

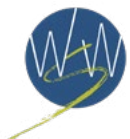
JUNE 2022



MCCALL AREA

LOCAL HOUSING ACTION PLAN

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EXECUTIVE SUMMARY

Purpose of the Action Plan

The McCall Area Local Housing Action Plan outlines a partnership framework to address Local Housing needs in the McCall Area over at least the next five years. Local Housing is defined as:

Dwellings of all types, that those who live and/or work in the McCall Area can afford to purchase or rent, serving the entire spectrum of housing needs that are not being met by the housing market.

This Plan was established through the recognition that having diverse and secure housing opportunities at prices that residents making their living in the area can afford is essential to maintain the health, vibrancy, and integrity of the McCall Area community, economy, and environment.

The Plan presents a variety of actions to address a range of Local Housing needs, recognizing that there is no one solution to address the problem. The *2018 City of McCall Housing Strategy* estimated that a minimum of 730 Local Housing units were needed at that time to address housing shortages for local residents and employees. Based on housing prices and incomes in the McCall Area in the current year (2022), the vast majority of Local Housing units need to be priced below current market prices, requiring substantial subsidies combined with creative programs and incentives to produce needed homes. This should include a mix of housing unit types to diversify options for residents. More specifically, prices for units intended for ownership should range between \$160,00 and \$400,000, while rental units for locals should cost between \$500 and \$1,500 in order to meet the range of needs that exist in the community. The actions identified within this Local Housing Action Plan are oriented around these needs, recognizing that, as Local Housing needs change, the Housing Action Plan will evolve accordingly.

The Plan is also built upon a partnership framework for accelerating Local Housing in the McCall Area, recognizing that no one entity can solve the Local Housing challenges – it takes a community to build a community. Involvement from the public, private, non-profit, institutional, and regional sectors are all needed to ensure a diverse supply of homes for local residents and employees and sustain a diverse and vibrant McCall Area community and economy.

How the Plan was Created

A Local Housing Steering Committee, comprised of McCall Area local stakeholders, combined with technical assistance from consultants and public input, created this Plan. The *2018 City of McCall Housing Strategy* was used as a base, along with updated local resident income and housing market information through 2022, to understand the housing needs of residents and employees in the McCall Area. Strategies to meet housing needs have been identified and prioritized; roles and responsibilities have been assigned. A timeline for achieving priority strategies has also been established, recognizing that this Plan will have life beyond this timeline and will continue to evolve and meet changing Local Housing needs over the long term.

Action Plan Goals

Goals established in the Plan that will continue to be tracked to ensure progress is made, include:

1. Income Levels

Ensuring Local Housing serves the full range of incomes that are not being met by the housing market. This includes rental opportunities for households earning up to 100% of the area median income ("AMI"), or about \$60,000 per year, and ownership opportunities for households earning up to 150% AMI (about \$100,000 per year);

2. Number of Units

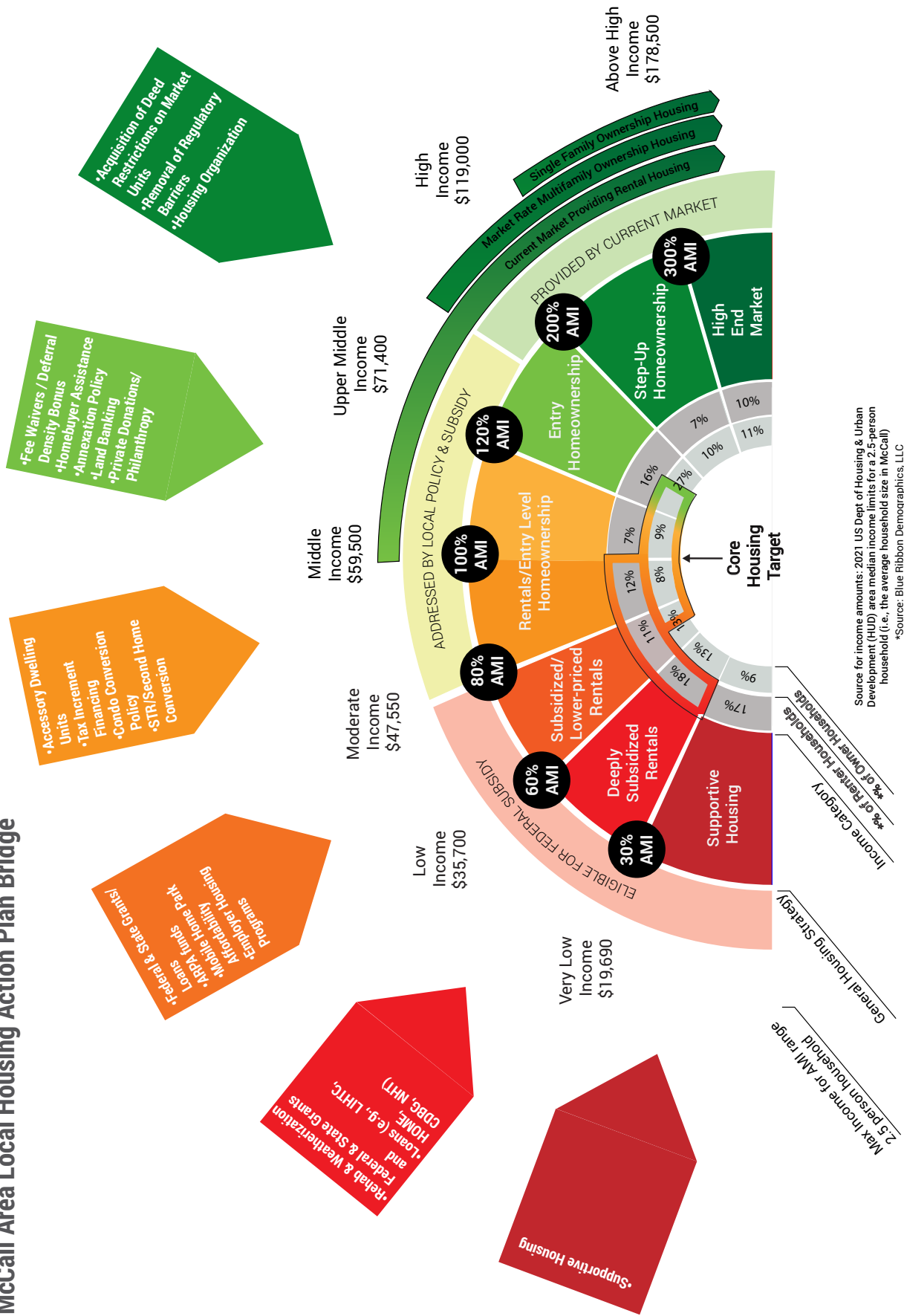
Producing Local Housing at an aggressive, but achievable, rate of at least 50 units per year on average, with this goal rising as housing program momentum, funding, and capacity increases; and

3. Local Occupancy

Striving to increase the local occupancy of homes to 40% (i.e., the level in 2010), from the current estimated 27% of homes.

The graphic on the following page summarizes the strategies that will be pursued over the next five years, mapped according to the primary or average affordability level that each strategy will address. This graphic represents the provision of a diversity of housing for community members across multiple income levels and in various life stages.

McCall Area Local Housing Action Plan Bridge



Strategies addressing all levels

Sewer District Coordination
Legislative Lobby Group
Public Infrastructure Planning & Investment

Taxes Dedicated to Housing/General Fund
Public/Private/Institutional Partnerships
Deed Restricted Housing (varies based on program)

MCCALL AREA LOCAL HOUSING ACTION PLAN

This section presents the McCall Area Local Housing Action Plan. This Plan will focus Local Housing partners and increase the ability to meet Local Housing needs in the McCall Area.

The primary components of the Plan include:

1. Objective and Goals

The Plan objective and goals are established to help monitor progress. Goals should be revisited as Local Housing needs evolve.

2. Action Strategies

The action strategies represent the prioritized strategies that have been developed to meet the housing objective and goals. The action strategies include defined roles and responsibilities and a timeline for achievement. This is the “action” part of the Plan.

3. Core Components

The core components represent the core operational needs to implement strategies, administer an inventory of Local Housing, and track the progress of the Action Plan. This structure is needed for successful implementation and to ensure continued communication and collaboration of Local Housing partners to increase the availability of Local Housing in the McCall Area.

The Appendix contains a summary of the Action Plan process, defined terms used in this Plan, acknowledgments of Plan participants, and specific deed restriction recommendations.

Additional items that should be referenced include:

A. Appendices

The Appendices contain a summary of the Action Plan process, defined terms used in this Plan, acknowledgments of Plan participants, and specific deed restriction recommendations.

B. Action Plan Work Session Packets

Local Housing Action Plan Committee Packets were created for each of the work sessions, which should be referenced for more information on strategy best practices, other communities that have implemented each strategy, and helpful contacts and references that will help inform strategy implementation. These are available at <https://www.mccall.id.us/LocalHousingActionPlan> or by contacting the McCall Community Development Department.

Scan the QR Code Below to See Committee Packets



1. PLAN OBJECTIVES AND GOALS

The strategies, partnerships, and actions identified in the McCall Area Local Housing Action Plan are oriented to help carry forward the community's vision established in the McCall Area Comprehensive Plan, which states:

McCall is a diverse, small town united to maintain a safe, clean, healthy, and attractive environment. It is a friendly, progressive community that is affordable and sustainable.

The Action Plan recognizes that Local Housing is a necessary component for fulfilling the community vision and, as such, presents a variety of actions that address a range of housing needs for employees and year-round residents in the McCall Area. Because housing markets and Local Housing needs change over time, the Housing Action Plan will evolve accordingly.

Grounded in this understanding, the following Action Plan objective and measurable goals were established to monitor the Plan's progress over time and highlight when modifications may be needed.

Overall Objective

The overall objective of the McCall Area Local Housing Action Plan is:

- ↪ To ensure that McCall remains a **diverse resident community**,
- ↪ by **working together**,
- ↪ to provide a variety of **quality housing types**,
- ↪ that are **affordable for local residents and employees**,
- ↪ through a **range of strategies and programs**,
- ↪ while recognizing **local and regional impacts and opportunities**.



The McCall Toaster was moved on June 6 to be used for workforce housing in the community

Measurable Goals

Measurable goals were established to provide aggressive, but achievable, targets for improving Local Housing availability in the McCall Area. The following goals for meeting Local Housing needs will be tracked to monitor progress and revisited as Local Housing needs evolve:

Income Levels¹

Facilitate Local Housing for the full range of incomes in need and for various life stages to maintain a complete and diverse community.

In McCall, this currently means:

- » Rentals for households earning under 100% AMI, which is about \$60,000 in 2021; and
- » Ownership housing for households earning less than 150% AMI, which is about \$100,000 in 2021.

Number of Units²

Provide an average of at least 50 Local Housing units per year over the next five (5) years (through 2027) in the McCall Area, and more in the region, through a combination of new development, redevelopment, and improving the condition and use of existing homes. Grow yearly average housing production over time as the housing program gains capacity and momentum.

Local Occupancy³

Strengthen our local resident base by increasing the percentage of housing stock in the McCall Area that is occupied by local employees and year round residents from the current 27% to 40% (i.e., occupancy levels in the year 2010).

1. The “income levels” objective will be tracked by monitoring how much Local Housing is provided for the various income levels and comparing this to the distribution of housing needs as identified in Housing Bridge, above. This objective will be updated over time as housing markets, price points, and local resident and employee needs change.

2. Since 2010, less than 100 housing units per year have been constructed in the McCall Area. To achieve 50 Local Housing units per year (which, by definition, will be priced below market), this will require a combination of new construction, as well as preservation and conversion of current housing units into local occupancy. For the purpose of tracking progress toward meeting this goal, any new units produced, converted to local occupancy, and preserved through the strategies identified in this Plan, whether permanently deed restricted as Local Housing or not, should be included for the purpose of tracking progress toward meeting this goal (see the Acton Plan Administration section, below).

3. The percentage of dwelling units in the McCall Area that are occupied by year-round residents dropped from 40% in 2010 to 27% in 2020 (source: Census ACS). This objective seeks to reverse the erosion of the year-round resident base, such that at least 40% of the housing units in the area are again occupied by year-round residents.

