The “Down Valley” Effect: Land Use and Economic Trends in Mountain Communities

Sponsored by Village Homes of Colorado

10:30—11:45 a.m.
Friday, March 10, 2006
Sturm College of Law/Frank J. Ricketson Law Building

Panelists explore different community responses to growth including affordable housing programs, economic diversification strategies, and growth management controls.

Moderator: **Daniel Guimond**
Principal
Economic & Planning Systems
Denver, Colorado

Panelists: **Bill Lamont**
Former Planning Director and Consultant
Economic Roadmap Committee
Carbondale, Colorado

**Roger Millar**
Community Development Director
City of McCall, Idaho
A number of “down valley” communities in resort settings (including Basalt and Carbondale, Colorado outside of Aspen; Eagle, Colorado outside of Vail; and Victor and Driggs, Idaho outside of Jackson Hole, Wyoming) have grown and evolved into more diversified communities with more affordable housing opportunities and their own employment and commercial centers, and community and cultural amenities. However, these towns are now experiencing by many of the same growth impacts that caused the down valley effect in the first place including an influx of retirees and second homeowners, rising housing prices, infrastructure needs, and related changes in community character.

**Evolution of the Down Valley Community**

Most of these down valley communities are not new towns. Carbondale was a mining and agriculture center for the Roaring Fork Valley. These rural communities embodied the small town lifestyle present in throughout the west including a downtown area with locally owned stores, schools, churches, and fraternal organizations.

Rising housing costs in the resort community is the single largest factor causing year-round residents to move down valley. For example, many young people came to the Roaring Fork Valley to ski in the 1970s and 1980s. Some stayed and found permanent employment in the professional services demanded by the resort and second home economy including architects, planners, lawyers, engineers, interior designers, restaurateurs, and chefs; and in the related construction trades positions including contractors, masons, carpenters, and landscapers. Although Aspen has an aggressive affordable housing program, it has only been able to accommodate a portion of the housing demand, causing many of these workers to look further away for housing.

Others were looking outside of the resort for housing options by choice. This was particularly true of married workers with young families in search of the traditional three-bedroom detached house with a yard which was either nonexistent or out of the price range of the year-round workforce. This demographic stimulated and diversified the down valley movement during the 1990s.

There was a parallel change in employment patterns. The construction trades were generally located in the down valley communities because of the lack of available land, particularly appropriately zoned land for industrial and service uses. The shift of professional jobs down valley was more gradual. To begin with, some individual entrepreneurs simply chose to work where they live. Others chose to move an established business to the down valley community to attract and retain essential workers. (Based on an analysis of business license data, EPS documented the immigration of nearly 50 professional services businesses to Basalt over the 1996 to 1999 time period,
most from Aspen.) This business growth in turn stimulates growth for businesses serving business.

A second major growth trend occurred in these communities during the 1990s. In many resort communities, real estate development has already exceeded the economic importance of the ski area. This development is largely driven by the demand for second homes and retirement homes for the affluent. The growth of this demand has pushed development down valley as well. These projects are no longer second tier developments as many buyers are moving out of the ski resort area into master planned communities in a year round community with a more moderate year-round climate. About 1/3 of the homeowners in the 600 unit River Valley Ranch community in Carbondale moved down valley from Aspen or Snowmass.

**Down Valley Growth Impacts**

As a result of this growth over the last 20 years, these down valley communities are now faced with a range of urban development challenges, many of which are largely similar to the issues confronting similar sized communities in metropolitan settings. Among the issues facing these communities are the following:

- **Housing Affordability** – As housing demand increases, and as second homeowners account for a small but increasing percentage of the demand, housing prices are increasing rapidly and driving some workers to more affordable communities further away.

- **Community Facilities** – The newer residents of these small rural communities are primarily migrants from urban and suburban areas with a higher level of community facilities and services. They are looking for towns to provide sidewalks, trails, soccer fields, and other cultural facilities. However, these rural communities do not have the tax base to fund these facilities and services.

- **Aging Infrastructure** – Not only do these communities not have the resources for community amenities, they also have not been able to keep up with demand for basic infrastructure improvements including roads to serve the growing population and mass transit for workers, and particularly lower income workers, to access jobs at the resort.

