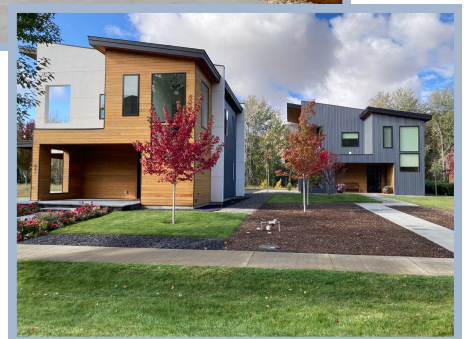


JANUARY 2024



# HAILEY HOUSING REPORT





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# MAYOR'S MESSAGE



Councilmembers and Constituents:

Please join me in reflecting upon our 2023 year and the notable progress that the City of Hailey made in its longstanding effort to provide community housing for its constituents. Here are some highlights from 2023:

- For a second year in a row, the Hailey City Council allocated \$500,000 in the FY 2022-2023 Capital Improvement Housing Budget for creative housing solutions. From these funds, Hailey purchased a deed-restricted townhouse, as well as a tiny home on wheels to provide permanent housing for public employees.
- In partnership with ARCH Community Housing Trust, Hailey piloted a “buy-down” program which deed restricts housing units for Locals Only. Two families, who could not have otherwise afforded to buy a home, were helped by this program. The two homes will be restricted to “locals only” forever! The homes can never be bought by second homeowners or used for short-term rental.
- The Hailey City Council added tiny home on wheels, co-living developments, and cottage housing developments as permitted housing unit types in the City; and
- The people of Hailey voted to create a tax revenue stream to fund housing solutions! The “0.5% for Air” Local Option Tax creates a revenue stream for housing until 2050. We further established a Housing Committee who met several times this past year, and more in the coming year, to learn more about, engage in, and help guide the use of these funds.
- Project partners continue to develop housing solutions in Hailey. Both ARCH and the Wood River Community Housing Trust are actively building new housing in our town.
- The private sector continues to add to our housing stock, ranging from new single-family homes scattered around town to apartment projects in Woodside and along River Street. Several projects in 2023 provided a mix of market-rate and deed-restricted dwelling units.

As the City prepares to update its Comprehensive Plan, the City’s leadership adopted an Interim Housing Policy Statement, and Staff collaborated with consultants and community partners to undertake a Housing Needs Assessment. Our efforts are organized and effective, gaining momentum citywide, and better resourced than ever before.

We welcome you to deep-dive into this report, comb through the details, and keep participating! Your commitment to this community, and engagement in the City’s active projects is integral to what makes Hailey such a wonderful place to live.

A handwritten signature in blue ink that reads "Martha Burke". The signature is fluid and cursive, written in a professional but personal style.

Martha Burke, Mayor

# ANNUAL REPORT



Despite housing challenges, a record year for creative solutions.

We all are attuned to the need for housing. This need - both within the Wood River Valley and the City of Hailey - is longstanding. Locally and nationally, it, too, has grown to crisis levels in recent years. To further mitigate housing crises, and support informed, creative, and diverse housing solutions in Hailey, we've actively pursued the following measures:

## 1 DEED-RESTRICTED TOWNHOUSE

The City was given the opportunity to purchase two deed-restricted townhouse units along River Street. A longstanding employee of the City purchased one of the restricted units, and the City spent a portion of the \$500,000 monies from the Capital Improvement Housing Budget to purchase the second unit. The second unit is an active long-term rental unit for an active Hailey Police Department employee.

## 2 TINY HOME ON WHEELS

With the remaining funds from the FY 2022-2023 Capital Improvement Housing Budget, the City purchased a Tiny Home on Wheels, or THOW. This THOW, positioned behind the Hailey Fire Department, is utilized as a long-term rental for an employee of Hailey's Streets Department, who is also a volunteer firefighter.

## LOCALS ONLY PILOT PROGRAM WITH ARCH

The path to homeownership has become even more difficult due to escalating housing costs. To help ease this burden, the City of Hailey and ARCH Community Housing Trust partnered in this new program that seeks to improve access to homeownership for the workforce.

This innovative programs enables eligible buyers to purchase a home at a 20% discount to the market price. The buyer must agree to a permanent deed restriction which ensures that subsequent buyers also qualify for the program.

Under the Locals Only Pilot Program, the City and ARCH assisted in the purchase of two "Locals Only" homes in Hailey.

We're excited to partner with ARCH on yet another creative housing solution, and look forward to assisting more people in 2024.

## EMPLOYEE HOUSING ASSISTANCE

Another creative measure was the development and implementation of Hailey's Employee Housing Assistance Program. \$50,000 of Hailey's General Fund was utilized to assist City employees with housing costs.



