

JANUARY 2023



HAILEY HOUSING REPORT





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MAYOR'S MESSAGE



January 23, 2023

Councilmembers and Constituents,

The people of Hailey are the beating heart of our community. They are our baristas, plow drivers, first responders, teachers, accountants, neighbors, dog walkers, and so much more. While access to affordable housing has been a longstanding challenge in the Wood River Valley, the need has grown to unprecedented levels.

It is my pleasure to lead the City in committing \$550,000 of Hailey's 2022-2023 annual budget to community housing. This report details:

- how the financial commitment to housing is being deliberated and obligated;
- a track record of the City's strategic planning, progress, accomplishments;
- the effectiveness of our community partnerships; and
- what's on deck-- more solutions!

Together-- through community partnerships, caring neighbors, and creative solutions-- we can grow to increase the accessibility and availability of housing in our town. I look forward to working with the Council and our community on shaping and achieving housing solutions for everyone in Hailey.

Respectfully,

Martha Burke, Mayor
City of Hailey

OVERVIEW



HOUSING IN HAILEY

The need for workforce housing in Hailey and the larger Wood River Valley is longstanding, yet it has grown to crisis levels in recent years. The availability and affordability of housing here is challenged by historically high building costs; our proximity to the seasonal and resort-based economy of Sun Valley; prices driven by second-home owners and newer remote workers; land scarcity; and underbuilding, nationally and locally. **Housing insecurity and shortages challenge Hailey's pride in being home to the "locals" and workforce of the valley.** Beyond cultural pride, this tenet of Hailey's identity shapes the City's day to day operations and priorities. Housing maintains its own section in the City's Comprehensive Plan, plus it is central to two other sections— the Land Use, Population and Growth Management and the Demographics, Cultural Vitality, Social Diversity & Well-Being sections. As stated in the Plan, **accessible housing is key to the vibrancy and sustainability of life in Hailey.**

We need a diversity of local and accessible housing options to support of our local businesses, provide necessary government services, avoid congestion and maintain safety on our roads, sustain our beautiful environment, and preserve the cherished qualities of Hailey. Please read on to learn about everything the City is doing to create a more accessible and inclusive housing market in Hailey.

Goals	Indicators	Desired Trends or Benchmarks
8.1 Encourage development that provides opportunities for home ownership and rental homes for individuals and families of all socio-economic levels.	Supply of Affordable Rental Housing	⬆️
	Percent of Income for Housing Costs	⬇️
	Home Affordability	⬆️
	Housing Costs in Relation to Income	⬇️
	Distribution of Community Housing Units	⬆️
	Public Dollars Spent for Community Housing	⬆️

HAILEY HOUSING POLICY STATEMENT



The City is scheduled to undertake a Comprehensive Plan update and Housing Action Plan in 2023. Meanwhile, the City has adopted the following goals as an Interim Housing Policy Statement:

City Employees

Work with existing and new employees who seek housing, are housing-burdened, and/or wish to move on the continuum towards home ownership.

Housing Providers

Strengthen and/or expand our partnerships with new and emerging community housing providers, including both rental and for-purchase housing.

Community Partnerships

Partner with housing organizations, local governments, and others to increase community housing supply.

Local Employers

Work with area employers on securing employee and community housing, particularly Hailey employers.

Housing Diversity

Continue to promote housing diversity by enabling the production of a wide variety of housing types in applicable zoning district.

Municipal Code

Continue to implement code changes that increase local community housing units, market opportunities, and housing accessibility.

City Employee Housing Assistance Program

The City of Hailey understands that communities are stronger and more resilient when its people are able to live near where they work. The City seeks to incentivize its employees to reside in Hailey. The City's new Employee Housing Assistance program will provide housing assistance to any permanent full-time employee who is deemed "housing burdened." As deemed by the U.S. Department of Housing and Urban Development, someone who is 'housing burdened' spends 30% or more of their adjusted gross income on rent or mortgage, utilities, and other relevant housing costs.