2. HOUSING ACTION STRATEGIES

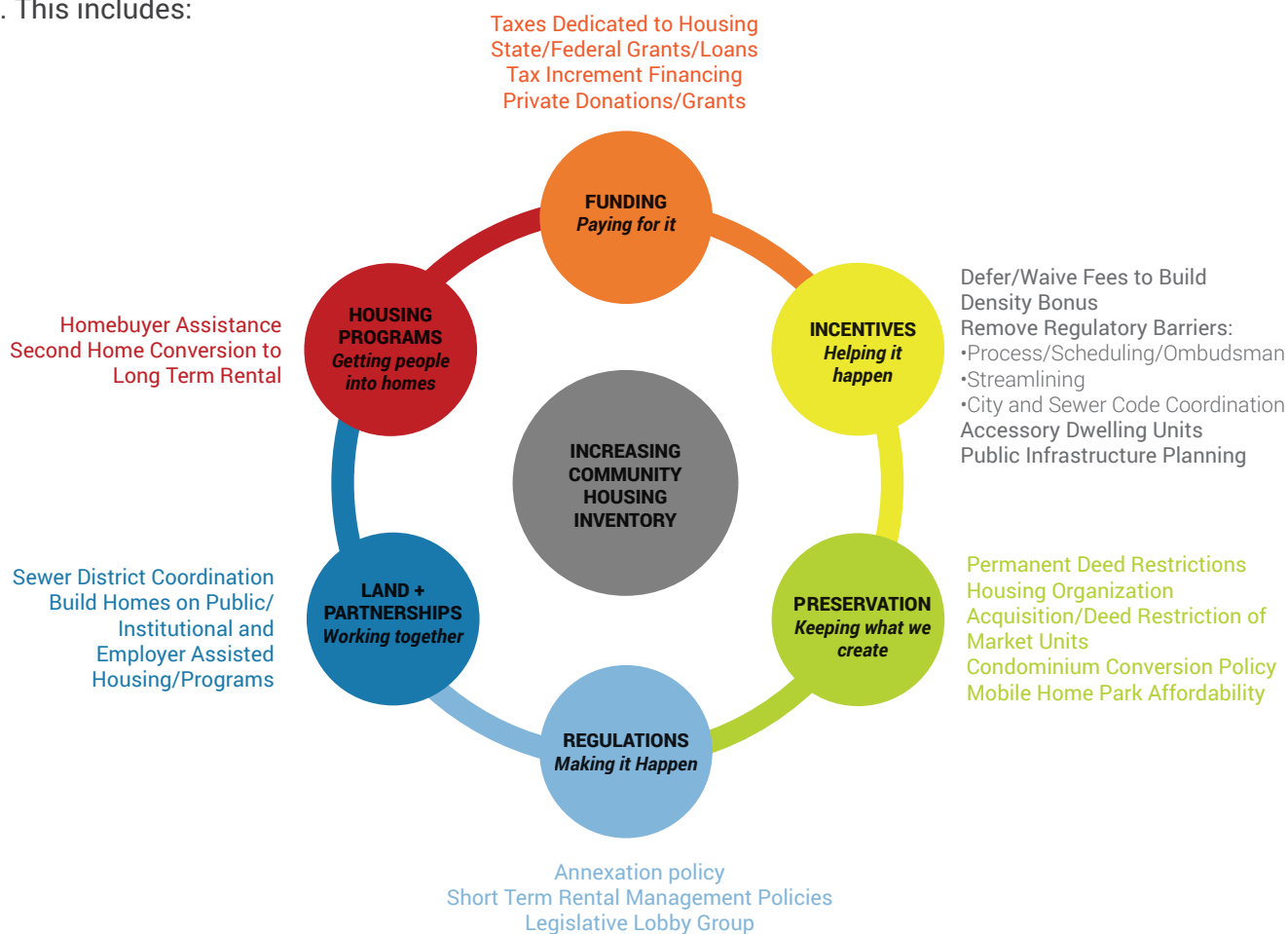
Focused Strategy Refinement

Recognizing that there is no silver bullet – that no one housing strategy can do it all – the Local Housing Committee considered about 40 different strategies that could be used to address Local Housing needs in the McCall Area.

The reviewed options were based on strategies that have been used in high-amenity communities throughout the nation to address a variety of Local Housing needs. This process is described in more detail in the Appendix.

Of the different options reviewed, 25 of the options were prioritized for implementation over the next five years. This includes a mix of new strategies, as well as existing strategies that can be modified for improved effectiveness. Prioritization was required because neither the city nor the implementing partners have the capacity or resources to implement every strategy at once, nor would every strategy necessarily be effective in the McCall Area. The non-prioritized strategies are not lost, however. As the city and partners expand their capacity and successes, more strategies can be brought into the housing program to increase the Plan's impact.

The strategies identified for implementation over the next five years cover a range of options and target a variety of incomes and housing types, ensuring that Local Housing needs are being addressed from multiple angles. This includes:



Housing Needs Guide Implementation

The graphic on page five of this Plan (*Executive Summary – McCall Area Local Housing Action Plan Bridge*) summarizes the housing strategies that will be implemented over the next five years and the primary affordability level that each strategy will address.

This section provides more detail on the developed strategies, to-date, as follows:

» **Timeline for implementation:**

Shows the anticipated schedule for implementation for each Local Housing strategy over the next five years.

» **Roles and responsibilities:**

Identifies the McCall Area entities, organizations, and stakeholders that will be responsible for implementing each strategy. Lead and supporting roles are identified.

» **Action strategy descriptions:**

Provides more detail on each prioritized housing strategy, presented in the order shown on the timeline. A definition is provided for each strategy, along with a summary of the proposed action steps. A table of non-prioritized strategies is also provided, many of which will be revisited for potential addition to the Action Plan as the housing program matures, funding and capacity is added, and community needs change.

TIMELINE FOR IMPLEMENTATION

The housing strategies identified for implementation within the next five years are shown on the timeline on the following page. Strategies will be monitored and modified as needed to ensure effectiveness. This timeline was based on an interactive activity with the Action Committee to facilitate discussion about the most appropriate time frames for strategy implementation.

Factors affecting timing

The timeline considers the current resource, management and capacity limits in the McCall Area, along with existing momentum. It also considers stepping stones - what needs to happen before later strategies may be implemented. In short, the timeline recognizes that it is not just what you do, but when you do it, that can make or break the success of a particular strategy. Considerations factoring into the timing include:

1. **Building blocks: some actions need to happen before others can be successful**
2. **Current capacity: what can we do now (e.g., available staff, funding)**
3. **Ease of implementation: political and capacity limits**
4. **Extent of impact: how much housing can it provide**
5. **Political capital: will this create a success we need in order to build up support for other strategies**

Finally, the timeline is based on the premise that additional capacity - staffing, financing, resources, etc. - will be added in the McCall Area over time. Once initiated, all strategies will require ongoing maintenance, monitoring, reporting and management. Additional resources will be needed to operate and evolve the program and implement more strategies.

Interpreting the timeline

The timeline on the following page shows when strategies will operate in “action phase” (dark blue) and “ongoing phase” (light blue).

Strategies in the “action phase”

Partners are ramping up efforts, growing resources (e.g., staff, funding, etc.), building collaborations, and doing the research and work necessary to get the strategy in place and operational. This phase will require the most capacity.

Strategies in the “ongoing phase”

The strategy is in place and management and monitoring is occurring.

What this illustrates is that work on each strategy never stops - partners are either actively establishing the strategy and ramping up its operation or are doing the day-to-day tasks needed to monitor and manage its operation once established.

Timeline of Priority Action Strategies

Timeline of Priority Tools

Strategies	TYPE	2022				2023				2024				2025				2026				Longer term 2027 ->
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
1 Sewer District Coordination (Prioritize Local Housing)	Partnerships																			Key: Action Phase Ongoing Phase		
2 Housing Organization - create, fund, staff	Preservation																					
3 State ARPA Funds	Funding																					
4 Deed Restricted Housing (Permanent)	Preservation																					
5 Employer Assisted Housing	Partnerships																					
6 Public/Private/Institutional Partnerships (land for housing)	Partnerships																					
7 Existing LOT (and/or General Fund) Dedicated to Housing	Funding																					
8 STR/Second Home Conversion to Long Term Rentals	Program																					
9 Annexation Policy	Regulations																					
10 Fee Waivers & Deferrals	Incentives																					
11 Land Banking (Acquisition) for Housing - Evaluation	Partnerships																					
12 Public infrastructure investment planning	Incentives																					
13 Density Bonus (code modifications, community support)	Incentives																					
14 Legislative Lobby Group	Partnerships/Regulations																					
15 Federal and State Funding Opportunities (Loans, Grants, LIHTC)	Funding																		action phase depends upon policy proposals, legislative schedule timing depends upon capacity (housing organization) and funding cycle			
16 STR Rental Management Policies	Regulations																					
17 Condo Conversion Policy	Preservation																					
18 Tax Increment Financing (TIF) Participation Guidelines	Funding																					
19 Mobile Home Park Affordability	Preservation																					
20 Removal of Regulatory Barriers	Incentives																					
21 Land Banking (Acquisition) for Housing - Purchase	Partnerships																					
22 Accessory Dwelling Units (ADUs)	Incentives																					
23 Homebuyer Assistance	Programs																		may depend upon new funding approval timing depends upon type of tax/LOT vote year (2028?) may depend upon new funding approval			
24 New Taxes Dedicated to Housing	Funding																					
25 Acquisition of Deed Restriction on Market Rate Units	Preservation																					
26 Private Donations / Philanthropy	Funding																					
27 Rehab and Weatherization	Preservation																					

Abbreviations: ARPA = American Recovery Plan Act funds, LOT = Local Option Tax, LIHTC = Low Income Housing Tax Credits

*Strategies that are ongoing

ROLES AND RESPONSIBILITIES

The Housing Steering Committee recognized the need for a coordinating entity to facilitate implementation and provide management and coordination for the Local Housing program. The city of McCall and/or the recommended new McCall Area Housing Authority are in the lead for all except two (2) of the strategies, sometimes in combination with other entities. Leaders for the remaining strategies are engaged community members with existing momentum, skills, and connections to facilitate implementation. In all cases, the leader of each strategy will strive to form community-member work groups and committees with the skills, contacts and interest to undertake implementation. Joint implementation by community members spanning public, private, non-profit, and institutional entities provides the ability to share resources and capacity while leveraging successes for a more robust and effective housing program.

Because several housing strategies rely upon additional capacity/staffing through the formation of a housing organization, or, at a minimum, staff at the city, the above timeline may need to be adjusted based upon when this capacity is added.

Matrix of Responsibilities: Action Strategies

Strategies	TYPE	Lead	Support
1 Sewer District Coordination (Prioritize Local Housing)	Partnerships	Sewer District/City	Sewer District/City
2 Housing Organization - create, fund, staff	Preservation	City	County
3 State ARPA Funds	Funding	Sewer District/City	Sewer District/City
4 Deed Restricted Housing (Permanent)	Preservation	City	
5 Employer Assisted Housing	Partnerships	Chamber, West Central EDC	Employers (large and small), The Housing Company
6 Public/Private/Institutional Partnerships (land for housing)	Partnerships	City/Housing Org. when formed	Forest Service, School District, St. Lukes, Employers
7 Existing LOT (and/or General Fund) Dedicated to Housing	Funding	City/Housing Org. when formed	
8 STR/Second Home Conversion to Long Term Rentals	Program	Property Mgt (Kelly Hill)	City/Housing Org. when formed, Employers, Chamber
9 Annexation Policy	Regulations	City	County
10 Fee Waivers & Deferrals	Incentives	City	Developers, Sewer District
11 Land Banking (Acquisition) for Housing - Evaluation	Partnerships	City/Housing Org. when formed, County	Chamber/Employers, MRA, aligned with public/private partnerships
12 Public Infrastructure Investment Planning	Incentives	City/Sewer District	MRA
13 Density Bonus (code modifications, community support)	Incentives	City (code)/Housing Org. when formed (community)	Sewer District, Developers, Citizen Local Housing support group, County
14 Legislative Lobby Group	Partnerships/Regulations	County, City	
15 Federal and State Funding Opportunities (Loans, Grants, LIHTC)	Funding	Housing Org. when formed	Developers, Stakeholders
16 STR Rental Management Policies	Regulations	City, County	Property managers, Realtors
17 Condo Conversion Policy	Preservation	City	County
18 Tax Increment Financing (TIF) Participation Guidelines	Funding	MRA/City	
19 Mobile Home Park Affordability	Preservation	Housing Org. when formed	LEAP Housing/ROC USA
20 Removal of Regulatory Barriers	Incentives	City	Developers, County
21 Land Banking (Acquisition) for Housing - Purchase	Partnerships	City/Housing Org., County	Various partners
22 Accessory Dwelling Units	Incentives	City	
23 Homebuyer Assistance	Programs	Housing Org. when formed	City, IHFA, Property Management, Realtors
24 New Taxes Dedicated to Housing	Funding	City/Housing Org. when formed	Citizen support group, Employers, Developers
25 Acquisition of Deed Restriction on Market Rate Units	Preservation	Housing Org. when formed	City, Property Management, Realtors
26 Private Donations / Philanthropy	Funding	Housing Org. when formed	Chamber
27 Rehab and Weatherization	Preservation	Housing Org. when formed	

Strategies are sorted in the same order of the timeline presented above.