- **Social Diversification** - The demand for lower wage jobs in the resort and construction sectors has resulted in an influx of largely Latino foreign workers with its own social and community needs. The influx in Latino population has had impacts on schools, affordable housing, and commercial and service needs.

- **Commercial Development** – The growth in households and income has attracted the interest of national retailers. While many residents welcome the opportunity to shop locally, others are concerned about the loss of the small town character that attracted them to the community.
The good news is many down valley towns are attractive well-rounded communities with residents that are invested in addressing these impacts and preserving what is best about their quality of life. This session will focus on the ways these issues have been addressed in a number of settings.

**The Speakers**

William Lamont, AICP, is an urban planner and former consultant who has both worked and lived this issue over the last 30 years. He is the former planning director of the cities of Boulder and Denver, and was a principal with Murray and Lamont, an urban planning firm focused on growth management issues in communities throughout the western US. After retiring in 2000, Bill and his wife Jenny moved to Carbondale to be close to their three daughters whose families all lived in the Roaring Fork Valley. Over the last two years, Bill has been actively involved with the Economic Road Map Group (RMG) which is a Town Council appointed task force to address economic development and diversification issues in the Town of Carbondale. The RMG tackled many of the growth issues addressed above and have proposed some interesting solutions that he will share with you.

Roger Millar, PE, is currently the community development director in McCall, Idaho. He is also a former principal with OTAK, an interdisciplinary planning and engineering firm with offices in Portland and Carbondale, Colorado. He is going to talk about ________._
The Down Valley Effect
Land Use and Economic Trends in Mountain Resort Communities

Daniel R. Guimond, AICP
Principal, Economic & Planning Systems

Bill Lamont, AICP
Former Planning Consultant, Member Carbondale Economic Road Map Group

Roger Millar, PE, AICP
Community Development Director, Deputy City Manager, McCall, Idaho

Down Valley Effect
Mountain resort communities have spun off satellite suburbs
- Aspen - Basalt and Carbondale, Colorado
- Vail - Edwards and Eagle, Colorado
- Jackson Hole - Victor and Driggs, Idaho

Diverse communities with a range of housing, employment centers, community amenities
Now experiencing the same growth pressures that generated the down valley effect .....

Down Valley Growth Impacts
- Rising housing prices
- Influx of second homeowners and retirees
- Infrastructure needs
- Lagging tax base
- Changes in community character

Down Valley Evolution
- Most are not new towns
- Mining and agricultural service centers
- Embodied the small rural lifestyle
  - Historic downtowns
  - Locally owned stores
  - Schools, churches, fraternal organizations

Housing Growth
- Initial growth housing driven
- Baby boomers came to ski in 1970s and 1980s
- Many stayed and found permanent employment
  - Professional - architects, lawyers, engineers, restaurateurs
  - Trades - contractors, masons, carpenters, landscapers
- Affordable housing programs met only part of need
- Many looked outside the resort for housing by choice
  - Families with children
  - In search of the 3br house with yard

Employment Growth
- Construction jobs were based down valley due to the lack of industrial sites
- Professional employment migration more gradual
- Some entrepreneurs chose to work where they lived (fueled by the internet revolution)
- Some moved businesses to attract and retain essential workers
- Basalt – 50 new businesses between 1996 - 1999
Second Home Growth
- Fueled employment demand / opportunity
- Exceeds the economic impact of the resort
- Pushing development down valley as well
- No longer second tier projects
- Year-round climate has market appeal for many
  - River Valley Ranch in Carbondale (1/3 from Aspen)
  - Aspen Glen in Glenwood
  - Roaring Fork Club in Basalt

Growth Impacts
- Social Diversification
  - Foreign workers
  - Impacts on schools, affordable housing, community services
- Commercial Development
  - Growth has attracted national retailers
  - Towns pursue the tax revenues
  - Many residents welcome the retail opportunities
  - Others fear the loss of community character
- High level of community involvement

Carbondale Economic Development Plan
- Issues faced by resort areas are the same as other high growth areas
- Stakes are higher
- Land costs and wealth of newcomers generally higher
- Ability to absorb growth more difficult
  - Smaller communities to start with
  - Same absolute growth is a higher percent growth
  - Impacts therefore higher