"In the middle of difficulty lies opportunity". - Albert Einstein



# ANNUAL REPORT



Despite housing challenges, a record year for creative solutions.

## 5 COMMUNITY HOUSING UNITS

Housing is grouped into two main categories: “market housing” and “community housing”. Both are needed for a healthy, vibrant, and dynamic housing economy.

In 2023, the City of Hailey negotiated approximately 33 community housing units with local project partners, private developments, or shared partnerships.

Through a deed-restriction, these dwelling units have been restricted in size, type and cost, and/or were for sale or for rent exclusively to individual(s) meeting income, occupancy, and/or other affordable housing criteria.

These units contributed to the current housing landscape of Hailey, increased Hailey’s community housing inventory, and further provided an essential opportunity for our community to retain the very people that call it home: our locals.

## COMMUNITY HOUSING INVENTORY

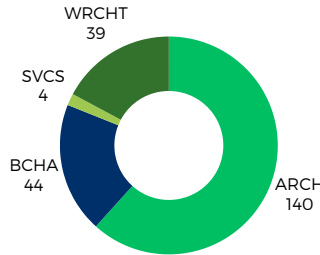
6 For the purposes of this report, the City’s community housing inventory includes units that may not be deed-restricted but are owned by employers or organizations that provide affordable housing.

Staff have developed an inventory of 550 community housing units in Hailey - organized by rental and owner-occupancy, as well as by the partnerships through which they were created.

Overall, the existing community housing units equate to approximately 16% of Hailey’s housing stock of 3,400 units. An additional 100 community housing units are in progress, meaning these units have either been approved and/or have an active building permit.

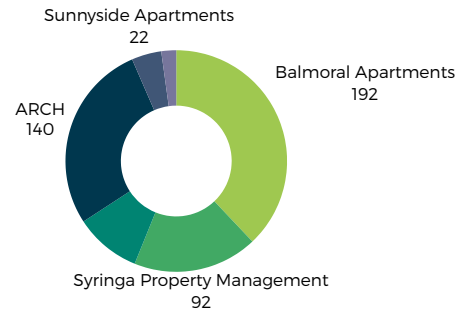
### Local Partners

Local partners are instrumental in securing private and public funding to create or support community housing in Hailey



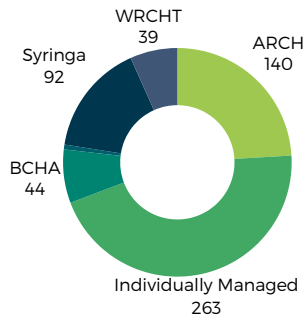
### Housing Providers

More than half of Hailey’s community housing units were developed and are managed by non-local entities



### Private & Public Funding

90+% of the community housing units in Hailey rely on federal Housing & Urban Development (HUD) funding that is administered and augmented by the Idaho Housing and Finance Association



**16%** of Hailey’s housing market is community housing

# HOUSING NEEDS ASSESSMENT



Housing demand and cost - both nationally and locally, dramatically surged due to the 2020 COVID Pandemic.

Since the pandemic, the City of Hailey and the greater Wood River Valley have also experienced greater population growth, and with it, a critical need for housing. This growth was the perfect catalyst for the City of Hailey to reexamine long-term goals around supporting an accessible housing market. As such, we hired Agnew::Beck to assist us with a Housing Needs Assessment. This Assessment identified current and future housing needs, housing affordability, and gaps in housing availability in relation to area median income.

The first step taken was to assess population growth in Hailey, looking at existing population data, historical population estimates, and future population projections. Using local, state, and national data, Agnew::Beck created a 10-year housing demand forecast for the City of Hailey. The compiled data informed the Housing Needs Assessment, which is intended as a tool to better communicate with housing providers, developers, and local policy makers as to creative and strategic investments and decisions that can be made to improve housing outcomes for the City.

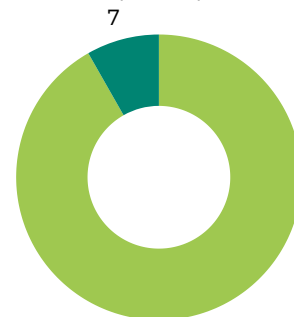
Further, the Assessment considered the number of new units needed due to 1) the recent population growth, 2) the total number of people living in a home, and 3) the number of existing units that need substantial repair due to housing condition and age. Combined, these factors provide the total housing need estimate for the City of Hailey, inclusive of both new housing units and renovation of existing housing units over the next 10 years.

To meet the forecasted factors above, between 635-1,242 new housing units will need to be added to the market over the next 10 years. This means that between 65-124 new housing units will need to be added to the market annually.