Abbreviations: City = elected officials, advisory boards, and staff; Sewer District = Board and staff; Housing Org. = housing organization;

MRA = McCall Redevelopment Agency

ACTION STRATEGY DESCRIPTIONS

This section provides a summary of the Action Strategies.

Strategies are presented in the same order as the timeline and roles tables and summarized as follows:

Priority Action Strategies:

Each priority action strategy is summarized and presented in order of implementation. A definition is provided for each strategy, along with a summary of the proposed actions.

Potential Strategies for Future Consideration:

A list of strategies that were evaluated, but not yet prioritized for implementation. These strategies may be considered for later updates to the Plan or as opportunities arise.

Note: The strategies with a (*) indicate that the strategy currently exists, meaning that suggested actions are intended to improve the reach or effectiveness of the strategy.

TOOL	DEFINITION	PROPOSED ACTIONS
Sewer District Coordination	Aligning sewer district capacity and capital improvements planning with Local Housing needs and City Local Housing initiatives.	<ol style="list-style-type: none"> 1. Continue facilitated discussions between City and Sewer District. 2. Form committee to explore city and sewer district code inconsistencies and disconnects. Concerns raised: <ul style="list-style-type: none"> » When a hookup is required: City and Sewer District definitions differ. They should be aligned. » Evaluate metering policies to allow shared metering for apartments, multi-plexes (i.e., units that will not be sold individually). See also Condominium Conversion strategy. » Coordinate sewer modeling/capacities with zoning, density bonus incentives, ADU policy, Local Housing needs within the City. 3. Coordinate to raise funds for sewer improvements (DEQ, ARPA, tax, bond, etc.) <ul style="list-style-type: none"> » Big Sky, MT, example (1% resort tax increase for sewer district infrastructure with 500 connections reserved for Local Housing) 4. Coordinate sewer Master Plan with McCall Area Comprehensive Plan for consistency. 5. Prioritize Local Housing: <ul style="list-style-type: none"> » Gather data to inform policy: overlay sewer basin capacities with Local Housing development opportunities and expected rate of development to illustrate ability for flexibility in sewer density policy, and where. » City Planning Department to introduce policy to Incorporate Local Housing and Local Housing incentive programs (e.g., density bonus, ADU, etc.) in sewer district capacity/modeling. » Explore changes to sewer policies. City shall provide direction to the District to prioritize Local Housing. This may include: <ul style="list-style-type: none"> • Adopt more flexible policy that reflects realistic building rate and planned system improvements rather than requiring one connection per lot be available at all times in City limits. This change may occur throughout the District or at least in primary Local Housing locations/basins.

TOOL	DEFINITION	PROPOSED ACTIONS
Sewer District Coordination Cont.		<ul style="list-style-type: none"> • If necessary, provide assurance that sewer capacities will not be exceeded by new development prior to completing planned improvements (e.g., connection transfers between basins, build-out rate/modeling, near-term development limits). <hr/> <ol style="list-style-type: none"> 6. Scale sewer hookup fees to incentivize smaller units – per square foot or per bedroom fees rather than per unit. Work with City on fee reimbursement or reduction program for Local Housing (see Fee Waiver/Deferral strategy). <hr/> <ol style="list-style-type: none"> 7. Annexation should be consistent with the McCall Area's Future Land Use Plan map from the Comprehensive Plan. Projects should include Local Housing as a requirement for extension of sewer services per an Annexation Policy.
Housing Organization	<p>An organization dedicated to addressing a community's housing needs and stewarding housing units created. Responsibilities may include action plan administration, portfolio development, stewardship of units created, fundraising, and community outreach. Organizational structure can be a governmental department, Housing Authority, or non-profit organization (e.g., Community Land Trust).</p>	<ol style="list-style-type: none"> 1. Establish a McCall Area Housing Authority to provide geographically targeted services within the city and the city's area of impact and avoid any history associated with the former regional efforts. <ul style="list-style-type: none"> » City resolution declaring the need for a Housing Authority, including full spectrum of need (example: Blaine County Housing Authority) » City Council appoints commissioners. Explore appointing a commissioner to represent area of impact » Establish funding source: at least 3-years of seed money (est. \$250,000/year) to start and staff. 2. Determine clear roles and responsibilities of the Housing Authority, including: <ul style="list-style-type: none"> » Manage/steward Local Housing units » Develop Local Housing/acquire land » Raise funds/issue bonds » Education and outreach; support Local Housing advocacy leaders » Action Plan administration » Specified action plan strategy implementation 3. City and Housing Authority enter into an intergovernmental agreement defining roles and responsibilities of each party. <ul style="list-style-type: none"> » City may provide funding, use of City Attorney for legal counsel, etc. » County will do the same if they desire services from the Housing Authority. 4. Secure funding and hire a full-time Executive Director (ED)/Housing Professional providing dedicated staff to implement defined roles and responsibilities.

TOOL	DEFINITION	PROPOSED ACTIONS
State ARPA Funds*	State has allocated Federal American Rescue Plan Act funds for a \$50M Workforce Housing Fund. The Fund is intended to be administered by Idaho Housing Finance Agency (IHFA). Applications are due in August 2022 and expire at the end of 2026. Preference is given to projects that need gap financing and have committed local matching funds.	<ol style="list-style-type: none"> 1. Research and Advocate for ARPA and Infrastructure Funds for McCall. This is a short-lived program and funds are now available. 2. Explore ability to tie funds for sewer needs along with Local Housing. 3. Reach out to IHFA to learn the rules of ARPA and how it may relate to Local Housing projects, including those that may be stalled due to high costs. 4. Identify sites and projects in McCall or Valley County that could utilize ARPA funds. This includes working with the School District to determine if their parcel at Stibnite St. would be a good fit to apply for these funds. 5. Identify a source of matching funds to improve competitiveness (LOT, general fund, etc.).
Deed Restricted Housing* (Permanent)	Dwelling units permanently restricted to protect the purpose of the investment used to create the unit. Restrictions vary based on policy intent. In rising and high-cost housing markets, deed restrictions often include limitations on occupancy (local employee/resident), income level, and rent/resale prices to retain affordability.	<ol style="list-style-type: none"> 1. Modify existing deed restrictions to make more user friendly, improve clarity of terms, increase transparency to developers and owners, and provide ability to manage the desired occupancy, use, and resale of units. 2. Establish a methodology to set initial rental rates and sales prices to ensure initial affordability and set expectations for developers seeking incentives to produce Local Housing. 3. Utilize a unique deed restriction for ownership vs. a rental product to eliminate management challenges. Maintain a permanent restriction on ownership and consider a term-limit on rental apartments. 4. Align deed restrictions with other policies (e.g., ADU, fee waiver and density bonus incentives) 5. Maintain the general occupancy criteria, minimum hours worked for a McCall business, prohibition from short-term or vacation renting, and caps on rental rates and sales price appreciation. 6. Increase management capacity by reconstituting a McCall Area housing organization (see Housing Organization strategy).

TOOL	DEFINITION	PROPOSED ACTIONS
Deed Restricted Housing* (Permanent)		<ol style="list-style-type: none"> 7. Emphasize customer service to end users (e.g., buyers, lenders, sellers, renters, etc.), such as through one point of contact. 8. Establish Housing Guidelines to define and guide deed restriction administration (see Appendix C for more information)
Employer Assisted Housing*	Employer Assisted Housing (EAH) means providing housing support to employees. Employers can provide land and partner in development of housing. EAH is often direct employee support, such as help with finding housing, down payment, rent/mortgage, relocation, housing stipend, or master leasing/providing rentals	<ol style="list-style-type: none"> 1. Designate a leader/convener to bring employers of all sizes together. 2. Learn from and build upon existing partnerships and programs, such as Brundage and Shore Lodge – development, shared seasonal housing, housing staff/coordinator. 3. Educate/ message/ outreach to the community. 4. Help smaller employers address housing issues: <ul style="list-style-type: none"> » Technical assistance » Match with programs (rent/down payment assistance, etc.) » Match employees with units (see STR Conversion strategy) 5. Track/educate on progress, opportunities, and outcomes. 6. Provide technical assistance to produce housing – City Ombudsman.

TOOL	DEFINITION	PROPOSED ACTIONS
Public/Private/ Institutional Partnerships*	<p>Public/institutional organizations partnering with the private sector for development expertise to build Local Housing on publicly owned land. May be vacant or under-utilized land. May also include institutional properties.</p> <p>In Idaho, Cities and public agencies have limited flexibility when selling land. IHFA (Idaho Housing and Finance Association), a public housing authority, or a redevelopment agency have more flexibility to dispose of land at below market rates with restrictions to incentivize Local Housing development.</p>	<ol style="list-style-type: none"> Facilitate partnerships between public agencies/institutions: School District, MRA, City; USFS; state; St. Luke's; IHFA; future housing organization. Establish criteria to prioritize site(s) for Local Housing from all partners. Understand partner and site constraints with respect to land disposition, acquisition, development for Local Housing. Issue Request for Proposals with specific Local Housing outcomes. Complete due diligence before issuing proposals; learn from Davis RFP process. Through RFP, provide clear developer expectations, desired development/Local Housing requirements, and assistance/incentives that can or will be provided (e.g., City fee reimbursement, site improvements, tax reductions, etc.). Keep prioritized list for future housing opportunities. Considerations: <ul style="list-style-type: none"> » School District has identified lands for sale. Reevaluate for Local Housing potential, partnerships, feasibility. Selling land will likely not provide enough funds to buy/build Local Housing units in the McCall Area. Investigate long term ground lease at below market rate for Local Housing development/partnership with another public agency. » USFS potential; typically long process, requires local champion to ensure success. Learn from other successful partnerships (e.g. Summit County, CO). In regard to "The Toaster," confirm that it will not adversely impact the future developability of the city site on which it will be located.
General Funds*	An annual or occasional budget allocation often to support staffing, pre-development, and gap financing.	<ol style="list-style-type: none"> In lieu of or in addition to LOT allocation (below), allocate a dedicated amount of city's general fund to Local Housing each year – form a Local Housing Fund. Establish allocation criteria to inform use of the city's Local Housing Fund.

TOOL	DEFINITION	PROPOSED ACTIONS
Taxes Dedicated to Local Housing*	<p>A dedicated funding source for Local Housing. May include local option sales tax (LOT), sales tax, property tax, short-term rental tax, real estate transfer, excise tax, vacancy tax, unit demolition or conversion fees. Voter approval required in most states. Approval requires extensive public education.</p> <p>LOT approved in 2019 on lodging that can be used for housing in McCall. Use for housing is discretionary.</p>	<p>Near term:</p> <ol style="list-style-type: none"> 1. Allocate a specified percentage of the annual LOT allocation towards Local Housing for the life of the LOT (through 2028 to create more funding certainty. City Council action required. 2. Create a transparent process for LOT housing fund application and distribution. <ul style="list-style-type: none"> » Educate LOT Allocating Board on Local Housing and its importance to McCall. » Ensure a member of the Housing Committee is appointed to the LOT Allocation Board. » Establish allocation criteria that considers: scoring system, leverages funds, requires Local Housing deed restriction that prioritizes long-term affordability. 3. Make sure to use all funds from the LOT locally and ensure there are not unused funds that will revert to the State. Consider creative processes, such as selecting first and second tier housing projects from funding applications. If the first tier project does not move forward, then award funds to the second tier project so that the funds do not go unused (legal review). <p>Longer term:</p> <ol style="list-style-type: none"> 1. When the LOT is up for a vote (2028, if not before), consider an increase LOT with the increased portion specifically for Local Housing or an additional LOT dedicated to housing. Evaluate whether LOT can be increased on short-term rentals alone (legal review). 2. Explore other opportunities for consistent local source of funds – for example sales tax, property tax, real estate transfer tax, etc. 3. Coordinate vote with a comprehensive education campaign; start early! 4. When fixed amount of LOT for housing is established through administrative or voter approval, establish how to (criteria) and who administers funds.

