

REPORT TO STAKEHOLDERS

January 1 to March 31, 2017



Fiscal Year 2017, Second Quarter Update

Bobi Bellows, Acting Director

5/31/2017

BLAINE COUNTY HOUSING AUTHORITY

ACTIVITIES

COMMUNITY HOUSING MARKET

Reported in the 1st quarter report, inventory of available community homes for sale is remarkably low. As reported in the previous quarter's report, the Blaine County workforce is experiencing a more secure employment environment and workers moving out of the area for work has stabilized. New employment opportunities have been realized from the opening of the Limelight Hotel. Yet the Aspen Skiing Company has demonstrated a desire to employ from within the local community rather than recruit workers from outside.

At the end of this reporting period, three (3) community homes were listed for sale. Two (2) of these community homes experienced an extended community home sale process, this is a holdover condition from the delayed reaction the economic downturn had in affecting the community housing market.

Also mentioned in the FY 2017 1st quarter report a rebound in the market-rate housing prices is providing fewer opportunities for moderate and median income buyers, therefore fewer opportunities exist for Blaine County's workforce to purchase community homes. With no future developments in sight, the only opportunity Blaine County workers have for ownership, is when an existing community home is listed for sale through the BCHA's homeownership program.

The table below illustrates the number of community homes sold during the past 18 months. The sales of these homes represent nine (9) working households investing more than \$1.8 million in community housing in Blaine County.

Affordable housing brings stability, economic diversity and improves the physical quality of the neighborhood." John Woods

BCHA Ownership Activity				
Closing Date	Location	Beds	Income Category	Sold Price
20-Jan-2016	Sun Valley	2	6	\$ 292,000
17-Feb-2016	Mid-Valley	4	4	\$ 265,000
4-Mar-2016	Hailey	3	3	\$ 188,500
10-Jun-2016	Ketchum	2	4	\$ 193,848
1-Aug-2016	Ketchum	1	5	\$ 214,969
17-Aug-2016	Hailey	2	3	\$ 186,000
5-Oct-2016	Hailey	3	WMDR	\$ 201,500
24-Oct-2016	Ketchum	2	3	\$ 146,324
15-Nov-2016	Ketchum	1	3	\$ 124,140

BCHA OWNERSHIP UNITS CURRENTLY RENTED

Community Housing owners are able to rent their community homes (or a portion thereof) under certain conditions. Currently only two (2) owned community homes are rented to qualified applicants.

BCHA STEWARDED RENTAL UNITS

Since the 1st quarter report, BCHA has increased the stewardship of rental units from fourteen (14) to twenty (20). The increase of six (6) units comes from ARCH's development of 2 single family homes on Glenbrook Drive in the Woodside area of Hailey, and four (4) townhome style apartments on 6th and Oak Streets in Bellevue.

The table below illustrates the location, size, income category and rent rate of all BCHA stewarded rental units. There are no vacancies, at present.

BCHA Rental Unit Activity				
Location	Beds	Income Category	Rental Rate	Status
Bellevue	3	3	\$ 984.07	Occupied
Bellevue	3	3	\$ 984.07	Occupied
Bellevue	3	3	\$ 984.07	Occupied
Bellevue	3	3	\$ 984.07	Occupied
Mid-Valley	3	3	\$ 1,200.00	Occupied
Bellevue	3	2	\$ 700.00	Occupied
Ketchum	1	1	\$ 391.00	Occupied
Ketchum	2	2	\$ 772.00	Occupied
Ketchum	2	2	\$ 772.00	Occupied
Ketchum	1	3	\$ 833.00	Occupied
Ketchum	0	2	\$ 675.00	Occupied
Ketchum	1	2	\$ 700.00	Occupied
Ketchum	1	3	\$ 700.00	Occupied - Employee Housing
Ketchum	0	2	\$ 657.00	Occupied
Sun Valley	1	3	\$ 750.00	Occupied
Hailey	3	3	\$ 1,086.00	Occupied
Hailey	3	3	\$ 1,086.00	Occupied
Ketchum	2	2	\$ 770.00	Occupied - Employee Housing
Ketchum	1	2	\$ 375.00	Occupied - Employee Housing
Ketchum	2	2	\$ 760.00	Occupied

These rental units represent \$155,500/year, a 25.5% increase from FY 2017 1st quarter reporting, in revenue for local landlords.

