McCall

In Motion

City of McCall Housing Strategy

City of McCall

2018

City of McCall

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Chapter 1: Overview and Executive Summary

McCall has a substantial number of second homes and short-term vacation rentals, as well as a high percentage of employment in hospitality industry sectors that serve the tourism and second-home markets. These employment sectors include accommodation and food services, retail trade, arts, entertainment, and recreation industries. Average wages in hospitality-related industries in McCall are lower than the average wages citywide, and employees in this sector are faced with a shortage of housing. In order to maintain the small-town feel of McCall and meet the vision of the McCall Area Comprehensive Plan, residents should be able to live and work in the City. The largest demand for housing comes from the local workforce who would benefit from new units throughout the City. This report examines the current and projected housing situation in McCall and makes recommendations for future housing policies that will meet the needs of McCall as an emerging mountain-town.

A GUIDING DOCUMENT

THE 2018 HOUSING STRATEGY IS A GUIDING DOCUMENT INTENDED TO PROVIDE FOR LOCAL HOUSING FOR THE MCALL AREA. AS A GUIDING DOCUMENT, SPECIFIC RECOMMENDATIONS MAY REQUIRE CITY COUNCIL APPROVAL.

Major Findings

Demographics

- McCall grew significantly from 2000 to 2010, from 2,206 persons to 3,003 persons, or an average annual growth rate of 3.13 percent;
- McCall's full-time population has remained flat since 2010;
- The daytime population is 5,127 persons, due to the large number of commuters into McCall for employment;
- The average household size is 2.91 persons;
- The median household income in McCall is $49,141; in comparison, the median household income in the United States is $59,039;[1]
- The median age is 45.5 years, significantly higher than the U.S. average of 37.8 years; and

Employment

- Hospitality-related industry sectors account for nearly half of employment in McCall: Accommodation & Food Services = 23% of all employment; Retail Trade = 17%, and Arts, Recreation & Entertainment = 6%;
- The above-listed hospitality sectors are among the five lowest-paying industry sectors in McCall;
- 39% of McCall households have 2 or more workers, higher than the County (28%) and the State (34%);
- Major employers in the McCall Area include the U.S. Forest Service, McCall-Donnelly School District, Ridley's Market, and St. Luke's Medical Center.
- 82% of employees in McCall live outside of the City and commute into the City to work; and

[1] www.businessinsider.com/us-census-median-income-2017-9

- 40.5% of commuters are traveling greater than 50 miles to work in McCall, which significantly impacts employees, families, and their involvement in the McCall community beyond their work shift. Employees commuting less than ten miles make up 38.5% of commuters, while 12.8% travel 10 to 24 miles and 8.3% travel a significant 25 to 50 miles to their job.

Land Use

- McCall has undeveloped land, but much of it is on the outskirts of the City or in the Area of Impact, and may not be ideal for locally-serving housing because it is not close to essential services such as grocery stores, medical services, child care or public transit;
- Today, half of the City's land is zoned for, or occupied by, single-family residential housing; and
- Many primary homes are being converted to second homes and short-term rentals, thereby contributing to the recent minimal growth of the year-round population.

Housing

- The median home value in McCall is $206,800, which is higher than the State median value of $162,900, but lower than the County median value of $221,500.[2]
- Only 27% of housing units in McCall are owner-occupied;
- There is a lack of long-term rental availability in the City – most rentals are seasonal;
- Based on HUD guidelines for affordability, the maximum home prices for the following groups are as follows:

TABLE 1: HOME PRICE AFFORDABILITY BASED ON HUD GUIDELINES

30% AMI	30%-50% AMI	50%-80% AMI	80%-100% AMI
$17,093	$72,205	$155,024	$210,197

- Because homes cannot be purchased for the amounts shown for the under 50% of AMI population, rental units need to be available for this group. No more than 30 percent of incomes, based on HUD guidelines, should be spent on housing and utilities;
- Affordable short-term rental units are lacking in McCall; and
- The City lacks at least 700 units (rental or owner-occupied) for the local workforce based on current household incomes; there are even more units needed when commuters are considered.

Recommendations

McCall will need to use a combination of several funding strategies in order to achieve its housing goals. Without a dedicated funding source, the community will not have sufficient funds to implement many of the housing strategies. The applicability of various strategies may also change over time, as economic conditions change. For example, increasing the local option tax (LOT) would be a good option for McCall, which could increase its current revenues of $1.1 million annually, just by increasing the one percent charged on all non-grocery retail sales to two percent.

Funding and Implementation Tools

Several funding and implementation tools were considered in this report, including:

- Urban Renewal District (URD)

[2] Source: 2015 American Community Survey (ACS)

- Land Banking
- Creative Micro and Tiny Housing Development
- Inclusionary Housing Ordinance
- Expedite Approvals for Price-Restricted Projects
- Local Option Tax (LOT) – Tourism
- Accessory Dwelling Units
- Federal Housing Tax Credits
- Community Land Trust (CLT)
- Business Housing Co-Op
- City Employee Housing Program
- Transferable Development Rights (TDR)
- Green Initiatives

The following are the tools that were determined to be the most viable for McCall:

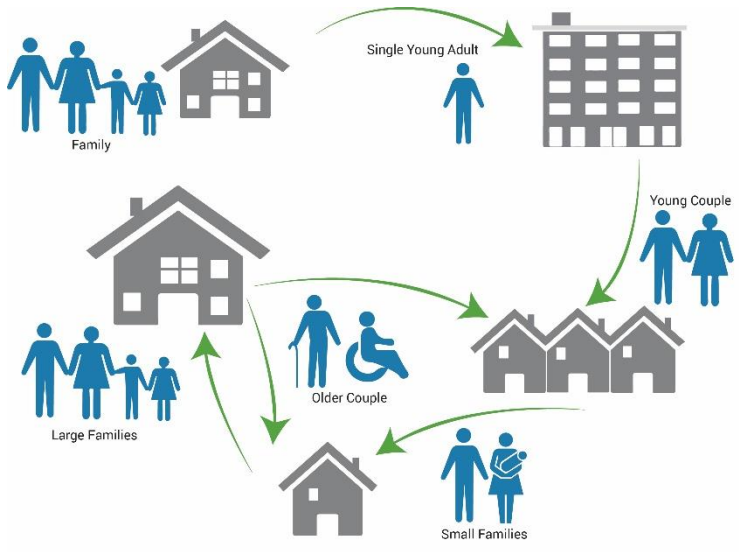
- Land banking
- Small home/manufactured housing developments
- Urban Renewal Area (URD)
- Local option taxes
- Other

These strategies are discussed in more detail in Chapter 6: Housing Strategies and Implementation Plan.

Chapter 2: Existing Conditions

Existing conditions are evaluated in terms of current demographic profiles of the community, as well as current land use patterns. Demographic groups and stages of the lifecycle play an important role in determining housing needs. It is important for a community to meet the needs of residents at all ages so that young families can live in a community and older residents can "age in place."

Life-Cycle Housing



Population

Population statistics for McCall vary slightly depending on the source, but are around 3,000 persons. Based on United States 2000 and 2010 Census data, McCall had a 2000 population of 2,206 persons and a 2010 population of 3,003 persons, reflecting an average annual growth rate of 3.13 percent. However, the 2016 population, based on ESRI data, has declined slightly since 2010 to an estimated 2,912 persons, suggesting very little permanent population growth in the City.[3] The daytime population in the City is 5,127 persons,[4] reflecting the large number of persons who commute into the City as their place of employment.

Another source, the American Community Survey Census (ACS), estimates McCall's 2015 population at 2,955, slightly down from the 3,003 persons of 2010 and similar to the ESRI projection for 2016. Future population projections will be highly dependent on the ability of the community to provide more local housing rather than primarily second-home growth.[5]

[3] Source: ESRI Community Profile
[4] Source: ESRI Community Profile
[5] The population from second homes is not included in the Census data, although the City must still provide services for this population when it is in residence in the City.

Based on information provided in the McCall Area Comprehensive Plan, future population growth is projected as shown below:

TABLE 2: POPULATION PROJECTIONS

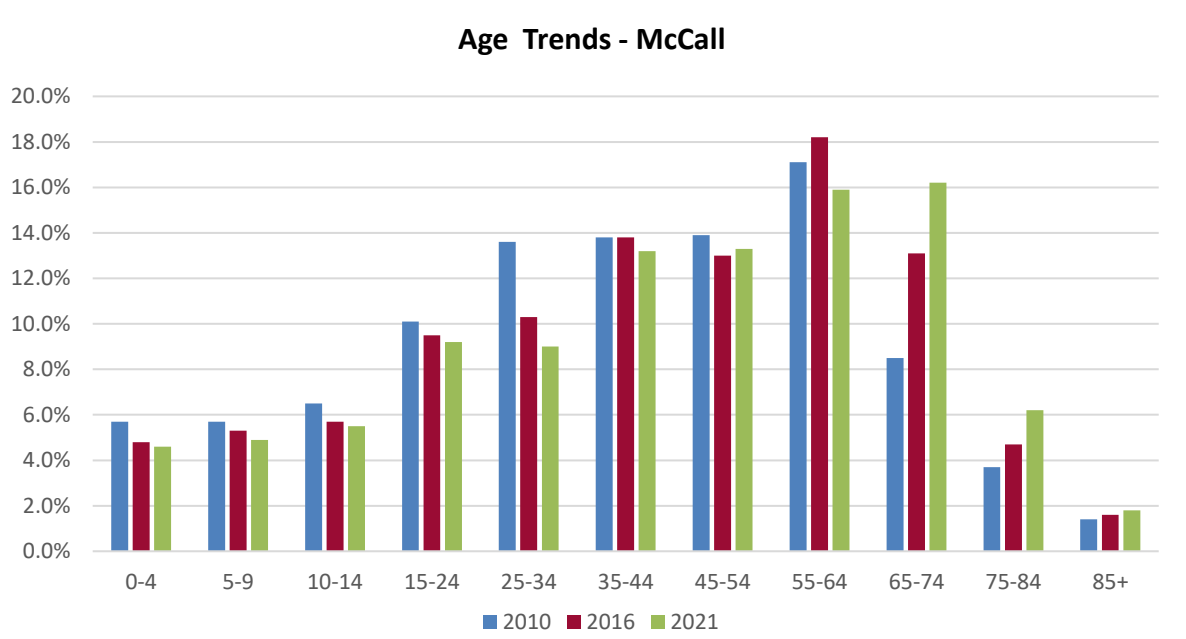
	Actual				Projected		
Year	1990	2000	2010	2015	2020	2030	2040
Population – 5 Year Rate of Change	2,285	2,092	2,951	3,106	3,269	3,622	4,012
Population – 10 Year Rate of Change	2,285	2,092	2,951	3,106	3,570	4,717	6,231
1.03%	2010-2015 (Census Estimates, City of McCall, 2010 Census to July 1, 2015						
2.82%	2005-2015 (City of McCall Historical Growth Rate (2005-2015)						

Households

Age

The median age in McCall was 40.9 years old in 2010; it increased to 45.5 by 2016.[6] While the U.S. population has also been aging, this has not occurred at quite the rate of McCall. In 2010, the median age nationwide was 37.2 years; by 2015 it was 37.8 years. This age shift suggests that younger people (25-34) are leaving the area, likely due to a lack of employment or housing opportunities. Older people are also choosing to retire in the area.

FIGURE 1: MCCALL AGE TRENDS (SOURCE: ESRI COMMUNITY PROFILE; U.S. CENSUS BUREAU)

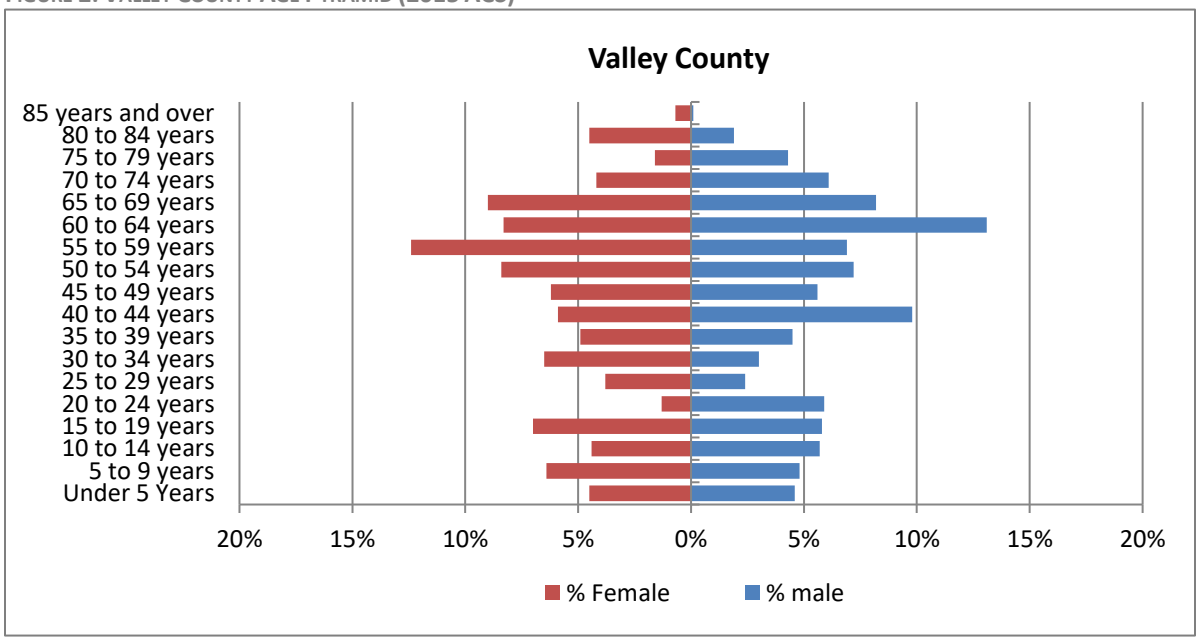


Source: ESRI Community Profile; U.S. Census Bureau, Census 2010 Summary File 1. ESRI forecasts for 2016 and 2021.

Population pyramids are used to compare the relative age of the population compared to surrounding areas. Valley County shows an extremely large bulge in the population between 45 and 69 years.

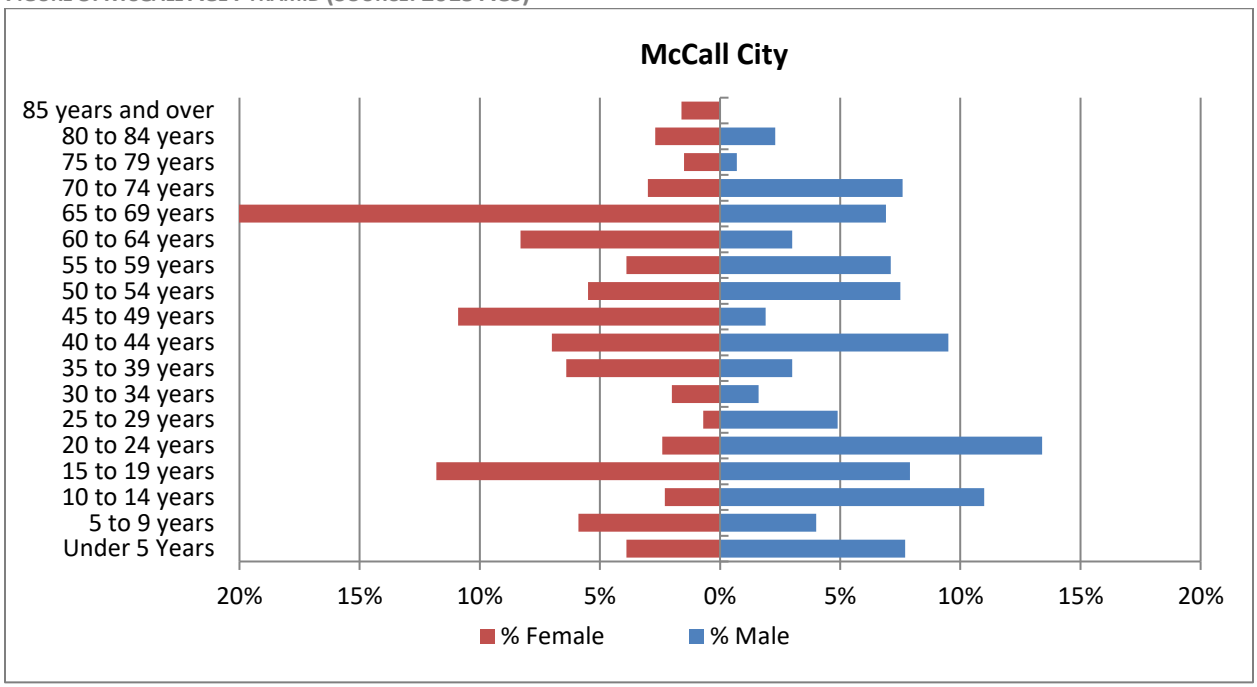
[6] Source: ESRI Community Profile

FIGURE 2: VALLEY COUNTY AGE PYRAMID (2015 ACS)



The demographic breakout for McCall is decidedly distinct, with a relatively small percentage of the population between 25 and 40 years.

FIGURE 3: MCCALL AGE PYRAMID (SOURCE: 2015 ACS)



Household Size

The average household size is 2.91 persons; in comparison, the United States average household size is 2.58 persons.[7]

Independent Living

While independent living facilities are targeted to the population age 55 and over, most research shows that these facilities are generally sought after by those aged 70 and older. The following table shows those individuals that may have special needs for housing due to difficulties with self-care and is a relatively small, albeit growing portion of the population.