TOOL	DEFINITION	PROPOSED ACTIONS
Short-term Rental/ Second Home Conversion Program	Unlocking short term rentals and second homes for long term rental to local residents through outreach, education, and/or incentives.	<ol style="list-style-type: none"> Learn from successful programs: <ul style="list-style-type: none"> » Landing Locals (Truckee, CA); technical assistance available » Big Sky Community Housing Trust (MT), rent local programs Expand success of existing property managers – scale up program to reach more potential properties. Partnership opportunity among employers/chamber, local property managers, city: pre-screened tenants, employer rent guarantees to property owners, incentives (property tax break, paid subsidy) Evaluate Local Option Tax in relation to STR: <ul style="list-style-type: none"> » Potential source for financing STR-to-long term rental conversion incentive » Can LOT be increased on STR alone (legal review) Explore other incentives (e.g., reduced property tax, vacancy bridge loans etc.).
City Annexation Policy	<p>Negotiating restricted Local Housing as part of annexation agreements. Policy based.</p> <p>Annexations of land upon request by the property owner(s) for residential development offer the greatest opportunity to ensure that new development includes Local Housing.</p>	<ol style="list-style-type: none"> Develop and adopt annexation policy requiring at least 30% of homes developed on annexed property be deed restricted Local Housing. Considerations: <ul style="list-style-type: none"> » Include affordability requirements in deed restriction to ensure Local Housing is affordable for intended occupants » Produce Local Housing for ownership, not just rentals » Balance the Local Housing percentage policy (e.g., 30% or more) with state regulatory concerns/conservative legislature

TOOL	DEFINITION	PROPOSED ACTIONS
Fee Waivers/ Deferrals*	<p>Water/sewer, building permit, impact or other fees waived in part or whole or deferred until occupancy/ sale to reduce upfront cost to build. General funds or other source need to cover cost if fees waived or reduced and/or for the deferral period.</p> <p>Current Local Housing Incentive reimburses up to \$10,000 in fees to deed restricted Local Housing units. Has been used, but can be improved.</p>	<ol style="list-style-type: none"> Review for other fees that are suitable to reimburse/defer: <ul style="list-style-type: none"> » If the city adopts other impact fees (schools, roads, etc.), include deferral/reduction/exemption for Local Housing. » Work with sewer district to allow reduced fees for Local Housing. Options: <ul style="list-style-type: none"> • Sewer district to model fees for Local Housing and see if lower cost is justified; • Fee still paid to sewer district, but from a source other than the developer (e.g., city reimbursement) Identify and secure a funding source to replace waived/ reduced fees: see Funding strategies (taxes, etc.) Set qualifications to receive reimbursement. Ensure homes that get reduced/reimbursed fees benefit the community (affordable Local Housing, LIHTC, etc.). Consider best practice fee modifications to incentivize desired development (e.g., smaller, lower cost homes) <ul style="list-style-type: none"> » City planning fees are charged on a per square foot basis, which is a best practice to ensure smaller units pay lower fees – evaluate other fees accordingly, including sewer permit fees (e.g., per square foot or per bedroom). Evaluate the ability to scale fees based on value/type of development (e.g., higher fees for luxury and vacation homes, lower fees for Local Housing)
Land/Land Banking*	<p>Acquiring land for eventual Local Housing development. Acquisition may occur through purchase, trades, life estates, donation (non-profits), in-lieu requirements.</p> <p>Reference table below for current identified lands.</p>	<ol style="list-style-type: none"> Establish criteria to prioritize sites(s). Inventory potential opportunities. Understand constraints and costs of mitigation. Complete due diligence (land use, Environmental Phase I, title review, etc.) Include sites that are vacant, underutilized or ripe for redevelopment. Keep prioritized list of sites for future housing opportunities. Create an acquisition plan for sites. Determine disposition plan for appropriate sites. Evaluate how to use proceeds/leverage funds to create Local Housing units before selling land. (Lenora property etc.)

TOOL	DEFINITION	PROPOSED ACTIONS
Public Infrastructure Planning/Investment*	<p>A Capital Improvements Plan (CIP) is a plan for the repair and/or extension of city services such as streets, sidewalks and drainage improvements; gas and electric/ etc., where appropriate.</p> <p>Would include coordinating with the Sewer District for water/sewer needs.</p>	<ol style="list-style-type: none"> 1. Develop a CIP to address infrastructure in priority areas for Local Housing development. This can pair well with the work undertaken through the Sewer District Coordination strategy. 2. Alternative: identify/set aside funds to assist Local Housing developments with infrastructure needs/improvements. 3. Consider planning for a public parking structure to open up parking lots for housing; provide potential Local Housing shared parking opportunity (e.g., Winter Park, CO, Hideaway Place Apts utilized this strategy).
Density Bonus*	<p>Providing additional density in exchange for Local Housing. Must be large enough to entice development yet small enough for livability and compatibility. Not effective if existing zoned densities are high (e.g., when zoned at a level where developers have trouble building to existing densities).</p> <p>Existing City policy allows up to double density for Local Housing.</p>	<ol style="list-style-type: none"> 1. City policy is effectively attracting Local Housing projects. Primary barriers: <ul style="list-style-type: none"> » Sewer District does not recognize added density. See Sewer District Coordination strategy. » Neighbor push back on density/Local Housing. 2. Remove density as a public discretion issue. <ul style="list-style-type: none"> » Institute ministerial/administrative approval of additional Local Housing density based on objective standards. See Boise Housing Bonus Ordinance. <ul style="list-style-type: none"> • Objective standards may be tied to location (city centers, transition areas), available infrastructure (roads, parking), etc. Density bonus may be scaled depending upon location/objective criteria. » Consider form-based codes/floor-area-ratio (FAR) standards (focus on form/scale rather than density) 3. Proactively address concerns: <ul style="list-style-type: none"> » Community education. Community support group. 4. Elected official education. Site visits, graphic representations of density.

TOOL	DEFINITION	PROPOSED ACTIONS
Legislative Lobby Group	Form a coalition to promote, or influence legislation supportive of community and Local Housing needs.	<ol style="list-style-type: none"> 1. Participate in the Idaho Mountain Resort Lobby Group. 2. Support more flexibility for jurisdictions to facilitate Local Housing and discourage restrictive legislation. Considerations: short term rentals, inclusionary zoning, local/flexible funding options.
Federal and State Grants/Loans – LIHTC, CDBG, HOME, National Housing Trust etc.*	<p>Federal and state grants/loans for affordable housing, generally for construction of units. These include CDBG, HOME, and USDA/ Rural Development. Can typically only serve low-income households at or below 80% AMI.</p> <p>The funds are competitive and require complicated grant application and administration process. Sophisticated developer required.</p>	<ol style="list-style-type: none"> 1. “Prime the pump” by working with known developments or developers to confirm projects meet funding requirements. 2. Educate developers to apply for and utilize these federal and state grants/ loans (ombudsman approach). 3. Identify sites and projects in the McCall Area, including those that may be underutilized or ripe for redevelopment. HOME and CDBG can be used for development, redevelopment. 4. Create relationship with IHFA, to understand their programs and how to collaborate with them. This may include educational seminars or training with IHFA. 5. Good role for city, county, and eventually the housing organization when staffed.

TOOL	DEFINITION	PROPOSED ACTIONS
Short-term Rental Management Policies*	The ability to regulate/prohibit short term rentals is limited in Idaho (see Id. St. Code § 67-6539). Regulations typically seek to preserve local neighborhoods and resident housing opportunities, reduce transient occupant impacts, and address lodging/hotel business concerns.	<ol style="list-style-type: none"> 1. Short-term rental permit changes are in process. 2. Adopt additional changes: <ul style="list-style-type: none"> » Prohibit short term rentals in new developments and annexations » Scale permit fees based on number of bedrooms and/or whether properties are rented by an owner-occupant or investor » Limit the number of investor-owned rentals (i.e., conduct legal review of Sandpoint, Idaho, requirements) » Prohibit short-term rental of Local Housing 3. Work with Idaho Mountain Resort Lobby Group to support more flexibility for jurisdictions to regulate short-term rentals and discourage restrictive legislation.
Condominium Conversion Policy	Limiting or prohibiting conversion of apartments to condominiums to retain rental housing. May require some portion of converted units to be restricted Local Housing; provide first right of refusal of sales to apartment occupants; impose a conversion fee that goes into a housing fund; among other conditions.	<ol style="list-style-type: none"> 1. There are only two apartment complexes in McCall and both are federal programs that are not at risk of losing their restrictions until the late 2030's. 2. Tie a condo conversion policy to Local Housing incentive programs to prohibit the conversion of multi-family rental to ownership. 3. Can be linked with opportunity for shared sewer hookups rather than requiring individual metering (see Sewer District Coordination strategy).

TOOL	DEFINITION	PROPOSED ACTIONS
Tax Increment Financing*	<p>Tax Increment Finance (TIF) is a finance tool that exists through the McCall Redevelopment Agency (MRA) and can be used to invest in public improvements and stimulate economic development. Typically, property taxes from a specific urban renewal area or district broadly defined as “blighted” are redirected for a defined period of time. MRA’s recently created Downtown West Urban Renewal Area includes housing in its plan.</p>	<ol style="list-style-type: none"> 1. Plan for Local Housing opportunities within the existing and future Urban Renewal Area(s). 2. Create a transparent application process (e.g., participation guidelines) for developers seeking to utilize TIF that prioritizes Local Housing. Review Boise, Idaho Urban Renewal Participation Guidelines for ideas. 3. Educate interested developers and landowners (within URA) so they understand the guidelines, when created. 4. Study additional URA areas, specific to whether other public agencies (USFS, School District, or state) have land they are going to sell and develop.
Mobile Home Park Affordability	<p>Preserve long term mobile home affordability, quality, and stability for mobile home park residents.</p>	<ol style="list-style-type: none"> 1. Several mobile home parks exist in the McCall Area providing ‘naturally occurring’ Local Housing and are at risk of redevelopment into vacation or part-time occupancy. 2. Research options such as tenant empowerment and opportunity for resident or public ownership. Seek Resident Owned Communities (ROC) information/technical assistance; LEAP charities began a ROC affiliate in Boise, ID. 3. Consider condition of mobile homes and infrastructure.

TOOL	DEFINITION	PROPOSED ACTIONS
Removal of Regulatory Barriers	<p>Updating/modifying code provisions and procedures that impair housing development. For example, removing dual approval processes, ensuring codes are consistent, simplifying applications. Complete code review and rewrite might be required.</p>	<ol style="list-style-type: none"> 1. Make process more predictable, transparent, useful and ensure codes produce what is wanted. 2. Form committee to explore code inconsistencies and disconnects. 3. Include all codes in review: City Building, Zoning, Subdivision, etc. and Sewer District 4. Concerns raised: <ul style="list-style-type: none"> » Public process and scheduling is complicated. A City Ombudsman approach to navigating entitlements and permits can help. » Streamlining public approval processes. May include ministerial/administrative approval of Local Housing density bonus and objective design standards (i.e., reducing components that require public input/review). Example: Boise, Id, Housing Bonus Ordinance. » Disconnect between City and Sewer District definitions, requirements, policies. See Sewer District Coordination strategy.
Accessory Dwelling Units*	<p>An ADU is a second smaller home sharing a lot with a single-family or townhome residence. Some examples of ADUs include an apartment over a garage, a tiny house in the backyard, or a basement apartment.</p>	<ol style="list-style-type: none"> 1. Increasing the number of lots on which ADUs are permitted encounters the same sewer district barriers as the density bonus policy. Density bonus will have more impact; move ADU to lower tier if it is necessary to pick one. See Sewer District Coordination strategy. 2. Best practices for an effective Local Housing ADU program include: <ul style="list-style-type: none"> » Deed restrict units that receive an incentive/public break to build to ensure community benefit. » Decrease the cost of ADUs (i.e., permitting, fees, parking regulations, hookups). » Make pre-engineered ADU designs available for free. » Review building codes to allow tiny homes as ADUs » Allow administrative approval; only building permit required.