HOUSING COUNSELING SERVICES

BCHA continues to provide housing counseling services to Blaine County Residents free of charge. Clients do not need to be a BCHA applicant to access housing counseling services.

During this quarter:

- ***19 rental guidance** sessions were conducted for individuals looking for rentals in the valley, needing landlord/tenant law clarification, and annual re-certification for continuing to rent a community housing unit*
- ***5 pre-purchase** for applicants interested in purchasing a community home*
- ***2 post-purchase** counseling for applicants that just purchased a community home*

Housing Counseling as a component of the menu of services BCHA offers Blaine County residents and workforce are increasing dramatically.

On December 14th, 2016 HUD published the Final Rule for Housing Counseling Certification in the Federal Register. This rule implements statutory requirements that housing counseling required under or provided in connection with all HUD programs will be provided by HUD Certified Housing Counselors.

Because BCHA provides property management services for ARCH's development projects that utilized funds from HUD's HOME Investment Partnership Program, BCHA must adhere to all requirements for delivery of services. Including but not limited to housing counseling services. Therefore, the BCHA board is actively considering applying to the IRS for a 501(c)(3) designation.

Obtaining the IRS designation will ensure BCHA's ability to serve housing counseling for ARCH's development of HOME Program projects, and allow BCHA to be able to access community reinvestment funds from outside sources, such as local lending institutions and philanthropic organizations whose mission is to promote financial literacy.



LIFT TOWER LODGE

During the recent ski season, the Lift Tower Lodge (LTL) housed ten (10) J1 Visa workers from South America for the Limelight Hotel. Also, during this quarter three (3) McAlvain out of town construction workers continued to occupy rooms.

Housing out of town workers has been a significant use of the temporary housing resource the LTL provides. Without the use of the LTL for out of town workers, local hotels and short-

term rentals would be utilized, thus constraining an already tight rental market throughout the county.

Because of the LTL's proximity to Ketchum's business core, the out of town workforce was able to park vehicles and walk to work. Thus, providing easy access the Limelight Hotel, as well for the international workers, who did not have vehicles.

The LTL was also used to house a YMCA intern for several weeks while he waited for other suitable housing to come available. As well as a US Bank employee recruited to the north valley bank location, waiting for her permanent housing option to come available.

STAFF DEVELOPMENT ACTIVITIES

Bobbi Bellow, Acting Director

- January 12th - The Housing Counselor's Corner's HUD Housing Counselor Certification Final Rule Overview - Webinar
- January 25th - Idaho Real Estate Commission Exam - Boise
- January 25 - The Housing Counselor's Corner's Housing Affordability - Webinar

INTERNAL AND BOARD ACTIVITIES

Initiated Social Media campaign, hired Tara Bell as consultant for providing content and postings to BCHA's FaceBook profile and Dark to Light Productions for generating and producing short videos to add to postings. An average of 12 postings per month have increased our exposure and we are now reaching up to 1500 people when we post a new video, and roughly 300 people view the BCHA FaceBook page when we post photos or text. With the video postings, we are engaging 800 viewers 15-20 seconds per viewing time. All this translates into more exposure for BCHA and a broader reach within Blaine County to inform residents about BCHA and its program. Our highest current viewer is between 55-65 year of age, 70% are women and 65% of page "likes" live in Hailey.

Hired Administrative Assistant, Emily Schow on January 23rd.

Adopted policy to establish Simple IRA retirement plan for BCHA full-time salaried employees.

Received, reviewed and filed BCHA audited financial statements for FY 2016.

Re-appointed City of Ketchum BCHA board commissioner, Erin Kelso for another 5-year term.