In addition to the housing assistance program for City employees, the City is exploring the merits and feasibility of other housing partnerships and programs to increase:

- **Housing on City-owned parcels**
- **Dedicated revenue streams**
- **Deed restricted units**
- **Employee housing**

HOUSING INVENTORY



Discussions about housing are grouped into two main categories: “market housing” and “community housing”-- both are needed for a healthy housing economy. Market housing is not defined in Hailey's Municipal Code, but is generally considered to be any and all housing that is not restricted-- in terms of sales, rental price, residency, or occupancy. Community Housing Units are defined in the Hailey Municipal Code as follows:

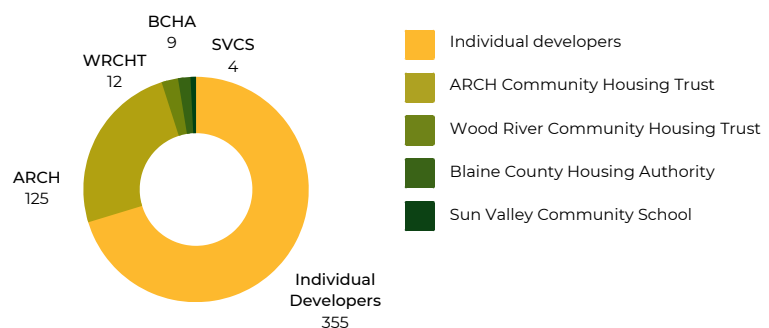
15% of Hailey's housing market is **community housing**

COMMUNITY HOUSING UNIT: Through a deed restriction, a dwelling unit that is restricted by size, type and cost, and/or that is for sale or rent exclusively to individual(s) meeting income, occupancy and/or other affordable community housing criteria established in a community housing plan approved by the City of Hailey.

Both market and community housing units may span all housing types, from single family homes to duplex, townhouse, cottage, or accessory dwelling units. Staff has developed an inventory of **505 community housing units in Hailey**. Overall, these 505 existing community housing units equate to approximately **15% of Hailey's housing stock of 3,400 units**. An additional 87 community housing units in Hailey are in progress, meaning that they are being planned, have been approved, and/or have an active building permit.

Community Housing Providers in Hailey

While local partners are instrumental in securing private and public funding to create or support community housing in Hailey, a mix of developers currently provide the bulk of Hailey's community housing units.



PLANNING FOR HOUSING



In line with the goals set forth in Hailey's Comprehensive Plan, the City regularly revises the Hailey Municipal Code to encourage the quantity and diversity of housing types in the community. The following Text Amendments prescribe to "smart growth" measures that aim to both maintain a high quality of life in Hailey and accommodate the community's housing needs:

	TEXT AMENDMENT	APPLICABLE ZONING DISTRICT	APPROVAL DATE
COMPLETED	Establishment of Small Residential Overlay (SRO)	Downtown Core: Business	8/7/2017
	Establishment of Downtown Residential Overlay (DRO)	Downtown Core: Business, Limited Business, General Residential	8/13/2017
	Amendment: Timeline Extension for Final Plat Submittal	All Zoning Districts	12/9/2019
	Establishment of Accessory Dwelling Unit Code (ADU)	All Residential Zoning Districts	1/25/2021
	Policy: Seasonal Recreational Vehicle Living	All Zoning Districts	6/28/2021
	Amendment: Reducing Base Setbacks	General Residential	8/9/2021
	Amendment: Lot Coverage Increase for <4,500 sqft Lots	Townsite Overlay: General Residential, Limited Residential	3/14/2022
	Amendment: Planned Unit Development (PUD) Code	All Zoning Districts	5/9/2022
	Establishment of Tiny Homes (adoption of Appendix Q)	All Residential Zoning Districts	5/23/2022
	Policy: RV Occupancy with Active Building Permit	All Zoning Districts	7/11/2022
CURRENT	Rezone: 525 North 1st Avenue into DRO	Townsite Overlay: General Residential	8/22/2022
	Amendment: Co-Living Dwelling	Limited Business, Business	1/17/2023
UPCOMING	Establishment of Tiny Homes on Wheels (THOW)	All Residential Zoning Districts	2/13/2023
	Rezone: Corners of 1st & Myrtle Avenue into the DRO	Limited Business, General Residential	
	Establish: Business Owner Housing	Light Industrial	
	Amendment: Reduce Minimum Lot Sizes	All Residential Zoning Districts	
	Amendment: Develop Cottage Unit Standards	All Residential Zoning Districts	
	Ballot measure: Reallocate 0.5% of 1% for Air Service to Housing	All Residential Zoning Districts	