TOOL	DEFINITION	PROPOSED ACTIONS
Accessory Dwelling Units* Cont.	Unless ADUs are deed restricted to require that they be used for Local Housing, their impact on creating more homes for residents is low. ADUs that are deed restricted for use by residents and employees are appropriate in many neighborhoods, yet compliance monitoring is needed.	<ol style="list-style-type: none"> 3. Most mountain communities restrict ADU size to no more than 800 to 1,200 square feet to minimize their impact on neighborhoods. May allow larger ADUs if deed restricted Local Housing.
Homebuyer Assistance*	Down payment assistance of grants or second mortgages for qualified buyers. Can be used for restricted or market units.	<ol style="list-style-type: none"> 1. Research Idaho Housing and Finance Association (IHFA) down payment program. <ul style="list-style-type: none"> » IHFA house price cap and income limits likely too low for housing stock in the McCall Area. 2. Establish a down payment assistance program unique to McCall using the Big Sky, MT, and Truckee, CA, programs for guidance. Program specifics: <ul style="list-style-type: none"> » Seek local funding for this program to serve households up to 150% AMI, such as Community Reinvestment Act funds through local banks, local option tax, State Housing Trust Fund, and philanthropy. » Define program: loan or grant, amount, income caps, loan or grant amount, repayment terms, etc. » Consider combining with other incentive tools to increase inventory. » Work with employers to assist employees. Technical assistance, loan/grant options, administration, etc. 3. City can manage until housing organization in place. 4. Outreach! Market program and availability - lenders, real estate agents, employers/employees, property managers, community.

TOOL	DEFINITION	PROPOSED ACTIONS
Acquisition of Deed Restriction on Market Units	Usually involves investing public funds to purchase deed restrictions on market rate properties. Inability to obtain condo mortgages can result in units being rented. Public sector purchases can drive up prices for low-end market units.	<ol style="list-style-type: none"> 1. Explore acquiring market units to preserve occupancy of existing housing stock for Local Housing. 2. Target middle-income households with this tool and consider combining with down payment assistance. 3. Use to preserve both ownership and rental options, as well as long-term affordability. 4. Seek local funding to serve households up to 150% AMI, such as local option tax and philanthropy. 5. Considerations: <ul style="list-style-type: none"> » Competition for a limited supply of inventory is a challenge. » Example programs: Vail InDeed, Vail, CO; Big Sky Good Deeds, Big Sky, MT
Private Donations/ Philanthropy*	Tax deductible contributions to a non-profit organization/ foundation for the purpose of providing funds for housing. McCall and Valley County have examples of capital improvements that have been primarily funded in this way such as Kelly's Whitewater Park or the Ice Rink.	<ol style="list-style-type: none"> 1. Do not yet have a Local Housing "plan" that can be sold to a foundation or philanthropic organization. 2. Do not have capacity to pursue. 3. Potential role for housing organization when in place.

TOOL	DEFINITION	PROPOSED ACTIONS
Rehabilitation/ Weatherization	Repairing, updating, enlarging, improving energy efficiency, and providing handicapped accessibility in existing homes. Federal or State grants are typically used. Staff/time intensive.	<ol style="list-style-type: none"> 1. Program has demonstrated value in improving weatherization and assisting seniors living in older homes, but not many homes exist in need of improvement in McCall or that are occupied by low-income seniors. 2. Availability of resources or partners is largely unknown. Explore whether there is a potential partner, such as a senior organization, that could implement 3. Federal funding could be accessed.

STRATEGIES FOR FUTURE CONSIDERATION

TOOL	DEFINITION	COMMENTS
PARTNERSHIPS Property Management Support For Employer Housing Programs	Contracting to manage rental units. Could work both ways – public sector hires private firm or private sector hires public/non-profit. Could be used with Employer Assisted Housing.	<ol style="list-style-type: none"> 1. Potential to wrap into Employer Assisted Housing strategy. Some existing employers have in-house capacity that has potential to be shared. 2. Revisit as employer partnerships, involvement, sophistication grows.
PRESERVATION No Net Loss/Replacement Policy	Requires replacement of below-market dwellings occupied by residents when redevelopment occurs. Similarly-priced units should be replaced on site or another site, or a fee-in-lieu of replacement could be allowed. Demolition tax may be used to fund replacement.	<ol style="list-style-type: none"> 1. Not a significant impact in McCall at this time. 2. May disincentivize desired rehabilitation or redevelopment of substandard/unsafe housing.
INCENTIVES Flexible Development Standards	Reductions in parking, setbacks, open space, height limits, road widths, etc. to reduce the cost to build and encourage a specific or a variety of dwelling types, including small lots for modest/tiny homes, live/work units, and mid-size multi-family (duplex to 4-plex).	<ol style="list-style-type: none"> 1. Many components are incorporated as part of the density bonus program. 2. Additional items may come forth under review for “removal of regulatory barriers”.
Zoning For Affordability	Small lots for modest/tiny homes, complete neighborhoods, live/work, multi-family rental allowed in commercial/mixed-use zones, by-right Local Housing in all or most zones.	<ol style="list-style-type: none"> 1. Need to coordinate with Sewer District capacity and policy under existing incentives. 2. Revisit pending Sewer District Master Plan and city infrastructure progress.

TOOL	DEFINITION	COMMENTS
REGULATIONS Inclusionary Zoning (IZ)	<p>A percentage of residential units in new subdivisions/ PUDs are restricted to Local Housing. Market homes support below market units. McCall had a program in place prior to Idaho legislation prohibiting mandatory IZ.</p>	<ol style="list-style-type: none"> 1. Utilizing incentives to facilitate Local Housing. 2. Changes to state legislation required to pursue. 3. May be a topic for the Legislative Lobby Group.
Residential Linkage; Commercial Linkage	<p>Requires new residential and/or commercial development to provide housing or pay fees for a portion of employees needed to fill the new jobs generated by the development. Nexus Study required. State legislation does not allow for housing.</p>	<ol style="list-style-type: none"> 1. City evaluating impact fees for non-housing infrastructure/ services. 2. Changes to state legislation needed to pursue. 3. May be a topic for the Legislative Lobby Group.
HOUSING PROGRAMS Habitat for Humanity	<p>International organization with local chapters that use volunteers and donations to build modest homes. Inventory of homes may not be permanent.</p>	<ol style="list-style-type: none"> 1. Not active in McCall; land/ prices limiting.
Self Help Build	<p>Home buyers receive low interest loans and technical assistance for their construction of homes. Requires large time commitment.</p>	<ol style="list-style-type: none"> 1. Not active in McCall; no capacity. May reevaluate when housing organization formed; capacity to explore.
Public Sector Development	<p>Initiating, designing, financing and constructing dwelling units by municipalities, counties and/or housing authorities. Less cost, greater quality control and similar to developing other public infrastructure. More financial risk and specific expertise required.</p>	<ol style="list-style-type: none"> 1. Wrapped into Public/Private/ Institutional partnerships and land banking strategies. 2. Preferred role for new housing organization.

TOOL	DEFINITION	COMMENTS
Community Land Trust	Non-profit, community-based organizations that ensure stewardship and perpetual affordability by maintaining ownership of the land and leasing it to those who own the homes built on the land. Often develop housing and/or partner with businesses and government entities to provide stewardship services.	<ol style="list-style-type: none"> 1. McCall Area Housing Authority being pursued. 2. Exists in the region in limited capacity.
Co-op or Co-housing	Common ownership and management of purpose-built communities. Co-op ownership can be used to share large homes by multiple employees and to preserve mobile home parks.	<ol style="list-style-type: none"> 1. May be an option to explore for employer assisted housing/ housing partnerships. 2. May be an option to preserve mobile home parks (see Mobile Home Park Affordability strategy)
Senior Housing	High density, smaller, low maintenance units designed for retiring residents. Can free up housing stock for employees, esp. with strategies that help locals out-compete second-home buyers or STRs.	<ol style="list-style-type: none"> 1. Understood as a need in the McCall Area. 2. Current priority is Local Housing for all resident occupants (seniors, workforce, etc.) 3. Revisit as need/capacity allows. 4. Preference to assist local seniors rather than in-coming retirees.

TOOL	DEFINITION	COMMENTS
Permanent Supportive (PSH) And Transitional Housing	<p>PSH pairs housing assistance with case management and supportive services to help chronically homeless individuals and families lead more stable lives and help them transition to home security.</p> <p>Transitional housing refers to a supportive – yet temporary – type of accommodation that bridges the gap from homelessness to permanent housing by offering structure, supervision, support, life skills, and training.</p>	<ol style="list-style-type: none"> 1. Not a high priority at this time. Revisit as need/capacity dictates.
FUNDING Construction & Debt Financing with Favorable Terms	Low interest loans, tax exempt bonds, certificates of participation and other forms of development financing available to housing authorities, cities, counties and some non profits to develop housing.	<ol style="list-style-type: none"> 1. Interest rates are currently low; though rising. More effective in high-interest rate environment. Revisit as needed.
Special Improvement District	Special Improvement Districts (SIDs) are typically formed to fund public improvements, typically infrastructure (roads, sewer, etc.) or maintenance of City facilities or services. Costs are distributed across the properties within the SID that benefit from the improvements. Use specifically for housing is not common.	<ol style="list-style-type: none"> 1. Requires approval by property owners in the proposed district. 2. Have TIF strategy in place; monitor. 3. May be a future consideration.
Impact (or Linkage) Fees	A fee directly linked to the need for Local Housing generated by new development through jobs created. Nexus required.	<ol style="list-style-type: none"> 1. See “Residential and commercial linkage” regulation strategy, above.

TOOL	DEFINITION	COMMENTS
Opportunity Zones	The Opportunity Zones investment incentive was established in 2017 to encourage long-term private investments in low-income communities. Two Opportunity Zones are eligible to receive private investments through opportunity funds in the McCall Area. The program does not explicitly address below-market Local Housing; pairing with traditional LIHTC/etc financing has been difficult/few successes. Program expires end of 2026.	<ol style="list-style-type: none"> 1. Economic Development tool, does not have any affordability incentives or controls. 2. Has not shown effective for attracting Local Housing investment as the lead purpose for investors. 3. Expiration date approaching fast.

3. CORE COMPONENTS

Several Local Housing programs and community initiatives are in place in the McCall Area. This Action Plan presents the ability to evolve the housing program to better meet the needs of residents and employees by creating, strengthening and defining a partnership framework to address housing needs. This will allow the McCall Area to leverage resources and capacity throughout the community and region.

Core components are the tasks and structures needed to ensure that the community partners and Plan continue to move forward. To ensure support and continuation of this partnership, a sound administrative structure needs to be established, along with housing program support to manage community housing that is produced through this Plan. ***Most of this structure needs to be in place within the first two-years of Action Plan implementation.***

Housing Organization

To be most effective, the Housing Committee recognized that additional administrative and programmatic capacity is needed in the McCall Area to manage an inventory of permanently restricted Local Housing, as well as facilitate partnerships and coordinate resources needed for Action Plan strategy implementation. It was recognized that a Valley Adams Regional Housing Authority existed in the past; however, concern over the prior history of this organization and a desire to simplify the organization to initially serve the McCall Area were raised. The capacity for a housing authority to issue bonds and act as a quasi-governmental entity were desirable attributes of this type of structure.

It is recommended that a McCall Area Housing Authority be established, preferably within the first year of Action Plan implementation. The Housing Authority should encompass the City of McCall, plus the Area of Impact. Many strategies will benefit from the administrative and managerial structure of this organization. Further, the additional staff capacity is needed to accelerate Local Housing in the McCall Area.