TABLE 3: ELDER POPULATION (SOURCE: 2015 ACS)

Description	2000	2015
McCall City		
Individuals Over 65 with Self-Care Difficulty[8]	26	23
Individuals Over 65 with Independent Living Difficulty[9]	24	77
Valley County		
Individuals Over 65 with Self-Care Difficulty	58	139
Individuals Over 65 with Independent Living Difficulty	104	280
Adams County		
Individuals Over 65 with Self-Care Difficulty	45	46
Individuals Over 65 with Independent Living Difficulty	81	115
Combined Counties		
Individuals Over 65 with Self-Care Difficulty	103	185
Individuals Over 65 with Independent Living Difficulty	185	395

Employment

Employment

The Idaho Department of Labor reports that the largest employment sectors in McCall are Accommodation and Food Services, totaling 23 percent of total employment in the City. Retail Trade accounts for another 17 percent of total employment, while Arts, Entertainment and Recreation account for 6 percent. Wages in these industries are all relatively low when compared with other employment sectors.

TABLE 4: MCCALL EMPLOYMENT BY SECTOR (SOURCE: IDAHO DEPARTMENT OF LABOR)

Sector	Employers	% Employers	Employment	% Employment	Average Wage
Agriculture, Forestry, Fishing and Hunting	4	1%	26	1%	$35,297
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-
Utilities	-	-	-	-	-
Construction	94	25%	170	5%	$32,501

[7] Source: ESRI Community Profile

[8] Self-care difficulty means that because of a physical, mental or emotional condition, lasting six months or more, the person has difficulty dressing, bathing or getting around inside the home.

[9] Independent living difficulty means that because of a physical, mental or emotional problem, the person has difficulty doing errands alone such as visiting a doctor's office or shopping.

Sector	Employers	% Employers	Employment	% Employment	Average Wage
Manufacturing	4	1%	29	1%	$40,098
Wholesale Trade	5	1%	7	0%	$43,252
Retail Trade	29	8%	524	17%	$28,158
Transportation and Warehousing	5	1%	46	1%	$43,027
Information	-	-	-	-	-
Finance and Insurance	11	3%	94	3%	$56,405
Real Estate and Rental and Leasing	34	9%	83	3%	$23,899
Professional, Scientific, and Technical Services	26	7%	45	1%	$38,282
Management of Companies and Enterprises	-	-	-	-	-
Administrative and Support and Waste Management and Remediation Services	14	4%	58	2%	$37,565
Educational Services	6	2%	175	6%	$37,905
Health Care and Social Assistance	30	8%	307	10%	$62,330
Arts, Entertainment, and Recreation	19	5%	199	6%	$18,952
Accommodation and Food Services	50	13%	731	23%	$22,139
Other Services (except Public Administration)	26	7%	104	3%	$19,202
Public Administration	6	2%	477	15%	$48,566
Total	**373**	100%	**3,157**	100%	**$35,773**

Sorted by wage, the five lowest wage-paying industry sectors in McCall include the hospitality sectors listed above.

- Arts, Entertainment and Recreation ($18,952)
- Other Services (except Public Administration ($19,202)
- Accommodation and Food Services ($22,139)
- Real Estate and Rental Leasing ($23,899)
- Retail Trade ($28,158)

Comparatively, industry wages are slightly higher in McCall than in the County, but are generally lower than average wages in the State.

TABLE 5: WAGES BY SECTOR (SOURCE: IDAHO DEPARTMENT OF LABOR)

Sector	McCall	Valley County	McCall Percent of County Wage	Idaho	McCall Percent of State Wage
Agriculture, Forestry, Fishing and Hunting	$35,297	$38,036	93%	$33,998	104%
Mining, Quarrying, and Oil and Gas Extraction	---	---	---	$72,116	---
Utilities	---	$78,774	---	$81,599	---
Construction	$32,501	$35,772	91%	$41,440	78%
Manufacturing	$40,098	$37,872	106%	$55,481	72%
Wholesale Trade	$43,252	$56,534	77%	$56,593	76%
Retail Trade	$28,158	$26,816	105%	$29,715	95%
Transportation and Warehousing	$43,027	$41,244	104%	$39,202	110%
Information	---	$72,339	---	$49,187	---
Finance and Insurance	$56,405	$55,281	102%	$58,090	97%
Real Estate and Rental and Leasing	$23,899	$22,486	106%	$33,243	72%
Professional, Scientific, and Technical Services	$38,282	$43,677	88%	$60,183	64%
Management of Companies and Enterprises	---	---	---	$78,746	---
Administrative and Support and Waste Management and Remediation Services	$37,565	$36,578	103%	$31,580	119%
Educational Services	$37,905	$36,239	105%	$36,372	104%
Health Care and Social Assistance	$62,330	$56,179	111%	$40,929	152%
Arts, Entertainment, and Recreation	$18,952	$18,776	101%	$18,054	105%
Accommodation and Food Services	$22,139	$20,998	105%	$15,326	144%
Other Services (except Public Administration)	$19,202	$20,664	93%	$28,456	67%
Public Administration	$48,566	$45,293	107%	$39,814	122%
Total	**$35,773**	**$35,133**	**102%**	**$39,658**	**90%**

According to the American Community Survey (ACS), 39 percent of McCall households have 2 or more workers. This is higher than both the County (28 percent) and State (34 percent). A second wage may be necessary by many households in order to afford to live in McCall.

TABLE 6: PERCENT OF HOUSEHOLDS BY NUMBER OF WORKERS (SOURCE: 2015 ACS)

Number of Workers per Household	McCall	Valley County	Idaho
No workers	32%	37%	27%
1 worker	29%	34%	38%
2 workers	34%	24%	29%
3 or more workers	5%	4%	5%

Incomes

The median household income in McCall is $49,141, which is higher than the State's median of $47,583 and the County's median of $48,384.[10] In fact, the median household income in McCall is more than twice the average wage paid in any of the hospitality industries, with the exception of Retail Trade.

Given the relatively low wages in many industries in McCall, it is apparent that many lower-income workers may not actually live in the City. The daytime population is significantly higher than the resident population, again indicating that many people commute into McCall for employment. Therefore, their incomes do not lower the "median household income" in the City.

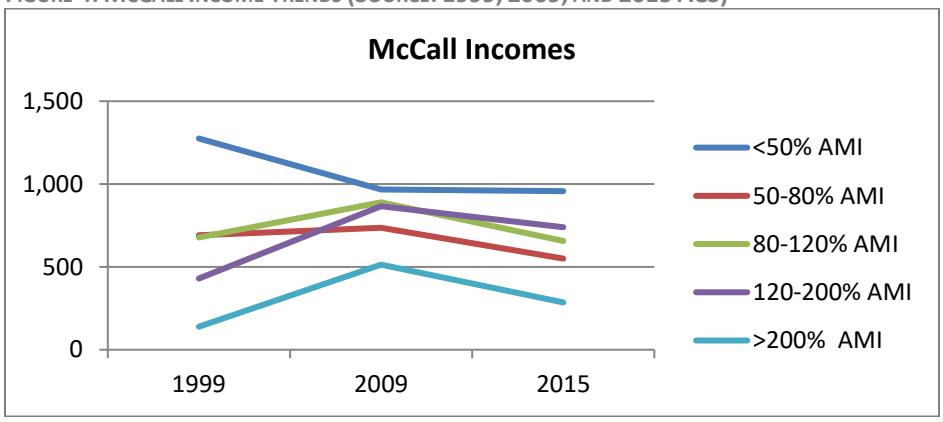
Household incomes in McCall are compared with housing prices to assess affordability for different income ranges. The income ranges shown below are based on HUD's guidelines for affordability and will be used in the housing section of this study.

TABLE 7: HOUSEHOLD INCOMES IN MCCALL (1999, 2009, AND 2015 ACS)

McCall City	AMI	Income Range	1999	2009	2015	% Change 1999-2015	% Change 2009-2015
Low Income Households	<50%	$0-$28,300	384	180	297	-23%	65%
Moderate Income Households	50-80%	$28,300-$45,300	195	309	165	-15%	-47%
Median Income Households	80-120%	$45,300-$67,950	176	370	179	1%	-52%
High Income Households	120-200%	$67,950-$113,250	131	204	249	91%	22%
Very High-Income Households	>200%	$113,250+	34	132	88	157%	-33%

The following table clearly shows the impacts of the economic downturn in 2008 on the area median income.

FIGURE 4: MCCALL INCOME TRENDS (SOURCE: 1999, 2009, AND 2015 ACS)



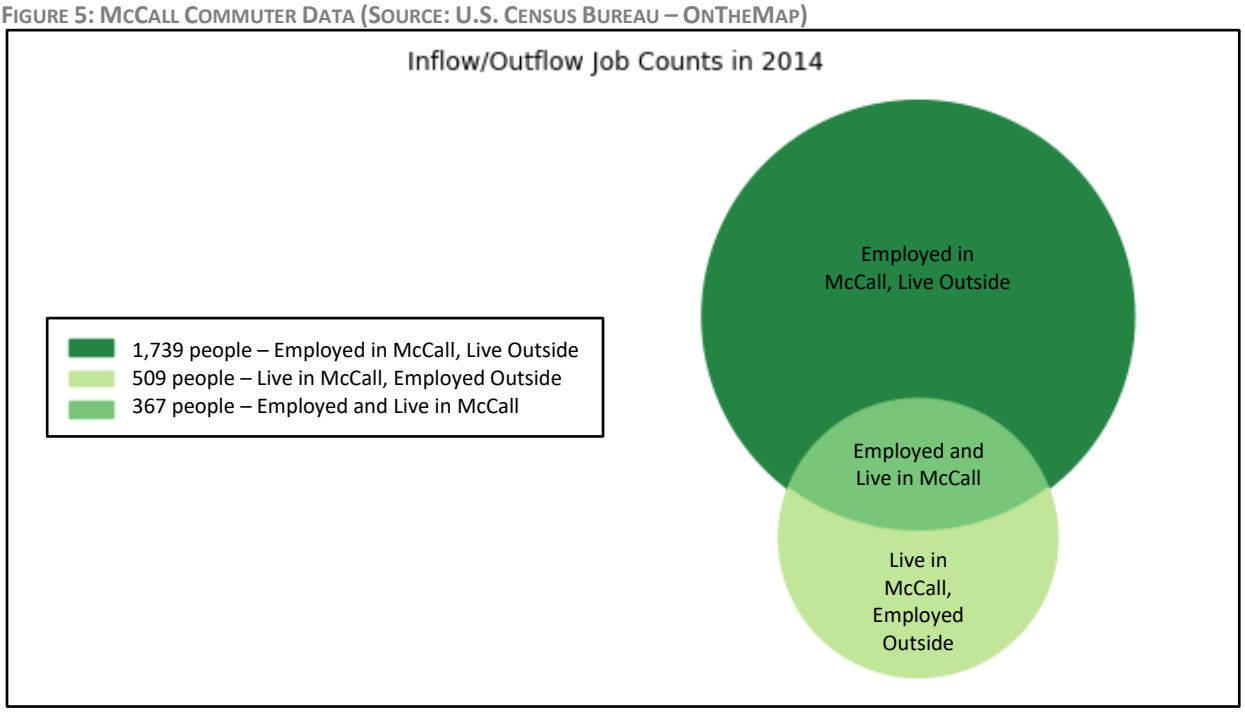
Commuter Data

[10] Source: American Community Survey (ACS) 2015 5-year average

McCall has a significant proportion of its workforce commuting in from nearby communities. This is unsurprising, given the data and feedback about housing availability, but also very common in any type of resort or tourism community. If too much of the workforce needs to commute in to work, the culture and character of the community outside of business hours suffers. By improving and maintaining local housing options, McCall will be able to reduce the need for a commuting workforce and maintain the local community of people who can work and live in McCall.

The Census reports detailed commuting data on an inflow and outflow basis, with 2014 as the most recent year available.[11] This information tells us that a large majority of the workforce is commuting in to McCall to work, but lives outside the City in places like Boise, Council, New Meadows, and Donnelly. In 2014, 1,739 of McCall employees commuted in to work from outside areas and 367 of those working in McCall also lived in McCall. An additional 509 McCall residents commute to work outside the City. This means that of those that work within the City, 82 percent of employees are commuting from outside and are not residents.

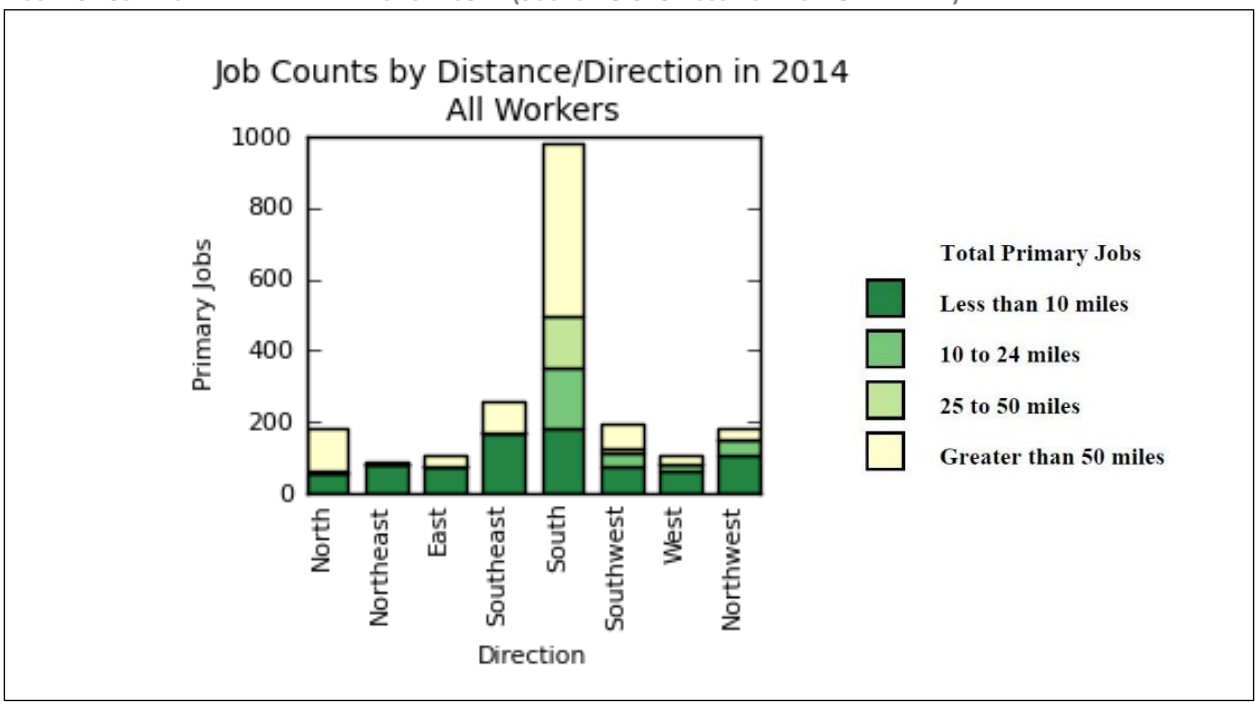
FIGURE 5: MCCALL COMMUTER DATA (SOURCE: U.S. CENSUS BUREAU – ONTHEMAP)



It's also important to note that of those commuting into McCall, the largest proportion is commuting greater than 50 miles one-way to work; 40.5 percent of commuters are traveling greater than 50 miles, which significantly impacts both the employee and their involvement in the McCall community beyond their work shift. The second largest group does include those living and working in the City; employees commuting less than ten miles make up 38.5 percent of the McCall workforce. 12.8 percent travel 10 to 24 miles and 8.3 percent travel a significant 25 to 50 miles to their job. The majority of those commuting in to work are coming from the south of McCall.

[11] Source: U.S. Census Bureau - OnTheMap

FIGURE 6: COMMUTER TRAVEL PATTERNS TO MCCALL (SOURCE: U.S. CENSUS BUREAU – ONTHEMAP)



The following table shows the city of origin for employees working in McCall. This table includes only those with five or more workers, but a more complete list is in the Appendix for reference. For those commuting from outside of McCall, Boise has the highest number of workers. This is likely partially due to employees in the construction industry who live in Boise and come to McCall for work.