Carbondale Area Growth Trends
- Western slope projected to grow by 55% from 1995 to 2020
- Land costs are forcing population further down valley
- Two downtown parcels sold
  - 19,000 sq ft for $1.9 million
  - 14,000 sq ft for $1.4 million
- Average subdivisions sell for $300 to $500 K
- Communities are small and lack adequate staff

Housing Affordability
- Second homeowners and wealthy retirees
- Pushing workforce further down valley

Community Facilities
- New residents primarily from urban and suburban areas
- Demand a higher level of community facilities and services
- Towns lack financial resources

Aging Infrastructure
- Can’t keep up with needs for roads and transit

Speakers
- Bill Lamont, AICP
  - Former Planning Director Boulder and Denver
  - Principal with Murray and Lamont
  - Retiree in the Roaring Fork Valley
  - Carbondale Economic Roadmap Group and its response to growth and commercial development pressures
- Roger Millar, PE, AICP
  - Community Development Director, Deputy City Manager, McCall, ID
  - Former principal with OTAK in Carbondale, CO and Portland, OR
  - McCall’s response to growth pressure from Tamarack Resort
Population by Municipality

2005 Sales Tax Collections

Per Capita Sales Tax Revenue, 2004

Carbondale Economic Development Plan

- Background
  - Precipitated by a commercial development plan approval and referendum overturn
  - Split community based on growth attitudes
- Town Council appointed 14 member citizen committee
  - Minimum of professional experience
  - Strongly held opinions
- Failed to achieve most economic goals
- Agreement on 90% of land use issues
- Still spit on fundamental growth and fiscal issues

Economic Plan Process

- The Setting – Carbondale’s place in the Valley
- Planning’s role in the Valley
- Carbondale citizen perspective
- Background
- Current Situation
- The Roadmap Group Process
- The Draft Plan and its conflicts
- Where we are now…

Lessons Learned

- One man’s perspective
- The Denver Economic Development Plan in the 1980s took the right approach
- Population mix in resort communities makes planning and consensus difficult
- Resort community pattern similar to other locales
  - Gentrification
  - Boutiques squeezing out local stores
  - Soaring housing costs
  - Worker housing an afterthought
  - Ability to preserve way of life feeble at best
Lessons Learned

- Same or similar issues in other small communities
  - e.g. Berthoud, Niwot, Castle Rock
  - Also in gentrifying neighborhoods in Boulder, Fort Collins, Denver

- There are pluses to growth but keeping things the same is not one of them
While McCall was historically a timber and mining town, it has also been a regional second home community for decades. McCall has amenities and services required for quality development that other communities either do not have or have in short supply. For example, McCall has:

- The rapidly growing Boise metropolitan area, approximately 100 miles to the south
- Payette Lake, a 5,500 acre alpine lake
- Three ski mountains (Brundage, Tamarack, Little Ski Hill) and a lift served tubing hill
- Ponderosa State Park, located on a 1,000 acre peninsula in Payette Lake
- An established downtown, including an active urban renewal area
- An established second home community
- A general aviation and Forest Service airport with capacity for expansion
- Physical and civic infrastructure and a city government staffed to manage change

As of the 2000 Census McCall was a town of 2,045 people. From January 2001 to April 2005 the City approved 18 subdivisions, adding 355 homes to the City. On April 11, 2005, the date of that the City Council imposed an emergency development moratorium; there were active applications at the City for 22 new subdivisions containing 956 proposed homes. The new housing proposed or approved since 2000 is the equivalent of 58 percent of the total housing that existed in McCall in 2000 and represents a growth rate in excess of 10 percent annually.

Over the last year the City of McCall has taken a number of initiatives in response to growth. A brief outline follows. More detail is available on the Community Development Department page of the City website: [www.mccall.id.us](http://www.mccall.id.us).

