

JANUARY 2025



HAILEY HOUSING REPORT

Saddle Lofts Apartments
Photo credit: Greg Scott Photography



MAYOR'S MESSAGE



Councilmembers and Constituents,

It is my pleasure to share the City of Hailey's Annual Housing Report of 2024 with each of you. This account highlights the strides that have been made in the City's longstanding efforts to provide quality, equitable, and affordable housing citywide.

The struggle to provide adequate housing continues to be a formidable task across Hailey, as well as the greater Wood River Valley. We've actively sought solutions to increase the housing supply in a manner affordable to locals. From community housing initiatives and pilot programs, to various measures that developed from our Housing Committee, 2024 was a year of tackling obstacles and pursuing new endeavors.

This last year is indicative of collaborative work between the City and each of you - our residents, our project partners, dedicated stakeholders, our neighbors, and our Staff.

Collectively, these efforts demonstrate the City's commitment to expanding housing affordability for all that live here.

We urge you to delve into this report, ask questions, and keep participating! Your engagement in the City's active housing efforts is integral to what makes Hailey a great place to live.

We look forward to another year of continued collaboration and success.

Sincerely,

A handwritten signature in black ink that reads "Marka Burk". The signature is fluid and cursive.

ANNUAL HOUSING REVIEW

In 2023, the City of Hailey prioritized the reexamination of its long-term goals around supporting an attainable housing market for its residents. Part of this process included the conduction of a **Housing Needs Assessment** to better understand current and future housing needs, housing affordability, and gaps in housing availability in relation to area median income. Key findings were identified throughout the development of this assessment, and are detailed below.

Accomplishments: Housing Needs Assessment

Through the Housing Needs Assessment, it was identified that in one year, approximately 78 new housing units would need to be constructed, and approximately seven (7) residential units would need to be remodeled and/or replaced.

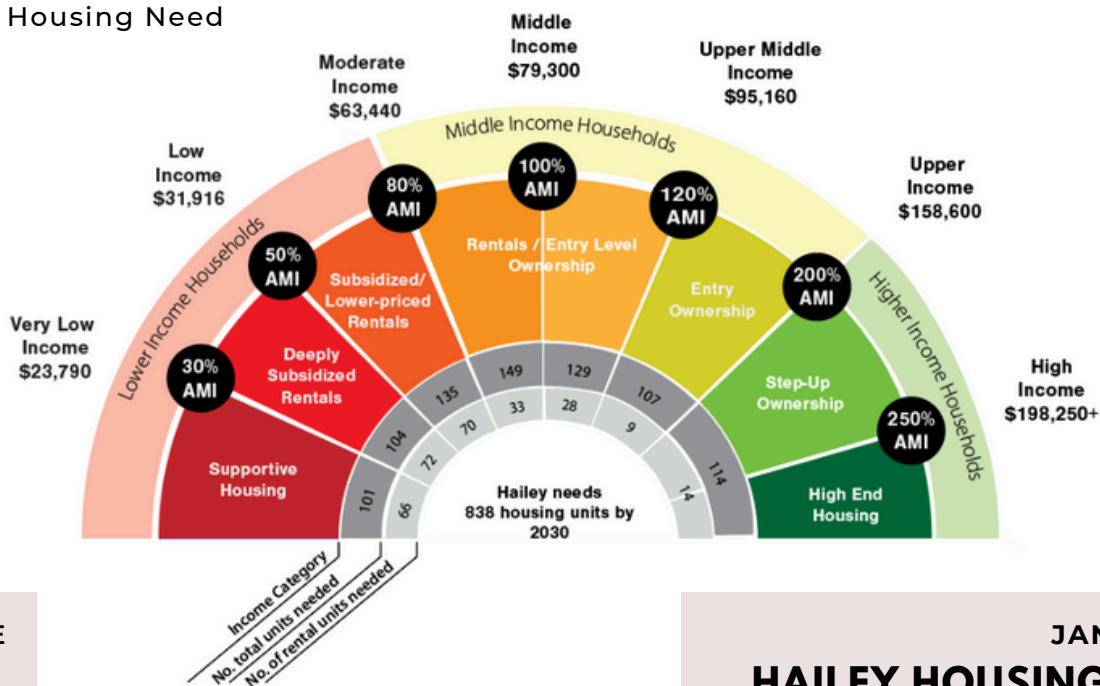
The analysis further found that to meet the above housing needs, approximately 771 new residential units would need to be constructed, and approximately 67 residential units would need to be remodeled and/or replaced, in ten years.

The Housing Needs Assessment also illustrated the type of restriction - deed or rental - needed to support Hailey residents, as shown in the “rainbow” below.

