

## Baseline Characteristics:

### COMMUNITY HOUSING

In the wake of the COVID-19 pandemic, the housing crunch escalated to crisis levels quickly. Between 2019-2020, Blaine County's population grew by about 6%— about six times greater than the average annual rate of population growth for the prior nine years.<sup>178</sup> Most dramatically, the City of Ketchum's population grew by ~25% from 2019-2020.<sup>179</sup> During that time the City of Sun Valley grew by ~20%, the City of Hailey grew by ~6%, the City of Bellevue grew by ~4%, and the City of Carey grew by 0.3%.<sup>180</sup> Growth has since slowed, but the overall population remains unprecedentedly high.<sup>181</sup>

During that time, long-time property owners extended their visits in their second homes.<sup>182</sup> Still, more people—including many retirees— came to Blaine County looking to buy.<sup>183</sup> The median age of the population increased by 10 years in Ketchum and 5 years in Hailey.<sup>184</sup> The median sales price of a home in Blaine County jumped from \$477,000 in 2019, \$876,000 in 2022,<sup>185</sup> to \$1MM in 2023.<sup>186</sup> The estimated annual income needed to purchase a home increased to approximately \$240,000/year in 2023,<sup>187</sup> not too far off from the average adjusted gross income of people moving into Blaine County in 2022: \$261,663.<sup>188</sup> In contrast, the average adjusted gross income of people moving out of the County was \$78,415 in 2022.<sup>189</sup> The data suggests that an out-of-state market is driving the demand and prices of homes in Blaine County, not long-time residents earning local wages.

Renters found themselves squeezed in the middle. Over the three-year span covering the pandemic (2019-2022), monthly rents on long-term properties rose by 65%.<sup>190</sup> American Community Survey data suggests that 38% of renting households in Blaine County are cost-burdened,<sup>191</sup> meaning that they are spending upwards of 30% of their incomes on rent.<sup>192</sup> Employers in the County provide financial assistance to their employees who are burdened

by housing costs, as do philanthropic initiatives that provide a suite of housing assistance.<sup>193</sup>

The “affordability gap” has grown stark in Blaine County, over the past 10 years.<sup>194</sup> Where two median earners could afford to buy or rent a two-bedroom unit in a multifamily home in 2014, rising prices and stagnant wages put that well out of reach.<sup>195</sup> In 2021 the median available two bedroom

rental apartment cost \$12,600 more per year than what was affordable to a household of two median earners.<sup>196</sup> Similarly, that same household was about \$390,000 short of affording to purchase a similar unit.<sup>197</sup> Prices have risen since.<sup>198</sup>

Costs have driven families into precarious living situations. One in 40 Blaine County residents live in an overcrowded<sup>199</sup> home, and about 1 in 200 people live in a unit without plumbing or a kitchen.<sup>200</sup> In January 2023, Blaine County's first point-in-time count of people experiencing homelessness found 125 people in a shelter or transitional housing and 14 people living unsheltered.<sup>201</sup> Blaine County Housing Authority recently assessed that 40% of local residents are at risk of displacement.<sup>202</sup>

Community housing units are key to meeting the needs of local residents, especially those earning local wages or on fixed-incomes. Community housing describes residential units that are legally restricted, by priority, for local use and occupancy.<sup>203</sup> Restrictions vary by mechanism and criteria, like average annual income or household size. Community housing restrictions, however much they vary to meet different housing needs, offer permanence for local residents who struggle to afford market-rate rents and prices.

In 2022, the City of Ketchum's Housing Action Plan measured that Blaine County needs at least 4,700 additional community housing units through 2030, in order to address the current housing needs and accommodate forecasted population growth.<sup>204</sup> The target number of community housing units equates to approximately 5 times the number of existing community housing units (943 units).<sup>205</sup> For further comparison, an average of 148 new residential units were built annually in the County between 2020-2023.<sup>206</sup> Most substantially, the City of Hailey is home to approximately 550 community housing units, equating to about 16% of Hailey's housing stock.<sup>207</sup>

The Hailey Housing Needs Analysis estimates a need of 838 community housing units over the next 10 years— 67 being in need of renovation or replacement and 771 new community housing units to accommodate for population growth and severe overcrowding.<sup>208</sup> Ketchum, which currently has about 500 long-term rentals against upwards of 2,000 short-term and seasonal units, seeks to build, preserve, or convert a minimum of 660 units into community housing in the next ten years.<sup>209</sup> While the other municipalities— Blaine County, plus the cities of Sun Valley, Bellevue, and Carey— have participated in housing solutions, none of them have identified a target number of community housing units to provide. The cities of Hailey and Ketchum's target community housing units total to 1,498 or approximately one third of the total number of community housing units needed across the County.