**Development Moratorium**

- Noticed April 7, 2005
- Adopted April 11, 2005
- 55 lots applied for between April 7 and April 11
- Extended September 22, 2005
- Expires March 21, 2006
- City stopped accepting applications for rezoning, subdivision, planned unit development, scenic route site plan review
- Moratorium does not apply to building permits, records of survey, conditional use permits
- Moratorium does not apply to applications in process

**Zoning and Subdivision Code Rewrite**

- Covers McCall and McCall Impact Area
- Requires approvals from City and County
- Public review draft – July 2005
Commission adoption draft – October 2005
City and County Planning & Zoning Commission recommendations for adoption – December 2005
City Council and County Commission public hearing – February 1, 2006
Changes include:
   — Changes to height limits and density
   — Residential development allowed in commercial zones only as a part of mixed use development
   — 40,000 square foot commercial building footprint cap
   — Formula business restrictions
   — Gated community prohibition
   — “Snout house” prohibition
   — Design review
   — Dark sky provisions

Wastewater Policy
   • Wastewater policy adopted July 2005
   • City has approximately 1,900 Equivalent Dwelling Units (EDU) of capacity remaining
   • City is managing remaining capacity through building permits
   • City to amend policy prior to lifting moratorium
      — 750 EDU set aside for commercial, industrial, mixed use and public projects
      — Residential permits allocated with annual limitation
      — Allocation criteria provide incentives for infill and redevelopment, community housing, sustainable design

Smart Growth Implementation Assistance Grant
   • McCall one of five communities nationwide to receive grant
   • Over 100 citizens participate in charrette – October 2005
   • Significant revisions to future land use map
   • Comprehensive plan amendment recommended by P&Z – January 2006
   • City Council amended Comp Plan – February 9, 2006

Urban Renewal Plan Update
   • Urban renewal agency in place since 1990
   • Largely dormant in recent years
   • Began update in July 2005
   • Effort looked at existing district and two potential districts
   • Over 150 citizens participate in “design dialogue” – September 2005
   • Plan update adopted – February 14, 2006
   • Approximately $4 million in lakefront enhancements and parking improvements in design development

Housing Policy
   • Regional housing needs assessment – July 2005
• Housing policy adopted – September 2005
• Inclusionary zoning and community housing fee ordinances recommended by Planning & Zoning Commission – January 2006
• City Council public hearing – February 1, 2006

GIS System
• Over $20,000 invested in hardware and software
• Over $50,000 invested in database development
• System in place October 2005
• Being used in land use and infrastructure analysis
• Enhancements will be made as budget allows

Organizational and Fee Restructuring
• Since 2004 – New City Manager, Community Development Director, Airport Manager, Treasurer, contract City Engineer, contract City Attorney
• Community Development Department has added a Community Planner, Building Inspector, Administrative Assistant, contract plans examiner
• Building permit fees updated June 2005 for first time since 1994
• Land use fees to be updated March 2006
McCall Responds to Growth

Rocky Mountain Land Use Institute
15th Annual Land Use Conference
March 10, 2006

Agenda

Paradise lost?
How we got to a Moratorium
What we’ve done since

“Call someplace paradise, kiss it goodbye.”

- Don Henley

Not paradise either, but close…

1994 to 1995: The idea of building a six-season resort on the western shore of Lake Cascade starts existing in the early 1990s. Called Valhalla, the project successfully smuggled its way around federal restrictions. It was then shut out of business in 1998.

Fall 2001: Valley County approves Woodford’s master plan.

June 2002: The Idaho State Land Board of Commissioners votes 2,500 acres of state endowment land to McCall for 75 years.

December 2002: Woodford:
- “This is the Discovery of the new resort. A $196.2 million in sales January 2004 to May 2005. The project is called McCall.”

April 2003: Governor C.L. Otter endorses the project.

January 2004: The Idaho State Land Board of Commissioners votes 2,500 acres of state endowment land to McCall. McCall is then entitled to sell 2,500 acres of state land to the public.

June 2004: Timberland acquiring 1,000 acres.

January 2005: Timberland acquiring 1,500 acres.

April 2005: Timberland acquiring 1,000 acres.

May 2005: Timberland’s final purchase of 40 acres, including a 200-acre lodge and cabins, 10 acres of ski home, and 1,575 acres.