TABLE 9: WHERE WORKERS LIVE WHO ARE EMPLOYED IN MCCALL (LOCATIONS WITH 5 OR MORE) (SOURCE: U.S. CENSUS BUREAU)

Residence	Number of Employees	Share
McCall, ID	367	17.4%
Boise City, ID	106	5.0%
Cascade, ID	68	3.2%
Meridian, ID	58	2.8%
Nampa, ID	46	2.2%
New Meadows, ID	33	1.6%
Caldwell, ID	25	1.2%
Council, ID	25	1.2%
Mountain Home, ID	21	1.0%
Donnelly, ID	18	0.9%
Lewiston, ID	16	0.8%
Twin Falls, ID	14	0.7%
Marsing, ID	12	0.6%
Weiser, ID	11	0.5%
Eagle, ID	10	0.5%
Homedale, ID	10	0.5%
Kuna, ID	10	0.5%
Pocatello, ID	10	0.5%
Coeur d'Alene, ID	9	0.4%
Baker City, OR	7	0.3%

Residence	Number of Employees	Share
Idaho Falls, ID	6	0.3%
Glenns Ferry, ID	5	0.2%
Middleton, ID	5	0.2%
Payette, ID	5	0.2%
Rathdrum, ID	5	0.2%
Robie Creek, ID	5	0.2%
Pendleton, OR	5	0.2%

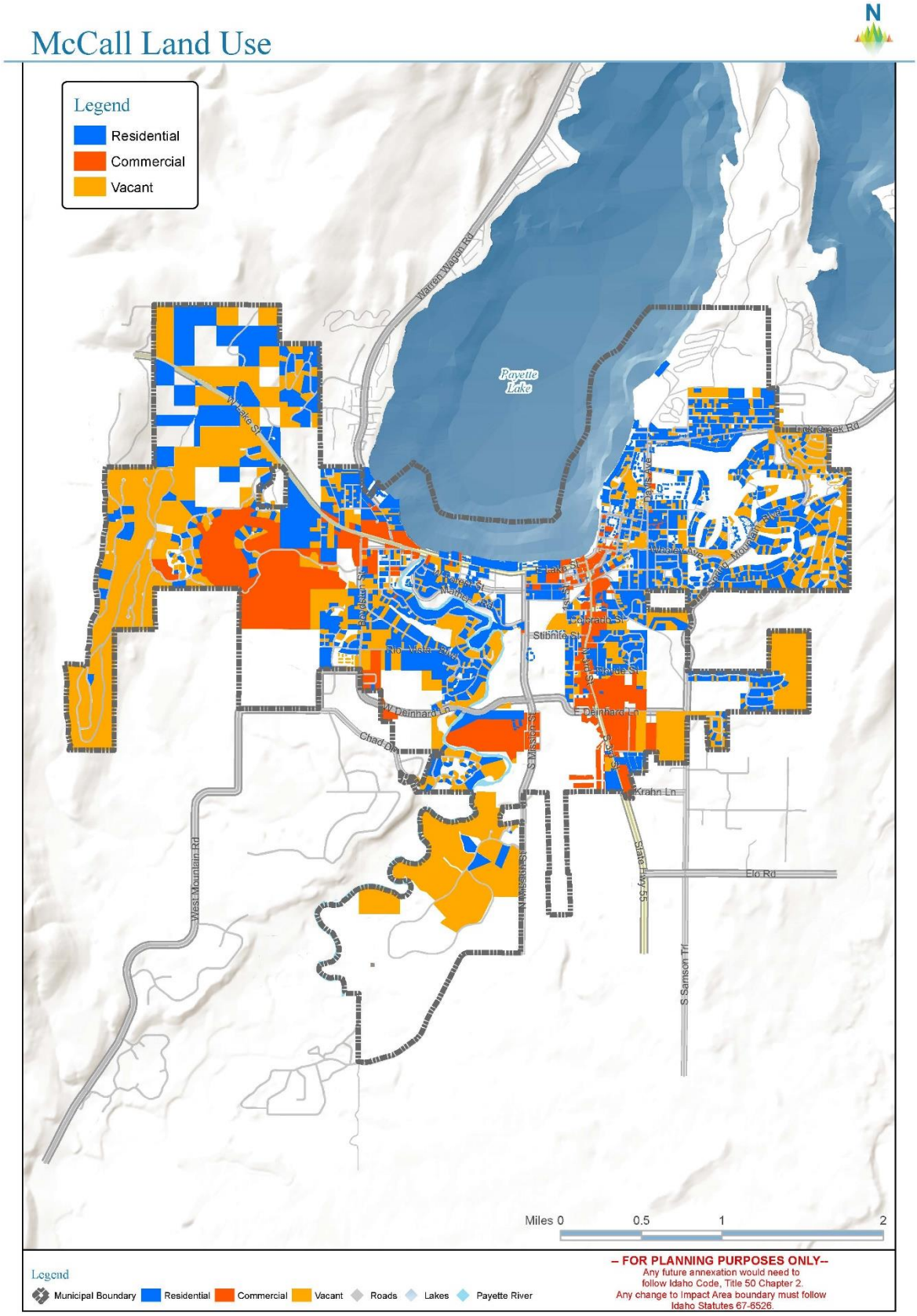
Land Use

Today, nearly 89 percent of the City's developable land is occupied by, or is zoned for, single-family residential uses.[12] The remaining land is divided among higher-density residential uses, the Central Business District, commercial and industrial uses, and public lands. In recent years, more mixed-use and multifamily residential projects have been built in the City, specifically in downtown and along the Third Street Corridor. Outside City limits, land uses in the Area of Impact are primarily large-lot rural and estate residences, master-planned communities, agriculture, and public lands.

While the McCall area has substantial land available for additional growth, much of it is in the western and southern areas of the community. These areas are furthest from essential services and employment and often lack infrastructure necessary to provide development that would be affordable. Therefore, redevelopment options on land located closer to downtown and highway corridor will likely need to be considered as part of the City's housing strategies.

[12] Based on low-density residential, rural residential and estate residential zoning.

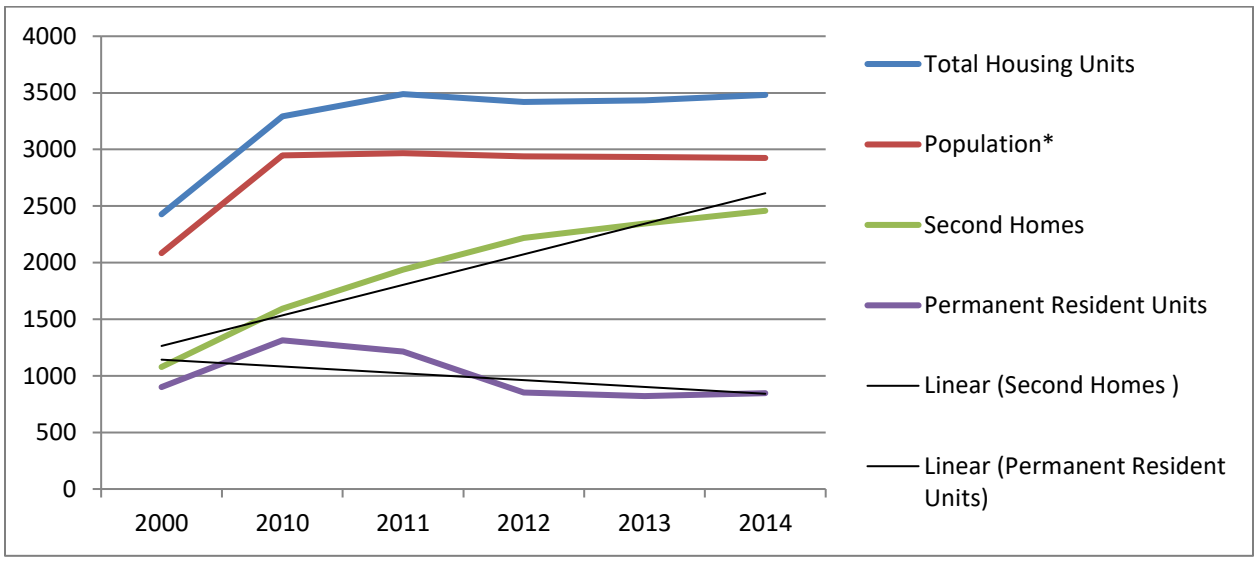
FIGURE 7: MCCALL LAND USE (SOURCE: VALLEY COUNTY ASSESSOR)



Housing

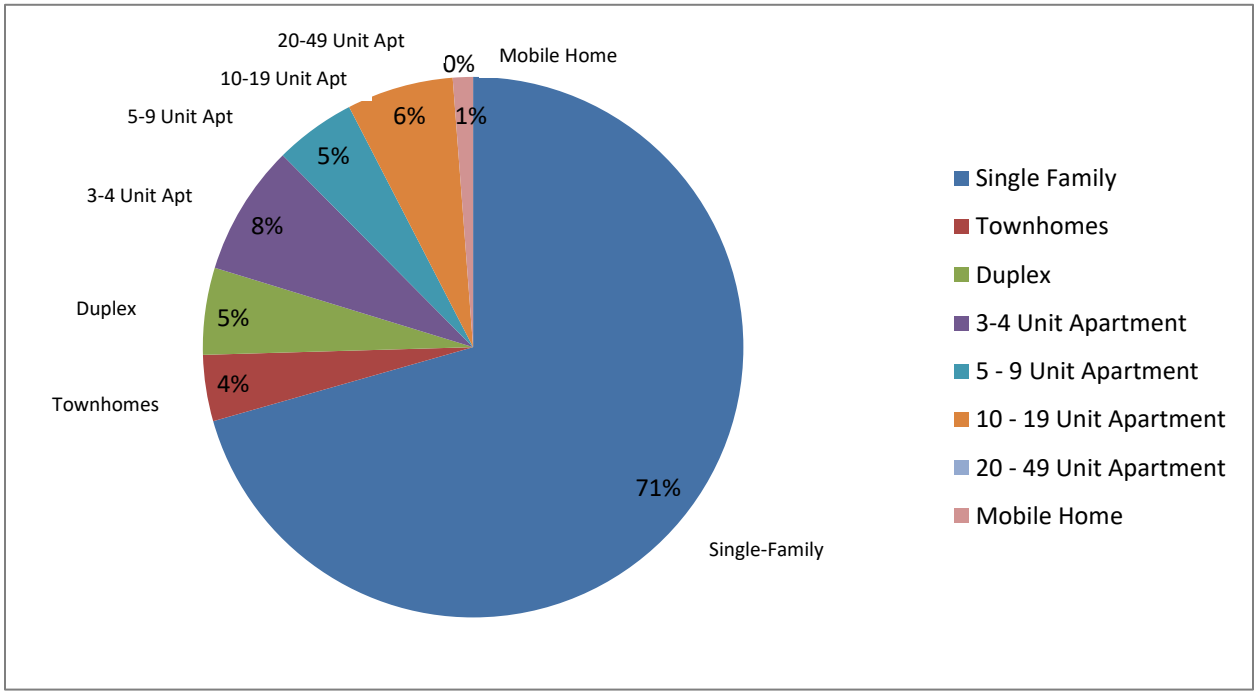
As the table below shows, taken from the McCall Area Comprehensive Plan, there has been a sharp increase in the number of second homes, with a decreasing number of permanent resident units in the City.

FIGURE 8: MCCALL RESIDENTIAL UNITS BY TYPE



Most of the existing housing stock was built as single-family. Detached single-family units are, on average, substantially more expensive than multi-family units.

FIGURE 9: RESIDENTIAL UNIT TYPES



Primary vs Secondary Residences

The American Community Survey (ACS) estimates that only 27 percent of housing units in McCall are occupied, with 73 percent of units vacant, representing the extremely high second-home population in the area. Of the owner-occupied units, slightly more than half are owner-occupied rather than renter-occupied.

TABLE 10: PERCENT OF HOMES BY OCCUPANCY (SOURCE: ACS 2015)

	Percent of Units
Occupied Units	**27%**
Owner Occupied	15%
Renter Occupied	12%
Vacant Units	**73%**
TOTAL UNITS	**100%**

Additional ACS data indicates that of all units listed as vacant, 97 percent of units were for seasonal, recreational, or occasional use, though no indication is made for what percent of those are secondary homes v. rental units.

TABLE 11: PERCENT OF HOMES BY VACANCY CLASSIFICATION (SOURCE: ACS 2015)

Vacancy Classification	Percent of Units
For Rent	1%
Rented, Not Occupied	0%
For Sale Only	0%
Sold, Not Occupied	1%
For Seasonal, Recreational, or Occasional Use	97%
For Migrant Workers	0%
Other Vacant	1%

This data is corroborated by research conducted by Zions Public Finance, Inc. (ZPFI) regarding the rental home market in McCall. Based on this research, long-term rental units are far and few between in McCall. There are a few apartment complexes, most of which would not provide rent rates without detailed information regarding renter status. On Zillow,[13] only one single-family 'home' (cabin) was available for rent. However, the options were numerous if looking to rent a vacation home for a week. Long-term rentals identified as part of this study are shown below:

TABLE 12: LONG-TERM RENTAL UNITS AND RENT RATES IN MCCALL

Type	Year Built	Size	# of Beds	# of Baths	Address	Monthly Rent	Availability
Cabin	1974	1,008 sq ft	2	1	285 Rio Vista Blvd	$1,300	
Cottage	1991	1,200 sq ft	3	2	1102 Buckboard Way	$1,575	
Detached House			3	2		$3,000	
Condo			3	2		$1,400	
Timbercrest Condos	New				1000 N 2nd Street		No Availability

[13] Zillow is an on-line real estate marketplace with listings of for-sale and rental properties.

Type	Year Built	Size	# of Beds	# of Baths	Address	Monthly Rent	Availability
Ponderosa Arms Apartments (Timbers)	2008 Remodel	770 sq ft	2	1	1305 Ponderosa Avenue	$850	No Availability
The Springs II Apartments	2010	508-1,115 sq ft	0-3		325 Valley Springs Road		No Availability
Apartments	1960				1401 Davis Street		No Availability
Multi-Family	2007	1,230 sq ft	3	3	607 N 3rd Street		No Availability

These rental rates will be evaluated further in the analysis of housing affordability.

Chapter 3: Housing Affordability

Housing affordability is used to compare the existing housing stock with average wages in an area and to assess if there are sufficient units available for all income categories. HUD guidelines suggest that no more than 30 percent of a household's income should be spent on housing costs (rent, mortgage payment, insurance, property taxes and utilities).

Housing affordability is further based on the Area Median Income (AMI) as determined by the US Department of Housing and Urban Development (HUD). The AMI is then adjusted by household size, as shown in the following table. The average AMI for a household of about 3 persons has been used in this analysis. These values are used when determining the total number of housing units currently locally-serving in McCall for various income levels.

Table 13: Valley County, ID Area Median Incomes (Source: HUD)

	Persons per Household							
Valley County, ID	1	2	3	4	5	6	7	8
30% of AMI	$12,094	$15,094	$16,988	$18,863	$20,381	$21,881	$23,400	$24,900
50% of AMI	$22,000	$25,150	$28,300	$31,400	$33,950	$36,450	$38,950	$41,450
80% of AMI	$32,250	$40,250	$45,300	$50,300	$54,350	$58,350	$62,400	$66,400
100% of AMI	$40,313	$50,313	$56,625	$62,875	$67,938	$72,938	$78,000	$83,000

The following table lists the percent of households by household income in McCall.[14] About 53 percent of McCall households earn at least 100 percent of AMI, while approximately 47 percent earn less than 100 percent of AMI.

Table 14: Percent of Households by Income (Source: 2015 ACS)

Income	Percent of Households	Cumulative Percent	AMI Group
Less than $10,000	6.6%	6.6%	30%
$10,000 to $14,999	2.5%	9.1%	30%
$15,000 to $19,999	9.1%	18.2%	30%
$20,000 to $24,999	7.2%	25.4%	50%
$25,000 to $29,999	5.0%	30.4%	50%
$30,000 to $34,999	5.2%	35.6%	80%
$35,000 to $39,999	9.1%	44.7%	80%
$40,000 to $44,999	2.6%	47.2%	80%
$45,000 to $49,999	3.9%	51.1%	80%
$50,000 to $59,999	8.7%	59.8%	100%
$60,000 to $74,999	10.7%	70.6%	Above 100%
$75,000 to $99,999	17.2%	87.7%	Above 100%
$100,000 to $124,999	6.1%	93.9%	Above 100%
$125,000 to $149,999	0.8%	94.7%	Above 100%
$150,000 to $199,999	2.4%	97.0%	Above 100%
$200,000 or more	3.0%	100.0%	Above 100%

[14] Source: 2015 ACS

Home Values

The American Community Survey (ACS) reports the median home value in McCall is $206,800, which is higher than the State median value of $162,900, but lower than the County median value of $221,500. The median home value in McCall is nearly identical to the maximum home cost (assuming 30 percent of income is spent on housing and utilities) for those making the area median income (AMI).[15] However, there are significant shortages in available housing stock for those making less than 100 percent of AMI, especially for households below 50 percent of AMI. Households below 50 percent AMI typically cannot afford to purchase a home and rely on rental options; therefore, it is essential to have sufficient rental options for low-income households.

TABLE 15: INCOMES AND HOUSING AFFORDABILITY

	<30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	Greater than 100% AMI
Annual Income	$16,988	$28,300	$45,300	$56,625	>$56,625
Max Home Price	$17,093	$72,205	$155,024	$210,197	>$210,197
Percent of Total Homes	1%	3%	16%	15%	65%

As a comparison, the following tables summarize the total number of housing units by market value for McCall and the Impact Area,[16] according to the Valley County GIS. It is important to note that assessed value is often lower than market value in McCall, generally by 10 – 20 percent.

