

**MARCH** 4 & 5, 12, 19, 25 & 26



# Whose Home On The Range? Rural Housing Challenges and Strategies



**CLARION** 

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# OTTENJOHNSON ROBINSON NEFF+RAGONETTIPO

# WHOSE HOME ON THE RANGE? RURAL HOUSING CHALLENGES AND STRATEGIES

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Idaho Housing and Finance Association

Idaho Rural Partnership, Board Member



- 1. Common challenges
- 2. Valley co, ID
- 3. Blackfoot, ID
- 4. Sedona, AZ
- 5. Q&A

pop. 10,709

pop. 11,907

pop. 10,322

#### **COMMON CHALLENGES**

- Climate, culture impacts
- COVID-19 effects: remote vs. essential workers
- Private equity: shifting ownership & influence
- Rural is different
- Housing as social determinant of health
- Foregone spending, the multiplier effect
- All the crises: wages, housing, transit, health...

#### WHO ARE CITIES FOR?

# A **resort community** without housing for essential workers is just a **resort**.

—Jim Lewis, former Blaine County, ID Superintendent

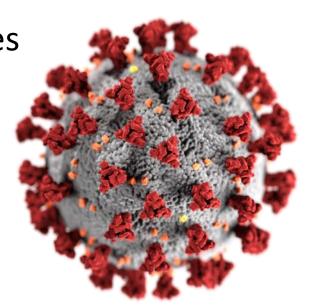
I'm an excellent renter and have never been in any trouble. I'm a caregiver in my mid 40s with one cat. I was forced to move from my home of 12 years in 2017 because people out of state bought the unit and wanted to cash in on the growth around here. —Michelle

# REMOTE/ESSENTIAL WORK

Newly untethered workers on the move

Newly recognized essential workers

- Build housing and communities
- Keep communities supplied, operational and livable
- Care for children and elders
- Displaced by outside wealth



# CLIMATE/CULTURE IMPACTS

- Cost-of-living drivers
- Political drivers
- Natural disaster drivers
- Private equity opportunism
- Remote-control residential
- Loss of diversity







Good day! I am looking for Mercedes regarding property? This is Ryan, do I have the right number? txt STOP if uninterested

1:40 PM

# The Cal Housing

Is it possible to problems? "I cai

Who do you represent?

This is Ryan and I'm an investor. I'm looking for another property or fixer upper and I like the area.I'm reaching out to owners closeby to see if interested

Would you consider an offer for the property? I buy properties in the area

ing

Is Their

1:46 PM

Absolutely not.

Stop 1:47 PM

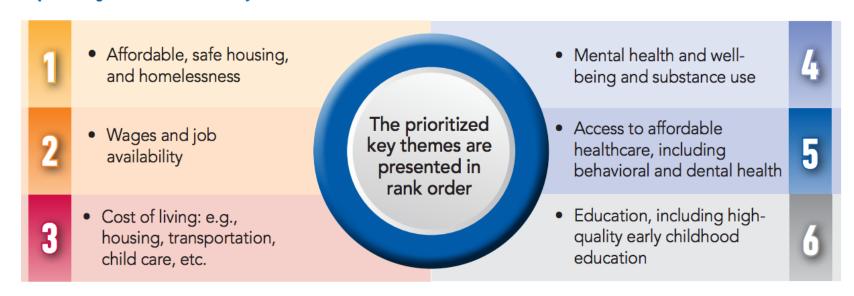
#### RURAL IS DIFFERENT



- Comp plans, codes may discourage MF/density
- Costly to build and develop (labor, trades, materials)
- Narrow tax base limits local match, infrastructure
- Traditional lenders are more cautious with rural
- 'Affordable' stigma, NIMBY
- Demographics, definitions (outdated federal lens)
- Homeless service barriers (isolation, information)