Lastly, this Housing Needs Assessment provided the City with clear targets for housing development and programs over the next ten years, with the goal of supporting attainable and informed housing solutions citywide. Those key findings included:

- 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.
- 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, and
- 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.

Hailey’s Housing Need



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In May 2023, Hailey residents voted to allocate 0.5% of Local Option Tax (LOT) to fund housing - a first ever dedicated stream of funding for housing in Hailey. Local Option Tax is a tax allowed in Idaho for resort cities. It is not a property tax, but a type of sales tax applied to retail transactions. The City of Hailey collects taxes on rental cars, liquor by the drink, and short-term/hotel room rentals.

The list below is a snapshot of Hailey's housing accomplishments, funded by this tax, in 2024.

Accomplishments: 0.5% LOT for Housing

The housing programs below were curated by Hailey's Housing Committee, a citizens committee that met eight (8) times over the course of six (6) months to identify housing measures and discuss ways to allocate the 0.5% LOT for Housing monies, or approximately \$80,000. In 2024, the Committee's top program recommendations were:

- **Locals for Accessory Dwelling Units (ADUs):** A partnership between the City of Hailey and ARCH Community Housing Trust, this program uses the 0.5% LOT for Housing Funds to encourage the development of housing for locals. Specifically, the program offers three (3) monetary incentives to homeowners that rent their accessory residential units to local people, with a preference given to Hailey residents:
 - \$30,000 grant award toward a newly constructed ADU,
 - \$15,000 grant award toward the placement of a Tiny Home on Wheels (THOW), or
 - \$15,000 grant award to convert a short-term rental into a long-term rental.

In 2024, two (2) Hailey homeowners participated in the program; both receiving approval to place a THOW on their property and rent the units to local residents in need of housing, all for a period of nine (9) years.



The Locals for ADUs Program launched in early 2024. While only two (2) applications were approved, the City has received over 50 inquiries about the program. In 2025, we hope to double the number of approvals thereby issuing more monetary awards in an effort to secure more permanent housing for Hailey locals.

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Accomplishments: 0.5% LOT for Housing

- **Pay Utility Connections:** A partnership between the City of Hailey and the Blaine County Charitable Fund (BCCF), this program initiative aimed to support the needs of existing residents for those persons or families determined by the BCCF to be in financial need. This initiative was established to provide an occasional cushion to those in short-term financial need. Since its inception, together - the City and BCCF - have helped two (2) households in Hailey.
- **Invest: Locals Only Deed Restriction Program:** A partnership between the City of Hailey and ARCH Community Housing Trust, the Locals Only Deed Restriction Program - established in 2023 - is an innovative program that seeks to support locally employed people by providing access to homeownership. Through the program, the City funds a portion of the cost of a market rate home in return for a deed-restriction on the property in one of two ways:
 - the City "buys" the deed-restriction by funding 20% of the home's purchase price for the qualified buyer, or
 - the City (via ARCH, the Blaine County Housing Authority, or another qualified housing agency) facilitates the charitable contribution receipt to the seller (IRS Form 8283) for the 20% difference to deed-restrict the unit.

In either scenario, a qualified buyer receives a 20% discount on the property and the property becomes a permanently deed-restricted unit in perpetuity.

In 2023, the City of Hailey and ARCH worked collaboratively to provide two (2) homes for Hailey residents. Due to high interest rates and low available housing stock, no homes were purchased by qualified residents under this program in 2024. Staff and ARCH are eager, and look forward to building upon this program to further assist Hailey locals in 2025.



The City of Hailey is excited to partner with ARCH on yet another creative housing solution. Our partnership with ARCH has deep roots, and we continue to pursue new initiatives together. We hope that this Locals Only Pilot Program will open another door to home ownership in our valley.

- Lisa Horowitz
Hailey City Administrator



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The City of Hailey groups housing into two main categories: ‘market housing’ and ‘community housing’. Market housing is generally considered to be any and all housing that is not restricted in terms of sales, rental prices, residency, or occupancy. Community housing units are considered deed or rent restricted housing whereby the dwelling unit is restricted by size, type and cost, and/or that is for sale or rent exclusively to individual(s) meeting income, occupancy, or other affordable community housing criteria. Both housing types are needed for a healthy, vibrant, and dynamic housing economy.

Since 1982, the City of Hailey has amassed approximately 646 community housing units with local project partners, private developments, or shared partnerships. These units, whether deed or rent-restricted, or in partnership with local housing groups, have contributed immensely to the current housing landscape of Hailey, and have further supported the very people that call Hailey home: our locals.