Reviewed and discussed BCHA FY 2017 Budget DRAFT.

BCHA board's Hiring Committee engaged Jivaro Professional Headhunter company to recruit candidates for vacant Executive Director position.

ACTIVITIES WITH STAKEHOLDERS

ARCH Community Housing Trust

Completed IHFA Management Agent Questionnaire, Affirmative Marketing Plan, and Pre-Application, House Rules, Tenant Eligibility Procedure, Rent Collection Policy and Tenant Lease Agreement forms for ARCH's Shenandoah 2 Homes grant proposal.

Assisted ARCH board member with information regarding BCHA's database applicant demography for newspaper article submission.

Vetted applicants for tenancy to the 6th & Oak Apartments under construction, prepared applicant files per HOME program requirements. Began moving in eligible applicants on March 31st.

Blaine County

BCHA communicated with the Blaine County Assessor's office to verify owner occupancy of current community homeowners.

City of Hailey

Provided the City of Hailey's Community Development Director, Lisa Horowitz additional items for their Land Use and Zoning list of tools to accomplish Community Housing goals.

Discussed the annexation to Hailey and how it will affect housing with the City of Hailey's Attorney, Ned Williamson.

City of Ketchum

Discussed a strategy to mitigate the cost of HOA dues for community housing homeowners with City of Ketchum's City Administrator, Suzanne Frick and the Planning and Building Director, Micah Austin. Agreed to adhere to HUD's housing costs guidelines when negotiating with HOA managers in order to keep HOA costs within community homeowner's affordability.

Assisted Genevieve Pearthree, hired to assist the City of Ketchum in analyzing the short-term rental market. Provided Genevieve with BCHA's current rental market data and answered questions regarding BCHA's role in providing Blaine County's workforce with rental assistance counseling.

Met with City Administrator, Suzanne Frick to discuss potential community housing acquisitions with use of City's In-Lieu fees, provide information regarding current usage of Lift Tower Lodge and discuss characteristics of BCHA's applicant database.

City of Sun Valley

The City of Sun Valley chose to close out its employee workforce housing rental units in the Elkhorn Springs complex, in order to sell the assets and provide a housing stipend for City of Sun Valley employees. BCHA provided property management services for the tenants during their occupancy.

BCHA meet with Jae Hill, City of Sun Valley's Community Development Director to discuss and draft policy for the City's new Employee Housing Stipend Fund. BCHA will provide the City of Sun Valley with housing counseling services to recommend those employees qualified as eligible for receiving the stipend.

DEVELOPMENT PROJECTS

Conversations with Brian Barsotti regarding Warm Springs project; density issues.

Met with property owner in McHanville area interested in developing multi-unit project.

Discussions with Architects working to develop multi-unit complex in West Ketchum.

BCHA IN THE NEWS

2017-1-11, Mt. Express, [City of Sun Valley moves to auction off condos](#), Price set at \$450,000 per unit.

2017-1-6, Mt. Express - In other city business, Jonas appointed Director of Finance Grant Gager to the Mountain Rides Transportation Authority board, and reappointed Ketchum Urban Renewal Agency Commissioner Gary Lipton to a new three-year term. [She reappointed Erin Kelso to serve on the Blaine County Housing Authority.](#)

2016-11-30, Mt. Express, [Neighbors Push Back at ARCH Rezone Request](#), Housing trust requests land for affordable rental housing.

2016-11-18, Mt. Express, [Community Housing Plans are Shaping Up](#), ARCH presents preliminary plans for Buttercup Road development.

2017-2-1, Mt. Express, [Lawsuit aims to kill Ketchum's affordable-housing fee](#), City would charge developer \$840,000 in fees for downtown project.

2017-2-1, Mt. Express – [BCHA looks at housing details](#), Brief about BCHA's special meeting to review ARCH's presentation about Buttercup Road two-house unit scheduled to be built this spring near Agave Place residences.

2017-2-1, Mt. Express – [Housing Authority gets clean audit](#), Net position increases by nearly \$100,000.