Overall, each of these Text Amendments addresses:

- density & infill development in strategic locations
- flexibility & convenience for those seeking housing
- new & emerging housing types

COMMUNITY PARTNERSHIPS



Through the years, the City of Hailey has financially supported Community Housing through partnerships with other housing providers. Some of our key partners are listed below.

The City of Hailey coordinates its planning efforts with the other Wood River Valley municipalities, as well as with employers, the real estate industry, and developer stakeholders. Private industry stakeholders are key to regulating and tracking housing programs, such as those involving but not limited to the short-term rental market and the City's new employee housing assistance program.

Partnerships are key to Hailey's progress and accomplishments.

With partnerships at the core, the City is rolling out new programs to support housing accessibility. For the first time, the Hailey City Council earmarked \$500,000 for community housing in the FY 2022-2023 Capital Improvement Plan plus \$50,000 of its General Fund to launch an Employee Housing Assistance program.

Are you housing burdened?

Someone who is **'housing burdened'** spends 30% or more of their adjusted gross income on rent or mortgage, utilities, and other relevant housing costs.

If you're in search of housing or housing burdened, check out the resources and services offered by our community partners. The following organizations may provide you with financial support, as well as rental and ownership opportunities:



LOOKING FORWARD

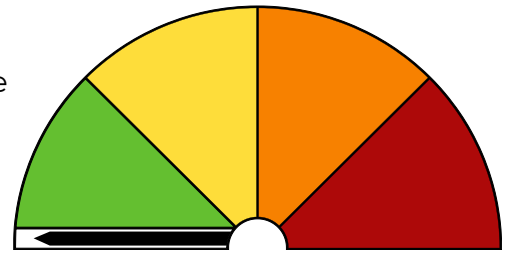


Tiny Homes on Wheels

Hailey's Planning & Zoning Commission passed a City-initiated draft Ordinance to allow for Tiny Homes on Wheels as a new type of housing unit, now the City Council is reviewing it.

Housing Needs Assessment

In collaboration with the Sun Valley Board of Realtors, the Community Development Department was awarded a Smart Growth Grant to complete a Housing Needs Assessment that will advise goal-setting and facilitate solutions specific to the severity and types of housing needs in Hailey.



2023 Comprehensive Plan

The Community Development Department is gearing up to update Hailey's Comprehensive Plan in 2023. As before, the City will address housing needs as a core component.

Ballot Measure: 0.5% for Housing

In 2020, Hailey voters approved a 1% Local Option Tax on hotel, motel short-term occupancy, and rental car revenue, to market air service. The tax is commonly known as "1% for Air," Ketchum and Sun Valley have a similar tax. While Hailey's 1% for Air does not expire until 2050, Hailey is considering joining Ketchum to ask voters to reallocate the tax to fund "0.5% for Air" and "0.5% for Housing." The City Council will determine over the next two months whether to put the matter to the voters in May 2023.



THANK YOU

to the partners who support the City of Hailey in our efforts to ensure housing accessibility for everyone in the community.



STAY IN TOUCH

by checking out our housing webpage on the new website!



WWW.HAILEYCITYHALL.ORG/HOUSING

Also, stay up to date with City happenings by subscribing to 'Our Town' e-mail newsletters!



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