Accomplishments: Community Housing

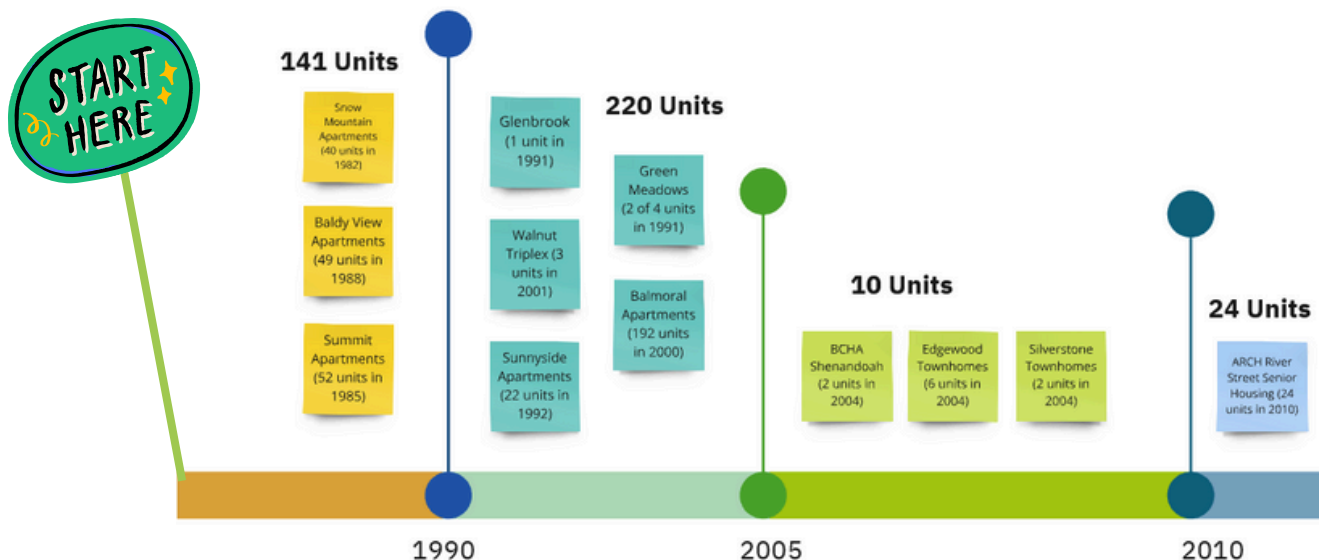
Hailey’s community housing inventory of housing units is organized by rental and owner-occupancy, as well as by the partnerships through which they were created.

Overall, the existing community housing units equate to approximately 16% of Hailey’s housing stock of 4,100 housing units. The community housing timeline below highlights the year in which these units came online, and further illustrates Hailey’s longstanding efforts in formalizing community housing citywide.

Community Housing by Year

The housing timeline depicts Hailey’s community housing projects over the span of 50 years. Housing projects within the timeline are organized in one of the following ways:

- the year each unit received a Certificate of Occupancy,
- the year each unit is expected to receive a Certificate of Occupancy (currently under construction),
- the year each unit was approved via the entitlement process, but not yet constructed, or
- the year by which each unit was designated as a community housing unit.



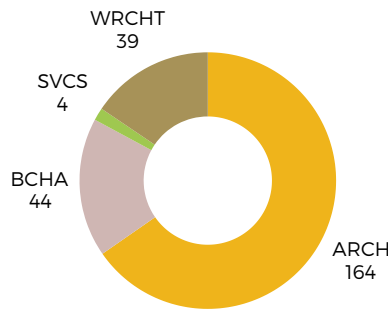
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Partner Collaborations: "It takes a village"!

The creation of community housing requires the support and involvement of an entire community. We cannot thank our partners who support the City of Hailey in our efforts to ensure housing accessibility for all. To highlight these efforts, we've grouped partnerships into three (3) main categories: Local Partners, Housing Providers, and Funding.