Not paradise either, but close…

So instead they called it…

$196.2 million
in sales
January 2004
to May 2005
McCall Overview

- A town of 2,045 people
- Boise metropolitan area, approximately 100 miles to the south
- Payette Lake, a 5,500 acre alpine lake
- Three ski mountains and a lift served tubing hill
- Ponderosa State Park
- Established downtown
- Established second home community
- Airport with capacity for expansion
- Physical and civic infrastructure and a city government staffed to manage change

Getting on the band wagon...

$400 Million

Situation as of April 2005

- Applications for 22 subdivisions with 956 homes
- 1994 zoning ordinance did not address many development issues
- Inadequate staff and consultant resources for development review
- Engineers say wastewater plant at capacity
- 581 building permit applications anticipated

Emergency moratorium (Ordinance 809)

- Adopted April 11, 2005
- Stopped accepting applications for rezoning, subdivision, planned unit development, scenic route site plan review
- Did not apply to building permits, records of survey, conditional use permits
- Did not apply to applications in process

Interim moratorium (Ordinance 816)

- Adopted Sep. 22, 2005
- Extended moratorium 180 days
- Reviewed progress to date
- Refined reasons for moratorium
Reasons for moratorium

- Development applications received may exceed City wastewater system capacity
- Development applications exceed the capacity for adequate review
- Development applications exceed the City’s capacity for informed decision making
- Zoning and subdivision ordinances do not implement Comprehensive Plan

Initial moratorium work plan – May 2005

- Wastewater treatment
  - Infiltration and inflow
- Land application
- Facilities plan
- Zoning code
- Code update
- GIS
- Fees
- Impact fees

Additions to work plan and related items – summer 2005

- Wastewater policy
- EPA smart growth grant
- Urban renewal plan update
- Community housing

What we’ve been up to...

- Wastewater
  - Wastewater policy
  - Infiltration and inflow
  - Land application
  - Facilities plan
- Zoning code
  - Code update
  - GIS
  - Fees
  - Impact fees
- EPA smart growth grant
- Urban renewal plan update
- Community housing

Wastewater policy

- City is managing remaining capacity through building permits
- Wastewater policy elements
  - Limits connections to 1,919 EDU
  - 750 EDU set aside for commercial, industrial, mixed use and public projects
  - 156 EDU per year for residential projects
  - Modified first come, first served
  - Tied to Comp Plan objectives
    - Community housing
    - Infill and redevelopment
    - Sustainability

Other wastewater initiatives

- Ongoing I/I program
- Ongoing flow monitoring program
- Ongoing land application enhancement program
- Long range facilities plan in development
Zoning and subdivision ordinances

- Project commenced in late 2000
- Public review draft – July 2005
- Rewrite advisory committee – July-August 2005
- Commission adoption draft – October 2005
- City and County Planning & Zoning Commissions’ recommendation for adoption – December 2005
- City Council adoption – February 23, 2006
- County Commission deliberations – March 2006

Overview of Proposed Changes

Residential Zones and Standards

- Five chapters consolidated
- Uses and Standards tables
- R-16 Zone District proposed
- Building heights of up to 50 feet in R-16 zone with CUP
- Standards reviewed and adjusted as appropriate

Commercial Zones and Standards

- C and GC combined into CC zone district
- NC zone district proposed
- Residential development only as a part of mixed use project
- 60 dwelling units/acre in CBD
- 40 dwelling units/acre in CC
- Heights of up to 50 feet in CBD and CC zone with CUP (public hearing)

Building Height – Existing

- 35 Feet Maximum
  - Commercial Ground floor
    - 15 to 20 feet typical
  - Residential or office upper floor
    - 10 feet typical
  - Roof
    - Flat
    - Pitched
  - Effectively limited to two floors unless:
    - Flat roof
    - Low ceiling on ground floor
    - Combination

Building Height – Proposed

- 50 Feet Maximum with CUP
  - Public Hearing Required
  - Council findings and conclusions
  - Subject to appeal and judicial review
  - Prohibited in Scenic Route and Shoreline Overlay Zones
  - Commercial Ground floor
    - 15 to 20 feet typical
  - Residential or office upper floor
    - 10 feet typical
  - Roof
    - Flat
    - Pitched
  - Allows a third floor with a pitched roof
  - Effectively limited to three floors unless:
    - Flat roof
    - Low ceiling on ground floor
    - Combination
Of course, everyone agreed...