2017-2-8, Mt. Express – [SVED pitches goal of 500 housing units](#), Forum puts spotlight on potential McHanville projects.

2017-2-17, Mt. Express – Committee favors rental assistance for city employees, Sun Valley may plug general fund revenue into housing.

2017-3-8, Mt. Express – City Council considers employee housing help, Sun Valley committee recommended setting up system.

2017-3-22, Mt. Express, Ketchum plans to spend \$782,000 on affordable rentals, City would acquire and rehabilitate rental units.

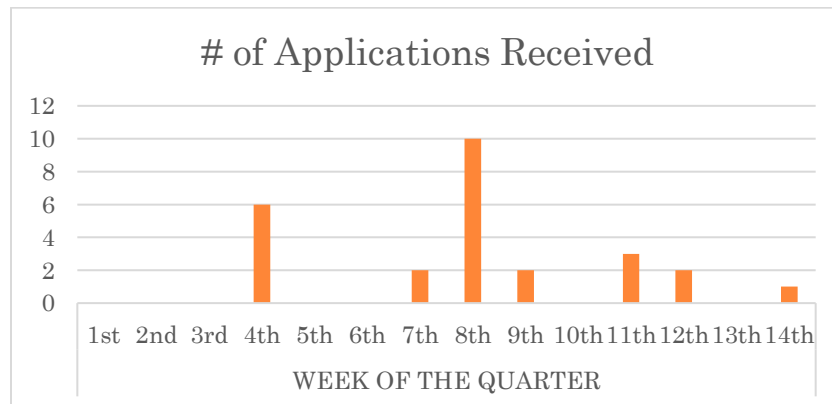
CHARACTERISTICS OF BCHA COMMUNITY HOUSING APPLICANTS

DATABASE ACTIVITY AND ANALYSIS

In January, BCHA began an audit of its community housing applicant database. The purpose of the audit was to determine the number of applicants remaining “current,” by providing BCHA with updated information within an 18-month period and those applicants that have not updated their information during the previous 18-months. Results from the audit, determined that forty-nine (49) of these households had information older than 18 months and therefore were deemed “inactive.” A letter asking for updated information was mailed to this group of applicants with an expiry date of May 1st. *Results of this inquiry will be included in BCHA’s third quarter reporting.*

During the second quarter of FY 2017 the database increased to 126 individual households, from the previous quarter of 120 individual households.

The chart below represents twenty-six (26) individual household applications received during the quarter.



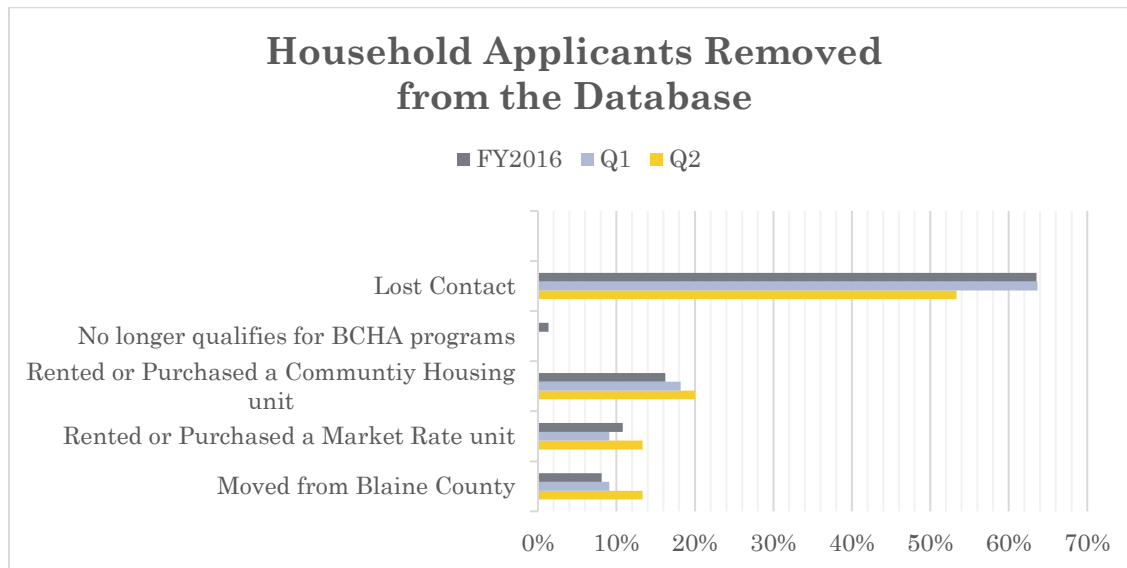
There were fifteen (15) individual households removed; with one (1) applicant having stayed at the Lift Tower Lodge temporarily, and then moving back to their hometown outside of Blaine County. This applicant is not counted as added or removed from the applicant database, but an applicant nonetheless.