McCall Area Housing Authority

As specified in the action strategy description, above, base needs will be to establish funding to create the organization and hire an executive director. ***At least three (3) years of start-up funding, typically averaging about \$250,000 per year, should be dedicated to form, staff, and seed this organization.***

Anticipated roles for this organization include:

- ✓ *Manage/steward Local Housing units, including deed restriction and housing guideline administration; managing Local Housing unit qualifications, turnover, and resales; and tracking Local Housing inventory.*
- ✓ *Develop Local Housing/acquire land*
- ✓ *Raise funds/issue bonds/housing tax initiative*
- ✓ *Community education and outreach*
- ✓ *Action Plan coordination/administration*
- ✓ *Specified action plan strategy implementation (see “Roles and Responsibilities” section)*
- ✓ *Prepare for and attend working group sessions and public workshops.*

Action Plan Administration

This step includes procuring and managing the budget and staff to implement the Plan, which includes providing assistance and coordination of all implementing partners (see “Action Plan Coordinator” section, below).

The first steps of administration by the city will be to:

- 1. Submit the Action Plan for acceptance (or adoption) by the City Council;**
- 2. Present the Plan to Valley County for recognition (in the area of impact);**
- 3. Present the Plan to the Sewer District Board for acceptance (or adoption)**
- 4. Budget for three (3) years of implementation (staff, contractors, etc.); and**
- 5. Establish the capacity for Local Housing program management (i.e., the Housing Organization), and make needed adjustments to Local Housing deed restrictions, housing guidelines, and unit management processes to meet and manage Local Housing objectives.**

Action Plan Coordinator

The city can undertake this role until the Housing Authority is established. The role of the action plan coordinator is to convene Action Plan implementing partners to continue communication, support existing and new partnerships, monitor progress toward meeting goals and objectives, track and report on successes and challenges, and gather information for potential Plan modifications.

Tasks include:

- » Facilitation of partner meetings (at least quarterly to begin);
- » Summarize and advertise the “collective impact” of Action Plan partners (update quarterly and track and advertise through a published document or website);
- » Public outreach/communications tasks;
- » Partnership development to build capacity of existing partners and recommend and bring in new partners;
- » Project management: work with partners on teams to implement strategies (research, facilitate teams, data analysis, outreach, etc.) and collect data on unit production, conversion and preservation; and
- » Assisting partners with strategy plan development; defining implementation steps.

FINANCING

Adding to the housing inventory and building programs requires funding. This Action Plan identifies multiple sources of financing to achieve its goals, including:

- 1. Expanded federal/state grant/loan outreach and coordination;**
 - 2. Coordinating partner capacity and resources;**
 - 3. Specific General Fund and/or Local Option Tax (LOT) set-aside for Local Housing initiatives;**
 - 4. Exploring a voter-approved tax/LOT increase for Local Housing; and**
 - 5. Private donations/grants collection and other private investment.**
-

Financing, although addressed in the Action Strategies, is reiterated as a core component to emphasize the coordination needed to effectively compete for financing and generate access to more.

- » Some projects are underway and the Action Plan partners will be ramping up programs. Helping partners navigate financing options, coordinate applications, unify messaging, and improve McCall's visibility for effectively competing for state and federal awards will be needed.
- » Passing a tax for Local Housing is hard. Many communities with active housing programs and great successes have failed. Learn from those that have been successful and take the steps necessary to build the political capital and community support to succeed.

Identifying financing opportunities, finding new ways to combine and leverage resources, coordinating regional needs, and managing multiple resources to support the strategies in this Plan needs to be a continuous process.

PUBLIC EDUCATION AND ENGAGEMENT

Public engagement and education is a component that is often overlooked in housing programs, to their detriment. Public education and community engagement is essential for the major initiatives contained in this Plan, including new housing developments, tax allocations, and changes to development regulations.

Outreach should:

1. Build Community Momentum and Awareness.

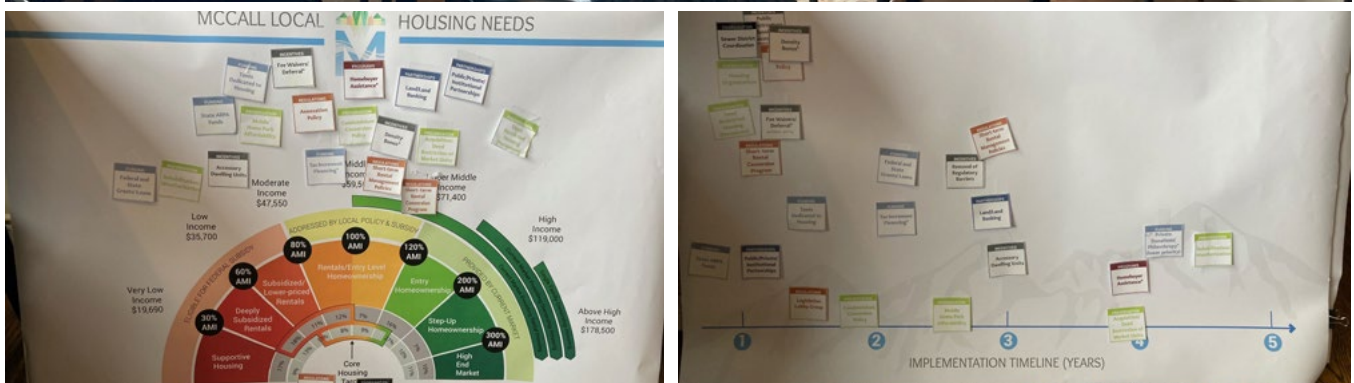
- » Educate the community on the local and regional housing challenges; the need to take action; the steps being taken, by whom, and outcomes; and how the community benefits.

2. Strengthen Community Engagement.

- » Utilize a variety of tools and local organizations to reach out to and engage the community to learn about the Action Plan process and share their feedback.
- » Every achievement of the Action Plan, no matter how big or small, should be expressed to the community.

3. Build Transparency

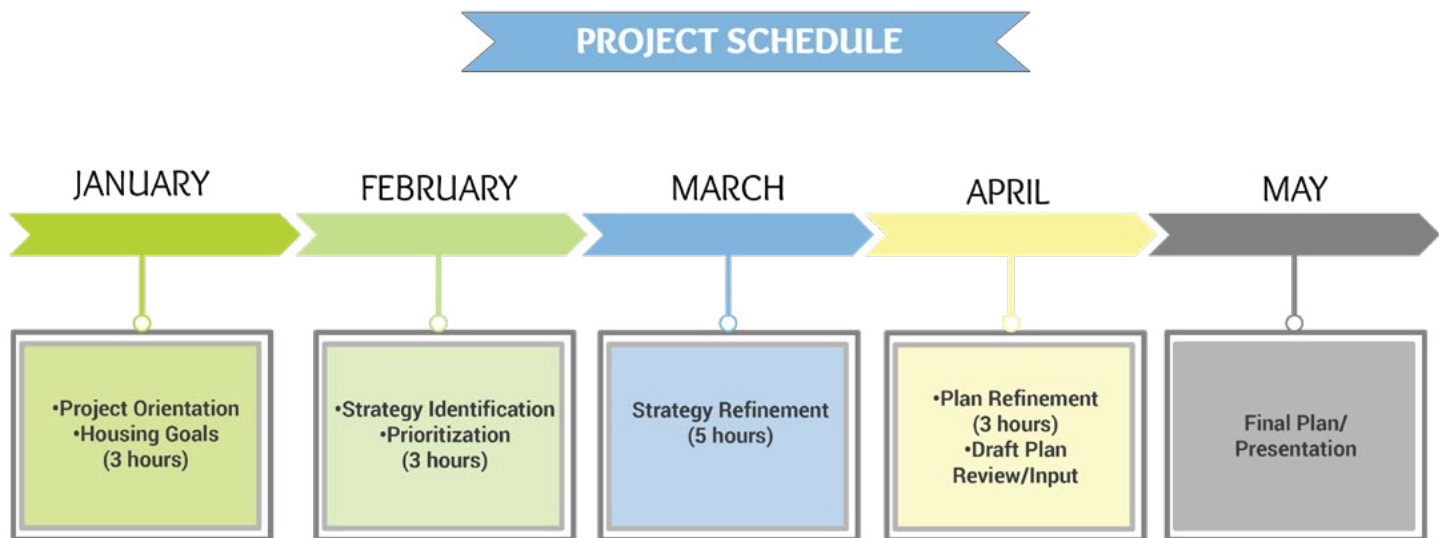
- » Transparency builds trust, which builds support.
- » Outreach and education is essential if support for additional revenue, capacity, land development, code changes, or other resources are sought for housing.
- » A community that supports housing and is informed of its benefits will help stabilize commitments to housing when political winds shift or economic challenges cast doubt.



Photos of the community engagement exercises done for this plan

APPENDIX A – ACTION PLAN PROCESS, DEFINITIONS AND ACKNOWLEDGMENTS

Local Housing Action Plan Process



The Action Plan process began with a review of the 2018 City of McCall Housing Strategy and an updated review of housing market and income trends through 2022 to:

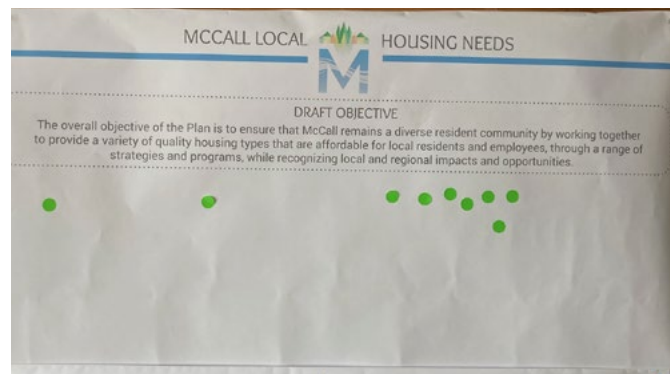
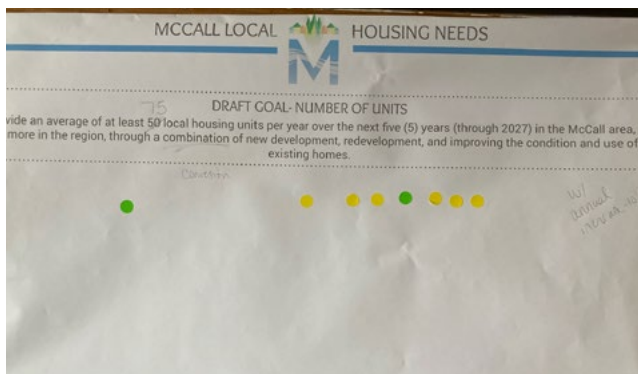
1. Identify how much, what type, at which price points, and for whom Local Housing is most needed;
2. Inventory existing resources and capacity; and
3. Understand current housing achievements.

Beginning with the above information, the McCall Area Local Housing Action Plan process kicked off in January 2022. The process included five work sessions with the Housing Committee over a four-month period and online participation opportunities for public input. The consultant team provided technical assistance and expertise on housing solutions in the intermountain west and, assisted by a professional facilitator, worked with over twenty community members comprising the Housing Committee to decide upon and craft strategies for the McCall Area. Input from the public helped ground the approach through online opportunities for participation. This community-driven process resulted in the McCall Area Local Housing Action Plan.

This information is publicly available within the Local Housing Committee Packets for this process and summarized in the Housing Bridge on page five of this Plan.

More specifically, the process:

1. Began with an overview of key findings from the 2018 City of McCall Housing Strategy, updated housing market information, and overview of existing programs and active housing participants to shape initial goals and objectives for the Local Housing Action Plan. Housing Committee members were additionally apprised of the Action Plan process; core needs for housing plan implementation; and provided some examples for how other communities have been addressing similar housing challenges.
2. At the second session, the Housing Committee was presented with about 40 tools that other communities have used to address Local Housing needs. Through discussion and input from the consultants, the Housing Committee identified tools they felt would be most effective for The McCall Area.
3. The Housing Committee then spent two technical work sessions on the identified tools to confirm each tool as a priority and develop action strategies. Through this process, the Housing Committee learned about best practices in comparable communities, developed strategies, and discussed potential roles for implementation. The outcome of these sessions was presented to the public through an online questionnaire to understand public perception on potential priorities and solicit additional ideas and input.
4. The final session modified the actions and priorities pursuant to strategy sessions and public input received. Goals and objectives were reevaluated; a timeline for prioritized action strategies was developed; and roles and responsibilities were identified among the various partners to implement the Plan.



Goals and objective statements evaluated for effectiveness by the Housing Action Committee

DEFINITIONS

The following definitions are provided and coincide with those used in the *City of McCall Area Local Housing Needs Assessment (February 2019)*.