Commercial Zones and Standards
- Professional offices not permitted on ground floors fronting the street in the CBD
- Ten percent formula restaurant cap
- Ten percent formula retail cap
- 40,000 SF max building footprint
- 100,000 SF max shopping center square footage
- Drive-ups prohibited in CBD
- Sidewalks, curbs and gutters required
- Standards reviewed and adjusted as appropriate

General Development Standards
- Standards consolidated/modified
- Bicycle parking
- Rental of guest houses
- Corner vision
- Building step-back
- Main entrances/garages

Planned Unit Development
- Density bonuses
  - renewable energy
  - avoidance of floodplain
  - community housing
  - innovative wastewater treatment and disposal
- PUD on lakefront in CBD with can propose height up to 50 feet (public hearing)
  - Public access to lake
  - Local businesses
  - Ground floor 100% retail
  - Parking and trash collection

Planning and Zoning Commission
- Code modified to create McCall Area P&Z
- Four members appointed by Mayor with Council confirmation
- Three members appointed by County Board
- Hears all cases in City and Impact Area
- City decisions go to City Council
- Impact Area decisions go to County Board

Permits and Applications
- Five chapters consolidated
- Rental of accessory dwelling units
- Community Impact Review for large buildings in CBD and use exceptions in PUDs
Outdoor Lighting

- New code in response to citizen input
- Protect and promote the public health, safety and welfare, the quality of life, and the ability to view the night sky, by establishing regulations and a process for review of exterior lighting.

Procedures, Appeals and Action

- Preliminary development plan review prior to application
  - Commission meeting
  - Neighborhood meeting

Design Review

- Process for using Design Guidelines
- The City of McCall Design Guidelines is a separate document
- Design review approval required for:
  - commercial
  - industrial
  - civic and airport
  - shoreline and river environs
  - scenic route
  - public or semi-public
  - accessory dwelling unit
  - multi-family
  - single family greater than 3500 square feet
  - signs
  - buildings on noncompliant lots
- Subdivisions with design review procedures approved by the City would be exempt from this requirement

Subdivision and Development Improvement Requirements

- Perimeter walls, gates, and fencing regulated
- Sidewalks in all zones along routes to pedestrian oriented destinations
- Gated streets prohibited
- Park and open space dedication

Special Provisions

- Hillside preservation
- Large-scale subdivisions
- Environmental and aesthetic values
- Cemetery subdivisions
- Development within areas of critical concern
- Comprehensive Plan linkage

GIS

- $65,000 investment
- System in place October 2005
- Being used in land use and infrastructure analysis
- Developers required to provide data
- Enhancing system incrementally
Community development fees

- Building permit fee update June 1, 2005
- Land use fee update March 9, 2006
- Department is independent of general fund (property tax) revenues

Impact fees

- Task order signed
- Initially limited to wastewater
- Will be developed concurrent with wastewater facilities plan
- Will not be in place when moratorium lifted
- Will negotiate through development agreements until fee adopted

EPA smart growth grant

- Grant award – July 2005
- Workshops – October 2005
- Comprehensive plan amendment recommended by P&Z – January 2006
- Comprehensive Plan Amendment adopted February 9, 2006

Urban renewal plan update

- Began work in July 2005
- Effort looked at existing district and two potential districts
- Design dialogue – September 2005
- Public hearing on plan update for existing district – February 2006
- Update adopted February 14, 2006
- Groundbreaking scheduled September 2006

Community Housing

- Unique McCall Property
- Booming vertical residence
- $250,000
- Welcome

Being discovered has its price...
Home prices on the rise

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<th>Number of sales 2005</th>
<th>Average Sales Price 2004</th>
<th>Average Sales Price 2005</th>
<th>Average days on market 2004</th>
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<td>$227,820</td>
<td>166</td>
<td>146</td>
<td>45.90%</td>
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What percent of our residents can afford a home in today’s market?

