Building Department during routine inspections. The COMcheck Energy Analysis shall project a 10% more energy efficient design compared to the 2009 IECC.

ii) Buildings 10,000 square feet of Conditioned Space or larger shall be energy modeled by a licensed engineer using Building Department Approved energy modeling software. Approved software includes, but is not limited to, the most recently published version of the following: eQuest, Trace, Carrier HAP, and EnergyPlus. The model shall verify that amount of energy used is 10% more energy efficient compared to the 2009 IECC and shall be submitted to the Building Department with the Building Permit application. Prior to receiving a certificate of occupancy, the specifications of the energy model will be verified by the Building Department during routine inspections.

b. Additions. An energy audit shall be conducted by a licensed engineer on the entire Building associated with the Addition. Energy efficiency shall be verified by a COMcheck Energy Analysis. Applicants shall submit a COMcheck Energy Analysis based on the proposed design with a Building Permit application. Prior to receiving a certificate of occupancy, the specifications of the COMcheck Energy Analysis will be verified by the Building Department during routine inspections. The COMcheck Energy Analysis shall project a 10% more energy efficient design compared to the 2009 IECC.

c. Alterations. An energy audit shall be conducted by a licensed engineer on the entire Building associated with the Addition. A COMcheck Energy Analysis shall be submitted to the Building Department verifying that the Alteration exceeds the energy efficiency requirements of the 2009 IECC by 10% or by calculating the energy efficiency rating of a specific component that affects energy efficiency associated with the alteration. For example: the 2009 IECC requires a U-factor of 0.3 for a new window installation. A new window that is 10% more efficient shall have a U-factor of 0.33 or better.

D. Water, Indoor Air, Construction Waste, Durability and Assurance (WICDA). The provisions of WICDA apply to new residential and commercial construction.

1. Water Conservation. All faucets, showerheads, and toilets installed in a Building for domestic use and restroom facilities, shall use 20% less water than standard fixtures or be labeled by the WaterSense Program, which use at least 20% less water than standard fixtures. Water Sense labels or equivalent documentation shall be submitted to the Building Department or provided during final inspection for verification.

2. Indoor Air. 2009 International Mechanical Code shall be met to ensure proper ventilation.

3. Construction Waste. In Addition to waste receptacles, bins for cardboard and clean wood waste shall be provided and sorted accordingly on-site during construction and will be verified by the Program Administrators during regularly scheduled inspections.

4. Durability and Assurance. Details and specifications shall be submitted in the drawings, details, or in packet form with the Building Permit in order to promote durability, and high performance of the Building enclosure and its components and systems through appropriate design, materials, selection, and construction practices.

a. Under the following categories, the Program Administrators shall specify what items shall be applicable and provide a list of these items with the Building Permit:

- i) Foundations
- ii) Walls
- iii) Roofs
- iv) Air infiltration
- v) Heat loss

b. Before the issuance of a certificate of occupancy, applicants shall sign a declaration that states all items are installed to manufacturer's specifications and plan details.

E. Points Menu. Unless a qualifying exemption applies, the following construction activities shall obtain points in an amount determined by the applicable points equation below: 1) exterior snow melt systems, 2) residential New Construction, and 3) residential Additions of 500 square feet of Conditioned Space or greater.

1. Points are accumulated based on the total square feet of Conditioned Space and the number of bedrooms included in the Addition or New Construction project or the square footage of an exterior snow melt system. Points shall be rounded down to the nearest 0.5 (example: a points equation resulting in 2.7 points shall be rounded down to 2.5 points and a points equation resulting in 3.4 points shall be rounded down to 3.0 points)

a. Points equation for New Construction. (Square footage of Conditioned Space)/(number of bedrooms) x 0.01 = required points.

i) Points shall be applied to the construction of the new residential Building.

b. Points equation for Additions. (Square footage of Conditioned Space of Addition) / (Number of bedrooms included in Addition + 1) x 0.01 = required points.

i) Points shall be applied to the Addition, existing structure, or a combination of both.

c. Points equation for exterior snow melt systems. (Square footage of exterior snow melt)/100 = required points.

i) Points shall be applied to the new or existing structure, or a combination of both, if applicable, and shall only be obtained from Section 15.08.012.E.5, Energy Efficiency.

2. Restrictions. When points are required for more than one construction activity, the same item cannot count as a point(s) for satisfying multiple point requirements under more than one construction activity.

3. Verification. Before final inspection, a Verification of Accountability by Responsible Party form shall be submitted, along with supporting documentation such as copies of receipts and invoices, material packaging, and photos, unless an alternative method of verification is specified herein.

4. Waste Management.

a. Reuse Existing Building: Up to 5 points.

Points	Percent of Exterior Walls saved (external sheathing and framing)
3	50%
5	75%

- b. New Construction Waste Recycling: Up to 3 points.
 i) Application: points will be awarded according to the

following table:

Points	Percentage Waste	Percentage Diverted
1	75%	25%
2	50%	50%
3	25%	75%

5. Energy Efficiency.

- a. Insulation: Up to 7 points.

- i) Wall Insulation: 2 points.

(1) Application: R-24 minimum wall cavity

insulation.

(2) Verification: checked during plan review by

the Program Administrators and verified by the Certified HERS Rater for New Construction and checked during plan review and verified by the Program Administrators for Additions.

- ii) Basement or Foundation Insulation: 1 to 5 points.

(1) Application: Insulation must be installed on

the full height of a basement or foundation wall.

(2) Verification: checked during plan review by

the Program Administrators and verified by the Certified HERS Rater for New Construction and checked during plan review and verified by the Program Administrators for Additions.

Points	R-Value and insulated concrete forms
1	15, or
2	20, or
3	25, and
2	Use of insulated concrete forms on the foundation (stem wall and footing)

- b. Windows: Up to 3 points.

- i) Application: new windows or replacement windows

installed as part of an Addition are awarded points as follows:

Points	Maximum U-factor*
1	0.3
2	0.28
3	0.26

*U-factor, as established by the National Fenestration Rating Council (NFRC).

ii) Verification: checked during plan review by the Program Administrators and verified by the Certified HERS Rater for New Construction and checked during plan review and verified by the Program Administrators for Additions. The

inspector must be able to clearly identify the U-factor and Solar Heat Gain Coefficient (SHGC) ratings and window type by the National Fenestration Rating Council's stamp or the manufacturer's label. Applicant must show the number of windows to be upgraded on Building plans.

c. Air Sealing of an Existing Building: Up to 4 points.

i) These points shall not be applied to New

Construction activity. Points will be awarded when a HERS rating is applied to the existing structure before and after construction showing the following blower door results:

Points	Natural Air Changes Per Hour at 50 Pascal
1	4
2	3
3	2
4	1

d. Heating, Ventilation, and Air Conditioning (HVAC)

Systems.

i) HVAC Commissioning: 1 point for each

commissioning that applies; up to 3 points.

(1) Application: 1) test for duct leakage at a 6% target to floor area ratio at 50 Pascal, 2) test and adjust firing rate to within recommended manufacturer specifications and suitable to occupant conditions, and 3) test and adjust refrigerant charge to manufacturer specifications.

ii) Heat Pumps.

Points	Type of source pump installed
8	Water
6	Ground
4	Air

iii) Sealed combustion or power vent assisted Water

Heating System: 2 Points.

(1) Verification: New Constructions - checked during plan review by the Program Administrators and verified by the Certified HERS Rater. Additions - checked during plan review and verified by the Program Administrators.

iv) ENERGY STAR boiler, furnace, or hot water heater:

2 points each.

e. Zoned, Hydronic Radiant Heating: 2 points.

i) Application: use a Zoned Hydronic Radiant Heating system that circulates hot water through radiant floor panels, wall radiators, or baseboard convectors located in different areas or zones of the house.

ii) Verification: checked during plan review. Inspected in field.

f. Passive Cooling: 2 to 5 points.

i) Application: Any combination of natural cooling techniques can be used to reduce overheating in homes. Use awnings and window overhangs primarily on south-facing glass to provide a balance between summer cooling and winter heating through solar gain. Points will be awarded for passive cooling systems using any two or more of

these techniques (one point per option):

west-facing glass.

west-facing windows.

facing windows during the cooling season (June to September).

shade the window (from June to September).

- (1) Exterior vertical shading devices for east- and west-facing glass.
- (2) Low emissivity films on glass on east- and west-facing windows.
- (3) Radiant barriers installed in the attic space.
- (4) Landscaping that shades east- and west-facing windows during the cooling season (June to September).
- (5) South window overhang sized to effectively shade the window (from June to September).

ii) Verification.

(1) New Constructions: checked during plan review by the Program Administrators and verified by the Certified HERS Rater.

(2) Additions: checked during plan review and verified by the Program Administrators. Indicate the passive cooling design features on the Building Permit plan, for option number 5 above; submit a calculation that demonstrates overhangs have been designed in accordance with the equation below for all south-facing glass. The formula below will result in window overhangs that shade 100 percent of south-facing window glazing on June 21 (summer solstice).

(3) Applicants should use this formula as a guide

for sizing all south-facing overhangs:

$D = H/F$ where:

D = Distance of overhang

H = Height from bottom of glass to overhang

F = 3.38 (F is a value corresponding to the noon sun altitude angle on June 21st)

g. Whole House Fan: 2 points.

i) Application: Install a Whole House Fan with an insulated cover that creates an airtight seal between attic and living space when the fan is off. For maximum effectiveness, the fan should be mounted in a hallway ceiling on the top floor of the house, and should be sized to produce four to five air changes per hour within the home.

ii) Verification: checked during plan review by the Program Administrators and verified by the Certified HERS Rater for New Construction and checked during plan review and verified by the Program Administrators for Additions.

h. Water Heating: Up to 2 points.

i) Application: Point-of-use water heating uses a mini-water heater at remote fixtures to reduce the energy and water use associated with long piping runs. They are sized to supply hot water to a single fixture such as a sink. Gas-fired models must have a minimum energy factor of 0.82 to achieve this credit.

Points	Type of water heater
2	Tankless
2	Point of Use
2	Indirect fired

ii) Verification.

(1) New Constructions. Checked during plan

review by the Program Administrators and verified by the Certified HERS Rater.

(2) Additions. Checked during plan review and verified by the Program Administrators.

i. Lighting and Appliances.

i) ENERGY STAR qualified CFLs or LEDs: 5 points.