TABLE 16: MCCALL HOMES BY MARKET VALUE (SOURCE: VALLEY COUNTY GIS)

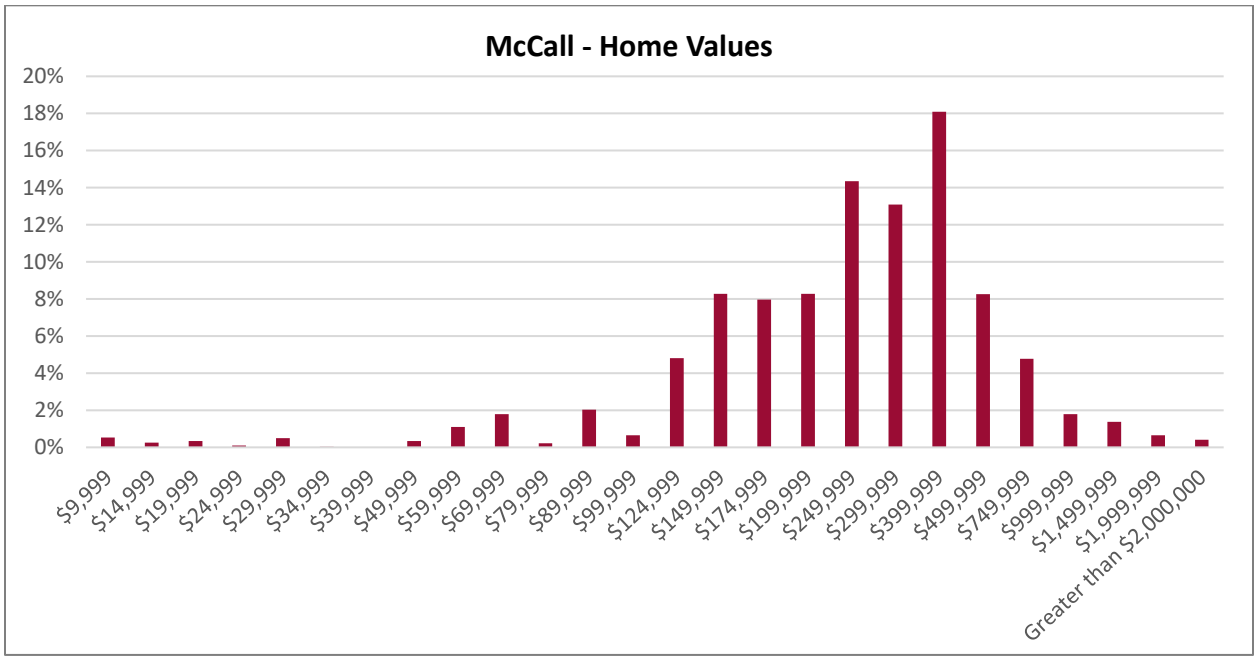
Home Value Max	Homes	Percent of Homes	Cumulative Percent
$9,999	17	1%	1%
$14,999	8	0%	1%
$19,999	11	0%	1%
$24,999	3	0%	1%
$29,999	16	1%	2%
$34,999	1	0%	2%
$39,999	-	0%	2%
$49,999	11	0%	2%
$59,999	35	1%	3%
$69,999	57	2%	5%
$79,999	7	0%	5%
$89,999	65	2%	7%
$99,999	21	1%	8%
$124,999	154	5%	13%
$149,999	265	8%	21%
$174,999	255	8%	29%
$199,999	265	8%	37%
$249,999	459	14%	52%
$299,999	419	13%	65%

[15] Based on average home utility costs. Because the same utility costs were used for all income levels, utility costs will have a greater impact on lower-income households and the maximum home price affordable to lower-income households.

[16] The Area of Impact (AOI) is a geographical area where a city is expected to grow and annex property at some future time. §67-6526(b) states that, "In defining an Area of City Impact, the following factors shall be considered: (1) trade area; (2) geographic factors; and (3) areas that can be reasonably expected to be annexed to the city in the future."

Home Value Max	Homes	Percent of Homes	Cumulative Percent
$399,999	579	18%	83%
$499,999	264	8%	91%
$749,999	153	5%	96%
$999,999	57	2%	98%
$1,499,999	44	1%	99%
$1,999,999	21	1%	100%
Greater than $2,000,000	13	0%	100%
TOTAL	**3,200**	**100%**	

FIGURE 10: MCCALL MARKET VALUE OF RESIDENTIAL UNITS



The table below combines McCall and the Area of Impact and demonstrates that housing stock in McCall is more affordable than housing stock in the Area of Impact. Ideally, additional housing would be located in McCall because of the closer proximity to essential services, employment, and public transit.

Figure 11: McCall and Area of Impact Housing Units by Market Value

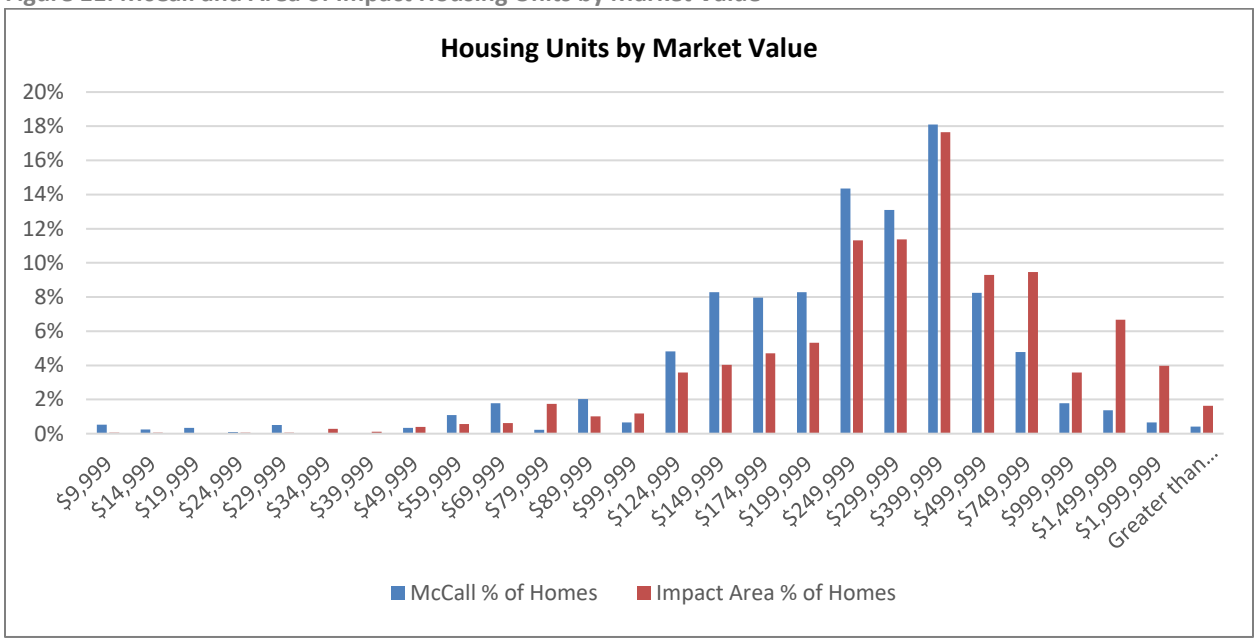
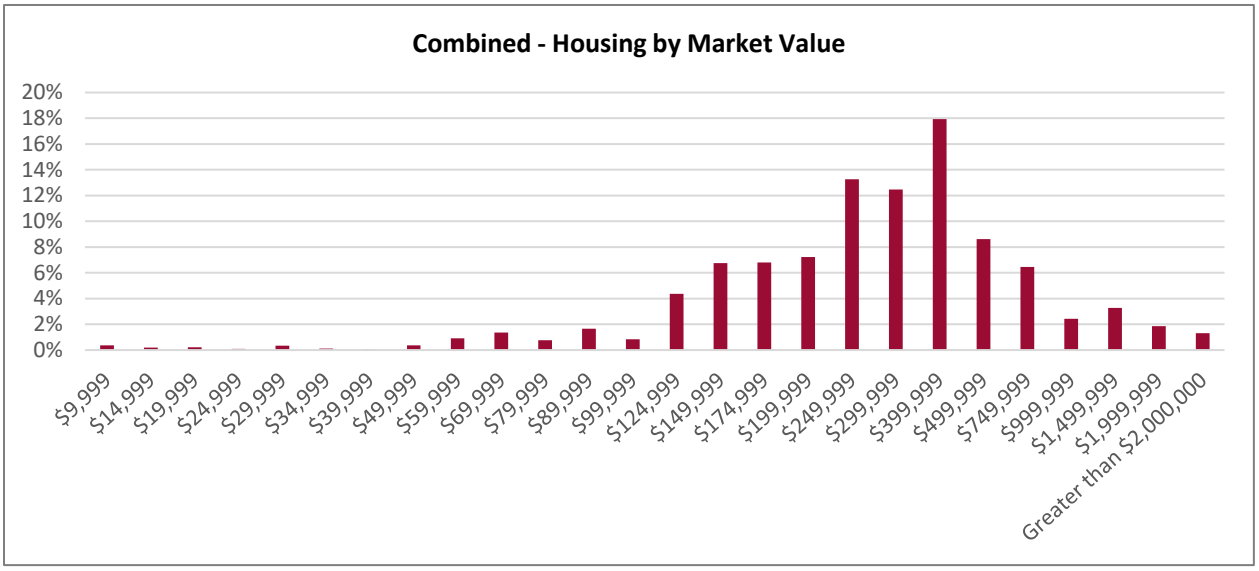


FIGURE 12: MCCALL AND AREA OF IMPACT RESIDENTIAL UNITS BY MARKET VALUE



Housing Affordability

The following table summarizes the existing conditions for housing in McCall and the Impact Area, based on AMI. Sixty percent of homes in McCall/Area of Impact are affordable to the 44 percent of households above 100 percent AMI, while only 4 percent of homes are affordable to the 16 percent of households earning between 30 and 50 percent of AMI. The one area where there is not a difference in current supply and demand is between 50 and 80 percent AMI, which has 18 percent of the housing stock and 18

percent of households. The analysis below does not include rentals which are analyzed separately. The Area of Impact is also included as a basis for comparison with McCall.

TABLE 18: PERCENT OF HOMES AFFORDABLE BY AMI

	<30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	Greater than 100% AMI
Annual Income	$16,988	$28,300	$45,300	$56,625	>$56,625
Max Home Price	$17,093	$72,205	$155,024	$210,197	>$210,197
Total McCall/AOI Homes	32	127	576	540	1,925
Percent of McCall/AOI Homes	1%	4%	18%	17%	60%
Percent of McCall/AOI Households	12%	16%	18%	10%	44%
Difference	11%	12%	0%	7%	16%
Total Impact Area Homes	2	40	222	206	1,315
Percent of Impact Area Homes	0%	2%	12%	12%	74%
Total Residential Units	34	167	798	746	3,240
Percent of Total Residential Units	1%	3%	16%	15%	65%

The difference in the percent of households and number of residential units is greatest for households below 50 percent AMI. For example, in the category of <30% of AMI, there are only 32 residential units in McCall, representing approximately one percent of total housing units. Yet, 12 percent of the population falls into that category; therefore approximately 12 times the number of units are needed, or an additional 352 units. The table below demonstrates that many residents are forced to live in housing that costs more than 30 percent of their incomes. The demand for home ownership shown below is increased significantly when commuters are also considered. As stated previously, very few ownership opportunities exist for households below 50 percent of AMI, and especially for households below 30 percent of AMI. These income ranges generally rely on rental options.

TABLE 19: ADDITIONAL UNITS NEEDED BY MCCALL RESIDENTS

Additional Housing Units Required	% of Households in McCall	% of Existing Housing Units in McCall	Existing Units	Additional Units Needed
<30% AMI	12%	1%	32	352
30-50% AMI	16%	4%	127	381
50-80% AMI	18%	18%	576	0
80-100% AMI	10%	17%	540	(222)
>100% AMI	44%	60%	1,925	(513)

The locally-serving housing shortage is most deeply felt by those members of the community in lower-wage occupations, such as those shown in the tables below. [17]

[17] The maximum home price is calculated based on HUD guidelines that a household should not spend more than 30 percent of household income on housing payments and utilities. The same utility costs were used for each income range, based on the average home utility costs. Because the same utility costs were used for each income range, utilities have a greater impact on lower-income households.

TABLE 20: PERCENT OF HOMES AFFORDABLE BY PRIMARY INDUSTRIES

	Accommodation & Food Services	Arts, Entertainment, Rec	Education	All Industries
Annual Income	**$22,139**	**$18,952**	**$37,904**	**$35,773**
Max Home Price	**$42,190**	**$26,664**	**$118,996**	**$108,611**
Total McCall Homes	58	49	366	300
Percent of McCall Homes	2%	2%	11%	9%
Total Impact Area Homes	12	3	151	129
Percent of Impact Area Homes	1%	0%	8%	7%
Total Homes	70	52	517	429
Percent of Total Homes	1%	1%	10%	9%
Percent of Individuals in Category	23%	6%	6%	

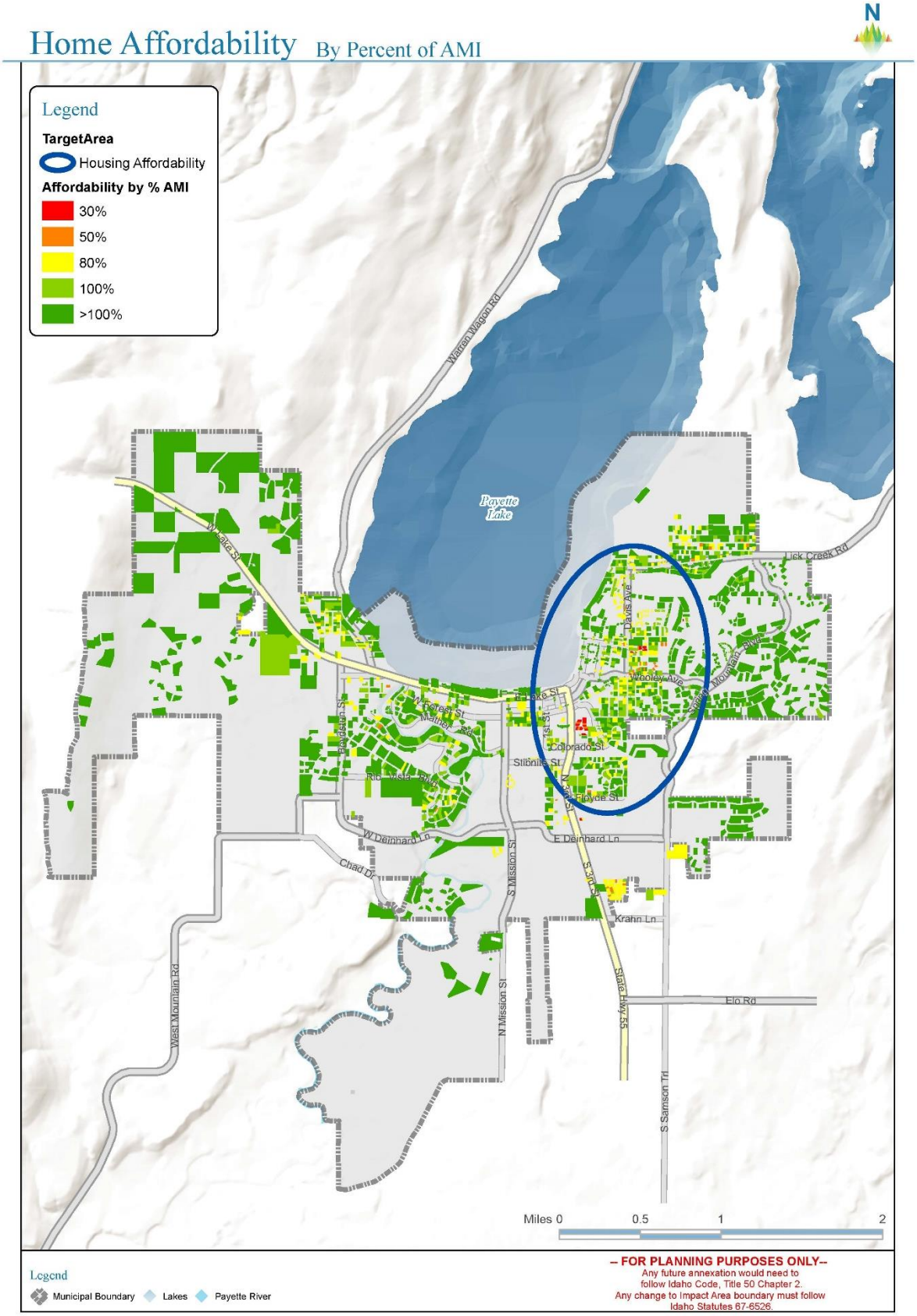
TABLE 21: AFFORDABLE HOME PRICES

	Average Wage	Max Home Value	Max Rent per Month
Accommodation & Food Services	$22,139	$42,191	$268
Arts & Entertainment	$18,952	$26,665	$189
Education	$37,905	$118,997	$663
Real Estate & Rental Leasing	$23,899	$50,764	$312
Retail Trade	$28,158	$71,513	$419
AMI - 100%	$56,625	$210,197	$1,131
AMI - 80%	$45,300	$155,024	$848
AMI - 50%	$28,300	$72,205	$423
AMI - 30%	$16,988	$17,096	$140

The maximum affordable rents shown in the table above are all more than the average rents researched as part of this study and as shown previously in this report.

The following map shows that the higher-priced residential units surround the lake or are in the southwest area of town. There appears to be slightly more affordability directly east and southeast of the lake. This corresponds well with the location of essential services and public transit which are important criteria for identifying future sites for locally-serving housing. The map is designed to show a large area of the City and surrounding area, and is not intended to show a parcel-by-parcel analysis of specific properties. Rather, the purpose is to see general areas of the City where there is more, or less, affordability.

FIGURE 13: MCCALL HOME AFFORDABILITY BY PERCENT OF AMI



A closer look at this targeted area suggests the potential for more mixed-use residential in the downtown area and 3rd Street in McCall.

Relative to locally-serving housing for specific industries, the following table summarizes housing affordability in McCall for primary industry sectors. For example, 2 percent of homes for ownership in McCall are affordable to individuals working in the Accommodation & Food Services sector, while 23 percent of individuals work in this sector.

Chapter 4: National Research

Although the scale and size of the problem varies greatly, communities nationwide that have tourism-based economies face similar economic challenges in housing when trying to provide local-housing options for household families. While tourism contributes to the local economy, the demand from tourists can cause rises in home prices as the second home market grows, but create competition in the market that create challenges for local residents. In McCall, the proportion of rentals (especially short-term) to permanent households has changed significantly in the last decade. As homes are purchased by investors or second homeowners have concerted to short-term rentals for additional income, the market tightens and becomes more expensive for local residents who struggle to find acceptable housing options. This section will review national approaches to attempt to align these dueling market forces by providing a mutually beneficial outcome while still correcting for market failures.

While McCall does already have significant impacts from the short-term rental market, the gap in housing prices and wages is not so large that it is too late for the City to make corrections and prevent "Aspenization." Aspen's home prices are so high that correcting for local-housing is a significant challenge. An official coined "Aspenization" to describe "what happens when small towns choke on what their charm has brought them" and this is a threat to any town with growing tourism interest.

This section will first review other mountain town and tourism economies and how they have approached correcting for housing issues in their economies with various solutions and tools found nationwide.