- Financing a $300,000 home requires a household income of about $80,000/year
- Approximately 13 percent of McCall’s households can afford a home in today’s market*
- 87 percent would require some form of assistance

Community Housing and Growth

- 40 percent of McCall housing is year-round resident occupied
- 60 percent of McCall housing is second home
- What is our goal for 20 years from now?

“For every complex and difficult problem there is a solution that is simple, easy, and wrong.”
- H.L. Mencken

The market is not providing community housing

Hill expects the units to sell from $425,000 to $450,000. Units will be affordable for McCall because the site isn’t right on Payette Lake and “we bought it a number of years ago, when prices were still somewhat affordable,” he said.

- Idaho Business Review

Community Housing Policy
Adopted Policy

To assure the existence of a supply of desirable and affordable housing for persons currently employed in the McCall area, persons who were employed in the McCall area prior to retirement, the disabled, and other qualified persons of the McCall area, the City of McCall adopted the following Community Housing Policy:

Responsibility

- The City of McCall is responsible for developing and implementing a community housing program to meet the needs of its citizens.
- The City of McCall will develop and implement this program in partnership with other local, state, and federal agencies.
- The City of McCall will regularly refine its community housing policy to reflect new information and changing market conditions.

Seasonal/Year Round Housing Mix

- McCall is a beautiful mountain community whose economy is tied to tourism and second homes.
- McCall’s Community Housing Program will be designed and implemented to maintain the ratio (60/40) of second homes to year round primary residences.

Intended Beneficiaries

McCall’s Community Housing Program will be designed to benefit:
- Low, moderate, and middle income families
- Local workers
- Senior citizens
- Special needs populations

Income Targets

The policy will develop housing targeted to meet the needs of the following household types:
- Low Income – 50% of median income ($25,000/yr)
- Moderate Income 80% ($40,000/yr)
- “Middle” Income 160% ($80,000/yr)

Job/Housing Relationship

- Community housing will be developed primarily for people with jobs in the community.
- McCall will house at least 50 percent of its workforce (approx. 1,100 workers in 2000) within city limits.
Production Goals

To keep up with demand and eliminate our community housing backlog within ten years, McCall is committed to:

- Low to Moderate Income Housing: 43 units per year
- Moderate to Middle Income Housing: 22 units per year
- Plus seniors and special needs housing: To be determined

Owner/Renter Mix

- McCall will develop community housing to maintain at least 65 percent owner occupied housing.
- Current mix:
- 65 percent owner occupied
- 35 percent renter occupied

Location/Unit Type

- Community housing requirements for new development will be met within the geographic boundaries of new development to the extent possible.
- Mixed use projects will be encouraged to incorporate community housing into commercial and industrial areas.
- Public community housing resources will focus on infill and redevelopment to:
  - Maintain and enhance existing neighborhoods;
  - Promote a jobs-housing balance;
  - Reduce reliance on the automobile; and
  - Promote smart growth principals and reduce sprawl.

Design and Quality

- Community housing is civic architecture and reflects the values of the community.
- Community housing should be designed to fit its context.
- Design within budget is a characteristic of good design.

Process and Schedule

- June 25, 2005 – Housing Market and Needs Assessment for Valley and Adams County presented to City Council
- July 14, 2005 – City Council housing policy discussion
- August 11, 2005 – City Council housing policy discussion
- August 20, 2005 – Public workshop on housing policy
- August 23, 2005 – Public workshop on housing policy
- September 7, 2005 – Public hearing on housing policy
- September 22, 2005 – City Council adopted a Community Housing Policy
- November 2, 2005 – Public workshop on ordinance policy options
- December 16, 2005 – Draft Inclusionary Housing and Community Housing Fee ordinances distributed and posted on the City web site
- January 3, 2006 – Planning and Zoning Commission Public Hearing on Ordinances
- February 23 – Ordinances adopted by City Council

Community Housing Fee Ordinance

- Requires that a Community Housing Fee be paid at the time of application for a building permit.
- Provides for exemptions from this requirement under certain circumstances.
- Provides a formula for calculating the fee based upon unit size. A spreadsheet with estimated fees is attached to this report.
- Provides for the establishment of a Community Housing Trust Account.
- Provides for the refund of fees under certain circumstances.
- Provides for an appeal process.
Community Housing Fee Ordinance