(1) Application: Lighting shall be installed in accordance with the lighting table below.

(2) Any exterior lighting fixture must comply with city of Hailey Outdoor Lighting Ordinance requirements.

Area	Rooms	Required percentage of installed ENERGY STAR qualified CFL or LEDs
High-Use Rooms	Kitchen, dining room, living room, family room bathroom(s), hall(s)/stairway(s)	50 percent of total number of fixtures
Medium/Low-Use Rooms	Bedroom(s), den, office, basement, laundry room, garage, closet(s), and all other rooms	25 percent of total number of fixtures
Outdoor	Outdoor lighting affixed to the structure or free-standing pole(s) except for landscape and solar lighting	50 percent of total number of fixtures including all flood lighting

(3) Verification: checked during plan review by the Program Administrators and verified by the Certified HERS Rater for New Construction and checked during plan review and verified by the Program Administrators for Additions.

ii) Efficient Light Controls: Up to 2 points.

(1) Efficient lighting controls include occupancy sensors, dimming controls, and automatic daylight dimming controls. Points will be awarded for efficient light controls according to the following:

Points	Number of control devices
1	4
2	6

(2) Verification: New Construction shall be checked during plan review by the Program Administrators and verified by the Certified HERS Rater and Additions shall be checked during plan review and verified by the Program

Administrators.

j. Energy Efficient Appliances: Up to 6 points.

(1) Application: points will be awarded for ENERGY

STAR appliances according to the following:

Points	Type of ENERGY STAR rated appliance
2	Refrigerator
2	Clothes washer
1	Freezer, not part of refrigerator appliance
1	Dishwasher

(2) Verification: New Construction will be verified by the Certified HERS Rater and Additions will be verified by the Program Administrators. Appliance ENERGY STAR labels must remain on the equipment for inspection by a Certified HERS Rater or Building Inspector.

6. Solar.

a. Passive Solar Heating Design: Up to 12 points.

i) Application: points will be awarded in accordance with the following table, by designing with passive solar heating elements of south-facing glazing, appropriate thermal mass, and Building overhangs:

Points	Percent verifying calculations of the Solar Heat Gain Coefficient
6	40-49%
8	50-59%
10	60-69%
12	More than 70%

ii) Verification: inspected during plan review. Submit modeling documentation with the designer or architect's signature verifying calculations of the Solar Heat Gain Coefficient.

b. Solar Thermal Domestic Hot Water System: 8 points.

i) Application: A solar water heating system shall include south-facing rooftop or ground-mounted collectors, a heat exchanger to transfer the solar heat to the domestic water, and an insulated storage tank to store the heated water. The system shall be sized to provide at least 50 percent of the domestic hot water load. Sufficient unshaded south-facing roof area for collectors and space in a mechanical equipment room must be provided for the additional hot water storage tank.

ii) Verification: checked during plan review by the Program Administrators and verified by the Certified HERS Rater for New Construction and checked during plan review and verified by the Program Administrators for Additions.

c. Pre-Plumb for Solar Thermal System Retrofit and include area required for future tanks and pumps: 2 points.

i) Application: install minimum 1/2" (5/8" OD) copper pipes, minimum 1" wall thickness high temperature 250°F rated insulation, and THN shielded 4 conductor sensor wiring between the attic and the water heater location. To accommodate "active" systems, provisions shall be made for a solar storage tank footprint, with pressure relief drain line, and an electrical outlet for a pump. An 8 ft. by 8 ft. section of south-facing roof suitable for future installation of solar panels shall be provided.

ii) Verification: checked during plan review by the Program

Administrators and a Verification of Accountability by Responsible Party form shall be submitted, before the final inspection.

d. Active Solar Electric System: Up to 12 Points.

ii) Application: design and install a solar PV system to meet some of the electrical load of the Building.

Points	size of kilowatt (kW) system
6	2
8	3
10	4
12	5 or larger

i) Verification: the applicant must submit documentation by a qualified engineer or equivalent of the solar installation company of the electrical production calculations using industry-accepted formulas. Installation verified by the Certified HERS Rater.

e. Pre-Wire, or Chase Way, or Conduit, and Provide Area for Future Solar Electric, Photovoltaic (PV) System Retrofit: 2 points:

i) Application: Prewire, chase way, or conduit from the attic to a location near the electric service entrance/circuit breaker panel, allowing space for installation of PV modules on south-facing roofs, and ensuring that roof trusses are adequate to accommodate any added roof loads. maintain a 200 square foot or larger section of unshaded south roof area clear of vent pipes and other obstructions to allow for the installation of modules. Install 3/4-inch or larger EMT (electrical metal tubing) or FMC (flexible metal conduit) to accommodate wires run from the attic to a junction box near the main panel and meter. Provide the owner with a roof plan with the preferred location for PV modules and the conduit location clearly marked, and provide structural information on what added loads the roof can accommodate.

ii) Verification: checked during plans review and a Verification of Accountability by Responsible Party form shall be submitted, before the final inspection.

7. Material Efficient Framing and Structure

a. Advanced Framing Techniques: 2 to 10 points.

i) Verification: Checked during plans review and a Verification of Accountability by Responsible Party form shall be submitted, before the final inspection.

ii) 24-inch On-Center Framing: 2 points.

iii) Resource Efficient Insulated Headers: 2 points.

(1) Application: points are awarded for incorporating a minimum R-10 insulation in the header section.

iv) Trusses with energy heel: 2 points.

v) HVAC Ducts Within Conditioned Spaces: 2 points.

vi) Minimum 24-inch Roof Overhangs: 2 points.

(1) Application: design at least a 12-inch overhang with gutters around the Building's entire roof. Install gutter and downspout system to divert water five feet away from foundation and, from there, into the overall on-site drainage area or install crushed stone or other material below roof drip line to minimize splash on siding in high snow areas. All overhangs must meet Building code and zoning restrictions.

b. Structural Insulated Panels (SIPs) in Conditioned Spaces or an Alternatives to Wood Framing Approved by the Program Administrators: Up to 8 points.

i) Application: incorporating SIP construction requires that

stamped plans be submitted from a designer.

Points	Percent of structure
5	At least 50% of Exterior Walls
8	At least 50% of Exterior Walls and roof

ii) Verification: Checked during plans review and a Verification of Accountability by Responsible Party form shall be submitted, before the final inspection.

c. Other Alternatives to Wood Framing: Up to 8 points.

i) Application: exterior walls must be constructed with alternative materials. Alternative Building methods that demonstrate energy- and resource-efficient construction with less embodied energy are awarded points according to the following:

Points	Percent of structure
5	At least 50% of Exterior Walls
8	At least 50% of Exterior Walls and roof

ii) Verification: Checked during plans review and a Verification of Accountability by Responsible Party form shall be submitted, before the final inspection.

8. Sustainable Products.

a. Forest Stewardship Council (FSC) Certified: Up to 6 points.

Points	Number of board feet (BF) of FSC lumber per square feet (SF) of floor area
2	2 BF per SF of floor area (2BF/SF)
4	3 BF per SF of floor area (3 BF/SF)
6	50% or more of dimensional lumber in total BF is FSC, excluding engineered wood products

b. Environmentally Preferred, Low Emission, and Local Materials: Up to 10 points from Chart A.

i) Application: For each assembly, all product specification type requirements shall be met in order to receive the points available. Environmentally preferred and low emission qualifying products have more than one of these attributes: recycled content, reclaimed, bio-based, agricultural residue, rapidly renewable, and low or no volatile organic compounds (VOCs) emissions. A "recycled content" product must contain a minimum of 25 percent post-consumer recycled content except as noted otherwise above. Post-industrial (pre-consumer) recycled content is counted at half the rate of post-consumer content. Except as otherwise noted in Chart A, 90 percent of the component, by weight or volume, must meet the specification shown. Locally sourced materials are products that are manufactured within 500 miles of the city are considered local.

Chart A: Environmentally Preferable Products/Locally Sourced Materials

Assembly	Component	Product Specification Types			Points Available
		EPP Specifications	Emission Specifications	Local	

Exterior Wall	Framing	Forest Stewardship Council (FSC) Certified		X	1
Exterior Wall	Framing	Finger-jointed studs (vertical use only for structural components)		X	1
Exterior Wall	Siding or masonry	Recycled content or Forest Stewardship Council (FSC) Certified		X	1
Floor	Flooring	90% of home	NO carpet in home		1
Floor	Framing	Forest Stewardship Council (FSC) Certified		X	1
Foundation	Cement	Fly ash or slag as replacement for, not Addition to, cement content (min. 20%)		X	1
Interior Wall	Framing	Forest Stewardship Council (FSC) Certified		X	1
Interior Wall	Framing	Finger-Jointed, (vertical use only for structural components)		X	1
Interior Walls AND ceilings	Gypsum board	Recycled content		X	1

Interior Walls AND millwork	Paint		Comply with Green Seal Standard GS-11, Paints, First Edition, May 20, 1993 (0.5 points) 48 hour pre-occupancy flush (0.5 points)		0.5
Interior Walls AND millwork	Wood finishes		VOC concentrations of 150 gpl or less		0.5
Landscape	Decking or patio material	Recycled content or Forest Stewardship Council (FSC) Certified		X	1
Other	Cabinets	Recovered, recycled content, or Forest Stewardship Council (FSC) Certified	Wood and/or agrifiber products with no added urea-formaldehyde resins	X	1.5
Other	Counters	Recycled content	Wood and/or agrifiber products with no added urea-formaldehyde resins		1
Other	Doors (not incl. garage)	Recycled content or Forest Stewardship Council (FSC) Certified	Wood and/or agrifiber products with no added urea-formaldehyde resins	X	1.5
Other	Trim	Recovered, recycled content, or	Wood and/or agrifiber products with no	X	1.5

		Forest Stewardship Council (FSC) Certified	added urea-formaldehyde resins		
Other	Adhesives and sealants		VOC concentrations of 70 gpl or less		0.5
Other	Windows	Recycled content or Forest Stewardship Council (FSC) Certified		X	1
Roof	Framing	Forest Stewardship Council (FSC) Certified		X	1
Roof	Roofing	Recycled content or vegetated (min. 200 sf)		X	1
Roof AND floor AND wall	Insulation	Recycled content (min 20%)		X	1
Roof, floor, wall (2 of 3)	Sheathing	Recycled content or Forest Stewardship Council (FSC) Certified		X	1

9. Indoor Air Quality

a. ENERGY STAR's Indoor airPLUS (IAP) Requirements: 5 points.

i) Application: only New Construction that obtains ENERGY STAR is eligible for this label. For this point option, all of the requirements of ENERGY STAR IAP must be met.

ii) Verification: An ENERGY STAR Home Performance Specialist must perform a visual inspection of installed measure(s) and relevant documents/test results, to affirm compliance or submit an IAP certificate prior to final inspection.

b. Mechanical Ventilation: Up to 5 points.

ii) Application: Energy Recovery Ventilators must be integrated into the HVAC system. points are awarded for providing mechanical ventilation

according to the following table:

Points	Type of fan and location
1	Kitchen exhaust fan (minimum 100 cfm)
1	Bath exhaust fan with timer or Humidistat controls (minimum 50 cfm)
1	Ventilation integrated into the HVAC system
2	Energy Recovery Ventilation System

ii) Verification: checked during mechanical inspection. The state mechanical inspector shall complete a Verification of Accountability by Responsible Party form, which shall be submitted, before the final inspection.

c. High-Efficiency HVAC Filter.

i) Filters with MERV ratings of 6 to 10: 1 point.