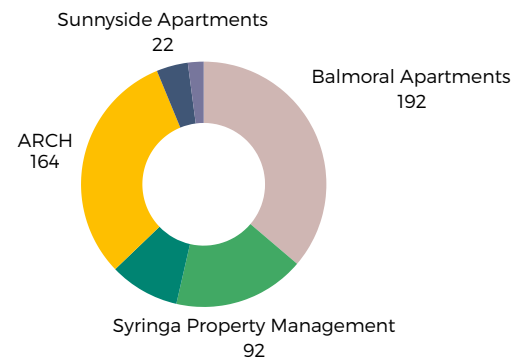
Local Partners

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



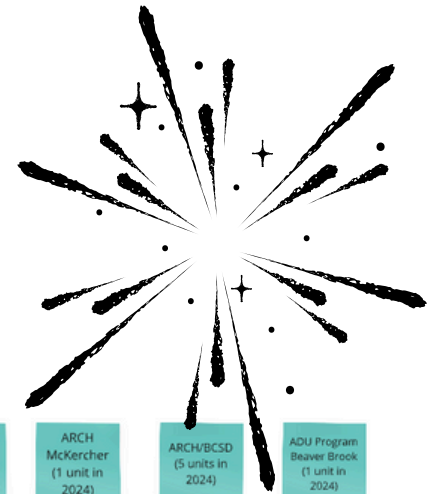
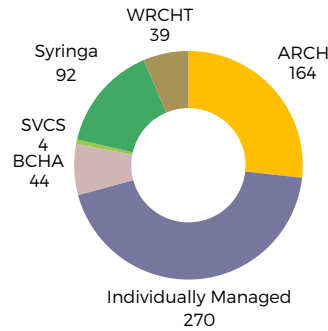
Housing Providers

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

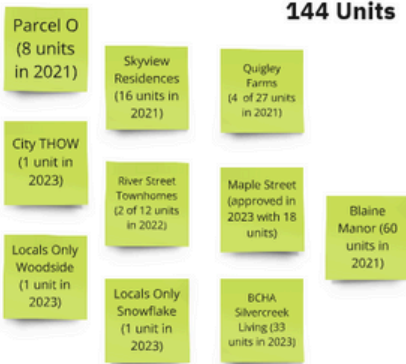


15 Units



2015 2020

144 Units



92 Units



2024

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Zoning regulations play a crucial role in shaping the built environment and, by extension, the patterns of housing in Hailey. Single-family zoning, minimum lot sizes, parking minimums, and bulk regulations have each contributed to the current landscape in significant ways. In looking ahead, the City of Hailey aims to confront housing constraints associated with traditional zoning regimes by continuing to review and amend existing regulations to better support our residents and their housing needs.

Looking Ahead: Planning for Housing

Housing has been a critical area of focus for our local government. In 2024, we continued to pursue the creation of new policies and programs to better support Hailey housing development. The following prescribe to smart and sustainable growth measures aimed at maintaining a high quality of life in Hailey and accommodating the community's housing needs:

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)
- The Advocates Thrive Center (Transitional)
- 637 Townhomes (6)

Establishment of Accessory Dwelling Unit Code (since 02/2021)

- New ADUs citywide (70)
 - 2024 ADUs (6)

Adoption: Tiny Home on Wheels Code (THOW)

- New THOWs citywide (5)
 - 2024 THOWs (2)

Amendment: Planned Unit Development Code (PUD)

- Lido Apartment Homes (104)
- Silver Star Subdivision (5)
- Sunbeam Subdivision (147)
- River Street Townhomes (12)
- ARCH Shenandoah (12)
- ARCH/BCSD Employee Housing (5)
- Solstice Condos (24)

Other Creative Housing Solutions

- Locals for ADUs Program (2)
- Ellsworth Inn (19)
- Orihuela Mixed-Use (2)
- Cueva Mixed-Use (2)
- ARCH/BCSD McKercher (1)
- City Broadford Road (1)



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Looking Ahead: Planning for Housing

The housing initiatives listed below are anticipated to either wrap up or begin in 2025:

- **Comprehensive Plan Update:** In 2024, Staff embarked on updating the City of Hailey's Comprehensive Plan, *Envision Hailey: Planning Today for a Resilient Tomorrow*. As a core component of the plan, Section 8: Housing, was amended to account for Hailey's current and future housing needs, existing trends, and policy implementation to guide housing in Hailey over the next 10 years. Staff will finalize the plan in 2025, and bring forward to the Hailey City Council for adoption.
- **Upcoming Zoning Changes:** Staff will continue to refine code, as well as develop new policy around housing. Specific amendments to code may include:
 - New Policy: Flexibility in code requirements and/or a reduction in fees when community housing is provided.
 - New Policy: Flexibility in code requirements where historic commercial and/or residential structures are preserved (located within the Townsite Overlay District).
 - New Policy: Continued exploration of the establishment of owner/employee housing opportunities within the industrial zoning districts.
- **City of Hailey - Housing:** The City of Hailey prioritizes community housing and participates where possible. Through contracts for services with housing nonprofits, long-term leases of city-owned land for housing projects, or the annual appropriation of \$500,000 toward community housing, the City values and supports creative housing initiatives. In 2024, the City purchased a single-family residence in Hailey (43 Broadford Road), expanding Hailey's affordable housing stock, and supporting community housing efforts citywide.