# **Community Priorities**

#### **Top Six Significant Community Priorities**



Source: United Way of Treasure Valley 2020 Community Assessment

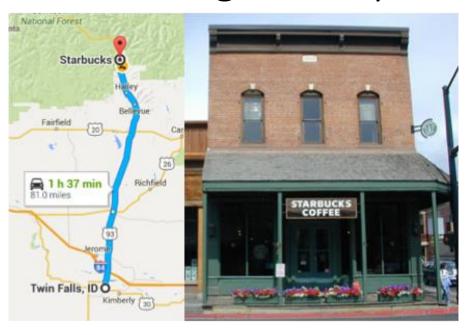
# Wages vs Housing

GROWING IDAHO

# Priced out of the Treasure Valley: Housing prices skyrocket while wages remain stagnant

Home prices are up about 73% in Idaho over the last 5 years while wages have grown just 14% in that same time period, according to the Idaho Department of Labor.

## Re-thinking subsidy



#### **Case Study**

- 1. Single parent commuting from Twin Falls to Ketchum daily to work as a barista.
- 2. Budget: 1 pre-K, 1 K-12 child

<u>F/T @ \$7.25/hr</u>	<u>\$1,160</u>
2bdrm rent (2/19)	\$1,016
Child care	\$550
Subtotal	\$1,666
Monthly deficit	-\$406

Displaced workers provide a subsidy to employers and customers by commuting long distances, compromising health and safety in order to provide service...at a price we consider affordable. — 'Planning Behind' thebluereview.org



#### WEST CENTRAL MOUNTAINS

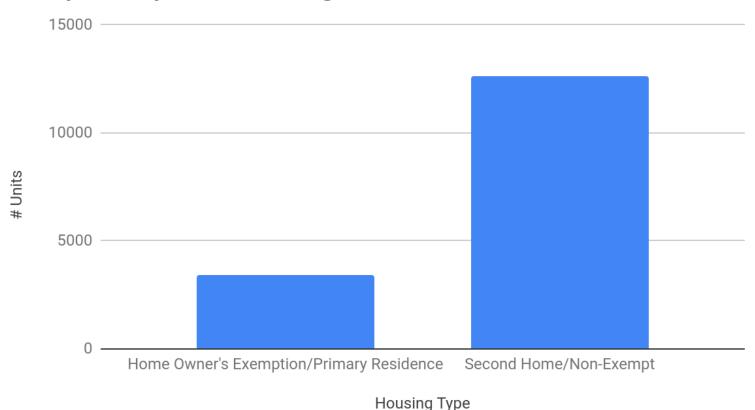
ECONOMIC DEVELOPMENT COUNCIL

Valley County · Cascade · Donnelly · McCall · Meadows Valley

Andrew Mentzer | Executive Director wcmedc.org | 208.703.0161

# Valley County, Idaho

Valley County 2019 Housing Stock



## SAME OLD SONG & DANCE



- Short building season
- Supply/market imbalances
- Exorbitant land costs
- Limited supply of skilled labor
- NIMBY

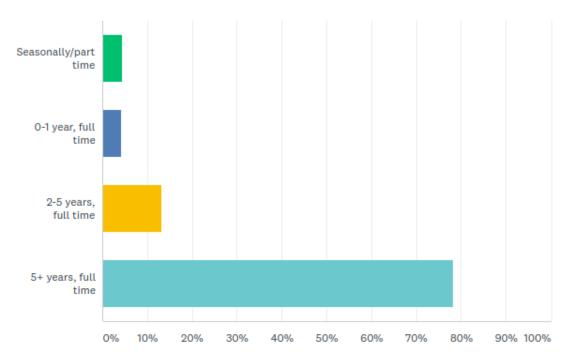
## THE SURVEY SAYS...

- Most people are paying \$1000-\$1500/month in rent or a mortgage
- Most people can afford \$500-\$1500/month
- 64% of respondents own their homes
- Most respondents commute less than 5 miles to work
- People put a high level of importance (7.4/10) on how close their home is to their work

# The Survey says...

How long do you plan to live and work in the West Central Mountains region?