National Case Studies

Ketchum, Idaho

The Blaine County Housing Authority reports that compared with other resort towns in the west, Ketchum has the lowest affordable housing options – five units per 1,000 compared to 162 units in Aspen. The City's current policy focuses on developments with a floor-area ratio[18] great than 1. These developments are subject to 1) either provide a percentage of the property as deed-restricted or 2) donate a percentage of value to an in-lieu fund. In past years, the City has been supplementing this fund because there hasn't been enough generated to support the housing authority. Funds haven't always been used towards affordable housing development and some council members are pushing for more accountability. Also, some projects have had affordable housing requirements waived in return for being completed within a certain time frame, such as a hotel in recent years. Area officials site difficulty with the State of Idaho in options to fund housing, restricting housing tools like the real estate transfer tax and inclusionary housing.

Working hand-in-hand with the Blaine County Housing Authority (BCHA), the community is also serviced by ARCH Community Housing Trust. This Community Land Trust (CLT) is relatively new and is primarily funded by federal grants. As of this year the Blaine County Housing Authority and ARCH have 99 homes in their stewardship and have 126 active applications.

[1818] Floor-area ratio is the ratio between total land square footage and the building's square footage. It is a measure of building density.

Teton County (Jackson, Wyoming)
One of the more extreme cases in tourism housing, Teton County faces local housing shortages as demand for tourism rises. Homes in this area are 1,400 percent of the median income, despite median income being very high – around $300,000 per year. The average home sale is $2.14 million and condos sell for over $800,000. Rentals are also very expensive and rents are rising to keep pace with market demands. One of the largest complexes recently announced that rent would increase by 40 percent, forcing many long-time residents out. The area reports that there is a deficit of 340 workforce units and there is a need for 280 more per year to keep pace with employment needs. Local workers often commute over an hour through mountain passes. Those staying in the City report couch surfing, overcrowding and tent camping. Camping on public property as a housing option is not unheard of and it is not generally stopped unless there are complaints.

The City's Workforce Housing Plan has indicated a conventional approach to encouraging affordable housing in private development, in addition to some employer-led initiatives. These measures include allowing accessory dwelling units, updating zoning and parking requirements to allow for higher density, providing density bonuses, and expedited approvals for price-restricted projects. The Town and County also plan to continue "modeling best practices" by housing their own employees. Development will need to show mitigation for employee generation. A dedicated sales tax revenue for housing was voted on in 2016 but did not pass. Residents have identified that the local lodging tax goes to promotion, but most feel the area does not need marketing. The area does have about six percent of units, both rental and owner units, as deed restricted; however, there are no goals to expand this tool in the community.

Aspen, CO
The most famous and extreme example of tourism pricing out local residents and workers, Aspen finds that even doctors and lawyers are often priced out of local housing. The average home sale is for five million dollar and even a double-wide trailer can sell for one million dollars.

The Aspen Pitken County Housing Authority is a long-standing program to provide affordable workforce housing. Units under APCHA are available only to full-time employees in the county, with a mix of 1,346 rental and 1,619 sales units in the program. APCHA is funded through a one percent Real Estate Transfer Tax (RETT) on all real estate sold within the City of Aspen (after the first $100,000) and a portion of a sales tax. There are extensive and strict rules about who can participate and the kind of units they are eligible for based on family size and income. Also, due to extremely high demand, units are allotted via a lottery system.

There is a low appreciation cap on selling units to keep units affordable. This cap is at three percent or the Consumer Price Index, whichever is less. These units are also strictly excluded from being used as a short-term rental. These factors, combined with low availability in affordable housing overall, create a problem of people unwilling to free up units even into retirement. With retirees occupying affordable units with little financial incentive to sell, shortages continue for young workers and families. The low appreciation cap also has limited the incentive for affordable units to remain well-maintained and updated.

Mackinac Island, Michigan
A quaint and popular destination in the Midwest, Mackinac Island is an island on Lake Huron that boasts a car-free village full of Victorian structures and beautiful scenery. Maintaining local character on this island is vital to maintaining the rich summer tourism industry. Home prices are often over one million dollars and many residents live in either tiny cabins or cramped rentals. High summer rental rates forced many families to move starting in the 90's as land prices spiked.

A development was created on the island under the model of a Community Land Trust (CLT). A nonprofit was formed that owns the land and the Michigan State Housing and Development Authority runs the program. Lots are available through low-rent, 99-year leases and purchase is income qualified. Those wanting a lot must also have lived on the island for five of the last 25 years, must sign a contract certifying full-time residency (including no more than one month a year off the island, even for vacations), and there is a limit on the profit from future home sales. Home sale profit is limited to 20 percent increase in value. All of these qualifications are made possible through deed restrictions on the land lease and are intended to prevent homes from being subleased or flipped for profit.

While many of the cities in this chapter have implemented CLTs and they are heavily promoted as one of the best solutions to local housing options, they do not come without their own set of challenges. In Mackinac Island, one of the primary challenges and the reason some lots are still available comes down to mortgage qualification. Due to the nature of the land lease, mortgage lenders are requiring buyers to have at least 20 to 25 percent for a down payment, which is often difficult for the income-qualified families looking to build or own in this community. The nonprofit cannot currently provide financial assistance without restructuring. The Mayor has been looking into down payment funding opportunities throughout the State. The City is also considering rental options, such as an apartment building as a nonprofit organization.

Vail, CO

Vail is another ski-resort oriented community with severe housing shortages. The County's housing needs assessment indicated that 4,853 affordable units were needed – a number that would increase to 9,593 by 2025. Since 2010, Vail has had nearly 90 percent of home sales to unoccupied home owners. In response to these market shifts, significant solutions in housing have been initiated in recent years.

The Vail Housing Strategic Plan for 2027 has focused the Town on the primary goal of acquiring housing unit deed-restrictions. This plan is proposed to be funded in the near term by existing housing program funds and appropriations from the Town's Capital Projects Funds, with future funding sources from a dedicated tax source. This plan also is clear that a local housing authority should be established and used as the special agent for the Town Council, giving the authority power to skip bureaucracy while maintaining and granting financing and property powers as granted under the Colorado Revised Statutes. Deed-restrictions will be acquired for existing and new homes. They give the ability to put occupancy requirements on units without needing to own the property going forward.

The Town maintains a housing unit lottery with strict requirements for eligibility, including employment, ownership of other properties, and occupancy. These properties have a resale cap of three percent annual appreciation.

The Town also has an employee housing program for town employees. Top priority is given to critical employees such and police and mechanics. The Town also provides two loan programs to employees for rental and ownership. The Rental Advance program provides an interest free loan of $2,000 for rental costs. The Employee Home Ownership Program provides an equity share mortgage that gives a proportion of appreciation back to the Town. Resorts also provide employee housing.

The County has imposed a required rate of units that must be affordable within a development. The Local-Resident Housing Guidelines give leeway to developers in waiving some zoning requirements to provide

incentive for affordable unit growth. However, the County has refused to waive impact fees for any project, even if the project is providing more affordable units than required.

Moab, UT

Moab is the primary gateway to several National and State Parks in southern Utah. Nearly 60 percent of employment is driven by tourism-related industries. Although the affordability gap is not as pronounced as in some other tourism- driven towns, there is still a gap of $84,037 between what an average family can afford and the average selling price of a home in the area. The vacancy rate (which can indicate the degree to which homes are being used as vacation homes or rentals) has been on the rise and is currently at 27 percent.

Moab uses a variety of methods in assisting local-housing options. They use USDA502-direct loans that allow households to contribute sweat equity towards construction in exchange for low rates, repayment subsidies and home equity. 523-guaranteed loans are also used in the area. Deed restrictions have not been widely implemented, but beginning in 2017 newly constructed homes will have deed-restrictions to maintain long-term affordability. One development was recently approved as the first to include a 20 percent set-aside for affordable units, with 44 units deed-restricted for 40 years with income and employment requirements. Most projects use income limits for rental units. The 2017 Moab Area Affordable Housing Plan recommends developing a community land trust, increasing local funding, expanding the use of deed restrictions, adopting an assured housing ordinance requiring large developments to include affordable housing, supporting employer housing, increasing zoning densities, enabling tiny home development, and lobbying the State Legislature to allow flexibility in using the Transient Room Tax revenue.

Burlington, Vermont

The Champlain Housing Trust is the largest CLT in the country and one of the first, started in 1984. It manages 2,200 apartments and 565 owner-occupied homes. The City also manages a housing loan fund. A unique feature of Lake Champlain's CLT comes from the shared equity program that offers down payment assistance grants that are forever tied to the property. They are repaid by the owner at the time of sale and then given to the next buyer of the home. This shared equity program was invented by the Champlain Housing Trust and won the UN World Habitat Award. Two-thirds of sellers – many who began as low-income renters - go on to buy in the private market and their rate of foreclosure is ten times less than market norms. Like most CLTs, homes cannot be subleased and the homes carry deed restrictions.

The City supports the housing trust through federal sources, a 1 cent increase on the property tax rate, housing replacement ordinances, inclusionary zoning, condo conversion protections and tenant protections. The City has also worked hard to leverage the program to target a neighborhood for private investment and the program's model has been embraced by local banks and lenders.

San Juan Islands, WA

San Juan County is reachable only by air, boat, or ferry and has seen a surge in tourism and rental homebuyers while simultaneously seeing a decline in middle-class fishing, shipping and agriculture jobs that sustained the local working economy. The median home price was $500,000 last year and shipping costs to the islands make building difficult. The Seattle Times quoted a local resident saying that you "either own three homes or you have three jobs" to live on the islands.

The area also has a couple of active community land trusts that have created buzz by "recycling" housing units, including relocating old houses from Canada via barge. Not only was this cost effective compared

to building, but it suited the demographic market for the area. Local residents and donors have an interest in recycling and in preserving older homes with character. The buzz has contributed to increased fundraising appeal and activity from donors. These homes will be available to purchase in the $160,000 to $210,000 range.

Homes and apartments are managed using a variety of affordability tools within the CLTs. Many include the normal 99-year land lease. In one development, the buildings and land are owned in common by the residents and kept affordable by using a Permanent Affordability Covenant, a type of deed restriction. Both types of properties are subject to a resale formula tied to the Area Median Income. Grants and donations go toward construction and stay with the home in perpetuity, rather than as a windfall to the first owner. Some grants require sweat equity. One of the local CLTs also manages rental apartments and office spaces.

Whitefish, Montana

Business leaders in Whitefish met last year to discuss their inability to hire and keep enough employees and determined that housing was their biggest issue in staffing basic jobs. About 69 percent of jobs are in accommodation, entertainment, recreation, food, retail and arts and there is a shortage of workers available for these sectors that can afford to live in the area. There is more affordable housing in nearby towns, but there are also employment opportunities there providing less incentive to commute.
In the past year, Whitefish conducted a housing study. This study included a resident survey that found the greatest demand is in single-family detached units. 88 percent of respondents preferred these units, showing that plans for higher density may not meet the market demand and keep families interested in the area. Residents also noted that many units were in poor condition.

This study also pointed out that the Town's voluntary inclusionary program was not working and developers were not participating in the density bonus, making the housing needs fall further behind each year. The new housing plan is looking to implement a wider and more aggressive set of tools to encourage workforce housing to meet the 1,000-unit shortage. When this plan was implemented 20 years ago, the Town was clear that it wasn't interested in charity, but rather "correcting dislocations by unusual economics." However, any program going forward will need to be more aggressive to maintain an employment base. While the plan hasn't been completed, the Town is looking at zoning codes, waiving fees, requiring mandatory workforce employee housing and partnering with nonprofits.

Park City, Utah

The Park City area has been very careful to maintain the desirability of the area by limiting building heights and density, but this in turn has led to trends towards sprawl, congestion in the County and increased housing prices. The City's housing plan recognizes this paradox between maintaining character and keeping housing costs in check, noting that it was time to think beyond choosing low heights and density every time. While prices were still attainable to middle-class families before the Olympics, since the Olympics the City is increasingly concerned that the middle-class will be lost entirely.
The City has been very successful at fostering development of low-cost rental units with the help of Federal Housing Tax Credits. The private market is, of course, providing homes for the top end of the housing spectrum. The middle is where recent attention has now been focused. These households with buying power between $260,000 to $525,000 are unable to buy a home in the City unless they are willing to buy an attached condominium or to live outside the City and commute. Consultants for the most recent housing plan strongly recommended the City expand use of a land trust to purchase, hold, and lease properties in several neighborhoods in the City while redeveloping these properties to appeal to families that might otherwise look at newer homes in the County. Consultants for this plan noted this

would need to be aggressive and a fine line to walk to avoid the pitfalls of Vail (too dense) and Aspen (still not affordable). This plan requires $1 billion in forward commitments and the land trust to acquire about $300 million in land over 40 to 50 years. Zoning in these projects will also need to double in density to 7 to 9 units per acre.

Solutions

As seen in the various case studies above, different cities have a variety of approaches to trying to address the supply gap in local community housing, but almost all use a variety of tools simultaneously. The numerous types of tools available to correct market prices for local families are outlined below. These tools range from simple to complicated, passively to actively managed, and ones that influence private developments to ones were the local government is more involved in properties. Most of these tools can be used in combination and concert with each other, but they might be able to better serve different market segments depending on the types of products they might incentivize in the area.

McCall could certainly use a number of these tools, especially in encouraging affordable local housing options downtown with higher density to create vibrancy. In most communities, tourism-driven or not, density is often an enormous factor in improving the options for low- and moderate-income households. Density is also more easily attainable by incentivizing private development. This is definitely an angle for the City to approach in keeping downtown vibrant. The community is also interested in maintaining housing affordable for local residents of all income and demographic levels. For this goal, single-family residents must also be a focus and requires more active involvement on a per-unit basis. Single-family units are not only in higher demand, but making sure a year-round population lives in units throughout the City is key to maintaining the community character of McCall. Appendix B shows the impacts that smaller lot sizes can have on affordability in a City that originally had only large, single-family lots.

The most widely used and most effective tool in promoting affordable single-family units in tourism communities is an effective deed-restriction program, preferably in the form of an active and engaged Community Land Trust (CLT). While a CLT is not necessary for deed-restrictions, it does offer greater control over unit investments. Discussions with the City and stakeholders indicate that a Community Land Trust is in place. The CLT needs to take on a role of adding properties available to permanent, year-round residents. Tools can be used within the CLT to assist home-buyers with down payments and property rehabilitation, which are also issues discussed in community input meetings.

Another important factor for the City to prioritize is infrastructure support. Incentives could be provided for infrastructure support or for appropriate regulations for locally-serving housing.

Tools and Mechanisms

Fee Waivers

McCall can reduce the cost of development, thus reducing the rental or purchase price of a unit, by waiving fees for developments targeting local housing with deed restrictions. Fees that can be waived include plan reviews, impact fees,[19] water connections, and building permits. These issues can also contribute to infrastructure cost reduction. Sewer connections are now a service from the Payette Lakes Water and Sewer District; therefore, a reduction of these fees could not be offered by the City.

[19] While McCall does not currently charge impact fees to new development, these fees could be waived if the City should choose to enact impact fees in the future.

Permit Streamlining
This process would include prioritizing any project in the permit and review process if it meets local housing and affordability goals. Fast tracking and administrative approvals would, however, still be subject to legal requirements.

Inclusionary Zoning/Assured Housing
This is an ordinance that requires new construction to include affordable units or pay a fee equal to the cost of those units. This is only a useful tool if new developments are being created in growth-oriented communities and is generally applicable to dense housing developments, especially multi-family or attached units. While this is a common tool in other areas, the City has noted that this is not an option because inclusionary zoning is currently illegal in Idaho.20

Density Bonus
A density bonus incentive can take many forms:

1. Mixed income development – This can be a single-family or multi-family development that mixes unit sizes and qualities with good design practices to make units desirable at all income levels. This method prevents income segregation. A density bonus can be applied to these developments.

2. Allowing smaller units to be constructed, allowing taller buildings, relaxing set-back requirements, or other zoning allowances that can allow a developer to get a higher return on investment in return for a number of affordable units to be included.

Voluntary density bonuses have reportedly not proven to be largely effective in many tourism communities with rapidly rising property values. However, it is a tool that creates little harm in case a developer is interested.

Conditional Use Permits
Where high density or affordable housing is meeting pushback from the neighborhood, a conditional use permit can allow development to integrate into an area more smoothly. Requirements can include things like design requirements, lay out, traffic flow, amenities, management requirements and services.

Infrastructure Support
The City can reduce the cost of developing affordable housing and attract developers by constructing infrastructure in targeted locations. This reduces the cost of development, as well as reducing the construction time by making the property shovel-ready. Discussions with developers at the community involvement meetings found that infrastructure costs are perceived by them as a major hindrance to development within the City. The cost of water and sewer hookups is a major factor in limiting affordable housing techniques. The City could consider buying water and sewer hookups or subsidizing the connection fees.

Rent Subsidies
These programs effectively pay down rental rates such that the remaining cost burden on the family is an affordable 30 percent of its income. They come in two forms: tenant-based, where the tenant is free to

[20] The issue of inclusionary zoning was tried in 4th District Court and found to be unconstitutional under Idaho law.

move and take the assistance to each new location, and project-based where the assistance is attached to a project for periods of ten - twenty years. Project-based subsidies are less administratively burdensome and provide construction incentive to a developer, as they steady income streams and increase debt-carrying capacity. Tenant-based is flexible and can be applied to the current housing supply without necessarily building new affordable units. Federal rent vouchers are often very limited in availability. While the City could offer these from City funding, this would be a drain on housing funding rather than an investment.