There is no silver bullet— no one solution— to the local housing crisis. Rather, a myriad of partial solutions are needed to meet a diversity of needs and complement one another. Some solutions work better in certain parts of the valley, depending on property values and the housing structure types available in the market. Some solutions are better suited to higher area median income groups than others.

Certain entitlement processes allow for greater flexibility when developing a parcel of land. For example, entitlement through a Planned Unit Development Agreement allows for a developer to petition a waiver to zoning requirements in exchange for providing a benefit, such as community housing units. Similarly, Annexation Agreements allow for flexibility in zoning requirements and may entail an exchange of benefits and waivers, including the provision of community housing.

For smaller developments, zoning regulations can incentivize the provision of community housing through the Design Review process. For example, the City of Ketchum's zoning code offers a density bonus to developers that build community housing units or pay an in-lieu community housing fee.<sup>210</sup> The City of Hailey's zoning code offers a density bonus for cottage developments if a certain number of units are restricted as community housing.<sup>211</sup> Besides the aforementioned entitlement processes and zoning codes, no other mechanisms currently exist to incentivize the provision of community housing units in Blaine County.

With funding, local governments and housing partners may deed restrict existing units. Currently partnered with the Blaine County Housing Authority, the City of Ketchum is piloting a “preservation” program that grants homeowners and potential buyers 15-30% of the cost of a housing unit to deed-restrict to locals living and/or working in Blaine County.<sup>212</sup> Currently partnered with ARCH Community Housing Trust, the City of Hailey's “Locals Only” program offers to subsidize 20% of a home's cost in exchange for a similar community housing deed restriction for “locals.”<sup>213,214</sup>

In other cases, the cities have purchased and funded the development of new community housing units. The 51-unit community housing “Bluebird Village” in downtown Ketchum is being developed by a cross-sector partnership. In 2023, the City of Hailey purchased one of two townhouses that were deed-restricted as community housing, through a PUD Agreement;<sup>215</sup> as well as a Tiny Home on Wheels,<sup>216</sup> to be used for housing Hailey Fire Department staff. In partnership with the City of Hailey, the City of Sun Valley purchased a historic structure on a 2-acre lot— to develop into community housing for locals.<sup>217</sup> It is common for employers in Blaine County to invest in housing for their employees.

Support for community housing initiatives is currently at a historic high across the County. In May 2023, voters in Hailey, Ketchum and Sun Valley overwhelmingly voted to renew and reallocate an existing local-option tax (LOT), for community housing efforts.<sup>218</sup> The success of the ballot measure indicated the widespread acknowledgement of the need to support community housing efforts. The LOT revenue is the first dedicated stream of tax-revenue for community housing in Blaine County.

“Not only does the referendum result in additional financial support for our housing initiatives,” Ketchum Mayor Neil Bradshaw told the Idaho Mountain Express newspaper at the time, “but it also clearly demonstrates that our community views workforce housing as a priority for our town.”<sup>219</sup> Under the leadership of the City of Hailey's Mayor Martha Burke—who pledged a public process to deliberate housing solutions and how to spend the newly allocated funding— the City created a citizens' Housing Committee.<sup>220</sup>

## Regional Coordination

In addition to the Blaine County government and the five cities therein, community partners in community housing include:

ARCH Community Housing Trust

Blaine County Charitable Fund

Blaine County Housing Authority (BCHA)

Idaho Housing and Finance Association (IHFA)

Wood River Community Housing Trust

Sun Valley Board of Realtors



A single-family community housing unit developed by ARCH Community Housing Trust<sup>221</sup>



About one third of the community housing units are provided by developers benefiting from federal tax-credits.<sup>222</sup>