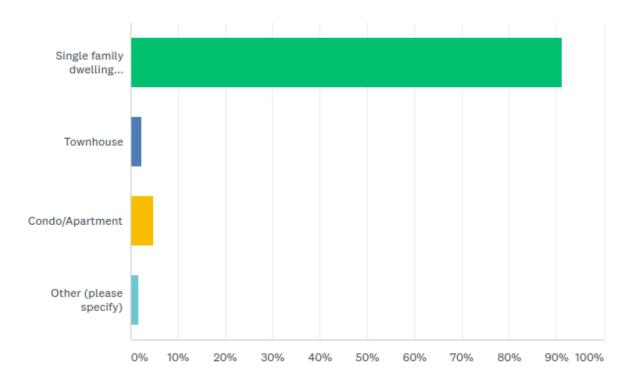
Answered: 591 Skipped: 3



# The Survey says...

Of the following, what is your housing type preference?

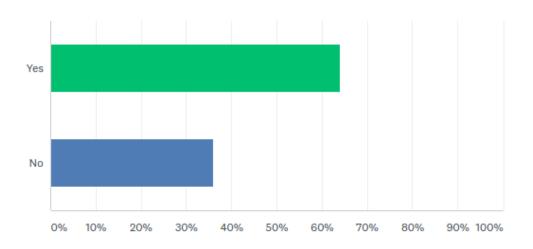
Answered: 589 Skipped: 5



# The Survey says...

Do you feel secure in your housing situation, now and in the future?

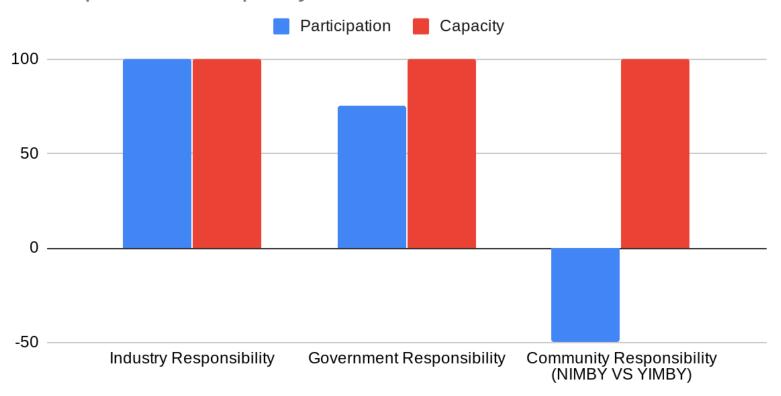
Answered: 590 Skipped: 4



ANSWER CHOICES	▼ RESPONSES	•
▼ Yes	64.07%	378
▼ No	35.93%	212 ,
TOTAL		590

# **Solution: YIMBY**

#### Participation VS Capacity



## **SOLUTION: HOUSING CONVERSION**

Property tax exemption

Public private partnerships

- Airbnb
- Vacasa
- Local property managers
- Hotels

# Solution: Land Banking





Kurt Hibbert, M.P.A. | Community and Economic Development Director

Population in 2019: 12,034

Population change\* since 2000: +15.5%

\*www.city-data.com/city/Blackfoot-Idaho.html#b

## THE WAKE-UP CALL

- Rampant Year-Round RV Living
- Degradation of Low- and Very Low-Cost Units
- Loss of Employee Base
- Outcry from Major Employers
- Broken Window Effect-Impacts
- Only 11 houses on the market/No rental availability
- THERE IS NO PLACE TO LIVE IN TOWN!

# THE ONGOING CALLS

- Out-of-state retirees
- Remote workers
- Investors
- Developers and builders



### THE RESPONSE...

Asked "Why is this happening in our town?" Zoning Ordinance Audit

- Accessory Dwelling Units were "Zoned Out" (-)
- There was a "Trailer Park" provision (+)
- There was an "RV Park" provision (+)
- High density zoning was not well defined and therefore not programmed (-)
- Nothing in the ordinance encouraged High Density or gave incentives for infill projects (-)

## **ACTION STEPS**



- Idaho's 1st Tiny Home Ordinance (THO) (tinyurl.com/yamoeb6t)
- Legitimize Accessory Dwelling Units (ADUs)
- Rezone blighted and distressed areas to stimulate high-density housing investment
- Create new housing-friendly language in ALL zones
- Initiate long-overdue annexations

## BACK TO THE FUTURE

- Tiny Homes are a part of our western history
- The shift came when Zoning Laws began requiring large homes on large lots
- Tiny Home subdivisions older developed neighb

### T.H.O. GOALS

- Lower development infrastructure costs
- Help infill odd parcels not yet developed
- Create a park-like community with a close neighborhood feel
- "YES" to higher density
- Communicate expectation up front
- Education: NIMBY equates to HIGHER TAXES!