(1) Application: any MERV with a rating from 6 to 10.

Filters with a MERV rating of higher than 10 may be used only if the HVAC fan system is specifically designed for it.

d. Attached Garage Exhaust Fan: 1 point.

i) Application: install an exhaust fan on the opposite wall from the door to the house. It shall be wired to an electric garage door to run after the door has been opened or closed or put on a timer.

10. Homeowner Information - Operations and Maintenance Binder: 3 points.

a. The builder shall provide a binder to be left in the dwelling for future occupants that includes the following three items:

i) The points checklist

ii) HERS Index score certificate

iii) The equipment manufacturers' installation manuals, except for manuals required to be affixed to the equipment, for all installed equipment, fixtures, and appliances

b. Verification: Submitted to the Program Administrators for review and inspected during final inspection.

11. Design Process and Innovation.

a. Green Building Consultants: 1 point.

i) Application: use services provided by a consultant(s) certified through, Green Advantage, LEED AP, Certified Sustainable Building Advisor, or similar certification Approved by the Program Administrators during the design and construction process.

ii) Verification: A green building consultant must sign the Verification of Accountability by Responsible Party form and provide proof of certification or accreditation during Building plans submittal.

b. ENERGY STAR Builder: 1 point

i) Application: Applies to New Construction Only. The general contractor must be an ENERGY STAR Builder.

ii) Verification: The builder must sign the Verification of Accountability by Responsible Party form and the builder's name must be listed on ENERGY STAR's web site.

c. Innovation Points: 3 points.

i) Application: minimize the environmental impact of the house by incorporating green design and construction measures that have tangible and demonstrable benefits beyond those outlined in the points program. Suggested innovations include: exceptional

performance (e.g., zero energy, carbon neutral); innovative design strategies; or emerging technologies, materials, or construction practices. The applicant MUST prepare a written submittal that includes:

- (1) The intent of the innovation measure(s)
- (2) The proposed requirement for compliance
- (3) The proposed documentation to demonstrate compliance
- (4) A description and an estimate of the benefit/impact provided by the proposed measure

ii) The above information must document how such an approach will minimize the impacts of the Building in a tangible and demonstrable way beyond the methods outlined in the Build Better Point Menu. The product, design, or technology must comply with existing city codes and standards.

iii) Verification: Applicant must provide the above documentation in writing and any other supporting documentation, such as an evaluation report or specifications to quantify performance. This information is submitted with Building Permit plans and will be awarded during city staff's evaluation and determination of measures proposed.

Section 3. Chapter 15.08.020 of the Hailey Municipal Code is amended by the deletion of the stricken language and addition of the underlined language, as follows:

15.08.020 Amendment of codes. Pursuant to Idaho Code Section 39-4116(3), the following codes adopted pursuant to Section 15.08.010 herein or provisions thereof are added to, amended, altered and/or modified as follows:

A. Required Permits: Required building permit applications shall be made on forms furnished by the city of Hailey, and approval shall be in accordance with Section 105 of the 2006 IRC and Section 105 of 2006 IBC.

1. Excavation. Section 105.1 of the 2006 IRC and 2006 IBC require a permit from the building official for the start of construction. For the purposes of this section, the start of construction is defined as the excavation or trenching for the installation of forms for footings, or where no forms are used, start of construction is excavation or trenching.

2. Moved Structures. The 2006 IRC is amended to add the following Section 105.1.1 and the 2006 IBC is amended to add the following 105.1.3: Moved Structures. Applications for permits for moved structures shall include but are not limited to the following information provided by an Idaho licensed structural engineer: appropriate foundation designed to meet the City of Hailey structural forces: proof that existing headers of the largest window and/or garage door opening is structurally adequate; where practical, an analysis of the existing roof system including trusses or rafters and roof sheathing materials, wall and floor systems for conformity to structural forces criteria for the new occupancy and new location.

3. Manufactured Homes. The 2006 IRC is amended to add the following Section 105.1.2 and the 2006 IBC is amended to add the following 105.1.4: Manufactured Homes. Permits are required for manufactured homes pursuant to this code.

4. Demolition Permits. The 2006 IRC is amended to add the following Section 105.1.3 and the 2006 IBC is amended to add the following 105.1.5.

a. General Requirements. Demolition shall include moving a structure from one site to another and destruction/demolition of a structure for disposal. Permit applications

shall be provided by the City of Hailey and shall include owner, address, property descriptions, phone number, description of the scope of the demolition and a time frame. The person or entity submitting an application for a demolition permit for a Historic Structure must be the owner of record or the authorized agent of the owner(s). Acknowledgement of the demolition by utility companies serving the property, the Blaine County Assessor's office and the jurisdiction's Building Official if other than the City of Hailey shall be required. Permits shall be valid for 90 days.

b. Historic Structures. Prior to issuance of a "Demolition" permit for buildings and structures built wholly or in part prior to 1941 ("Historic Structure"), regardless whether the Historic Structure was constructed on or relocated to the property, the Hailey Building Official shall submit the application to the Hailey Planning Department, Hailey Fire Department and Hailey Historic Preservation Commission. The applicant shall demonstrate the age of a building or structure by reliable records, including but not limited to records of the Blaine County Assessor.

i) A one hundred twenty (120) day review period shall run from the date of transmittal of copies of the application to the departments, agencies, commissions and organizations. The date of transmittal shall be documented in the application file and shall commence the comment period. Within seven (7) calendar days of the Building Official certifying that the application is complete, the Building Official shall, at the applicant's expense, publish a Notice of Intent to Demolish a Historic Structure in the official newspaper of the City of Hailey, post on the subject property a Notice of Intent to Demolish a Historic Structure, and mail Notice of Intent to Demolish a Historic Structure to property owners within three hundred (300) feet of the subject property.

ii) During the review period, the city, the Hailey Historic Preservation Commission or any other commission, organization or individual may negotiate with the owner and with any other parties in an effort to find a means of preserving the structure or building for the acquisition by gift, purchase, or exchange of the property or any interest therein.

iii) The one hundred twenty (120) day review period may be reduced if the Building Official or his/her designee finds that a) the owner has reasonably demonstrated that rehabilitation of the Historic Structure would not be economically feasible, b) the Historic Structure shall be preserved by relocation of the building or structure to another appropriate site in Hailey, c) the Historic Structure is deemed a "dangerous" building as defined in Chapter 3, Section 3.02 of the 1997 Uniform Code for the Abatement of Dangerous Buildings, or d) the Hailey Historic Preservation Commission has recommended the one hundred twenty (120) day review period be reduced because the Historic Structure does not maintain the historic architectural qualities, historic associations or archeological values of other Historic Structures within Hailey.

iv) At the end of the review period, if the application for a "Demolition" permit has not been withdrawn, the Building Official shall process the application according to the 2006 IBC and the municipal code. Any demolition permit for Historic Structure shall be conditioned so that prior to demolition, the applicant shall provide the Hailey Historic Preservation Commission with all available historic information about the Historic Structure, including a) color photographs measuring at least four inches (4") by six inches (6") of at least two (2) elevations of the building at the time of permit submittal (if the building faces one or more public streets, the two (2) elevations shall be of the street facing sides), b) height, square footage,

and current use of building, and c) historical photograph, black and white or color, of the building, if feasible.

c. **Revegetation.** Following demolition of a building or structure, any foundation and basement and all debris shall be removed, clean fill shall be placed in any excavated portion of the property, the grade of the property shall be leveled, and the property shall be planted or re-seeded with drought resistant grasses and/or shrubs that are as minimally as possible irrigated to ensure successful revegetation within one (1) month of the permitted work. The revegetation shall include noxious weed abatement and continued maintenance until new construction commences.

B. **Permit Expiration:** Section 105.5 of the 2006 IBC is deleted in its entirety and replaced by the following:

105.5 Expiration. Every permit issued by the Building Official under the provisions of this code shall expire and become null and void if the building or work authorized by such permit is not completed within 548 days after its issuance. Permits that expire under this provision may be extended for a period not to exceed 180 days by an application for extension filed with the City Council by the permittee 30 days prior to permit expiration. An application fee of \$75.00 must be paid at the time of filing.

C. **Submittal Documents:** Section 106.1 of the 2006 IBC and 2006 IRC is deleted in its entirety and replaced by the following:

Section 106.1 Submittal documents. Construction documents, special inspection and structural observation programs, and other data shall be submitted in two or more sets with each application for permit. The construction documents shall be prepared by a registered design professional where required by the statutes of the jurisdiction in which the project is to be constructed. Where special conditions exist, the building official is authorized to require additional construction documents to be prepared by a registered design professional. Said design professional shall be an Idaho State Licensed Architect and/or Idaho State Licensed Structural Engineer.

D. **Deferred Submittal:** Section 106.3.4.2 of the 2006 IBC shall be amended by the addition of the following language at the end of Section 106.3.4.2:

Section 106.3.4.2 ... Furthermore, the deferred submittal may be charged a plan review fee in addition to any and all other related building permit fees in the amount of 100% of the first plan review related to that building permit, except when manufactured trusses are used in an R3 and/or U occupancy, truss specification may be submitted when available from the approved manufacturer without deferred submittal plan check fee.

