

# Hailey Housing Committee

# 0.5% FOR HOUSING

May 2025

The need for workforce housing in Hailey and the larger Wood River Valley is longstanding, yet it has grown 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
- under-building, 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, 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 further guide this longstanding initiative, Hailey residents voted in support of the May 2023 ballot measure to utilize 0.5% of the Local Option Tax 1% for Air/Housing - a first-time ever, dedicated stream of funding for housing in Hailey!**



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From this, the Hailey Housing Committee (HHC) was born.

The Committee met eight (8) times over the course of a year with the goal of identifying ways to allocate the 0.5% for Housing (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 top priority options in the spring 2024 for spending the funds. In April 2025, the HHC met again to review progress made on their top recommendations. The HCC modified their top suggested programs, listed in order of priority, to better correlate with demand, interest-level, and program success. Those modifications are listed below.

### 2024

1. Pay for Accessory Dwelling Unit Utility Connections or Building Permit Fees
2. Develop a Revolving Down-Payment Assistance Program
3. Invest in Locals Only Deed Restriction Program
4. Bank the Funds
5. Build on City-Owned Land
6. Partner with Nonprofit Organizations on Housing Projects
7. Issue Municipal Bonds
8. Hire Housing Staff
9. Buy Land
10. Investment: Purchase Units at Saddle Lofts Apartments
11. Lease to Locals
12. Purchase a Tiny Home on Wheels

### 2025

1. Pay for Accessory Dwelling Unit Utility Connections or Building Permit Fees (Locals for ADUs Program)
2. Partner with Nonprofit Organizations on Housing Projects
3. Build on City-Owned Land
4. Invest in the Locals Only Deed Restriction Program
5. Bank the Funds
6. Buy Land
7. Purchase a Tiny Home on Wheels
8. ~~Develop a Revolving Down-Payment Assistance Program~~
9. ~~Issue Municipal Bonds~~
10. ~~Hire Housing Staff~~
11. ~~Investment: Purchase Units at Saddle Lofts Apartments~~
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## LOCALS FOR ACCESSORY DWELLING UNITS (ADUS)

A partnership between the City of Hailey and ARCH Community Housing Trust, the Locals for Accessory Dwelling Units (ADUs) Incentive Program uses Local Option Tax 0.5% for Housing Funds to support the construction of ADU housing in Hailey geared toward locals. Tiny Homes on Wheels (THOWs) were also eligible for funding.

With approximately \$80,000 in annual funding available, this program offers three (3) monetary incentives:

- \$30,000 grant award toward a newly constructed ADU,
- \$15,000 grant award toward placement of a THOW, or
- \$15,000 grant award to convert your short-term rental to a long-term rental.

In each of the scenarios, the property owner receives a monetary incentive to rent their ADU to a Hailey local for nine (9) years. If the contract is terminated prior to the 9-year timeline, the property owner is required to repay the grant. If the rental obligations are met through the 9-year timeline, a repayment of grant monies is not necessary. While not described herein, other qualifying details, restrictions, and annual verification for each scenario would apply.

## ACCOMPLISHMENTS:

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, each for a period of nine (9) years.

## SUGGESTIONS FOR 2025:

- Pursue community-wide advertising and education

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### PARTNER WITH NON-PROFIT ORGANIZATIONS

Partnership collaborations are a proven approach in tackling housing challenges by bringing together strengths and resources from each sector.

The Hailey Housing Committee recognized the immense potential and stability of partnering with nonprofit organizations, and have prioritized this effort. While a priority, the Committee agreed that their largest challenge would be the accumulation of funds.

### ACCOMPLISHMENTS:

The City of Hailey values strong partnerships, and continues to pursue creative housing solutions with ARCH, and others, to further homeownership in our valley.

In 2023, the City of Hailey and ARCH Community Housing Trust explored the pilot program, Locals Only Deed Restriction. This innovative program seeks to support locally employed people by providing access to homeownership via funding from the City in exchange for a deed-restriction. More specifically,

- 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 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 ready to build upon this program to further assist Hailey locals in 2025.

### SUGGESTIONS FOR 2025:

- Robust advertising and education
- Continue to work with community and local realtors to further educate and inform the community
- Accrue funding

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### BUILD ON CITY-OWNED LAND

This opportunity would make publicly owned land and buildings available for the development of community housing. Here, the City of Hailey could directly ensure an adequate supply of lower-cost housing in Hailey.

The Hailey Housing Committee discussed this as an option in expending the 0.5% for Housing monies; however, were met with some initial barriers:

- No City-owned land is available to build on at this time.
- An initiative like this would take several years to accumulate funds.

### ACCOMPLISHMENTS:

In 2024, the City of Hailey purchased 43 Broadford Road, a one-acre parcel home to an existing single-family residence with ample opportunity to build additional workforce housing. While a long-term effort, the City will continue to pursue opportunistic housing opportunities as they arise, and as funding is available.

### SUGGESTIONS FOR 2025:

- Pursue grant funding opportunities for workforce and/or community housing projects on this site
- Preserve and relocate historic residential structures to this site
- Bank the funds until enough monies have been accrued to be able to initiate larger housing projects on this site

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### BANK THE FUNDS

By taking advantage of higher earning interest savings accounts, the Hailey Housing Committee supported the idea of “banking the funds” for more than a year; however, were grounded by the lack of immediacy this option provided in the way of housing opportunities now.



### BUY LAND

The most obvious guardrail in this option is expense. Land values are at an all-time high, making vacant land unattainable to most, even to municipalities. The lack of support from the Hailey Housing Committee was glaringly loud. While still an option to consider, the Hailey Housing Committee chose not to recommend this to the Hailey City Council as an avenue to expend the housing funds.



### PURCHASE A TINY HOME ON WHEELS (THOW)

In February 2023, the City of Hailey passed a City-Initiated Ordinance allowing Tiny Homes on Wheels as a new type of housing unit in Hailey. Since its inception, the City has approved four (4) Tiny Homes, including a Tiny Home that was purchased by the City of Hailey for employee housing.

Like other initiatives listed here, the Hailey Housing Committee found that, to purchase a tiny home, funds would take more than a year to accrue. The Committee also agreed that by buying a tiny home, said monies would only be assisting a family or individual; their goal is to reach as many people as they can with the limited funds that they have.