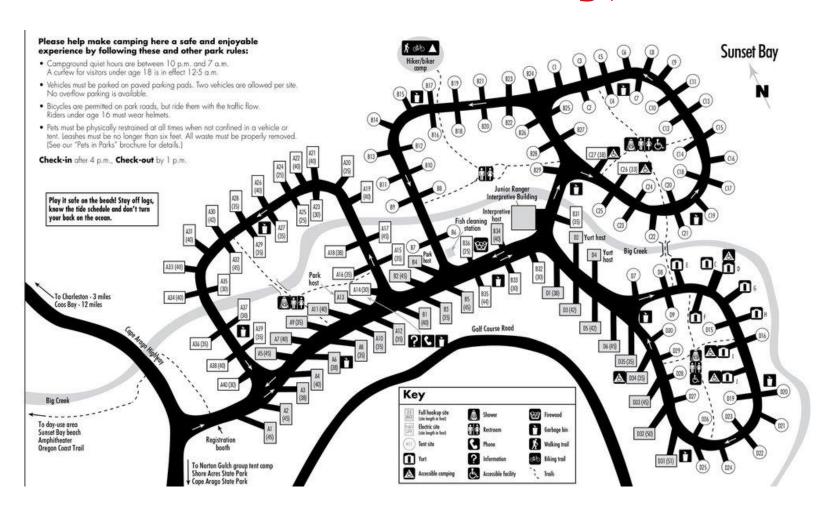
### T.H.O. MESSAGE

A. General: ....This section intends that tiny home subdivisions create a highly vegetated, park-like environment, where the emphasis is placed on minimalist living. This section only allows for tiny homes on permanent foundations and does not allow tiny homes on wheels (THOWs).

### DESIRED T.H.O. BENEFITS

- Increase housing stock, affordability, tax revenue
- Facilitate intergenerational living, lifestyle freedom
- Attract new residents
- Support vulnerable populations
- Efficient use of underdeveloped single-family areas

# Model: Sunset bay, OR



# Greenspace/seclusion



### SUBDIVISION BENEFITS

- Paved streets, sidewalks optional
- Non-traditional wastewater systems
- Infill properties acquired at less cost
- Engineered Road and Pathway System
- Allows a lower price point on homes
- Smaller Lots=higher density
- Potential for many homes quickly!

### YES! IN MY BACKYARD



- A Home for the Hound: My Dog Rawley
- Things rarely turn out like we would like, but we can hope and keep trying!
- Blackfoot's Tiny House
   Ordinance should eventually make a huge difference



Megan McRae | Assistant to the City Manager City of Sedona | 928.203.5199

### **ARIZONA: THE NEXT IDAHO?**

- Population 10,000 +
- Three million annual visitors
- 19 square miles land area in city limits
- 11% of housing units are short-term rentals (STRs)
- 22% of housing units are vacant / second homes

### SEDONA CHALLENGES

- Land scarcity with low density limits
- Real estate supply and pricing
- Short-term rentals (STRs)
- Advocates for view preservation and small town character

# September 2016:

▶ Short term rental evictions begin



Source: Sedona Red Rock News

# May 2018:

### School Closure





HOME STORIES > SPORTS > OPINION > CLASSIFIEDS OBITUARIES PHOTOS BLOGS SUBSCRIBE!