E. **Fees, Deposits and Refunds:** For buildings, structures and other improvements requiring a building or other permit under this chapter, fees, deposits and refunds shall be paid to the city of Hailey as specified herein.

1. **Building Permit Fee.** Fees shall be charged utilizing Table 1-A of the 97 UBC, published by the International Conference of Building Officials (ICBO). Building valuation

shall be factored at one hundred twenty dollars (\$120.00) per square foot. For new construction or substantial remodels, an application fee of \$500 shall be made at the time the building permit application is submitted to the city. Said fee shall be credited to the total amount of the building permit fee, but shall be forfeited if the building permit is not obtained by the applicant within 180 days of permit approval. Except as otherwise provided for herein, the remainder of the building permit fee and the deposit for final inspection shall be collected when the building permit is issued. At the election of the applicant, payment of the remainder of the building permit fee for an Energy Star certified single family residence may be deferred to the date of the issuance of a certificate of occupancy. For the purpose of Section 15.08.020(E), an Energy Star certified single family residence shall mean a single family residence certified as an Energy Star project in accordance with the Northwest Energy Star Program, as amended.

2. Plan Review Fee: Building Department review will be 65% of the building permit fee. Except as otherwise provided for herein, the plan review fee shall be collected when the building permit is issued. At the election of the applicant, payment of the plan review fee for an Energy Star certified single family residence may be deferred to the date of the issuance of a certificate of occupancy.

3. Fire Review Fee: Fire Department review for commercial or multi-family projects shall be 35% of the building plan review fee. Except as otherwise provided for herein, the fire review fee shall be collected when the building permit is issued. At the election of the applicant, payment of the fire review fee of an Energy Star certified single family residence may be deferred to the date of the issuance of a certificate of occupancy.

4. Deferred Submittal Fee: An additional 100% of the original plan review fee may be charged for all deferred submittals, as set forth in Section 106.3.4.2 of the 2003 IBC, as amended by this chapter.

5. Moved Structure Fee: Moved structures will be calculated by using the estimated cost of the move applied to Table 1-A of the 97 UBC.

6. Manufactured Homes Fee: Fees shall be based on the on-site elements constructed, not the home itself.

7. Demolition Fee: Fee shall be \$75 and shall be due at the time the application is submitted to the city.

8. Re-roof Fee: Fee shall be calculated using Table 1-A of the 97 UBC. Valuation shall be based on scope of the work and materials.

9. Fence Fee: Fee will be \$30 and be paid when the application is submitted.

10. Shed Fee: Permits must be obtained for all sheds exceeding 120 square feet. Fees shall be based on Table 1-A of the 97 UBC.

11. Deposit for Final Inspection: In addition to the building permit fees as stated above, a deposit shall be collected when the building permit is issued, to ensure final inspection. A deposit shall be 25% of the total building permit fee or \$100 whichever is greater.

F. 108.12 Fee Refunds. The Building Official may authorize refunding of any fee paid hereunder which was erroneously paid or collected. The Building Official may authorize refunding of one hundred percent (100%) of the permit fee paid when no work has been done under a permit issued in accordance with this code. The Building Official may authorize refunding of not more than one hundred percent (100%) of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done. The Building Official shall not authorize refunding of any fee paid except on

written application filed by the original permittee not later than one hundred eighty (180) days after the date of fee payment.

G. Required Inspections: Section 109 of the 2006 IBC shall be amended by the addition of a new section 109.3.8.1:

Section 109.3.8.1 Manufactured Homes: Inspections are required for manufactured homes placed in the City of Hailey.

H. Board of Appeals: Section 112 of the 2006 IBC and 2006 IRC shall be amended by the addition of a new section 112.3.1 as follows:

Section 112.3.1 Board Membership: The Mayor and the Hailey City Council will appoint a three (3) person Board to stand as the Board of Appeals, as needed, with membership to be selected from but not limited to the following list of professionals in the various fields of expertise in the building industry:

- Blaine County, Idaho Building Official;
- The City of Ketchum, Idaho Building Official
- The City of Hailey Fire Chief;
- General Contractor associated with the Building Contractors Association of the Wood River Valley;
- A licensed Idaho Architect; and,
- A licensed Idaho Structural Engineer.

I. Start of Construction: Section 202 and Section 1612.2 of the 2006 IBC shall be amended, to add the following definition:

Start of Construction: The excavation or trenching for the installation of forms for footings. Where no forms are used, it is excavation or trenching.

J. Building Height: Section 502.1 of the 2006 IBC shall be amended by deleting the definition of "Height, Building" in its entirety and replacing it with the definition of building height contained in Chapter 2 of the Hailey Zoning Ordinance, as follows:

Height of Building: The greatest vertical distance measured from the lowest point of record grade within any portion of the building footprint to the highest point of the roof surface thereof, exclusive of cupolas, chimneys up to ten (10) feet above the highest point of the roof surface, steeples, and spires.

K. Fire-Resistance Rating Requirements: Table 602 of the 2006 IBC shall be amended as follows:

1. All walls of buildings that are closer than five (5) feet to a property line shall be constructed of four (4) hour firewall materials including a parapet wall as defined in the International Building Code.

Exception: Walls may be constructed of two hour firewall materials if an approved, monitored sprinkler system is installed within the building.

2. Walls that run parallel to a public way, street or alley, as those terms are defined in the 2006 IBC, when said public way, street or alley is greater than twenty (20) feet wide, shall be constructed specifically in accordance with the 2006 IBC. Walls described in this Subsection 2 shall not be subject to the requirements of Subsection 1.

3. There shall be no openings or penetrations allowed in the required firewalls of buildings that are closer than five (5) feet to a property line.

4. The requirements as stated in Subsections 1, 2 and 3 above shall apply to all zones and all types of building construction in the city of Hailey except General Residential and Limited Residential Zones 1 and 2.

L. Live Snow Load Requirements: Section 1603.1.3 of the 2006 IBC shall be amended by adding a new subsection 1603.1.3.1 as follows:

Section 1603.1.3.1. All roofs shall sustain within the stress limitations of this Code, all "dead loads" plus unit "snow loads" of at least one hundred (100) pounds per square foot. The snow loads shall be assumed to act vertically upon the area projected upon a horizontal plane.

M. Live Load Requirements for Balconies or Second Floor Decks: Table 1607.1 of the 2006 IBC, Item 5 pertaining to balconies, shall be amended to show a 100 p.s.f. snow load for all balconies and decks regardless of occupancy or size.

N. Section R301.2.2.3 of the 2006 IRC is amended by the addition of the following subsection R301.2.2.3.4, as follows:

R301.2.2.3.4 Engineering design for seismic resisting system. All structures including detached one and two family structures in Seismic Design Category C or greater shall have a lateral force resisting system designed in accordance with accepted engineering practice by the Engineer of Record. The effective seismic weight for such buildings shall include 35% of the flat roof uniform design snow load.

O. Snow Loads: Section R301.2.3 of the 2006 IRC shall be amended by the deletion of Section 301.2.3 in its entirety and replaced with the following language:

Section R301.2.3 Snow loads. All roofs shall sustain within the stresses limitations of this Code, all "dead loads" plus unit "snow loads" of at least one hundred (100) pounds per square foot. The snow loads shall be assumed to act vertically upon the area projected upon a horizontal plane.

P. 2009 IECC shall be amended as follows:

1. 2009 IECC Chapter 4, Residential Energy Efficiency.
a. Section 401.2 Compliance. Projects shall comply with Sections 401, 402.4, and 403.1, 403.2.2, 403.2.3, and 403.3 through 403.9 (referred to as mandatory provisions), and Section 405 (performance)

b. Sections 402.1 through 402.3, 403.2.1 and 404.1, shall be deleted.

c. Section 402.4.2 Air Sealing and Insulation. Building envelope air tightness and insulation installation shall be demonstrated to comply by Section 402.4.2.1, Testing Option.

d. Section 402.4.2.2, Visual Inspection Option, shall be deleted.

e. Section 405, Simulated Performance Alternative (Performance). This section shall be met using Residential Energy Services Network's (RESNET) Home Energy Rating System (HERS) by developing a simulated model of the proposed design and comparing it to the 2009 IECC standard reference design using a REM/RATE™ ENERGY ANALYSIS.

2. 2009 IECC Chapter 5, Commercial Energy Efficiency.

a. Section 501.2, Application. The Commercial Building project shall comply with the requirements of Section 506, provided Sections 502.4, 503.2, 504, 505.1, 505.2, 505.3, 505.4, 505.6, and 505.7 are each satisfied.

b. Sections 502.1 through 502.3, 503.3, 503.4, and 505.5 shall be deleted.

c. Section 506, Total Building Performance. Buildings less than 10,000 square feet shall comply with Section 506 using a COMcheck Energy Analysis. Buildings 10,000 square feet or more shall comply with Section 506 using Building Department Approved energy modeling software, including but not limited to the most recent published version of the following: eQuest, Trace, Carrier HAP, or EnergyPlus.

3. Climate Zone: Figure 902.1(13) 303.1(9) in the 2006⁹ IECC represents that the city of Hailey is in climate zone 16, the most extreme climate zone in Idaho. Said figure 902.1(13) 303.1(9) shall supersede the climate zone for the city of Hailey referenced in the 2006 IRC Table N 1101.2 for all construction.

Q. Section R309.1 of the 2006 IRC shall be amended by the deletion of Section 309.1 in its entirety and replaced with the following language:

R309.1 Opening protection. Openings from a private garage directly into a room used for sleeping purposes shall not be permitted. Other openings between the garage and the residence shall be equipped with either solid wood doors or solid or honeycomb steel doors not less than 1 3/8-inches thick, or 20-minute fire rated doors. Doors shall be self-closing and self-latching.