Affordable Housing

As used in this report, housing is affordable if the monthly rent or mortgage payment does not exceed 30% of gross household income (before taxes).

AMI (Area Median Income)

A term that generally refers to the median incomes published annually for counties by the US Department of Housing and Urban Development (HUD). AMI varies by household size. AMI is used to set income and rent limits for housing programs statutorily linked to HUD income limits (e.g. low-income housing tax credit rentals).

Local Housing

Dwellings of all types that those who live and/or work in the McCall Area can afford to purchase or rent, serving the entire spectrum of housing needs that are not being met by the housing market. This currently means rentals priced for households earning 100% AMI or less (about \$60,000 for an average sized 2.5-person household) and ownership for households earning 150% AMI or less (about \$100,000 for an average sized 2.5-person household).

Local Housing Action Plan

A partnership framework with actionable strategies to increase the inventory of Local Housing – dwellings that McCall Area residents and employees can afford to purchase or rent.

ACKNOWLEDGMENTS

We would like to thank everyone who gave their time and assistance to create the McCall Area Local Housing Action Plan. Input from local employers, Realtors, developers, organizations, regional entities, and property managers, as well as over 360 community members through an online questionnaire, were central to identifying the Local Housing needs and several strategies that are the focus of this Plan. Development of the Plan relied on funding from the city of McCall along with extensive participation from city staff and community and regional stakeholders, leaders, and residents that formed the Housing Committee:

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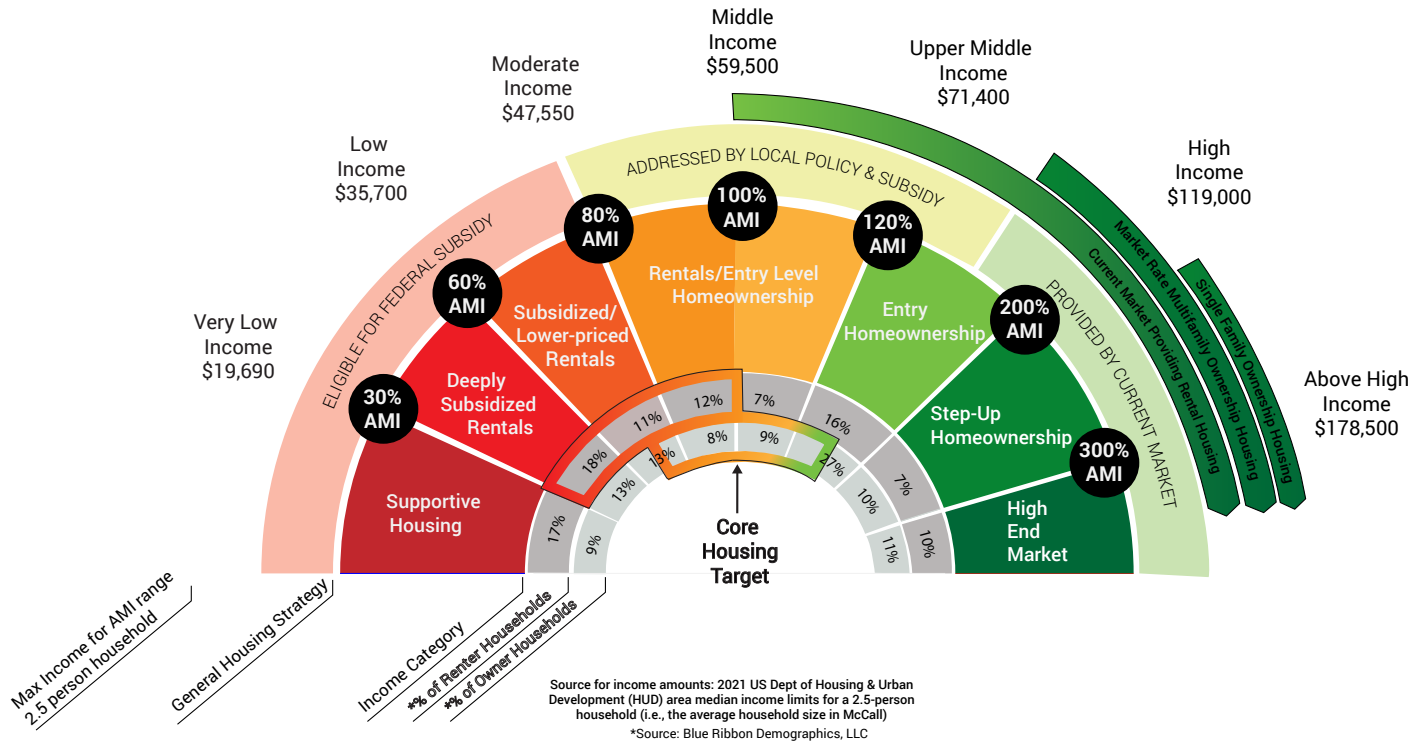
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**Many Housing Committee members are affiliated with multiple organizations in The McCall Area. Only the primary affiliation of each member is listed above.*

We cannot thank the community enough for the wealth of insight and experience they brought to this process. The McCall Area Local Housing Action Plan would not exist without this broad and extensive participation.

APPENDIX B – LOCAL HOUSING INCOMES AND AFFORDABLE PRICE POINTS

MCCALL AREA SPECTRUM OF HOUSING NEEDS



Affordable rent/purchase prices at each AMI level:

AMI levels	2.5 person Household	Affordable Rent	Affordable Purchase Price
30%	\$19,690	\$490	74,800
60%	\$35,700	\$890	135,700
80%	\$47,550	\$1,190	\$180,700
100%	\$59,500	\$1,490	\$226,100
120%	\$71,400	\$1,790	\$271,300
150%	\$89,250	\$2,230	\$339,200
200%	\$119,000	\$2,980	\$452,200
300%	\$178,500	\$4,460	\$678,300

*Assumes 5% 30-year fixed rate loan, 5% down, 20% of monthly payment for HOA/taxes/insurance

APPENDIX C – LOCAL HOUSING DEED RESTRICTION RECOMMENDATIONS

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INTRODUCTION AND DEED RESTRICTION PURPOSE

This report evaluates the existing McCall deed restrictions, summarizes provisions common to deed restrictions placed on below-market housing in similar communities, and provides best practice recommendations on each component. It is intended to inform decisions about updates to the current deed restriction templates to preserve the inventory of Local's Housing and progress implementation of the McCall Area Local Housing Action Plan.

Deed Restriction Purpose

Deed restrictions ensure community goals are met and maintained for the long term when Local Housing is created. A deed restriction is a legal document containing the rules and regulations that place certain limitations on real estate. They are typically recorded with the County Clerk and have continuity with the property regardless of ownership. Deed restrictions can be applied to new or existing housing inventory and may be in place for a specified period of time or in perpetuity.

The reasons why communities choose to support housing vary.

Common goals include:

- » Preserve community and neighborhoods,
- » Provide an adequate labor force for a healthy economy,
- » Maintain relationship between primary and second home (i.e., to make sure that a defined percentage of homes are occupied by local residents),
- » Provide a spectrum of affordable housing choices to serve various income levels,
- » Foster diversity, and
- » Ensure new development also addresses local resident housing needs.

When objectives are clear, decisions about structuring specific provisions of deed restrictions become easier. Objectives can vary by tool with differences in income levels served, type of housing provided, market targeted, term of the restriction, etc. Most communities typically use several versions of deed restrictions, linked to the specific local housing tool used and program goals.

ADMINISTRATIVE HOUSING GUIDELINES

Administrative housing guidelines work together with deed restrictions and typically define the technical procedures for developing, purchasing, owning, selling, and renting deed restricted units. Administrative guidelines may include specific eligibility criteria, AMI levels, purchase prices and rents by AMI level, resale and leasing procedures, and other information relevant to the development and operation of deed restricted housing.

Housing guidelines permit some flexibility in deed restriction administration, meaning that they can be updated administratively as needed to reflect changing housing markets and program priorities. They are, therefore, well suited to containing the details of deed restriction administration that may change over time, such as specific incomes tied to each AMI level, occupant asset requirements and limitations, occupancy preference criteria, etc.

We have recommended that McCall develop housing guidelines to specify administration of the Local Housing deed restrictions. The specifics of what these should include are beyond the scope of this work, but some examples have been provided in the “Helpful Resources” section, below.

COMMON DEED RESTRICTION COMPONENTS

This section provides information on the most common components found in effective Local Housing deed restrictions. Considerations for each component are shown, based on some of the more common provisions found within deed restrictions throughout the mountain west. Because multiple options exist within each component, this allows for tailoring to meet community goals, as well as differences based on the type of tool used to produce Local Housing (e.g. direct land or monetary subsidy, development incentives, housing programs, etc.),

Occupancy Criteria

Employment*

- » Within specified geography
- » Employed by local business vs. remote worker
- » Work for a minimum number of hours and specified period per year and/or minimum percentage of income earned from local employment (e.g., 70%).
- » Retirees okay if worked locally for specified period before retirement (e.g., five years).
- » Need to also accommodate residents with disability/unable to work

Income

- » Upper income limits typically imposed; Area Median Income (AMI) is the most widely used standard.
- » Without income restrictions, units are likely to serve the most advantaged or upper end of the local's market – dual income households, buyers with non-wage resources - and, therefore, do not provide the range of housing and price points needed by the majority of local residents. Increases the risk that units will be occupied by remote workers/people not employed in local jobs.
- » Income limits have typically increased as the gap between market and prices affordable for residents widens.
- » Larger subsidies and incentives are needed as the required income level decreases.

Assets

- » Common but not universal.
- » Trust fund recipients may income qualify but have significant assets and income potential.
- » Caps may be based on a dollar amount.
- » Owning other residential real estate usually prohibited.

Residency

- » Living in the jurisdiction and in the deed restricted unit as the occupant's primary residence is required, with a few exceptions (e.g., sabbaticals, temporary job assignments, illness). Typical requirement is occupying the unit at least 9 or more months per year.
- » A minimum number of years living in the community may be required to apply or utilized as a preference when there are multiple applicants for units; employers recruiting for new jobs may oppose length of residency limitations.

Household Size

- » Number of persons in household often matched to the number of bedrooms (e.g. single persons not allowed to occupy a 3-bedroom unit). A common formula for eligibility is “number in the household +1 = number of bedrooms for which they qualify” for ownership project.
- » Rental may be more restrictive (e.g., at least one person per bedroom).
- » Maximum persons per bedroom commonly used to prevent overcrowding, although fair housing considerations may limit this ability.
- » Marriages, divorces and childbirth complicate compliance with household size limitations. Ownership programs typically only enforce household size eligibility at the time of purchase; rentals often enforce on a more frequent basis (e.g., yearly).

Affordability

Initial Price Targets

- » Best practice is to specify initial price targets in the deed restriction (easiest to manage). Alternatively, price targets may be covered in PUD, annexation agreement or other document binding developer.
- » 10 to 20 percentage point spread between maximum income allowed and prices charged are needed. Example: homes intended to serve up to 120% AMI are priced at 100% to 110% AMI. If prices are set at the maximum income, this significantly limits the number of households that can afford the home.
- » Discount needed to convert units from free market to deed restricted not well understood. Varies with unit age and quality, market availability, community perceptions, etc. The upper price of deed restricted homes commonly need to be at least 20% below market prices, at a minimum.
- » In buy down programs with few if any limits on how proceeds are spent, public sentiment may prefer that resources are allocated to households most in need.

Appreciation Caps*

- » 3% per year price appreciation maximums typical
- » Indexes may be used including change in CPI or AMI – adds complexity, confuses buyers, may not allow any appreciation if the index is unchanged, are not necessary
- » If not capped, price volatility (both up and down) is greater with changing economic and housing market conditions. Prices are more stable when the supply of deed restricted units is high relative to demand.
- » The rate of price increases varies by unit type. Price caps are less important on units that are less desirable.
- » Without appreciation caps, prices may rise to the level where there are no qualified buyers. In some cases, this has led to efforts to have the restrictions removed.
- » Resale price caps may not concern buyers who are unable to purchase market housing – they desire a safe, stable home as a priority with the ability to build equity by paying down debt and through limited home appreciation.
- » Capital improvements must be tracked and the ability for owners to recoup capital improvement costs are typically limited – either by dollar amount or percentage of price, in combination with limits on the type of improvements allowed (e.g., value added (improved energy efficiency, improved durability of finishes) vs. luxury (pools)). The purpose is to encourage home maintenance and necessary upgrades, while retaining long term affordability for future buyers.