### Sedona-Oak Creek School District to close Big Park Community School

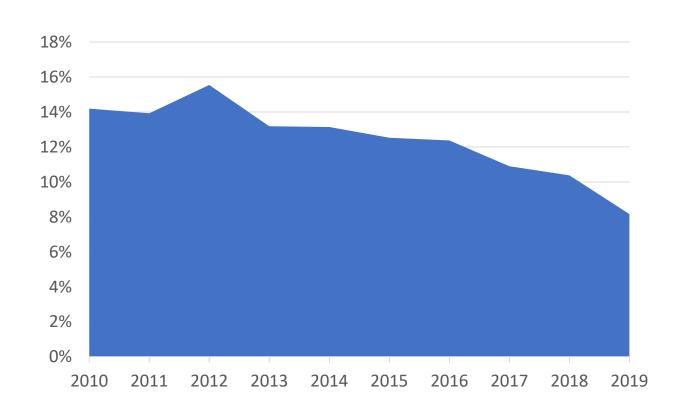
After years of uncertainty and budget cuts, the SedonaOak Creek School District Governing Board voted to close Big Park Community School during its meeting Tuesday, May 1.

The decision came after months of deliberation in the face of a nearly \$1.5 million budget deficit for the 2018-19 school year. The board has been discussing three options: A, to keep all three schools open; B, to close Big Park; and C, to close West Sedona School.

While option A left no cushion in the budget for unexpected expenses, district administration projected that options B and C both would create about \$300,000 in savings.

Source: Sedona Red Rock News

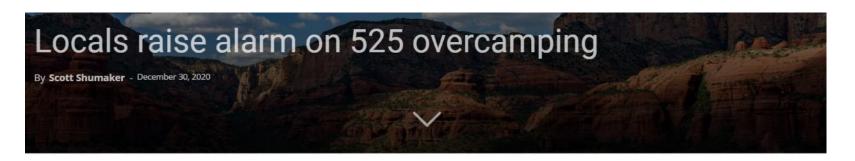
# Households with Children under 18



Source: American Community Survey, data.census.gov

### December 2020:

Alarm on Overcamping











**525 Overrun:** Since the start of the COVID-19 pandemic, the federal land west of Sedona that includes the western foothills, Forest Road 525 and Bill Grey Road has seen a dramatic increase in camping and public use. This is the first in a series of stories



Ad closed by Google

Popular Today



USFS revisits 525 boondocking February 23, 2021

It's red rock county, but without the city.

Source: Sedona Red Rock News

### December 2020:

Affordable Housing Plan



Source: Sedona Red Rock News

# Study Findings





30% increase in rent in Yavapai County from 2017 to 2019.

2018

2019

42.5% of Sedona households were cost-burdened for housing.

\$636,444 average housing price in Sedona.

\$636,444 in Sedona.

\$303,000 Arizona average



Units needed to meet demand > 1200 units.

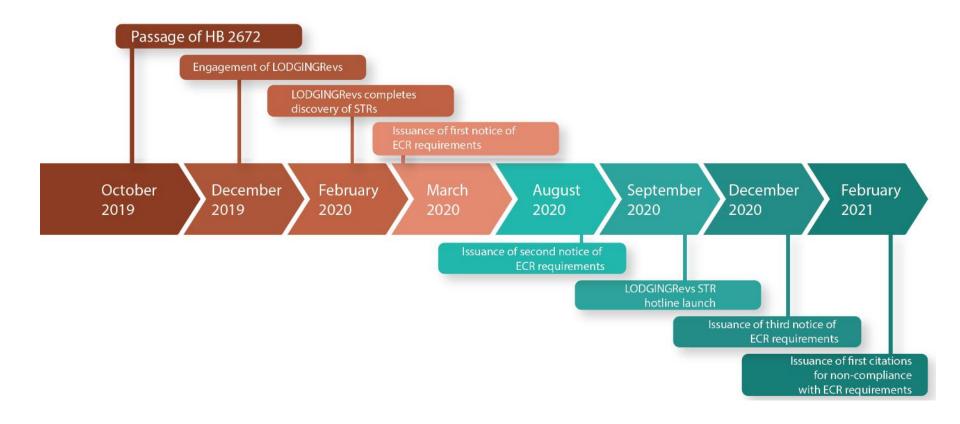


Projected >1500 units in 5 years.