R. Section R309.2 of the 2006 IRC shall be amended by the deletion of Section 309.2 in its entirety and replaced with the following language:

R309.2 Separation required. The garage shall be separated from the residence and its attic area by means of a minimum 5/8-inch Type X gypsum board applied to the garage side of all walls and ceilings forming part of the separation. Where the separation is a floor/ceiling assembly, the structure supporting the separation shall also be protected by not less than 5/8-inch Type X gypsum board or equivalent. Garages located less than 3-feet from a dwelling unit on the same lot shall be protected with not less than 5/8-inch Type X gypsum board applied to the interior side of exterior walls that are within this area. Openings in these walls shall be regulated by Section R309.1. This provision does not apply to garage walls that are perpendicular to the adjacent dwelling wall unit.

S. Section 1605.2.1 of the 2006 IBC is amended by deleting the equations for coefficient f_2 and replacing the coefficient f_2 as follows:

$f_2 = 0.70$ for roof configurations that do not shed snow off the structure, and
 $f_2 = 0.42$ for other roofs

T. Exception 2 of Section 1605.3.1 of the 2006 IBC is amended by deleting Exception 2 and replacing Exception 2 as follows:

2. Flat roof snow loads of 30 psf (1.44kN/m²) or less need not be combined with seismic loads. Where flat roof snow loads exceed 30 psf (1.44kN/m²), thirty five percent (35%) shall be combined with seismic loads.

U. Exception 2 of Section 1605.3.2 of the 2006 IBC is amended by deleting Exception 2 and replacing Exception 2 as follows:

3. Flat roof snow loads of 30 psf (1.44kN/m²) or less need not be combined with seismic loads. Where flat roof snow loads exceed 30 psf (1.44kN/m²), thirty five percent (35%) shall be combined with seismic loads.

V. Section 1608.02 of the 2006 IBC shall be amended to designate the ground snow load, p_g , for Hailey as determined on a site specific (CS) basis to be 120 psf.

W. Section 1608 of the 2006 IBC is amended by the addition of a new Subsection 1608.3, as follows:

1608.3 Flat roof snow loads. The snow load, p_f in lb/ft², on a roof with a slope equal to or less than 5° shall be the greater of 100 psf or the value calculated using the following formula:

$$P_f = 0.7C_e C_t I_p g$$

X. Section 1613 of the 2006 IBC is amended by the addition of new Subsection 1613.7, as follows:

1613.7 Effective seismic weight. The effective seismic weight in Section 12.7.2 and Section 12.14.8.1 of the ASCE7-05 shall be amended as follows:

4. For all roofs regardless of roof slope 35% of the uniform design snow load shall be included in the effective seismic weight (W).

Section 4. Section 15.08.030 of the Hailey Municipal Code is amended by the addition of the underlined language, as follows:

15.08.030 Additional requirements. The following regulations shall apply in addition to those contained in the adopted codes and standards.

A. **Manufactured Homes:** The city of Hailey adopts by reference the "Idaho Manufactured Home Installation Standard" as published by the state of Idaho, September, 1999, compiled jointly by the Manufactured Housing Industry, as may be modified and adopted by the state of Idaho. Said "Standard" shall be known as the "Manufactured Housing Code."

B. **Special Natural Hazards:** Understanding that certain natural hazards exist in the jurisdiction including, but not limited to avalanche areas, earthquake, floodplain, snow loads, wildfires and soil qualities, site specific surveys and related engineering may be required as deemed appropriate by the authority of the jurisdiction.

C. **Plumbing and Electrical Inspections Prerequisite:** The framing inspection by the city of Hailey Building department shall not be conducted until the applicant has obtained a rough plumbing and electrical inspection from the Idaho State Plumbing and Electrical Inspectors. The final inspection shall not be conducted until the applicant has obtained a final plumbing and electrical inspection.

D. **Salvaged Building Materials:** The use of salvaged Building materials may be Approved by the Building Official upon receipt of a complete list of those materials accompanied with written approval of such materials by an Idaho Licensed Structural Engineer. Said materials shall be capable of meeting design criteria for the proposed project.

E. **Insulation of Stem Walls:** In reference to residential construction, perimeter stem wall insulation practices shall be considered as equal and equivalent insulation criteria when considering thermal Building envelope efficiencies using energy code thermal design parameters.

F. Increased energy efficiency and sustainable Building practices: An increase in energy efficiency by 10% above the 2009 IECC and other sustainable Building practices and materials shall be followed, as specified by Section 15.08.012, Build Better Program, provided the activity is not listed as an exception in Section 101.4.3 of the 2009 IECC or an exemption in Section 15.08.012. A. 3. 4., or 5.

Section 5. If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

Section 6. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 7. This ordinance shall be in full force and effect on January 1, 2011, following passage and approval and posting in at least five (5) public places in the City of Hailey.

ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR
this _____ day of _____, 2010.

Richard L. Davis
Mayor, City of Hailey

ATTEST: _____
Mary Cone, City Clerk (Seal)

Mary Cone

From: Kathy Grotto [kgrotto@bcoha.org]
Sent: Thursday, September 16, 2010 3:23 PM
To: Mary Cone
Cc: 'John Campbell'; Ned Williamson; Beth Robrahn; Heather Dawson
Subject: Old Cutters - New Business agenda item - 9/27 Council meeting
Attachments: letter to CC 9-16-10 re amended WMDC.pdf; Workforce Deed Covenant - adopted 8-25-10.pdf

Mary and all,

Attached is a letter and the referenced amended Workforce Market Deed Covenant for the 9/27 Council packet.

Thanks,
Kathy

Kathy Grotto
Executive Administrator
Blaine County Housing Authority

PO Box 550
Hailey, ID 83333

ph: (208) 788-6102
fax: (208) 788-6136





Blaine County Housing Authority
PO Box 550
Hailey, ID 83333

5 Galena Street East
208.788.6102 ~ 208.788.6136 Fax

September 16, 2010

Mayor Davis and City Council
City of Hailey
415 South Main Street
Hailey, ID 83333

RE: Workforce Market Deed Covenant

Dear Mayor Davis and City Council:

Enclosed for your reference is a copy of the amended Workforce Market Deed Covenant, adopted by the Blaine County Housing Authority (BCHA) Board of Commissioners on August 25, 2010, as the new standard document.

John Campbell of Old Cutters LLC has worked in cooperation with me and the Board over the past several months, and has indicated his desire to adopt this amended standard Workforce Market Deed Covenant for the 12 workforce community homes to be provided in the Old Cutters subdivision.

The amendments to the deed covenant are summarized as follows:

1. Section 1.5 (c) and Section 1.11 (b): Net worth of the buyer is limited to two times the sale price of the unit, instead of being based on the maximum allowed by the BCHA Guidelines (which is tied to income).
2. Section 2.1: Owners are required to reside in the property not less than 9 months (instead of 11 months) per year.
3. Section 2.5: A new paragraph adds a provision for annual compliance by signed affidavit and other information requested by BCHA, to ensure compliance with the terms of the deed covenant.
4. Section 4.2: Changes the percentage of appreciation due to BCHA so that it is based on appreciation in excess of 4% per year or according to the CPI, whichever is less.
5. Section 11.9: Adds a provision addressing what would happen if BCHA dissolves.

The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse and vibrant community.

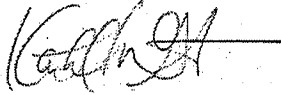
September 16, 2010
Mayor Davis and Hailey City Council
Page 2

The amendments are viewed as improvements to the deed covenant and may help to facilitate sales of the community homes within Old Cutters. BCHA appreciates Mr. Campbell's suggestions in this regard. The adoption by Old Cutters LLC of the amended BCHA standard document also forwards BCHA's goal to standardize deed covenants as much as possible.

While the City is not a party to the deed covenant, this document is referenced in the Community Housing Plan approved by the City. Therefore your approval of the amended deed covenant, so that it may replace the former version in the Community Housing Plan and any other relevant agreements, will be greatly appreciated.

Please don't hesitate to contact me if you have any questions.

Sincerely,



Kathy Grotto
Executive Administrator

cc: John Campbell, Old Cutters LLC

The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse and vibrant community.

Appendix D: Workforce Market Deed Covenant

Recording Requested By and
When Recorded Return to:

Blaine County Housing Authority
P.O. Box 550
Hailey, ID 83333

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

WORKFORCE MARKET DEED COVENANT

This Workforce Market Deed Covenant ("**Deed Covenant**") is made and is effective as of the first day of recording of this Deed Covenant ("**Effective Date**"), by and between _____ ("**Declarant**") and the BLAINE COUNTY HOUSING AUTHORITY, an Idaho independent public body corporate and politic, and its successors and assigns (collectively, "**BCHA**").

RECITALS

A. Declarant is the owner of the certain real property commonly known as _____ subdivision (the "**Subdivision**"). Declarant intends to develop the Subdivision as a single-family residential development. To satisfy a condition of approval for the Subdivision, Declarant is required develop a portion of the Subdivision more particularly described on **Exhibit A**, attached hereto and made a part hereof (the "**Property**") for the workforce market community housing and enter into this Deed Covenant with BCHA.

B. Pursuant to the terms and conditions of this Deed Covenant, Declarant hereby grants to BCHA an interest in the Property, as more specifically set forth herein. This interest shall allow BCHA to administer the terms and conditions of this Deed Covenant and of the Guidelines, defined below, but shall not be construed to impair the ability of a mortgagee to remedy a default or foreclose under the terms of a mortgage and/or deed of trust. Declarant and BCHA hereby agree that the Property shall be exclusively and permanently dedicated for use and occupancy by a "**Qualified Buyer**," defined below, as outlined in the Guidelines and in this Deed Covenant.

AGREEMENT

NOW, THEREFORE, for value received, the receipt and sufficiency of which are hereby acknowledged, and for the recitals above that are incorporated herein, and the covenants set forth herein, Owner and BCHA hereby represent, covenant and agree as follows:

Section 1: Definitions.

1.1 **“Actual Sales Price”** is the selling price of the Property without any deductions for the costs of sale, including, but not limited to, escrow and closing costs (including taxes and assessments), real estate sales commissions, and the repayment of debt.

1.2 **“Appreciation”** means the proceeds to the selling Owner after deducting the following from the Actual Sales Price: (i) the purchase price paid by the selling Owner; (ii) reasonable and customary escrow and closing costs (including taxes and assessments); (iii) a reasonable real estate sales commission not to exceed six percent (6%) of the Actual Sales Price, (iv) the administration fee due to BCHA pursuant to Section 4 below, and (v) the cost of Approved Capital Improvements.