Project-Based Grants
This straightforward and widely- applicable tool would function as a grant from the City to a developer in return for developing affordable housing units. Conditions of the grant may require a certain percentage of the units to be rented or sold within specified price ranges. Or grants can be used towards deed-restricted or land trust projects as an initial investment in permanently affordable units.

Tenant Grants
Although there is no payback to the City, the City can consider the simple approach of basic grants for use in down payment or rental assistance.

Deferred Payment Loans
These loans, also known as deferred payment second mortgage loan or "soft seconds," defer all payments of principal and interest until resale of the property or conversion. Sometimes these loans are even forgiven over a period of years. They are generally used in three ways:

1. Down payment assistance for low-income homebuyers in tandem with conventional financing;
2. Major subsidies through gap financing to rental project developers; or
3. Rehabilitation loans.

Interest Subsidies
Also known as interest rate buy-downs, these are effectively prepaid interest at the origination of the loan. The effect of these buy-downs is the same as a zero percent deferred payment loan.

Compensating Balances
A bank may be willing to reduce an interest rate for a partnership development if the City then deposits in the bank for a certain term. At the end of the term, the City regains its deposit in full, but the bank retains any interest earned to offset the original lower interest rate. This is often not an efficient use of funds due to inflation, but is a possible option.

Tax-Exempt Bonds
The City can leverage its tax-exempt bonding power to support financing of an affordable housing project. This can also reduce the housing costs in the development and increase affordability.

Revolving Loan Fund/Housing Trust Fund
A revolving loan or housing fund can employ many of the tools mentioned in this chapter, such as down payment assistance, interest reduction, rehabilitation loans and deferred payment loans. A common usage of this mechanism is the zero percent deferred payment loan. The loan is due in full when the title changes and then "revolved" back into the fund to be used for another household. Like rent subsidies, this can be useful to the City to aid in affordable housing with the current housing stock. These funds can also be used to enable public-private partnerships. These efforts might include predevelopment costs or

design and construction costs. Some tourism communities have shifted lodging taxes or sales taxes to these types of funds, but many other sources can be used and supplemented by grants and donations.

Housing Rehabilitation
McCall has several units that are older or in disrepair. In public meetings, it was noted that it was difficult to find appealing units for middle-class families. Options to address these issues and improve housing options throughout the City include grants, property tax abatements, and subsidized loans.

Land Banking
Land banking is simultaneously an investment for the City and a way to control housing growth. The City purchases and holds land that is either vacant, under-developed, or in disrepair and converts them into usable space, ensuring they go towards local housing projects. This could be used in conjunction with a Community Land Trust. In some cases, this can be in anticipation of rising land prices. The return on investment can then help fund or subsidize development of affordable housing units.

Community Land Trust (CLT)
In communities where home prices are rapidly out-pacing local working incomes, these are one of the most widely recommended systems for providing affordable housing across all income groups for local, permanent residents. A CLT is managed by a nonprofit and they separate the title to the land from the title to the built structures, allowing the CLT to maintain housing units on long-term land leases. This allows full control and deed-restrictions on the property ownership and resale price. The structure of CLTs encourages long-term residency, provides the benefits of single-family properties at an attainable price, gives equity gains to owners, all while maintaining price and control. A major benefit of the CLT structure is that it also allows the CLT to intercede in cases of foreclosure. Homeowners in a land trust are ten times less likely to default on their homes. If the property does enter foreclosure, the CLT still maintains control over the property compared to simple deed-restricted properties where residency requirements would be stripped from the property. The resident only needs to secure a mortgage for the purchase price of the structure. It is critical that the managing entity work with local lenders to ensure the CLT covenants are acceptable for obtaining loans or to assist buyers in securing mortgages. CLTs are eligible for USDA Rural Development Site Acquisition Loans, RCAC Site Acquisition Loans, and often involve land and money donations.

Deed Restrictions
Deed restrictions place restrictions on the property for how an owner may use or resell the property. These restrictions can be similar to those found in Community Land Trusts in promoting permanent affordability, like resale price controls and income restrictions. However, the life of deed-restrictions is not as long term as CLTs and does not provide the same controls over the property. This can be especially important if the property comes under foreclosure. Deed restrictions can be used on existing properties, rather than just new construction and can also be used for both rental and owner units. In homeownerships, it could include resale price controls, “silent” second mortgage or lien, right of first refusal, or buyer income restrictions for resale. Rental examples include tenant income restrictions and partnership agreements, land use agreements, and restrictions imposed by funding sources.

Limited Equity Housing Cooperatives (LECs)
LECs are stand-alone corporations that are owned collectively by residents. They are started with an initial subsidy, but obtain financed through a blanket mortgage and then restrictions are managed through a shareholder agreement that specifies resale restrictions and income requirements. LECs are sponsored by the City to provide initial and ongoing support.

Tiny Homes
The tiny house movement is as much a social movement towards minimalism as it is a practical solution to affordability. These homes are less than 1,000 square feet, though a true "tiny" house is usually less than 400 square feet. While these homes are cost effective in their building cost alone, they also save residents money in most other housing costs that multiply with home size. These properties also have the advantage of needing less land per unit and multiple units can be provided for the same cost and land space as one traditional unit, while maintaining the autonomy appeal of a single-family home.

While the perception is that this movement is driven by Millennials, the American Tiny House Association reports that most tiny home owners are in their 40s and 50s. These homes are a good match for empty nesters looking to simplify, retire early and live in more scenic areas, like McCall. They are not great matches for working families. Young couples looking to start families in the near future may not treat a tiny home as a permanent housing solution. Tiny houses can have a helpful role in freeing up units in McCall for local families and providing permanent housing for older residents.

The City could directly support a tiny home development through funding and incentives, or simply pave the way for private development through favorable zoning and utility structures that make accommodations for tiny home projects. Tiny house options likely in McCall are accessory dwelling units (ADUs) on foundations, tiny lot subdivisions, or long-term leases of "pads" (similar to trailer parks), all of which would require individual water/sewer hookups. Units on wheels would likely still require individual water/sewer hookups and would be more for seasonal workers. The uses (recreational vs. local housing) would need to be controlled by deed restrictions/permanent affordability covenants.

Employer Supported Model
Some communities with heavy tourism put pressure on employers to provide housing assistance to employees. This could be as far as providing actual housing units, or encouraging wage and benefit incentives to subsidize housing costs. For employers, it can be an effective recruitment and retention tool. Many of the cities analyzed in the case studies provide housing for City employees at a subsidized cost.

Accessory Dwelling Units (ADUs)
Accessory units are additional units to a single-family home, such as a basement apartment or a guest house, that are rented to a second household. McCall currently allows accessory units and these are a great way to increase housing stock within an existing built community. These improve rental options and availability with little extra cost to the City and extra income for residents, effectively improving affordability for existing homeowners. In order to effectively help local-housing, deed restrictions with occupancy requirements could be implemented; however, these are difficult to enforce for these units.

Chapter 5: Financial Feasibility

To provide more local housing options, decisions of both city planners and developers will need to be coordinated. Current housing supply results in a lack of options for median-income earners, and, consequently has led to a transitory workforce.

Construction costs in McCall are notably high, and are mainly due to labor shortages. Costs for single-family home construction in Boise are roughly 20 to 25 percent lower than in McCall, as labor is more readily available. If developers cannot bridge the gap in labor rates with higher home prices in a community, they will look to build elsewhere. Currently, lower-end homes in McCall, per information provided by local construction companies, can be built from $170 to nearly $190 per square foot. Homes with more custom-designed interiors have costs above $200 a square foot.

For local housing to be feasible (i.e., built to price levels that can be attained by median-income earners), construction will need to be at the lower end of the possible spectrum, or, at $170 per square foot. Considering that the likely price threshold is near $200,000 (based on a 20 percent down payment, and currently achievable mortgage rates, property taxes, HOA fees, insurance, etc.), home size would be near 1,200 square feet ($200,000/$170). Both one and two-bedroom designs would be supportable at this size.

The following photographs show potential housing designs that could be financially feasible, and, allow for smaller-sized units in a moderate to high-density arrangement. Similar type units would be of two-story design, with ground floors of larger size than second stories. Roughly 300 square feet of front common area/yard space would be necessary per unit, which would include driveways and sidewalks. With consideration for parking (not included in the 1,200 square feet), density would be supportable at roughly 30 to 40 units per acre.

The matrix below shows the likely size and layout characteristics of affordable housing that could be achieved in McCall. To attract developers to a project that would result in housing values near $200,000, the City may need to provide for density allowances of 30 to 40 units per acre in high-density residential areas and commercial areas. Additionally, requirements for parking should be kept to one space per unit,

as developers will struggle to achieve necessary profits if additional parking is mandated. Furthermore, requirements for common area amenities should be kept to a minimum.

TABLE 22: POTENTIAL HOUSING DEVELOPMENT

	Housing Type – Details	What is Required of Developer	What is Required of City
Residential Construction	1,200-square feet average, one and two-bedroom townhouse designs, two-story, one parking space per unit, roughly 300+square feet of common area/front yard space per unit. Density of 30 to 40 units per acre	Lower end units that have secondary locations (lower land prices). Homes would likely be of two-story design to allow for density and one garage space per unit	Density allowances of 30 to 40 units per acre. Allowance of one parking space per unit. Limited common area amenity requirements. 40 units per acre is allowed in the Community Commercial Zone.
Cost – Residential Construction	$170 per square foot, including all land costs and a profit allowance	Potential of taking a reduced profit allowance (in order to achieve the appropriate valuation level)	Costs can be partially offset by expedited approval and entitlement periods. Greater returns are achieved when holding periods are reduced.

Developers may need to accept reduced profit allowances on a project such as described above. They can achieve higher profits currently on more expensive offerings. However, if entitlement and approval periods are expedited, and density allowances, parking requirements, and common area needs are adjusted as described, the returns may be sufficient to entice development.

Presently, profit margins on single-family homes at the upper-income levels is significant, ranging from 30 to 40 percent in some cases. This is notably greater than the profit achievable with local housing. Consequently, developers will continue to pursue high-end single-family homes over alternative options, as the returns are superior. Additionally, the following considerations are made for why developers may not choose affordable housing in the present economic climate:

- Market conditions are notably strong for high-end housing in the current economy.
- Most buyers of upper-end single-family homes are doing so with cash purchases, removing the risk of acquiring financing.
- Homes at the high-end level are built build-to-suit, with the end user secured at the beginning of the project. With affordable housing, the developer does not see cash until the project is completed and the absorption period commences.
- Affordable housing may have design requirements and guidelines that are met with inspections that could delay or hinder the progress of a development.[21]

[21] This may not be an issue in McCall, but many communities in states such as CA require interior buildouts of affordable units to be similar to requirements of market-rate units. Some communities even require additional inspections for affordable units to ensure that corners are not being cut for items such as quality of insulation, plumbing fixtures, etc.

Again, the current economic climate is such that developers have *superior* returns available from market-rate units, and the reality may be that market conditions need to shift to allow for more attention to other areas of the residential sector.

Chapter 6: Housing Strategies and Implementation Plan

The ultimate goal of this report is to identify specific things the City and community partners can begin doing to provide additional affordable housing options for existing and future residents. This chapter includes funding and implementation tools that could be considered, as well implementation strategies and next steps for the most viable implementation tools.

Funding and Implementation Tools

A variety of funding and implementation tools are listed in the following table. Each tool includes a description of the tool, pros and cons, and whether the tool could be achievable in McCall. McCall will need to use a combination of several funding strategies in order to achieve its housing goals. Without a dedicated funding source, the City and community will not have sufficient funds to implement many of the housing tools. The applicability of various strategies may also change over time, as economic conditions change. For example, increasing the local option tax (LOT) would be a good option for McCall, which could increase its current revenues of $1.1 million annually, just by increasing the one percent charged on all non-grocery retail sales to two percent.

Table 23: Funding and Implementation Tools

Tool	What it Does	Pros and Cons	Achievable in McCall?
Urban Renewal District (URD)	The mission of the renewal district could include housing, which would need to be within the bounds of the district. Requires the City to identify key land parcels for future land banking. Key land parcels that would be ideal for affordable housing (near employment, near transit) are noted to be within the proposed boundaries of a new district.	The McCall Redevelopment Agency has an existing district, but is looking to pay off the bonds before 2021 and implement a new district.	Likely – creation of a new district is a primary recommendation.
Land Banking	Setting aside funds for purchasing of	Allows developers to start projects without	A strong possibility for McCall, dependent

Tool	What it Does	Pros and Cons	Achievable in McCall?
	land or holding existing city-owned lands for future housing development. Would work well with the Transfer of Development Rights (TDR) considerations if the City owns other properties with developmental rights.	significant upfront costs if land is provided as part of a joint-development agreement or as a partial donation in order to secure deed-restricted housing for locals.	upon available land and resources for acquiring property. Has worked well for other resort communities.
Creative Micro and Tiny Housing Development	Modular housing in the form of micro and tiny homes has become more affordable, and more sophisticated in its style and design. Some areas in the Intermountain West have had success by allowing zoning changes that permit modular housing, but with specific design standards. A developer can maximize density on small lots with multiple units, and the end product is often a desirable, lower-income community.	Benefits include more affordable housing options. Potential detriments include public perception to unattractive modular housing, although numerous housing communities have shown that end products can be desirable. Temporary units are much more affordable to build but are generally suitable only for disaster-relief situations, classrooms, mobile showrooms and construction site/sales offices. They have much lower Code requirements but are far more difficult to relocate or convert to permanent housing. Many states consider them "personal property" because they are not affixed to any real estate and they	Strong possibility that will allow affordable units at profit levels for developers that will be enticing. Could be used as temporary housing on vacant properties. Tiny house options likely in McCall are Accessory Dwelling Units (ADUs) on foundations, tiny lot subdivisions, or long-term leases of "pads" (similar to trailer parks), all of which would require individual water/sewer hookups. Units on wheels would likely still require individual water/sewer hookups and would be more for seasonal workers. The uses (recreational vs. local housing) would need to be controlled by deed

Tool	What it Does	Pros and Cons	Achievable in McCall?
		therefore depreciate in value over time.	restrictions/ permanent affordability covenants.
Inclusionary Housing Ordinance	Requires properties to have a certain amount of below market rate housing in order to obtain approvals. Deed restrictions keep the properties at below market rates in perpetuity.	Typically allows for 20 percent of units to be below market rate (BMR). Creates some concern with developers about influence of BMR units on standard units. Is often a condition of receiving increased density or some other incentive that offsets the loss revenue from BMR units.	Yes - current code allows for plenty of density; in fact, more than the market will allow; No – Inclusionary Zoning was determined unconstitutional under Idaho law by the 4th District Court; therefore, this is only feasible through negotiations with the developer for other incentives, including increased density
Expedite Approvals for Price-Restricted Projects	Increases developer internal rates of return (IRR). Makes McCall more competitive with other cities in attracting development. Requires the City to have a streamlined process with existing design standards.	Encourages development and results in greater returns. Requires less oversight and planning involvement.	Yes - City currently has a 45-day timeframe and is fairly efficient; if a developer does deed-restricted housing, the developer gets additional density. The City currently allows for 40-60 units per acre, but the City has found that developers are not interested in much more than 24 units per acre.
Sales Tax/Local Option Tax (LOT) – Tourism	A tax charged to occupants of hotel and motel rooms, as well as private campgrounds and vacation home rentals - if less than 30 days. The tax	Competitive with rates charged in other states. The proceeds for the existing LOT can only be used for City infrastructure, cultural and recreational facilities and activities, parks,	A strong possibility. The City needs to reapprove this tax in 2018. Include housing in the new ordinance.