<table>
<thead>
<tr>
<th>Unit Size (SF)</th>
<th>FTE Generated 1*</th>
<th>FTE at 50% Goal</th>
<th>Category III FTE (27%)</th>
<th>Community Housing Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1000</td>
<td>0.09</td>
<td>0.05</td>
<td>0.12</td>
<td>$859</td>
</tr>
<tr>
<td>1000-1999</td>
<td>0.12</td>
<td>0.08</td>
<td>0.17</td>
<td>$1,146</td>
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<tr>
<td>2000-2999</td>
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<td>0.07</td>
<td>0.19</td>
<td>$1,337</td>
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<tr>
<td>3000-3999</td>
<td>0.17</td>
<td>0.09</td>
<td>0.23</td>
<td>$1,623</td>
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<tr>
<td>4000-4999</td>
<td>0.26</td>
<td>0.13</td>
<td>0.36</td>
<td>$2,483</td>
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<tr>
<td>5000-5999</td>
<td>0.31</td>
<td>0.16</td>
<td>0.43</td>
<td>$2,960</td>
</tr>
<tr>
<td>6000-6999</td>
<td>0.39</td>
<td>0.20</td>
<td>0.54</td>
<td>$3,724</td>
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<tr>
<td>7000-7999</td>
<td>0.51</td>
<td>0.26</td>
<td>0.70</td>
<td>$4,870</td>
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<tr>
<td>8000+</td>
<td>0.75</td>
<td>0.35</td>
<td>1.03</td>
<td>$7,161</td>
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</tbody>
</table>

1. *Number of jobs in Full Time Equivalent units

Inclusionary Zoning Ordinance

- Requires that 20 percent of lots and houses in all new subdivisions, including condominium subdivisions, be permanently restricted as community housing.
- Provides options for providing community housing, including housing on-site, housing off-site, land conveyance, and fee-in-lieu.
- Provides for deed restriction of community housing units.
- Provides for timing of occupancy of community housing units in relation to other units in the subdivision.
- Provides for the development of a Community Housing Agreement as a part of subdivision approval.
- Provides for an adjustment process.

Link to Incentives

- New R16 residential zone
- 5,000 SF lots in R8 zone
- Added building height in CBD, CC and R16 zones by CUP
- Added density in CBD and CC zone
- Allows mixed use in industrial zones
- Density bonuses for PUDs with over 50% community housing

Incentives Adopted in New Code

- Further lot size reductions – could create an R24 zone
- Set back waivers – snow storage issue
- Parking reductions – snow and toy storage issue
- Open space waivers – no open space required in commercial zones
- Priority permitting – could set aside building permits for community housing
- Fee waivers or deferrals – difficult given bond covenants, would require fee increase for others

Other Possible Incentives

- Fee waivers or deferrals – difficult given bond covenants, would require fee increase for others

Relationship of Incentives and Regulations

<table>
<thead>
<tr>
<th>Zone</th>
<th>Current Density</th>
<th>Proposed Density</th>
<th>Community Housing</th>
<th>Market Housing</th>
<th>Net New Market Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>R8</td>
<td>8</td>
<td>16</td>
<td>4</td>
<td>12</td>
<td>4</td>
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<tr>
<td>CC</td>
<td>16</td>
<td>40</td>
<td>10</td>
<td>30</td>
<td>14</td>
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<tr>
<td>CBD</td>
<td>20</td>
<td>60</td>
<td>14</td>
<td>46</td>
<td>26</td>
</tr>
</tbody>
</table>

1. *Proposed R8 Density would require a zone change
Regional Partnership

- Valley Adams Planning Partnership (VAPP)
  - Valley County
  - Adams County
  - McCall
  - Donnelly
  - Cascade
  - Council
  - New Meadows
  - Federal and State Agencies
  - NGOs

VAPP accomplishments

- Information sharing
- Skill development
- Regional housing
- Regional transit
- Infrastructure innovations
- Regional Business Opportunity Grant (RBOG)

There are alternatives...

The best way to predict the future is to invent it.

- Immanuel Kant

More Information

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