1.3 **“Approved Capital Improvements”** are improvements as defined by Title 26 the United States Revenue Code, made to the Property by an Owner other than Declarant, and for which Owner has provided to BCHA evidence of completion and paid invoices.

1.4 **“BCHA”** is the Blaine County Housing Authority, an Idaho independent public body corporate and politic, and its successors and assigns.

1.5 **“Full time working resident”** shall mean a person who:

- (a) is currently employed full-time, meaning as a self-employed person or, through a single or multiple employers, working at least one thousand five hundred (1500) hours per year, except that full time teachers shall be deemed “full-time” if so certified by his/her employer;
- (b) shall have resided in Blaine County, Idaho, for not less than twelve (12) consecutive months prior to the date of qualification and/or shall have been employed full-time in Blaine County for not less than twenty-four (24) months prior to the date of qualification;
- (c) shall not have a net worth (as such term is defined in Generally Accepted Accounting Principles) in excess of two times the Actual Sales Price of the Property ; and
- (d) does not own any other developed residential real property or dwelling units in Blaine County, Idaho, or anywhere else in the United States of America;

1.6 The **“Guidelines”** are those certain Community Housing Guidelines, or its identified substitute, adopted by BCHA, or its successor, and in effect as of the applicable date for reference to such Guidelines. The BCHA may amend the Guidelines at any time in its sole and exclusive discretion, provided, however, (1) any such amendments must either be neutral or for the benefit of the Owner or be approved in writing by the Owner and become an amendment to this Deed Covenant; and (2) no amendments to the Guidelines shall affect the rights of the holder of a mortgage or deed of trust on the Property recorded prior to the date of recordation of the amendment unless such mortgagee or beneficiary agrees in writing to be bound by such amendment.

1.7 Without limiting the foregoing, the most current Guidelines were recorded in the official records of Blaine County, Idaho on _____ as Instrument No. _____.

1.8 An "**Owner**" is either: (a) Declarant, during Declarant's initial ownership of the Property; or (b) a Qualified Buyer, who acquires and owns fee simple absolute title to the Property, including an Owner who rents all or any portion of the Property, all in compliance with the terms and provision of this Deed Covenant. Such person or persons shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

1.9 The "**Property**" is that certain real property described in Exhibit "A" attached hereto and incorporated herein. For purposes of this Deed Covenant, the Property shall include, without limitation, all estates, rights, title and interest in and to the Property, at law and in equity, and all buildings, structures, appurtenances, improvements and fixtures associated therewith or attached thereto from time to time.

1.10 A "**Qualified Buyer**" is a person or group of people (i) meeting and in full compliance with the qualifications set forth this Section 1.8 and (ii) to whom a "Certificate of Qualification" (the "Certificate") has been issued by BCHA and which Certificate is in full force and effect at the time a contract for the Sale of the Property is entered into between an Owner and the Qualified Buyer and through closing of the transaction contemplating transfer of title to the Property. Because the Property is intended to be owned and occupied by a current or former full-time working resident of Blaine County, Idaho, a proposed buyer shall be either a full-time working resident or retired person, both as defined in Sections 1.5 and 1.10 respectively, to be deemed a Qualified Buyer. For the purposes of Section 1.5 and 1.10, an Owner is deemed to own other real property if the Owner own alone or in conjunction with others (whether natural person, companies, partnerships, corporations, trusts, or other entities) directly or indirectly, or controls, directs or appoints or has the ability to control, direct or appoint the occupancy of the real property. Each person whose name appears on the deed transferring title to the Property, shall meet the definition of a Qualified Buyer, except in the case of a husband and wife where only one spouse must meet the employment and residency requirements; provided, however, the husband and wife must not have a collective net worth that exceeds the net worth requirements.

1.11 A "**retired person**" shall mean a person who:

- (a) has (i) resided in or (ii) was either self employed full-time or was a full-time employee in Blaine County, Idaho, for not less than ten (10) out of the twenty-five (25) years prior to the date of qualification as described in Section 1.9 above ;
- (b) shall not have a net worth (as such term is defined in Generally Accepted Accounting Principles) in excess of two times the Actual Sales Price of the Property; and
- (c) does not own any other developed residential real property or dwelling units in Blaine County, Idaho, or anywhere else in the United States of America.

1.12 The terms "**Sell,**" "**Sale,**" "**Sale of**" or "**to Sell**" the Property shall include, without limitation, any transfer, purchase, sale, conveyance, grant, gift, bequest or devise, by merger, consolidation, dissolution, operation of law or otherwise, of the Property or any interest therein, in whole or in part. The terms Sale, Sale of or to Sell the Property shall not include any grant of

easement or partial conveyance for utility or public right-of-way purposes. The terms Sale, Sale of or to Sell the Property shall not include any grant of a security interest in the Property either by mortgage, deed of trust or otherwise, but shall include a Sale due to foreclosure or acceptance of a deed in-lieu of foreclosure.

Section 2: Use and Occupancy Requirements.

2.1 Subject to the rental provisions set forth below, Owner shall use the Property as Owner's sole place of residence. For purposes of the preceding sentence, the Property shall be deemed to be Owner's sole place of residence if Owner (i) is physically present on and residing in the Property for not less than nine (9) months in every twelve (12) month period (except for teachers, as more particularly provided in the Guidelines) and (ii) does not own any other dwelling unit in Blaine County, Idaho, or anywhere else in the United States of America. For purposes of the preceding sentence, an Owner is deemed to own another dwelling unit if Owner owns alone or in conjunction with others, directly or indirectly or controls, directs or appoints or has the ability to control, direct or appoint the occupancy of the dwelling unit.

2.2 Owner shall not use or allow the Property to be used for any business or commercial operation without first obtaining a home occupation permit or otherwise complying with all laws, rules, regulations and permits pertaining to such activities; provided, however, in no event (even with a home occupation permit) shall the primary use of the Property cease to be residential pursuant to the terms below. Owner shall not seek or consent to a change in the zoning designation of the Property without the prior written consent of BCHA, which consent may be granted, conditioned or withheld in BCHA's sole and absolute discretion. Furthermore, no business or commercial operation shall be conducted on the Property that materially interferes with or precludes the use and occupancy of the Property as a residence. The Property shall not be used as a "recreational" or "second home".

2.3 Subject to the right of hardship review contained in the Guidelines, an Owner shall have no right, except in extraordinary circumstances and only with the prior written approval of BCHA, which approval may be withheld in BCHA's sole discretion, and subject to BCHA's conditions of approval, to rent or lease all or any part of the Property for any period of time. BCHA shall not approve any rental if such rental is being made by Owner to utilize the Property as an income producing asset, except as provided below, and shall not approve a lease with a rental term in excess of twelve (12) months. A signed copy of the lease must be provided to BCHA prior to occupancy by each tenant. Any such lease approved by BCHA shall show the length of the lease term and the monthly rent. The monthly rent shall not exceed Owner's costs of ownership, which shall include the monthly expenses for principal and interest payments, taxes, property insurance, condominium or homeowners association assessments, any utilities remaining in Owner's name, and a reasonable and refundable security deposit. The selection of any tenant is at the sole risk of Owner. If the Property is financed through the Idaho Housing and Finance Association, further and more restrictive requirements with respect to rental of the Property to a non-owner may be applicable.

2.4 Owner shall comply with all laws, rules, regulations, and ordinances pertaining to the Property or the use or occupancy of the Property. Owner shall comply with any covenants, restrictions, rules or regulations encumbering the Property, including, without limitation, any

covenants, conditions or restrictions imposed by any homeowner's association of which the Property is a part.

2.5 Owner shall submit to the BCHA on not less than an annual basis, an affidavit confirming that the Owner, during the term of ownership, continues to meet the criteria of this Deed Covenant, and other information requested by the BCHA to certify compliance with this Deed Covenant.

Section 3: Transfer.

3.1 Except as expressly set forth in this Deed Covenant, Owner may only Sell the Property to a Qualified Buyer. Any Sale of the Property must comply with this Deed Covenant and the Guidelines. Any Sale of the Property not in compliance with this Deed Covenant or the Guidelines shall be null and void and shall not transfer any title or rights.

3.2 In the event that an Owner seeks to sell the Property, Owner shall complete, execute and deliver to BCHA a "Notice of Intent to Sell," as set forth in the Guidelines. The advertising and sale of the Property shall be at the sole cost and expense and responsibility of Owner; provided, however, that BCHA will cooperate in the sales effort including, but limited to, notifying potential Qualified Buyers on BCHA's applicant list.

3.3 The sale of the Property shall be subject to such transaction fees and other fees and expenses as may be reasonably imposed by BCHA from time to time as set forth in this Deed Covenant. Prior to close of any sales escrow, the selling Owner shall provide BCHA with a true and correct copy of the final purchase and sale agreement, the Acknowledgement of Deed Covenant executed by the Qualified Buyer, and an estimated closing statement showing the administrative fee to be paid to BCHA as required under Sections 4.1 and 4.2 below.

3.4 Owner is advised to seek professional assistance from a lawyer, accountant, licensed real estate salesperson or broker and/or other professionals with regard to the Sale or rental of the Property. BCHA does not represent and is not acting on behalf of Owner or the Qualified Buyer in the Sale or rental of the Property. BCHA is acting on its own account as to its interest in the Property pursuant to this Deed Covenant and any assistance, forms or directions provided by BCHA or as set forth in the Guidelines are to further BCHA's interest in the Property.

3.5 Nothing herein shall be construed to require BCHA to protect or indemnify Owner against any losses attributable to the rental, including but not limited to, non-payment of rent or damage to the Property, nor to require BCHA to obtain a qualified tenant for Owner in the event that none is found by Owner.

Section 4: Sale of the Property; Administration Fee.

4.1 Upon the initial Sale of the Property by Declarant, Declarant shall pay an administrative fee to BCHA in the amount of three percent (3%) of the Actual Sales Price.