## 1-Year Housing Need

The chart above illustrates the housing need estimates based on the mid-growth populations forecasts, which results in a demand for approximately 78 new housing units, and 7 units in need of repair and/or replacement each year.

Units in need of Repair/Replacement

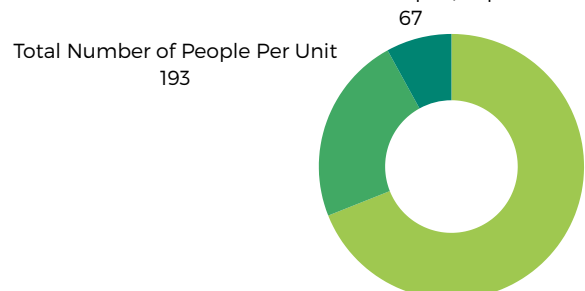


New Units for Population Growth  
78

## 10-Year Housing Need

The chart below illustrates the housing need estimates based on the mid-growth populations forecasts, which results in a demand for approximately 771 new housing units, and 67 units in need of repair and/or replacement over the next 10 years.

Units in need of Repair/Replacement



New Units for Population Growth  
578



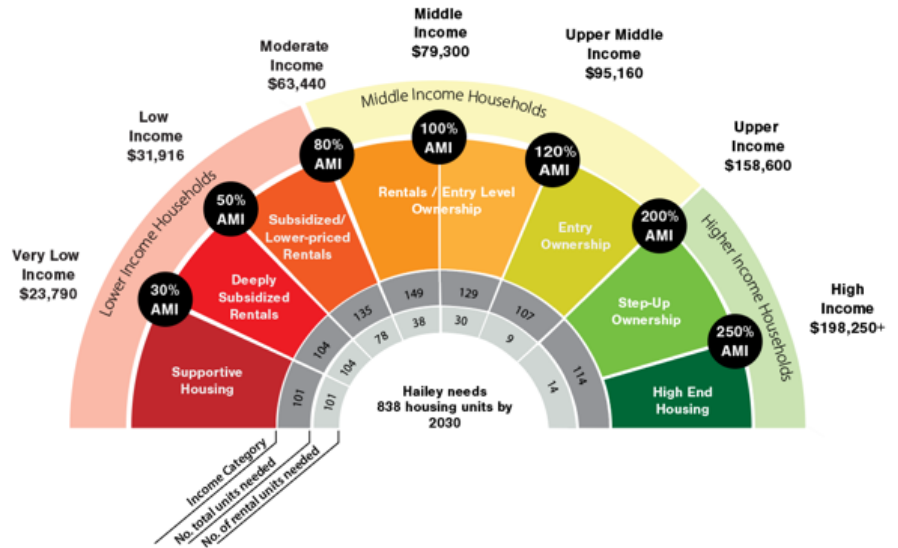
# HOUSING NEEDS ASSESSMENT



This 10-year housing need can also be broken down by income. By looking at housing need in relation to income, we have been better able to understand the types of housing units needed to best serve our diverse community, as well as whether housing is financially feasible in the current market or whether policy changes and investment are needed to spur development.

The “rainbow” illustrates the number of housing units forecasted broken out by income categories, as well as tenure, or renter versus owner occupancy. The income categories are based on the Area Median Income (AMI) published by the Department of Housing and Urban Development (HUD) for Blaine County.

Households who spend more than 30% of their total income on housing costs are considered to be cost burdened. The image below shows affordable housing payments, less than 30% of household income, at each income category. The estimated housing need is also shown for each income category.



**Findings:** The Hailey Housing Needs Assessment provided clear targets for housing development and programs over the next 10 years to better support accessible and informed housing solutions citywide.

Key findings were identified throughout the development of the assessment:

1 Hailey has and will continue to take steps in improving housing affordability by further refining and building upon housing strategies to increase inventory and affordability for Hailey residents.

2 The projected need for new housing units on an annual basis aligns with current housing production, further indicating that under normal operations, the City will continue to meet housing production goals.

3 Future policy, partnerships, and programming should continue to be implemented to ensure that new housing units meet current and future needs for households of all income levels.

