

**MINUTES OF THE VIRTUAL MEETING OF THE  
HAILEY CITY COUNCIL  
HELD APRIL 20, 2020  
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 4:00 P.M. by Mayor Martha Burke. Present were Council members Kaz Thea, Juan Martinez, Heidi Husbands, and Sam Linnet. Staff present included City Attorney Christopher P. Simms, City Administrator Heather Dawson, and City Clerk Mary Cone.

4 pm call to order by Mayor Burke

Recorded through Gotomeeting.

Public comments:

No public comments

**OLD BUSINESS:**

*OB 179 Further discussion of a request from ARCH to put vacant City-owned property into a long-term lease for rental and ownership employee/workforce housing to be located on Parcel O, Block 62, Woodside Subdivision #15, which is a one-acre lot east of Woodside Boulevard where it intersects with Countryside Drive **ACTION ITEM***

Simms providing background, issue tonight to discuss particulars of the agreement with ARCH. ARCH is asking for the land to be given to them. The city staff became concerned that maybe that is not what is in the best interest of the city. Staff is recommending a 70-year term, with a reversionary clause, if property ceases to be ARCH housing.

4:05 Michelle Griffith, last item, from state housing agency, funders of the development with 99-year leases. We don't have a choice, HUD requires this 99-year lease, same as what we've done in previous properties. The most relevant point is the use of the land. You do want provisions that ARCH must follow the uses of the property. That is what is the critical use of the property. Griffith does not think the city would exercise those privileges, the objective it to provide affordable housing. Do what HUD tells us to do, or we need to give back the money. Another discussion point, does the city want to prioritize the people with priority.

Griffith presents all options. Prioritize certain populations, new to program, some cities has done this, none give priority to job type. Griffith urges city council to not recommend prioritizing city employees.

4:13 asks about Ketchum affordable housing where they sub-lease the units when people move out of the area. Would like to hear clarification on this. Griffith, yes, that is the case, no federal money used when building it, housing authority manages this, different than the position under

ARCH. Only allowed in Hailey if active military or teacher, allows for sublet. And, must lease to family that meets the income criteria.

4:16 Heidi Husbands asks question about Blaine Manor site apts. No jobs or groups. One bldg., is for seniors, other building is meet income requirements. Husband asks about retired people with wealth. Griffith, we do check assets and income for renters.

4:18 Linnet what happens if ARCH ceases to exist? Griffith responds, would find another agency to manage the leases of these properties. We contract with another company not BCHA anymore.

Linnet, reversionary clause, Griffith you should have one,  
Linnet can there be a restriction on short-term rentals? Griffith, yes there can.  
Thea asks, is this part of what already exists, because not allowed by the contract language.

Horowitz 4:23, IHFA has not done 70-year leases, 50 is not being done in the country. Overtime forward thinking to offer to employees. Griffith responds, there may be other agreements with 70-year lease with other firms maybe USDA loan money. For this program, this is our option.

Thea want to talk about term of lease. Can you prioritize rental and ownership differently?  
Griffith can do different and have tiers within them.

4:26 Husbands, rental and ownership are 99 years, ownership is perpetual 99 year lease every time they sell. Griffith responds, yes time clock starts over with each new purchase.

Linnet does not have huge issues with the 99-year lease term. This is a contract and we can re-negotiate with ARCH in the future if needed, better terms if we need to. Agrees with Griffith, don't see us taking property from people within the 99 years.

Thea, can part of the property revert back to Hailey, non-ownership parcels? Griffith, yes that could be done. Agrees with Martinez and Linnet. Does not have a problem with a 99-year lease on this.

Husbands, okay with this 99- year term.

Discussion of priority of applicants.

4:33; Linnet has not thought much about this issue. City should take care of our employees and all residents of Hailey. Not sure if we should be prioritizing any group of people. Would like to see this open to all but can be persuaded.

4:35 Thea not set on whether to prioritize group. Agrees with Linnet, affordability runs the gamut, not just one job sector is struggling, but does think because we are donating this property, it does make sense that we prioritize city employees. If no need, then goes to next in line, gives a bit of priority. Secondary piece, makes sense to her live / work, would like them to work in

Hailey. Likes ideas of living and working in Hailey. For many reasons, it is important to live and work in Hailey, and would like this to be a priority too.

4:38, Martinez, don't think that we should decide today. There is economic inequality in many jobs. ARCH's vetting will find appropriately qualified people. It is hard to recruit talent because living is hard to come by.

Husbands, have a tendency to lean towards priority to city of Hailey employees. With new units in Blaine Manor, no priorities in these units. Would like more sustainability, bike to work, carpool, but understand there are needs out there in all sectors.

Linnet, big picture, don't want to be perceived as city taking care of our employees, want to make sure we don't look like we are taking care of employees at the expense of citizens. If city employs people, must pay a decent wage. We should pay a living wage instead of putting a priority. Maybe a policy consideration change. Still does not think should prioritize employees, but want to prioritize, people that work in Hailey

Mayor Burke, questions in interviews, can you afford to live here? We won't be able to compete with wages offered by Ketchum and Sun Valley are able to pay. We owe it to our employees to give this opportunity. Even if a rental, moving here, don't want to lose employees because they cannot afford to live here. Still leaning towards prioritizing city employees. Want city land to be offered to city employees as a priority.

Martinez, important to keep the benefit to Hailey in mind. Important to remain fair.

Griffith 4:48, no statistics yet as this is a new ability. Hailey will be the statistic. Getting good city staff does benefit everyone in your city. Need a decision soon if not tonight. How quickly can you decide if not tonight?

Burke, asks Griffith, can apply with certain information, at time of rental or ownership, Griffith, not sure if we can do that later.

Linnet, can we have this on the next meeting, and then have more time to think about this and decide relatively soon.

Horowitz, next meeting is April 27<sup>th</sup>, it is a full agenda.

Thea, we are not saying no to others, only giving employees first chance at property. It would be nice for us to be able to prioritize employees. We are not saying no to others, there is a good reason to give priority to employees.

Linnet, counters an argument, how are other citizens going to be treated. There is merit in giving priority to employees.

5:00 Horowitz, as we look at other resort cities, they are providing housing for their employees, this would be a tangible thing that we could do.

4:55 Martinez, how would this priority work? Griffith, describes, would give them a 2 week up front window, (some type of headstart to get application in), then would open up to other applicants. It would not be as overt as jumping ahead in line.

4:57 – Burke suggests a list of priority, city employees, emergency responders, teachers, is that how it would work? Griffith, agreed, yes. Would work through all priorities.

Burke, could also name working in Hailey as priority.

Husbands, what about emergency responders, want all priority to be on Hailey jobs.

Burke, suggests, priority, employees and people working in Hailey. Thea, primary job in Hailey.

Burke asks for motion on ground lease agreement.

**5:02, Linnet moves to approve Ground Lease, Thea seconds, motion passed with roll call vote. Linnet, yes. Martinez, yes. Thea, yes. Husbands, yes.**

Staff reports:

Horowitz, delivered 91 posters and handouts of the Construction guidelines to all Hailey Construction sites.

**Linnet makes motion to adjourn, Thea seconds, motion passed unanimously.**

Simms, will put amended lease on Consent agenda for your review and approval in future meeting.