4.2 Upon any subsequent Sale closing on or before the fifth (5th) anniversary of the close of escrow of the selling Owner's purchase of the Property, the selling Owner shall, at closing,

pay an administrative fee to BCHA in an amount equal to the greater of (a) three percent (3%) of the Actual Sales Price or (b) the percentage of the Appreciation in the year of Sale as set forth in the table below:

Year after purchase	Percentage of Appreciation due BCHA
1	75%*
2	60%*
3	45%*
4	30%*
5	15%*

*Percentage of appreciation in excess of 4% per year or according to the Consumer Price Index (Urban Wage Earners and Clerical Workers), whichever is less.¹

Without limiting the foregoing, the administrative fee in connection with a sale of the Property that closes more than five (5) years from the closing of the selling Owner's purchase of the Property shall be equal to three percent (3%) of the Actual Sales Price. Any debt assumed by the Qualified Buyer and the cash value of any services performed or goods delivered shall be included in determining the Actual Sales Price.

- (a) The administrative fee is earned by BCHA during the term of Owner's ownership of the Property and helps to support BCHA's activities in monitoring, development, and oversight of the Deed Covenant. This fee is independent of any fees required to be paid to licensed real estate brokers or attorneys who may be engaged by Owner or the Qualified Buyer in the Sale of the Property. BCHA may instruct the escrow company to pay the administrative fee directly to BCHA from the selling Owner's proceeds. If Federal National Mortgage Association (FNMA) or Federal Housing Administration (FHA) financing is used, there may be an additional fee charged by BCHA based on the amount financed.
- (b) The requirements of this Section 4.2 shall apply to every transfer of title and each successive Sale of the Property.

4.3 At close of escrow, the Qualified Buyer shall execute and deliver to BCHA an "Acknowledgment of Deed Covenant" in accordance with the Guidelines indicating that the Qualified Buyer is aware of the terms of this Deed Covenant and the Guidelines and agrees to be

¹ According to the following formula:

I_1 = Index for the month in which the Owner purchased the Property
 I_2 = Index published in or prior to the month such Owner delivers the Notice of Intent to sell to BCHA
 C = Number of whole calendar months between the date the Owner purchased the Property and the date the Owner delivers the Notice of Intent to sell to BCHA.

CPI Appreciation =

$$\text{Previous Sales Price} + \left(\text{Previous Sales Price} \div \left(\frac{I_1}{I_2} \right) - \text{Previous Sales Price} \right) \times \left(\frac{C+1}{C} \right)$$

NOTE: A negative CPI Appreciation shall be treated as zero for the purpose of this calculation.

bound thereby. A Qualified Buyer's failure to execute or deliver to BCHA a signed "Acknowledgment of Deed Covenant" shall not compromise, minimize or in any way affect the terms, covenants or conditions of this Deed Covenant or BCHA's interest herein, and the Qualified Buyer shall nonetheless be bound by and subject to this Deed Covenant, including all use and payment obligations set forth herein.

Section 5: Insurance and Casualty.

5.1 Owner shall at all times during Owner's ownership of the Property cause the Property to be insured with Causes of Loss – Special Form (formerly known as "All Risk") property insurance, or its equivalent, in an amount not less than the full replacement cost of all improvements on the Property at the time of loss with like kind and quality. If requested by BCHA, Owner shall cause BCHA to be named as an additional insured as its interests may appear by endorsement acceptable to BCHA and shall promptly deliver to BCHA a copy of Owner's insurance policy in conformance with this section. If the Property is damaged or destroyed, Owner shall promptly notify BCHA in writing. Owner shall thereafter promptly make a claim on any insurance policy covering such damage or destruction. The mortgagee shall have first claim on such proceeds to the extent necessary to pay mortgage principal and any accrued interest. In the event there are any proceeds available for distribution following payment to Owner's lender of all outstanding encumbrances, Owner shall thereafter have the option to either (i) take the remaining proceeds of any insurance settlement and repair or restore the Property to its condition prior to such damage or destruction, unless Owner obtains BCHA's prior written approval to repair or restore the Property to some other condition or state, or (ii) convey title to the Property and the remaining proceeds from the insurance settlement to BCHA.

Section 6: Encumbrances.

6.1 Owner shall promptly pay when due all monetary liens, taxes, assessments, and encumbrances on the Property and shall otherwise comply with the terms and provisions of any deed of trust, mortgage or other loan documents pertaining to the Property. Owner shall instruct all lenders and his/her/their assigns to copy BCHA on all communications relating to any loan on the Property and within five (5) days after Owner's receipt, Owner shall provide BCHA with copies of any written communications from any lender not otherwise delivered to BCHA. In the event that BCHA initiates any enforcement or default action against Owner, BCHA shall, within five (5) days after commencement of such action, notify the mortgage holder of such action.

6.2 After any default, late payment, or missed payment on any loan or encumbrance on the Property or, if a nonconsensual lien is filed upon the Property, Owner shall, upon the written request of BCHA, participate in loan counseling, budgeting, financing or distressed loan services, classes or programs.

6.3 Any breach of this Deed Covenant shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value, but, except as otherwise provided in Sections 6.4 and 6.5, this Deed Covenant shall be binding upon and be effective against any Owner whose title is acquired by foreclosure, trustee's sale or otherwise.

6.4 In the event of any foreclosure of a purchase money mortgage or deed of trust in a first priority position on the Property (but subject to this Deed Covenant and applicable law), such foreclosing party ("Foreclosing Party") shall only sell the Property to a Qualified Buyer through a duly called and noticed foreclosure sale.

- (a) The Foreclosing Party shall notify BCHA in writing of any pending foreclosure concurrent with the date the trustee or beneficiary files for record the notice of default as required by Idaho Code Section 45-1505 (2005) or the mortgagee serves upon the mortgagor an action for foreclosure and thereafter the Foreclosing Party shall send to BCHA a copy of all notices sent to Owner; and
- (b) At any time prior to the foreclosure sale and upon request of BCHA, the Foreclosing Party shall agree to grant, bargain, sell, transfer and convey to BCHA the entire debt obligation owed to the Foreclosing Party and BCHA shall take full assignment of the debt obligation, promissory note, and other loan documentation, including foreclosure rights, for an amount not to exceed the Foreclosing Party's actual principal and interest due together with foreclosure costs not exceeding those reasonable and customary in the lending industry. BCHA may, but shall not be obligated to, purchase the debt obligation for less than the amount calculated if BCHA and the Foreclosing Party so agree.

6.5 In the event BCHA does not elect to purchase the debt obligation pursuant to Section 6.4(b) and the Foreclosing Party has strictly adhered to Section 6.4, or in the event BCHA has taken assignment of the debt obligation and is the Foreclosing Party, the Foreclosing Party may proceed with the foreclosure action and the Property may be sold to a person other than a Qualified Buyer. Proceeds, if any, from the foreclosure sale shall be distributed in accordance with this paragraph. Costs of foreclosure, including trustee services, sheriff's fees, and similar costs, and all amounts due the Foreclosing Party shall have first priority to the sale proceeds. Next, Owner shall be entitled to any amount in excess of the amounts paid in the preceding sentence less the administrative fee due BCHA pursuant to Section 4.2. Provided that the Foreclosing Party has strictly adhered to the requirements of Sections 6.4 and 6.5 and all rights of redemption or challenges to the validity of enforceability of the foreclosure sale have expired, this Deed Covenant, and the rights of the BCHA hereunder, shall terminate.

6.6 Any deed in lieu of foreclosure shall be subject to the requirements of Sections 6.4 and 6.5 with respect to notice to BCHA, option and rights of BCHA to purchase or take assignment of the debt obligation, and limitation of the recoverable mortgage principal amount.

6.7 If the Property is financed under the Mortgage Revenue Bond program administered by the Idaho Housing and Finance Association, various requirements of that program may be more stringent than those set forth in this Deed Covenant and, in such case, those more stringent requirements shall prevail.

Section 7: Indemnity, Waiver and Release.

7.1 Owner acknowledges and agrees that BCHA, its agents, employees and contractors, are not making, have not made and expressly disclaim any representations or warranties, express

or implied, with respect to any Qualified Buyer and/or with respect to any aspect, feature or condition of the Property including, without limitation, the existence of hazardous waste, defined below, the suitability of the Property for Owner's intended use, Owner's ability to Sell the Property for the same or greater price paid by Owner or in a timely fashion. Owner and Qualified Buyer shall independently verify all information and reports regarding any aspect or feature of the Property, an Owner or a Qualified Buyer provided by BCHA. BCHA does not guaranty the accuracy of any information or reports provided by BCHA, its agents, employees or contractors. To the fullest extent permitted by law, Owner and Qualified Buyer release BCHA from any and all liability relating to any aspect or condition of the Property, known or unknown, foreseeable or unforeseeable, actual or contingent, arising by statute, common law or otherwise. As used herein, the term "hazardous waste" shall mean any hazardous waste or pollutants, contaminants or hazardous waste as defined by the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1990 and any amendments thereto, the Resource Conservation and Recovery Act and any amendments thereto, and any similar state, local or federal law, rule or regulation including, without limitation, asbestos or asbestos containing materials, PCBS, petroleum and petroleum products and urea-formaldehyde.

7.2 Owner hereby releases and shall indemnify, defend and hold harmless BCHA, its Commissioners and employees from and against any and all claims, damages, liability, causes of action, judgments, expenses (including attorneys' fees and attorneys' fees on any appeal) (collectively "Claims") arising from Owner's use or occupancy of the Property, and shall further indemnify, defend and hold BCHA, its Commissioners and employees harmless from and against any and all Claims arising from any breach or default in the performance of any obligation on Owner's part to be performed under the terms of this Deed Covenant, or arising from any act, omission or negligence of Owner, or any of its agents, contractors, tenants, occupants or invitees, and from and against all Claims or any action or proceeding brought thereon; and in case any action or proceeding be brought against BCHA, its commission or employees by reason of any such Claim, Owner, upon notice from BCHA, shall defend the same at Owner's expense by counsel reasonably satisfactory to BCHA. Owner, as a material part of the consideration to BCHA, hereby assumes all risk of damage to property or injury to persons in, upon or about the Property from any cause and Owner hereby waives all Claims in respect thereof against BCHA, its Commissioners or employees except those to the extent (if any) Claims are caused by BCHA's gross negligence or wilful misconduct.

7.3 BCHA, its Commissioners or employees shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Owner, or any tenants, occupants or invitees to the Property, or any other person in or about the Property caused by or resulting from fire, steam, electricity, gas, water or rain, freezing, or leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air condition, lighting fixtures or other aspect or features of the Property.

Section 8: Default.