# PLANNING FOR HOUSING



Even the best zoning and subdivision ordinances become out of date. Periodic revisions to municipal codes are essential in establishing and/or maintaining a rational land use pattern, as well as to best meeting the needs of diverse and growing communities. The City regularly revises Hailey's Municipal Code to create new provisions - housing or otherwise. The following prescribe to "smart growth" measures that aim to both maintain a high quality of life in Hailey and accommodate the community's housing needs:

## HAILEY'S MOST SUCCESSFUL MEASURES # OF UNITS

### Establishment of Downtown Residential Overlay (DRO)

• Maple Street Apartments	18
• MID RVR	10
• Spruce Street Duplexes	4
• River Lane	51
• RVR North	18
• River Street Townhomes	12
• Silver River Residences	16
• Saddle Lofts	27
• 40 McKercher	44
• Silvercreek Co-Living	33
• 1st & Myrtle Townhouses	20
• The Advocates (Phase III)	21

### Establishment of Accessory Dwelling Unit Code (ADU)

• New ADUs citywide (since 02/2021)	60
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### Amendment: Planned Unit Development Code (PUD)

• Lido Apartment Homes	104
• Star Light Lane Subdivision	5
• Sunbeam Subdivision	147
• River Street Townhomes	12
• ARCH Shenandoah	12
• ARCH/BCSD Employee Housing	5

### Adoption: Tiny Home on Wheels Code (THOW)

• New THOWs citywide	4
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### Adoption: Co-Living Dwelling Development

• Silvercreek Co-Living	33
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## each of these measures addresses:

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



# PLANNING FOR HOUSING



By refining code, we can also better clarify regulations, develop new policy around housing, and further encourage the quantity and diversity of housing types within the community. The following intentions are anticipated to begin in 2024 to further guide and inform creative housing initiatives citywide.



## 2024 COMPREHENSIVE PLAN UPDATE

1

The Community Development Department will update Hailey's Comprehensive Plan in 2024. The City will address housing needs as a core component.

The updated Comprehensive Plan will build consensus around an overarching vision for Hailey's diverse community. The goal is to not overlook current policy framework and guidance provided by various long-range plans and policy adopted by the City, but to review them and incorporate the best applicable practices and recommendations provided by these documents.



## UPCOMING ZONING CHANGES

2

In conjunction with the Comprehensive Plan Update, we will continue to refine code, as well as develop new policy around housing. Specific additions or amendments to Hailey's Municipal Code may include:

- New Policy: Establishment of developer incentives in exchange for community housing (i.e., reduction of building permit/utility connection fees, etc.).
- Amendment: Reduction of minimum lot sizes, minimum setback requirements, and increase density in exchange for community housing.
- New Policy: Establishment of owner/employee housing within the Industrial Zoning Districts.



## HOUSING CAPITAL FUND

While many initiatives related to the provision of housing involve land use code changes, the Housing Capital Fund is Hailey's direct, financial commitment to community housing.

3

Through the years, Hailey has financially participated in community housing via two primary methods: 1) contracts for services with housing nonprofits, and 2) long-term leases of city-owned land for housing projects.

Now, for the second year in a row, the Hailey City Council has set aside an annual appropriation of \$500,000 toward community housing.

# HAILEY HOUSING COMMITTEE



Every year, 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, emphasizing accessible housing as key to the vibrancy and sustainability of life in Hailey. We need a diversity of local and accessible housing options to support all 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.

To guide this longstanding initiative, Hailey residents voted in support of the May 2023 ballot measure to utilize 0.5% of the 1% for Air for Housing - a first-time ever, dedicated stream of funding for housing in Hailey! From this, the Hailey Housing Committee was born.

The Housing Committee, a group of 17 local volunteers, met 6 times since July 2023, with the goal of identifying ways to allocate the 0.5% for Housing, or approximately \$80,000 in FY 2024, that aligns with and implements the ballot language:

- Develop community housing for families living and working in Hailey;
- for all ancillary costs which are associated with the ongoing effort to develop community housing for families living and working in Hailey; and
- direct costs to collect and enforce the tax, including administrative legal fees.



In keeping with the goals of the ballot language, the Hailey Housing Committee identified several options for spending the funds, which include:

## 0.5% FOR HOUSING SPENDING OPTIONS

- Pay for ADU Utility Connections or Building Permit Fees
- Invest in the Locals Only Deed Restriction Program
- Partner with Nonprofit Organizations on Housing Projects
- Build on City-Owned Land
- Publish a Request for Proposals for Specific Housing Projects
- Invest: Purchase Units at Saddle Lofts Apartments
- Bank the Funds
- Issue Municipal Bonds
- Participate in Lease to Locals
- Hire Housing Staff
- Buy Land
- Purchase a Tiny Home on Wheels



# THANK YOU

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



Brought to you by Idaho Housing and Finance Association



## CONNECT WITH US

Stay in touch by checking out our housing webpage:  
[www.haileycityhall.org/housing](http://www.haileycityhall.org/housing)

Stay up to date with City happenings by subscribing to our 'Our Town' email newsletter!

## STAY IN THE LOOP

 @cityofhaileyidaho

 [housing@haileycityhall.com](mailto:housing@haileycityhall.com)

 @cityofhailey