Tool	What it Does	Pros and Cons	Achievable in McCall?
	rate is 3%. Includes a tax for all short-term rentals, including Airbnb (as of December 1, 2016). Resort cities have a choice in what's taxed and can include everything that's subject to the state sales tax. McCall has enacted this tax to 3 percent. It is designed to lessen the undue burden placed on the taxpayers of resort cities. The existing tax can be used for the following purposes: City infrastructure; cultural and recreational facilities and activities; parks; animal shelters; and marketing. Or, the City can target infrastructure costs from an area and build the infrastructure for housing projects.	animal shelters, and market tourism and travel to Idaho, and does not currently allow for any housing funding. Revenues from LOT can be used for any purposes approved by the public when the LOT is approved (Idaho Statute 50-1047). McCall has this tax up for vote again in 2018; if not passed, it will expire. At the time of the renewal vote, McCall could modify uses to include local-serving housing.	
Increase Zoning Densities	Increase zoning densities in areas which have more affordable land prices. Allow for smaller homes on smaller lots. If connections to	While it does encourage affordable housing options, increased density raises questions regarding traffic, calls to service, and pressure on schools. This model has been successful in	Yes - has already been done with limited positive impacts; could potentially build more certainty into the rezone process as developers will know upfront the density

Tool	What it Does	Pros and Cons	Achievable in McCall?
	transportation are available, parking requirements can be reduced. The result is lower overall values than larger homes with full amenities.	numerous resort towns, as well as moderate and large-sized cities throughout the west. Spot zoning should be avoided.	that can be built on various properties in the City.
Accessory Units	Allowing for ease of construction of accessory units or conversion of existing space into rental units.	Has been allowed in McCall since 2006. If building is less than 1,500 sf, only a building permit is necessary. Has not many spurred long-term rentals.	Likely, but results have not been significant. May need to explore deed restrictions for ADU's to make this tool effective in achieving long-term rentals.
Federal Housing Tax Credits	Developers utilize federal housing tax credits for low income housing units. The credits are usually obtained in conjunction with a housing non-profit. Housing prices are set at a percentage of the median value, as well as what is affordable based on a percentage of wages that are typically 60 to 80 percent of median incomes.	Can be a time-consuming process, with federal preferences for properties with near access to transportation, employment centers, and educational opportunities. Much easier to secure this funding in large cities, but has been done in numerous resort areas, like McCall and Donnelly.	Yes. McCall would be competitive in the region given the need. Some support from other resort communities. Preference should be given to mixed-income developments.
Community Land Trust (CLT)	A trust is established that typically results in efforts of preservation or restoration of open space. It can be used for dedicated housing, and has	Requires active management of the trust, with typically the developer entering into a land lease agreement for the property (often at 99 years). The trust requires deed restrictions to the use of the site, and the	Less likely. A long-term possible option, but requires dedicated effort for an extended period to get the trust going, and to operate it efficiently. McCall currently has two forms of CLTs - a

Tool	What it Does	Pros and Cons	Achievable in McCall?
	been done in California and Oregon (as well as other states). It has been done for specific workforce housing, student housing, and below market housing.	affordability of the units. Resells of the property are guided by the trust. Does require significant funding to get started, some of which can come from federal grants. Most federal grants require access to mass-transit options, and proof of employment at certain available wages.	housing and a land trust.
Business Housing Co-Op	Has been done in some other resort markets. Businesses group together to provide housing for their employees.	Works when there are limited housing options in the immediate area for employees (i.e., national parks), and employers can save on wages by providing housing. May not be feasible in McCall given the proximity to other towns and cities.	Possible, but is generally more feasible with larger employers; however, small and mid-size employers could join together.
City Employee Housing Program	Similar to the business housing co-op, this is a City program which provides housing for City employees.	It can be an effective recruitment and retention tool.	Possible, and has been done in other resort and mountain-town markets.
Co-Housing	Co-housing is essentially a condominium project with private areas and shared common areas, and with CC&Rs that address the use and maintenance of the common areas (gardens, dining rooms, etc.)	Co-housing units are generally smaller and can be economical advantageous due to shared resources with other community members, including facilities and services. Disadvantages include a lack of complete control over one's property, and the planning process can take more time and ultimately cost more. Furthermore, the planning and executing of a co-housing	There are several co-housing developments in the United States, though currently none in Idaho. Because the entire concept behind co-housing developments is member-driven planning and operating of the development, City-sponsored co-housing is not likely to be viable in McCall. Co-housing could be considered on a case-

Tool	What it Does	Pros and Cons	Achievable in McCall?
		development is generally executed by a group planning to occupy the development, as they will create the CC&Rs.	by-case basis if presented to the City but a co-housing group.
Transferable Development Rights (TDR)	Ability to transfer development rights to other properties within a city. Allows for maintaining open space where desired, while encouraging development in other places. Available in Idaho, with the creation of "sending" and "receiving" zones.	Allows for density to be traded to other areas. The fast facilitation of trading of development rights has helped several cities jumpstart certain construction in select areas. Requires the identification of sending and receiving areas. Is dependent on the initiative of the property-owner or developer.	Possible, and has been done in other resort and mountain-town markets.
Green Initiatives	Tax credits, utility credits, or reductions in impact fees, connection fees, etc., are made for development that encourages green construction. This can include sourcing local materials, using local workers, recycling rain water, solar power options, recycled building materials, etc. Grants are available from a federal level for properties which install electric car charging stations, or, conform to a	A niche market that does not appeal to a number of developers. Furthermore, costs of green construction can be high for certain improvements, thereby making affordable housing somewhat questionable.	Possible, but impact is somewhat limited in present market. However, tax and utility credits can provide some appeal.

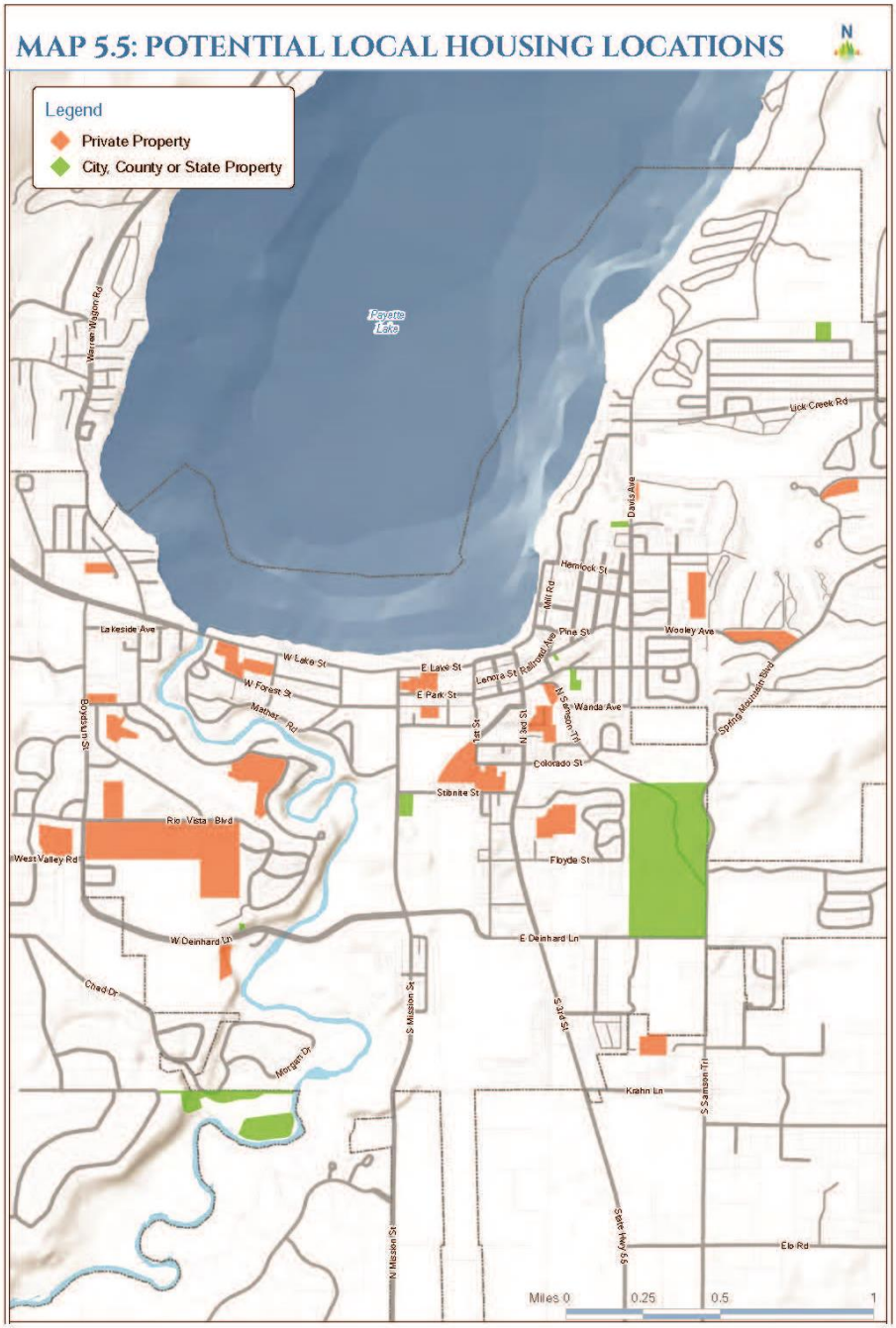
Tool	What it Does	Pros and Cons	Achievable in McCall?
	variety of green standards.		

Implementation Strategies and Next Steps

The following implementation strategies and associated next steps come from the Funding and Implementation Tools and are the tools that were determined to be the most viable for McCall.

Land Banking
Purchase, zone or identify parcels in key areas near transit and essential services that are ripe for redevelopment, either through visually decaying appearances or through lower-than-average improvement values per acre in the area as shown in this report. An urban renewal district can be an effective tool in redevelopment.

FIGURE 15: POTENTIAL LOCAL HOUSING LOCATIONS (SOURCE: MCCALL COMPREHENSIVE PLAN)



1. Identify funding source for City to acquire land.

2. City should identify specific sites which will be appropriate for development of local-serving housing (i.e., proximity to transit, type of neighboring uses, visually decaying appearances or lower-than-average improvement values per acre, etc.). The City's Comprehensive Plan has identified specific sites which should be the priority for future land acquisition, subject to land owner interest and market conditions (see the map above). Sites may include those which have transferable developmental rights that could eventually be used for local housing.

   This study identifies general neighborhoods by focusing on encouraging development near public transit and essential services, and in areas with lower improvement values.

   a. Encourage new housing development near public transit routes.

Based on Mountain Community Transit Routes, the most likely sites for the development of affordable housing are east and immediately south of the lake. Other maps will show that there is currently more affordability in these areas than to the west of the lake.

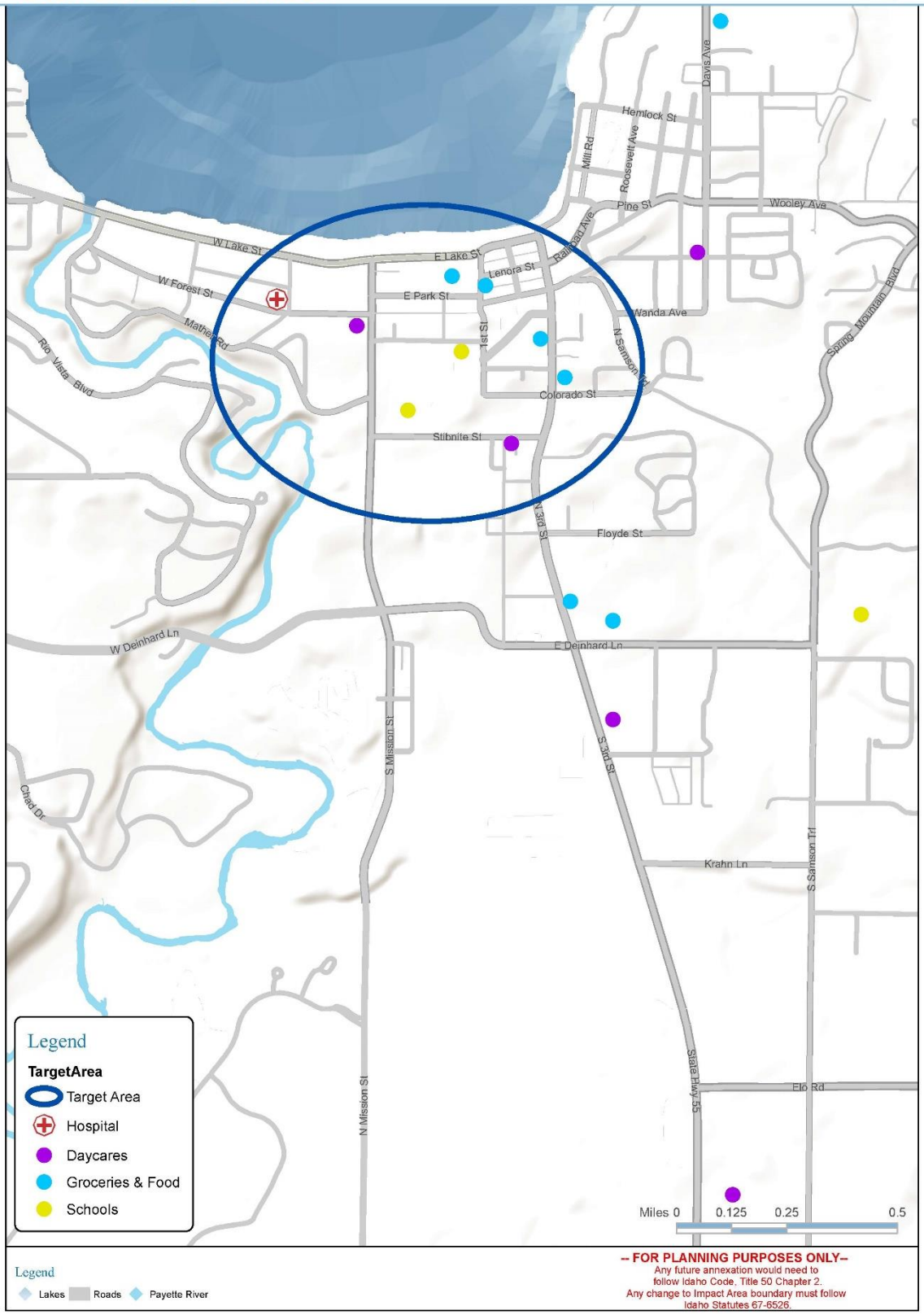
FIGURE 16: PUBLIC TRANSIT

In addition, there are several properties with redevelopment potential and that are within walking distance of public transit. The City should encourage the development of local housing near these public transit routes and pathways through changes in zoning and the allowed mix of housing types.

b. Identify sites for locally-serving housing near essential services.
Essential services such as grocery stores, hospital, and daycares are largely located near the downtown area and are also accessible to transit. The area shown in the blue circle in Figures 17 is an ideal location for future local housing development.

FIGURE 17: MCCALL CONVENIENCE SERVICES

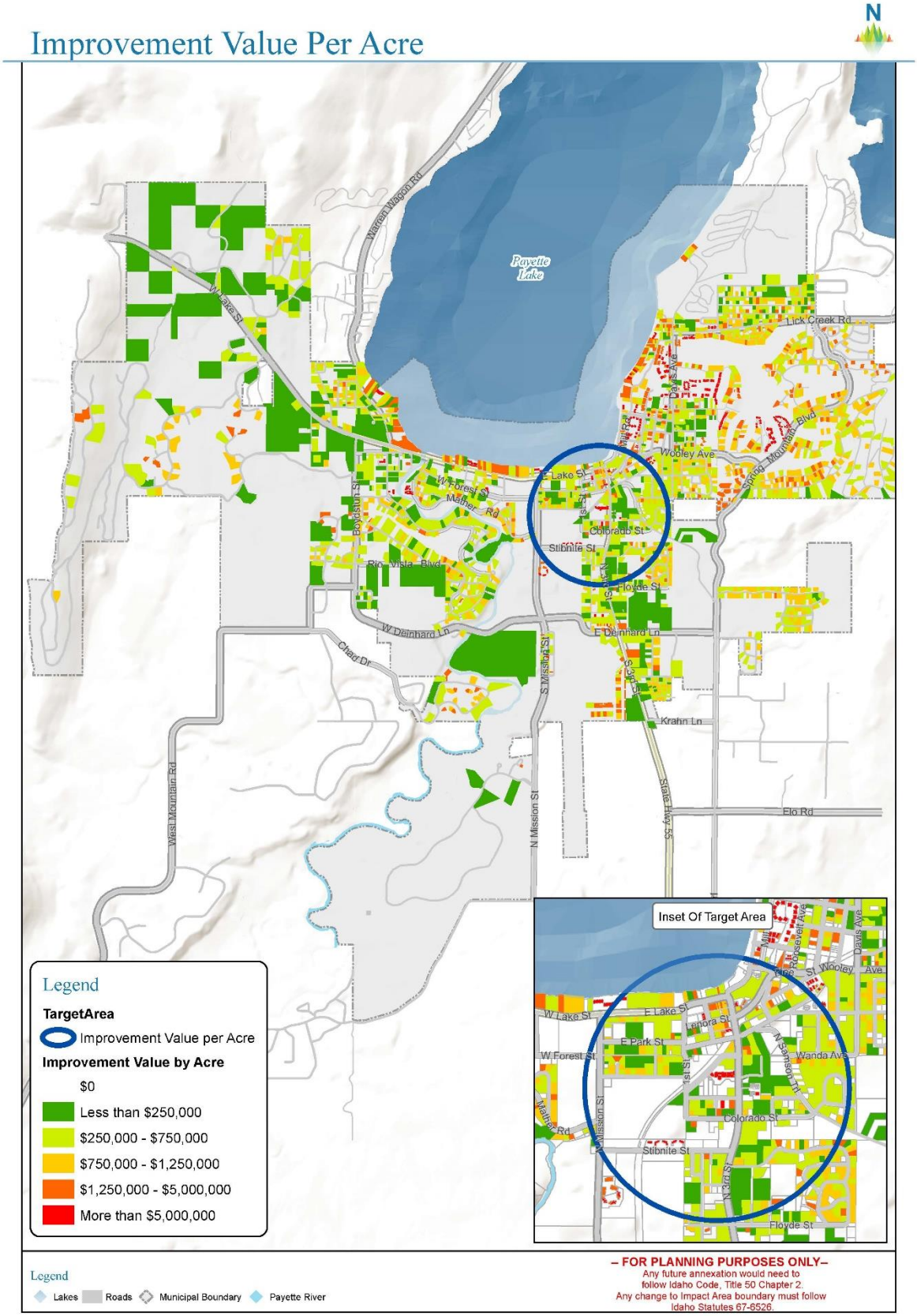
Convenience Services



c. **Identify specific sites within the targeted area with lower-than-average improvement values per acre.**
Potential redevelopment properties generally have lower improvement values per acre. The lowest improvement values per acre are generally located on the outskirts of town. However, there are some potential properties near transit and the downtown area. The map below shows the targeted area, based on better connections to public transit and accessibility to essential services.