8.1 Upon the expiration of thirty (30) days' (ten [10] days' for the failure to pay money) following written notice from any party (the "Nondefaulting Party") bound or benefited by this Deed Covenant stating the other party (the "Defaulting Party") has failed to perform its obligations hereunder, the Defaulting Party shall be deemed to be in default unless such failure to

perform is cured within the thirty (30) day (ten [10] day for the failure to pay money) period, in which case no default shall be deemed to have occurred. Notwithstanding the foregoing sentence, if such default (other than the failure to pay money) cannot be cured within the thirty (30) day period and the Defaulting Party is diligently working to remedy the default, the cure period may be extended for such time as is reasonably necessary to cure the default.

8.2 In order to ensure compliance with the provisions of this Deed Covenant, BCHA, by its authorized representative, may inspect the Property between the hours of 8:00 AM and 5:00 PM, Monday through Friday, or at such other time as may be agreed to by Owner and BCHA, after providing Owner with not less than twenty-four (24) hours' prior written notice.

8.3 Upon receipt of a notice of default and prior to the expiration of the applicable cure period, an Owner may request in writing a hearing before BCHA Board of Commissioners to determine the merits of the allegations. Upon BCHA's receipt of a hearing request, the remainder of the applicable cure period shall be tolled pending the outcome of the hearing, and a hearing shall be held at the next regularly scheduled meeting of BCHA Board of Commissioners. If no hearing is requested in writing during such time period and the violation is not cured within the applicable period, Owner shall be in default of this Deed Covenant. If a hearing is held before BCHA Board of Commissioners, the decision of BCHA Board of Commissioners shall be final for purposes of determining if a violation has occurred.

8.4 No breach of this Deed Covenant shall entitle any Owner, Qualified Buyer, BCHA or any other party affected by this Deed Covenant to terminate this Deed Covenant, but such limitation shall not affect in any manner any other rights or remedies which such persons or entities may have hereunder by reason of any breach of this Deed Covenant.

Section 9: Remedies.

9.1 In the event of a default or breach of any term, covenant, warranty or provision of this Deed Covenant that remains uncured following written notice and expiration of the applicable grace period, the Nondefaulting Party may, but is not obligated to, at any time thereafter without limiting the exercise of any right or remedy at law or in equity which the Nondefaulting Party may have by reason of such default or breach:

- (a) Seek specific performance of this Deed Covenant;
- (b) Perform any work, pay any amounts due, or complete any duties or obligations of Owner and otherwise exercise any self-help remedies;
- (c) Enjoin any Sale of or proposed Sale of the Property; and
- (d) Require the immediate Sale of the Property to a Qualified Buyer in accordance with Section 3.2, modified as follows: the initial listing period for the Property shall be thirty (30) days. At the time of listing the Property for sale, Owner shall deposit with BCHA an amount equal to one percent (1%) of the estimated sales price of the Property. If a sales contract has not been executed within the first thirty (30) days, Owner shall extend the listing period for an

additional one hundred eighty (180) days or such shorter period that does not conflict with the statutory rights of any secured creditors. BCHA shall promptly advertise the Property for sale by competitive bid to Qualified Buyers. At the time of close of escrow, Owner shall pay to BCHA the fees provided in Sections 4.2 above and any additional fee as provided in the Guidelines. In the event of a listing of the Property pursuant to this Section 9.1, BCHA is entitled to require Owner to accept the highest of any qualified bids that is equal to or greater than the amount that at least satisfies Owner's financial or other obligations due under the promissory note secured by a first mortgage or first deed of trust and any deed of trust in favor of BCHA, as described herein, and to sell the Property to such qualified bidder. The listing and sale of the Property shall be subject to such listing, sales and other fees and expenses as may be imposed by BCHA from time to time as set forth in the Guidelines.

9.2 In the event BCHA pays any amount payable by Owner or incurs any expense due to the default of Owner, such amount shall be immediately due and payable by Owner upon receipt of an invoice from BCHA. Interest shall accrue from the date the invoice is received by Owner to and including the date BCHA receives payment in full at a rate equal to twelve percent (12%) per annum. Furthermore, in the event Owner does not pay the invoice in full within ten (10) days after receipt, BCHA may file a lien on the Property for the amount of said expenses plus accrued interest as set forth above and such lien shall be effective upon recording in the official records of Blaine County, Idaho. Upon any Sale of the Property, if Owner has not previously paid all amounts due BCHA, BCHA shall be paid the amounts it is due from the sale proceeds and any escrow company or closing agent handling the transaction shall be bound to pay such amounts due as though specifically instructed by Owner and Owner agrees to so instruct the escrow agent and acknowledges the same. Notwithstanding the foregoing sentence, BCHA's right to the sale proceeds shall not have priority over any lien on the Property recorded prior to any lien filed by BCHA. In the event BCHA does not file a lien for the amounts it is due, BCHA's claim shall be subordinate to any recorded lien on the Property. Nothing in this Section shall be construed as a waiver of BCHA's lien, even if BCHA does not file or record the lien.

9.3 Nothing herein shall be deemed to impair any right of a mortgagee of a Property from curing any default by an Owner of his or her financial obligations with respect to such Property.

Section 10: Notices.

10.1 All notices given pursuant to this Deed Covenant shall be in writing and shall be given by personal service, by United States certified mail (return receipt requested) or by United States express mail or other established commercial express delivery service with signature confirmation required, postage or delivery charge prepaid, addressed to the appropriate party at the address set forth below. If a notice is delivered to Owner by personal service or by United States express mail or other established express delivery service such notice may be delivered to the Property. If a notice must be given to a person other than one designated below or otherwise sent to Owner, such notice shall be sent to the person and address shown on the then current real property tax rolls of Blaine County, Idaho. All notices given to the appropriate party shall be sent to the address set forth below:

To Declarant: _____

To BCHA: Executive Director
BLAINE COUNTY HOUSING AUTHORITY
P.O. Box 550
Hailey, ID 83333

The person and address to which notices are to be given may be changed at any time by such party upon written notice to the other party. All notices given pursuant to this Deed Covenant shall be deemed given upon receipt.

10.2 For the purposes of this Section 10, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document if hand delivered to the address specified pursuant to Section 10.1 as shown on the delivery document, (ii) three (3) days following deposit with the United States mail, or (iii) one (1) day following deposit with an established commercial express delivery service (such as FedEx).

Section 11: General Provisions.

11.1 Runs with the Land; Termination. This Deed Covenant shall run with the land until January 1, 2099, after which time, these covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing (Notice of Termination of Covenant), signed by then Owners of the Property and the jurisdiction in which the Property is located [City of _____ OR Blaine County] has been recorded certifying that there is no successor in interest to BCHA or any successor in interest. The termination shall be effective upon recordation of the Notice of Termination of Covenant.

This Deed Covenant shall inure to the benefit of BCHA and be binding upon Owners, his/her/their heirs, personal representatives, successors and assigns, and upon any person or entity acquiring the Property, or any portion thereof, or any interest therein, whether by merger, consolidation, dissolution, operation of law or otherwise; provided, however, that if any Owner Sells all or any portion of the Property in accordance with this Deed Covenant, such Owner shall thereupon be released and discharged from any and all obligations as Owner in connection with the Property arising under this Deed Covenant after the Sale but shall remain liable for all obligations arising under this Deed Covenant prior to the Sale. The new Owner of the Property or any portion thereof (including, without limitation, any Owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be liable for all obligations arising under this Deed Covenant with respect to the Property or portion thereof after the date of Sale.

11.2 In the event any party bound or affected by this Deed Covenant initiates or defends any legal action or proceeding in any way connected with this Deed Covenant, the prevailing party in any such action or proceeding, including any appeal, (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be

deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

11.3 Whenever possible, each provision of this Deed Covenant and any other related document shall be interpreted in such a manner as to be valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions of this Deed Covenant or related document.

11.4 The laws of Idaho, without giving effect to its choice of law principles, govern all matters with respect to this Deed Covenant, including all tort claims.

11.5 This Deed Covenant may only be amended by a written agreement that identifies itself as an amendment to this Deed Covenant, is approved by and is signed by each Owner of the Property encumbered by this Deed Covenant and BCHA.

11.6 Paragraph or section headings within this Deed Covenant are inserted solely for convenience of reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

11.7 The parties to this Deed Covenant, and Owners, agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Deed Covenant or any agreement or document relating hereto or entered into in connection herewith. Such further documents include, but are not limited to, affidavits and certifications required by BCHA to establish Owner's ongoing compliance with this Deed Covenant and the Guidelines.

11.8 The failure of BCHA to insist upon strict performance of any terms, covenants or conditions of this Deed Covenant shall not be deemed a waiver of any rights or remedies BCHA may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any terms, covenants or conditions of this Deed Covenant by the same or any other person or entity. A party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.

11.9 In the event a contract for services or similar agreement between BCHA and the [City of _____ OR Blaine County] is terminated or if BCHA dissolves, BCHA shall convey and assign its interest in this Deed Restriction to the [City of _____ OR Blaine County] in a form duly executed and recorded in the records of the County Recorder of Blaine County, Idaho.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the day and year above first written.

THE BLAINE COUNTY HOUSING
AUTHORITY

DECLARANT:

By: _____
Executive Administrator

Name: _____
Title: _____

STATE OF IDAHO)
) ss.
County of Blaine)

On this ____ day of _____, _____, before me, the undersigned, a notary public in and for the State of Idaho, personally appeared _____, the Executive Director of the BLAINE COUNTY HOUSING AUTHORITY, an Idaho independent public body corporate and politic, known to me, or proven to me by oath and identification, to be the person whose name is subscribed to this instrument, and acknowledged to me under oath that he executed the same on behalf of said housing authority.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Name: _____
Notary Public for Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of Blaine)

On this ____ day of _____, _____, before me, the undersigned, a notary public in and for the State of Idaho, personally appeared _____, known to me, or proven to me by oath and identification, to be the person whose name is subscribed to this instrument, and acknowledged to me under oath that he/she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Name: _____
Notary Public for Idaho
Residing at _____
My commission expires _____

[NOTE: IF OWNER IS A COMPANY OR CORPORATION,
INSERT CORRECT FORM OF ACKNOWLEDGMENT.]

Exhibit "A"

legal description of Property

_____, Blaine County, Idaho,
according to the official plat thereof, recorded _____, _____, as
Instrument No. _____, records of Blaine County, Idaho.