### STR PROGRAM MANAGEMENT

- City of Sedona prohibits STRs (1995 2016)
- SB1350 becomes law (effective Jan 2017)
- Challenge to Sedona business license requirement
- SB1382 becomes law
- HB2672 becomes law

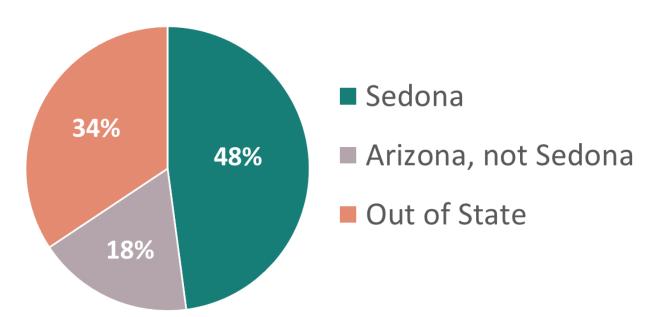
# ▶ HB 2672 Implementation



### **OVER 730 STR PROPERTIES**

- Over 11% of the total residential units
- Over 62% are entire single-family homes

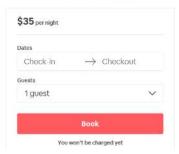
Ownership by county GIS mailing address



### **CAMPING GEAR**



# Our Camping Gear, Your Dream Location in Sedona! Sedona \* Tent 6 guests 3 beds 0 baths \* Bobbie is a Superhost Superhosts are experienced, highly rated hosts who are committed to providing great stays for guests. We have several tents and gear all by REI and Big Agnes, and Coleman. All



### **TIKI HUT: VINTAGE RV**



### TIKI HUT: Vintage RV in the heart of it all!



Sedona

- ★ Camper/RV 2 guests 1 bedroom 1 bed 1 bath
- Great location
   100% of recent guests gave the location a 5-star rating.
- Self check-in Check yourself in with the keypad.
- \* Eric is a Superhost

Dates			
Check-in	$\rightarrow$	Checkout	
Guests			
1 guest			~

### **TENT IN UFO ZONE**



### RentaTent- Search for UFOs in UFO sighting zone!



Sedona

₱ Private room in tent 6 guests 1 bedroom 1 bed 0 baths

Great location
 100% of recent guests gave the location a 5-star rating.

Tara is a Superhost Superhosts are experienced, highly rated hosts who are committed to providing great stays for guests.

Great shock in avnariance

Dates	
Check-in	→ Checkout
Guests	
1 guest	~

### **SKY BUBBLE**







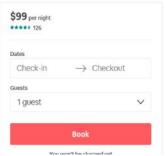
### You and the Sky in a Bubble!

Sedona



- ₱ Private room in tent 2 guests 1 bedroom 1 bed 1 shared bath
- Great check-in experience 95% of recent guests gave the check-in process a 5-star rating.
- Self check-in You can check in with the doorman.

The Stars - Uncensored Rest & Relay in this cozy stargazing capsule with



### **ANCIENT CLIFF DWELLING**



### Ancient Dwelling & UNIQUE Cave on The Creek, WOW!!



Sedona

★ Cave 4 guests 1 bedroom 1 bed 1 bath

- Great check-in experience 95% of recent guests gave the check-in process a 5-star rating.
- Great location
   95% of recent guests gave the location a 5-star rating.
- 7 Dan is a Superhost

Dates			
Check-in	$\rightarrow$	Checkout	
Guests			
1 guest			~

### ON THE EDGE



#### On The Edge, Eagle Eye, Panoramic View

Sedona

rivate room in tiny house

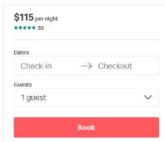
3 guests 1 bedroom 1 bed 1 shared bath

8 Sparkling clean

11 recent guests said this place was sparkling clean.

Great check-in experience 100% of recent guests gave the check-in process a 5-star rating.

Great location



### **MAKESHIFT RV PARK**



### **NEXT STEPS IN SEDONA**

- Transit Administrator hired February 2021
- Hire Housing Manager
- Explore partnership with Northern AZ Housing Solutions (NAHS)
- Proposed short-term rental legislation progress

# **questions?**