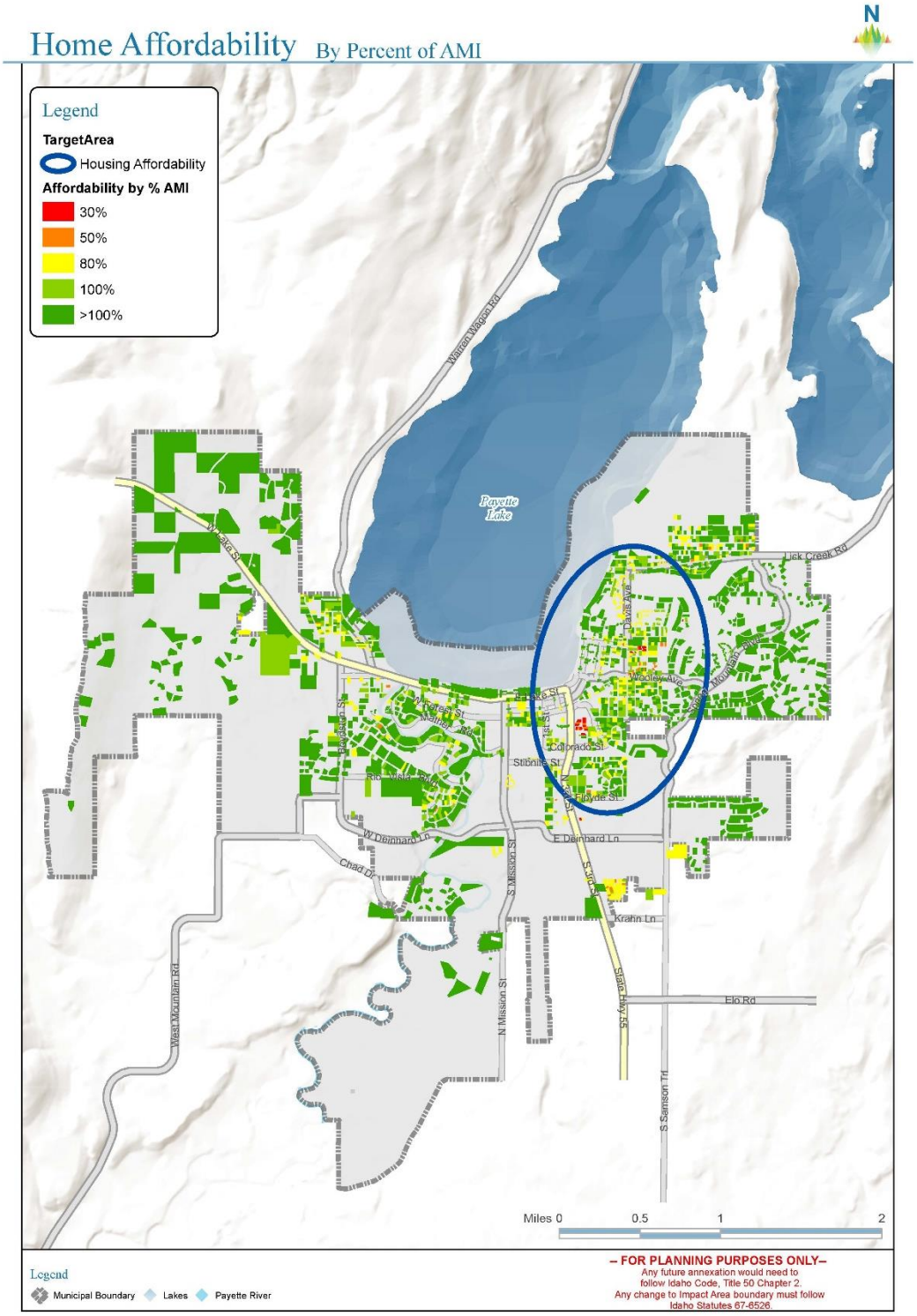
Focusing in on the targeted area, there are several neighborhoods with lower-than-average improvement values per acre. This suggests that there may be redevelopment potential for these properties. Higher-density uses could be appropriate at these sites, thereby reducing costs through lower land costs on a per unit basis.

FIGURE 18: MCCALL IMPROVEMENT VALUES PER ACRE



d. **Ensure that redevelopment does not displace existing affordable housing with other uses.** The targeted area appears to have a fair amount of affordability at 80 percent of AMI and a smaller amount of affordability at 30 to 50 percent of AMI.

FIGURE 19: HOME AFFORDABILITY BY PERCENT OF AMI



e. **Allow for a mix of uses in the targeted area, so that higher-density residential units can be integrated with commercial uses.**

1. Ideal sites for new local housing would be near existing commercial areas, densifying residential development to reduce land costs and thereby increase affordability.

2. Perform highest and best use studies on the specific sites to understand how much the City should pay for the land.

3. Meet with prospective developers to gauge interest in the proposed developments and, particularly, in joint development agreements.

4. Purchase land following highest and best use analyses and agreements with developers.

5. RFP/RFQ process to select developers for housing developments

Small Home/Manufactured Housing Developments
Encourage micro and tiny housing that would be more affordable to locals. This is another type of housing but is not expected to replace existing housing types.

1. Create design standards for manufactured housing and small home construction that fit with City aesthetics and specific neighborhood patterns. Some examples of cities that allow tiny homes include Walsenburg, CO; Durango, CO; Rockledge, FL; Nantucket, MA; Detroit, MI; Portland, OR; Spur, TX; Austin, TX; Fort Worth, TX; and Dallas, TX.

2. Minimum size requirements for mobile homes could be removed in the Code. This is a technique used in other jurisdictions to allow for small homes.

3. Meet with developers to gauge interest in the design standards.

4. Survey market for demand characteristics to project potential absorption of this housing type.

Urban Renewal Area (URD)
The creation of an Urban Renewal Area can be an effective tool in redevelopment and providing additional housing options within the City.

1. Create an urban renewal area in the City's Downtown and use the tax increment for local-serving housing.

2. As a general guideline, for every $1 million in increased taxable (assessed value), nearly $8,900 would be generated in incremental property tax revenues annually.[22] Over ten years this would represent

[22] Calculation based on the following taxing entities and tax rates: McCall City (0.4928416); Valley County (0.1771007); Valley County EMS (0.0229143); McCall Cemetery District (0.0016943); McCall Fire District (0.1143258); McCall Memorial Hospital District (0.0608048); and Payette Lakes Water & Sewer Districts (0.0199672).

revenues of approximately $89,000, and $178,000 over 20 years, and could be used to incentivize local-serving housing. Significant development must occur in order to generate significant tax increment property tax revenues.

Local Sales Taxes

Local Option Tax (LOT) - Revenues range from year to year, but are anticipated around $1.1 million from the one percent on all non-grocery retail sales, $487,000 from the three percent on lodging for streets and another $487,000 from the three percent on lodging for tourism.

1. Consider increasing the one percent to two percent, similar to Sun Valley, thereby providing an additional $1.1 million per year for local housing programs.

2. This tax is up for vote again in 2018; if not passed, it will expire. At the time of the renewal vote, McCall should modify uses to include local-serving housing.

Other Steps

1. Incentivize developers to build local housing in the private market by granting higher density for affordable units. The City currently has density limits in the CBD (60 units/acre) and the CC zone (40 units/acre); however, the draft code removes these density limits. It is important to allow higher-density residential development, especially in the downtown area.

2. Ensure that future development has a local housing component and does not displace existing affordable housing with other uses.

3. Partner with local groups such as the Housing Trust, churches, Habitat for Humanity, colleges, etc., to construct housing at a lower cost.

4. Other communities have created employee housing programs to provide housing options for city employees. Creating this type of program in McCall would rely on executing many of the next steps already identified, including land baking, selecting developers through an RFP/RFQ process, and securing a dedicated funding source.

5. Work with the Legislature to allow local communities to use Inclusionary Housing as a tool to create affordable housing.

6. Streamline the permitting process for locally-serving housing units.

7. Consider fee waivers for projects that include local housing units.

Appendix A: Commuter Data

Residence	Number of Employees
McCall, ID	367
Boise City, ID	106
Cascade, ID	68
Meridian, ID	58
Nampa, ID	46
New Meadows, ID	33
Caldwell, ID	25
Council, ID	25
Mountain Home, ID	21
Donnelly, ID	18
Lewiston, ID	16
Twin Falls, ID	14
Marsing, ID	12
Weiser, ID	11
Eagle, ID	10
Homedale, ID	10
Kuna, ID	10
Pocatello, ID	10
Coeur d'Alene, ID	9
Baker City, OR	7
Idaho Falls, ID	6
Glenns Ferry, ID	5
Middleton, ID	5
Payette, ID	5
Rathdrum, ID	5
Robie Creek, ID	5
Pendleton, OR	5
Grand View City, ID	4
Grangeville City, ID	4
Hayden City, ID	4
Moscow City, ID	4
Spokane City, WA	4
Garden City, ID	3
Hailey City, ID	3
Hidden Springs CDP, ID	3
Idaho City, ID	3
Jerome City, ID	3
Kamiah City, ID	3
Lincoln CDP, ID	3
Parma city, ID	3
Post Falls City, ID	3
Rexburg City, ID	3
Smiths Ferry CDP, ID	3
LaGrande City, OR	3
Milton-Freewater city, OR	3
Cottonwood City, ID	2

Residence	Number of Employees
Fruitland City, ID	2
Harrison City, ID	2
Horseshoe Bend City, ID	2
Mountain Home AFB CDP, ID	2
Mullan City, ID	2
Murphy CDP, ID	2
Riggins City, ID	2
Rupert City, ID	2
Yellow Pine CDP, ID	2
Missoula City, MT	2
Hermiston City, OR	2
Portland City, OR	2
Union city, OR	2
Weston City, OR	2
Spokane Valley City, WA	2

Appendix B: Comparative Data

The maps below were completed for South Jordan, UT, but visually show the impacts of the Daybreak community – located on the western edge of the City. When affordability is considered on a unit/parcel basis, Daybreak is less expensive because of its higher density. However, when considered on a per acre basis, Daybreak is not less expensive. Therefore, Daybreak contributes well to the tax base of the community while, at the same time, offering more affordable housing units to a wider segment of the population.

Figure 25: Housing Affordability on a Per Unit Basis

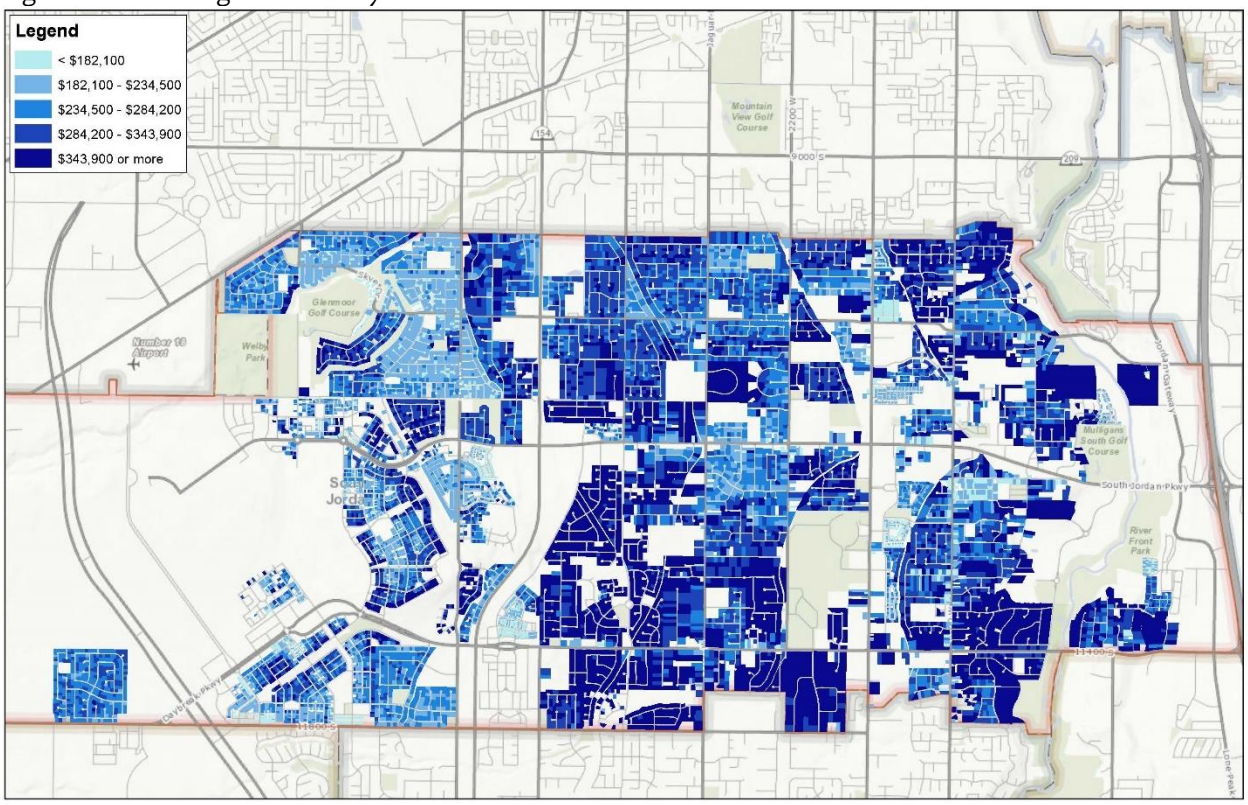
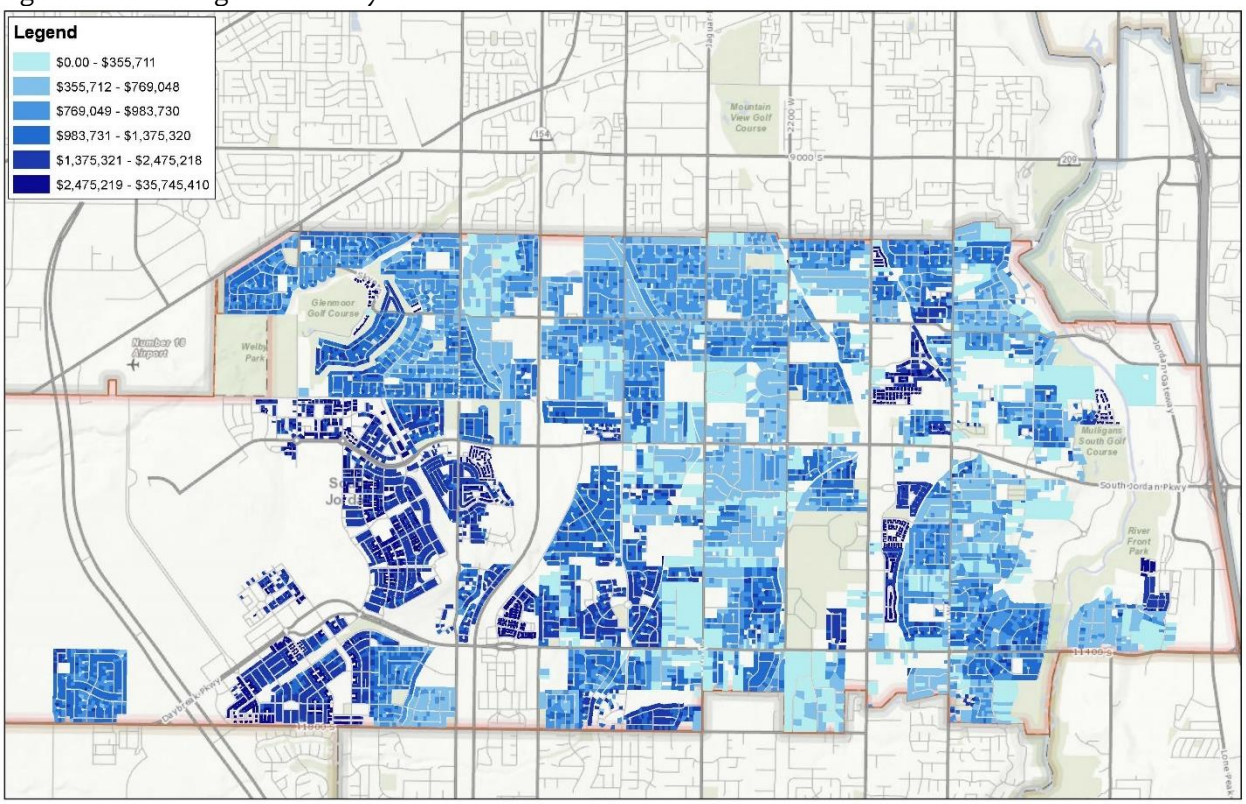


Figure 26: Housing Affordability on a Per Acre Basis



Appendix C: Sample Wasatch County Information Request

16.30.03 MODERATE INCOME HOUSING REPORT AND REQUIREMENTS
This chapter shall apply to all new developments of six (6) equivalent residential units (ERUs) or more. The requirement to provide moderate income housing shall be based on a moderate-income housing report provided by the developer. The moderate income housing report shall have, at a minimum, the following information: price of the proposed units/lots, anticipated mortgage payment per month with current interest rates, calculations showing the number of proposed units at or above the eighty percent (80%) AMI (including HOA fees, utilities using current rates, cable, other fees), an estimation of the moderate income housing impacts created by the development, average monthly pay for any employees created by the development backed up by industry standards, estimate of the number of contract employees created by the development, second home percentages anticipated, and a proposal to satisfy the moderate income housing needs created by the development. If the proposal is a resort development the applicant shall provide the proposed resort's seasonal workforce housing plan that provides moderate income housing in a socially, economically and environmentally responsible manner. The applicant may be required to provide additional information if deemed necessary by the county to determine the impacts on moderate income housing.

The moderate-income housing report provided by the developer will be reviewed by the county. At the sole discretion of the county the county reserves the right to have an independent study performed, at the expense of the developer, or to have the independent study provided by the developer reviewed by a source determined by the county. The county council, after reviewing independent reports provided by the applicant, reports and reviews commissioned by the county, recommendations by the planning commission and the Wasatch County housing authority shall determine if the applicant must meet the moderate-income housing requirements.

If a development is found to be creating a need for moderate income housing, the development shall provide an equivalent of ten percent (10%) of the development (in addition to the density approved) for moderate income housing through construction of affordable housing units on site within the development being proposed (if appropriate after reviewing constraints and type of development), construction of affordable housing units off site, contribution of land, or by payment of a fee in lieu. Any combination of the aforementioned options shall be allowed after recommendations from the planning commission, Wasatch County housing authority (WCHA) and approval by the county council. Preference shall be given for options that allow ownership opportunities for residents.