-
- » Resale price calculation methodology is needed in the deed restriction or administrative procedures guidelines.
 - » *Restrictions should clearly state that appreciation caps are not guarantees of price increases.*
 - » Rent limits can only be imposed in compliance with an Idaho statute prohibiting rent control.

Miscellaneous Provisions

- » Short term rental allowances and restrictions – whole unit and bedrooms.
- » Renting to roommates and how their incomes are or are not counted.
- » Marketing process and period for resale.
- » Agreement to maintain home in good condition and pay charges for excessive damage.
- » Option to purchase/1st right of refusal given to city, county or housing agency.
- » Mortgage debt limitations to keep owners from getting underwater and defaulting; when debt exceeds attainable price, jurisdictions may not be able to justify purchasing units to preserve deed restrictions.
- » Default/foreclosure procedures requiring notification to the managing entity to protect against potential loss of the deed restriction upon foreclosure (e.g., option to redeem, first right of refusal for purchase).
- » Owner insurance requirements to ensure they insure for the replacement value (as opposed to the below-market sale value) of the home.

Administration and Compliance

- Often performed by housing authority but can be done by municipalities as the case by the Town of Crested Butte for its ADU program.
- Rentals are recertified annually (typically) while ownership is typically only enforced at time of sale; however, validating permanent residency requirements may occur regularly.
- Multiple versions of the deed restriction increases the complexity of administration and staff time required.
- Modifications may be needed/desired over time. Exercising the first right of refusal allows communities to take ownership and impose revised deed restrictions before resale.
- References to administrative guidelines that can be modified from time to time is one way to maintain some degree of flexibility in deed restrictions.
- Each resale involves calculation of price limits and buyer qualifications.
- Fannie Mae and Freddie Mac have created specific underwriting criteria to accommodate deed restricted product that should be consulted to ensure those guidelines are being met.
- Realtors, mortgage lenders, appraisers, title companies, and developers need education on deed restrictions

Other Considerations

Permanent vs. Time Limited Restrictions*

- » Local restrictions are typically permanent.
- » Restrictions that expire in the future were more common in the past but have become uncommon as knowledge about and acceptance of restrictions has become more widespread, and the pitfall of temporary restrictions have become more evident.
- » Temporary restrictions are (30 to 40 years) associated with Federal/State financing.

Considerations include:

- Windfall to owners at expiration date with no means to recapture the public investment.
- Higher construction costs in the future require a larger investment to replace units.
- Developable sites become more limited over time.
- Temporary restrictions offer no advantage to developers of for-sale housing who are primarily concerned with the initial sale.

Occupancy Preferences vs. Absolute Requirements

- » The ability to transfer ownership/occupancy is critical and may be limited by absolute requirements.
- » Both approaches have administrative implications. Preference point systems can require additional documentation. Absolute requirements may lead to exceptions requiring Board/Council approvals if they overly limit the pool of eligible buyers or renters.
- » Preferences may be difficult to administer and increase the time units are vacant when turning over due to extended marketing periods. Transparency of the selection process may be a concern.
- » The amount of demand there is for the product influences whether absolutes are needed or preferences could work.
- » Absolutes can restrict flexibility. During market down turns when demand falls relative to product availability, flexibility is very helpful.
- » Preferences may further inequities in communities. For example, if points are given for volunteering, only residents who have the time to volunteer get preferential consideration. Very low income households, single parents, persons with disabilities and others may not have the time or capacity to volunteer.
- » All absolute requirements and preferences should be examined for fairness and compliance with the Fair Housing Act.

Pricing Methodology

Establish a methodology to set initial sales prices to ensure initial affordability levels and establish expectations for developers seeking incentives to produce Local Housing. The following chart shows an example sales price methodology.

Example sales price methodology:

Sales Price Assumptions	1 Bed	2 Bed	3 Bed	Notes
Household size	2	3	4	
Income level (% AMI)	110%	110%	110%	Income cap at 120% AMI
Annual income	\$ 79,464	\$ 89,397	\$ 99,330	County Area Median Income per HH size
Affordable payment (% of income)	30%	30%	30%	
Base price used for escrow calcs*	\$ 278,000	\$ 316,000	\$ 350,000	*Use to avoid circular calculations on escrows
Affordable monthly payment	\$ 1,987	\$ 2,235	\$ 2,483	
Escrows				Taxes, Insurance and PMI estimated from base price
Taxes	\$ 278	\$ 316	\$ 350	Monthly tax rate from taxing jurisdiction
Insurance	\$ 93	\$ 105	\$ 117	Monthly insurance rate - estimate
HOA dues	\$ 200	\$ 200	\$ 200	Same for all types - pending HOA budget
PMI	\$ -	\$ -	\$ -	Not required if market value is >20% of restricted sales price
Total escrows	\$ 571	\$ 621	\$ 667	
Remaining for loan repayment	\$ 1,416	\$ 1,614	\$ 1,817	
Interest rate	5.00%	5.00%	5.00%	Set to provide some flexibility with changing interest rates
Loan term (years)	30	30	30	
Maximum loan	\$ 263,762	\$ 300,582	\$ 338,396	
Loan to value	95%	95%	95%	5% down payment
Maximum Sales Price (95% LTV)	\$ 277,645	\$ 316,403	\$ 356,206	
Down payment required (plus closing costs)	\$ 13,882	\$ 15,820	\$ 17,810	

Variables to consider include:

- » **Household size** – used to determine household income by AMI and adjusted for household size.
- » **Income level** – a reduction in the maximum household income to have a large enough pool of buyers that are able to qualify to secure a mortgage to purchase the home.
- » **Affordable Payment (% of income)** – a generally acceptable range to ensure housing costs are affordable is between 30% and 33%.
- » **Interest rate** – in order for buyers to qualify for mortgages, this needs to be set at a level that at least reflects current interest lending rates. It is often set slightly higher to improve long-term affordability of the home.
- » **Down payment** – Fannie Mae and Freddie Mac have mortgage products that allow down payments of 5% and less. Most programs require a small percentage plus closing costs.

HELPFUL RESOURCES

The following can be referenced for additional information/examples. The examples provided are known by the consultants to be tried, tested, and effective over time in similar mountain communities as McCall. No single example will be all inclusive or necessarily appropriate for McCall. These are provided for information only to illustrate the variation in deed restriction application, use of housing guidelines for deed restriction administration, and resources through which more information can be found.

Example deed restrictions:

Whitefish, MT: <https://www.cityofwhitefish.org/DocumentCenter/View/265/Deed-Restriction---Ownership-PDF>

Summit County, CO: <https://www.summitcountycogov/1202/Deed-Restrictions-by-Basin>

Telluride, CO: <https://smrha.org/town-of-telluride/>

Grounded Solutions model deed restriction: <https://groundedsolutions.org/tools-for-success/resource-library/2021-model-deed-restriction>

Example housing guidelines:

Blaine County, ID: <https://www.bcoha.org/community-housing-guidelines.html>

Summit County, CO: <https://www.summitcountycogov/DocumentCenter/View/27084/2019-Summit-County-Housing-Guidelines?bidId=>

Eagle County, CO: <https://www.eaglecounty.us/housing/housingguidelines>

Affordable pricing and resale formulas:

<https://groundedsolutions.org/tools-for-success/resource-library/affordable-pricing-and-resale-formulas>

HomeKeeper deed restriction tracking program information:

<https://myhomekeeper.org/about-us-2/our-partners/>

DEED RESTRICTION RECOMMENDATIONS-

Occupancy Criteria

Item	Current Restriction	Recommendation	Own	Rent	ADU
Employment*	1. Employed, work minimum 30 hours/week or 1,560 hours/year, within the city of McCall for a set period (6 consecutive months) or have employment offer from a McCall Business	Maintain this provision. Expand work area to include the city of McCall and area of impact. Include the definition of "McCall Business" (which should include businesses in the city or area of impact).	X	X	X
	2. Senior (age 65 and older) as primary resident as may be further defined in the applicable McCall Local Housing Policy (no Local Housing Policy)	Maintain this provision. Include information about years worked locally prior to retirement in administrative housing guidelines.	X	X	X
	3. Person with disability	Maintain this provision.	X	X	X
Income	None	Establish income criteria for Local Housing, including a few income ranges based on AMI (Area Median income) to ensure initial affordability.	X	X	
Assets	None	Establish an asset cap based on a dollar amount and which increases annually. Prohibit ownership of residential real estate at time of purchase or rent.	X		
Residency	None	Require that occupancy of Local Housing be a primary residence. Owner occupancy at least 10 months per year.	X		
Household Size	None	At time of lease or purchase, link household size with the number of bedrooms (1 bedroom = minimum 1 person household; 2 bedroom = minimum 2 person household, etc.).	X		

Affordability

Item	Current Restriction	Recommendation	Own	Rent	ADU
Initial price targets (check ID statute regarding legality of setting rent limits)	Developer sets initial rental rates or sales price	Establish a methodology to set initial purchase prices that includes a 10% to 20% spread between income allowed and incomes used to set the purchase price.	X		
		Use the HUD Fair Market Rents calculated for Valley County, or a percentage reduction, and include core utilities in rent.		X	
		Consider creating two classifications of deed restrictions: income-linked and employment-linked with no income criteria.	X	X	
Appreciation caps* (check ID statute regarding legality of rent limits)	The base rental rate or base value of a for-sale home will be adjusted annually and according to the percentage increase of the Consumer Price Index for All Urban Consumers (CPI-U) for the twelve calendar months prior to and including the most recent month for which such Index is available.	Use a set appreciation cap between 2% and 3%. Include language that appreciation is not guaranteed. Allow for capital improvements up to 10% of the initial purchase price.	X	X	

Miscellaneous Provisions

Item	Current Restriction	Recommendation	Own	Rent	ADU
Short-Term Rental / Subleasing	No Short-Term Rental or vacation renting defined as a rental or lease for thirty (30) days of less, or sub-leasing	Maintain	X	X	X
Compliance	The City of McCall, Idaho, or its successors in interest, shall be authorized to enforce these covenants by such legal means, including but not limited to random or regular audits of lease and sale records after reasonable advance written notice, or otherwise as are provided for the enforcement of covenants running with the land.	Maintain	X	X	X
Default	None	Create ways to enforce in the event of default and ways to remedy	X	X	X
Insurance	None	Require insurance to cover the full replacement value of the property.	X	X	
Mortgage	None	Require that any lien or mortgage, including refinances, be approved by the managing entity. Set debt limitations.	X	X	
		Include mortgage default/foreclosure procedures, including notification of any missed payment or default to the managing entity	X	X	
Option to Purchase	None	Include Option to Purchase to the managing entity	X	X	
Maintenance	None	Require that units are maintained in a safe condition.	X	X	X
Ownership	None	Define acceptable types of ownership, Trusts and businesses usually not eligible with ownership product.	X		

General Recommendations

Item	Current Restriction	Recommendation	Own	Rent	ADU
Restriction type	Local Housing Deed Restriction Template mechanism is a Quit Claim Deed and ADU is a Restrictive Covenant	Use restrictive covenants executed and enforceable by the City of McCall and/or the McCall Area Housing Authority.	X	X	X
Ownership v. Rental	Ownership and rental of unit is contemplated in the restriction	Create a unique restriction for ownership and for rental product.	X	X	X
Permanent vs. Limited Term	Permanent	Maintain permanent restrictions on ownership units and most rental product. Consider limited term restriction on multifamily rental projects over a certain size. ¹	X	TBD	TBD

Housing Guidelines:

We recommend that McCall develop housing guidelines to specify administration of the Local Housing deed restrictions. The specifics of what these should include are beyond the scope of this work, but some examples have been provided in the Helpful Resources section, above.

¹ It is typically best practice to create permanent deed restrictions, particularly if public subsidies are utilized to help create deed restricted units. The McCall Area, however, needs more apartment inventory that cannot be rented short-term to provide a larger inventory of stable rentals in the area. To incentivize developers to build more apartments in the near term, it may be necessary to start with temporary restrictions (e.g., 25-years or more). When inventory increases, permanent deed restrictions on rentals should be revisited.