Five (5) applicants in the database are actually housed in community housing as renters and are not reflected in the database count. In previous reportings they were removed from the applicant database as they moved into community housing rentals.

During the second quarter of FY 2017 fifteen (15) applicant households were removed from the database.

BCHA strives to continually understand the needs and characteristics of its applicant database. This understanding furthers our mission to “...to advocate, plan and preserve the

long-term supply of desirable and affordable housing choices... Equally important is analyzing “why” an applicant leaves the database. This section will illustrate recent trends for households exiting the database.



The predominant reason for removing applicant households from the database is when BCHA staff loses contact. Due in part to the transient nature of our resort community from one season to the next, but also from the physical man hours needed to continually contact each individual household on a regular basis. Staff experience has determined that it requires some form of contact with each applicant household every 90-days, in order for that applicant household to remain current in the database. With the present amount of staff, it is doubtful this reason for households being removed will diminish, although continued efforts are made to remain in contact with all applicant households current in the applicant database. Recent efforts during the 2nd quarter have yielded less applicant household removed than in the previous quarter and all of the last fiscal year.

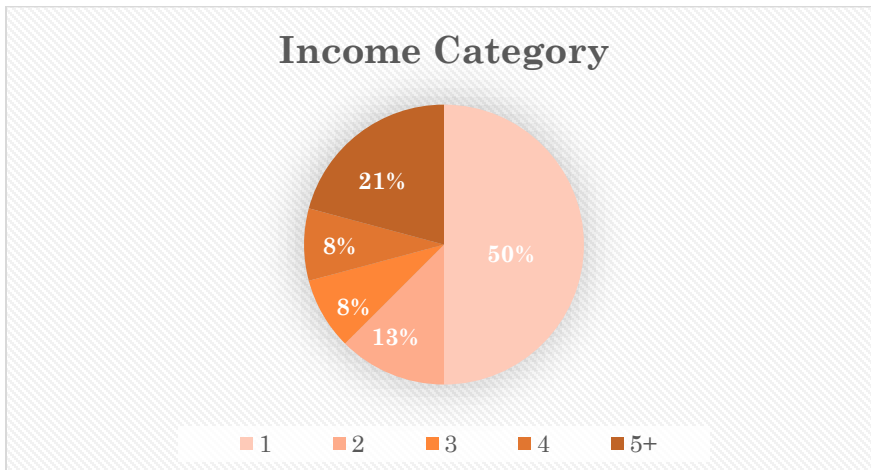
During this 2nd quarter there has been an uptick in the number of applicant households renting or purchasing community housing units as well as market rate units. Attributing factors are the 6 new rental opportunities brought to the community housing stock by ARCH Community Housing Trust, and the few higher income category applicant households choosing to venture into the market rather than wait for a suitable community housing opportunity to materialize.

Another upward trend is the number of applicant households leaving Blaine County. With the recent final exit of large employers, this trend is not unexpected.

NEW HOUSEHOLD APPLICANTS

This section will illustrate recent trends for new / newly added back households entering the database.

The following charts reflect the Income Category, Location and Type of community housing they are seeking for each ***new*** applicant household during the 2nd quarter of FY 2017.

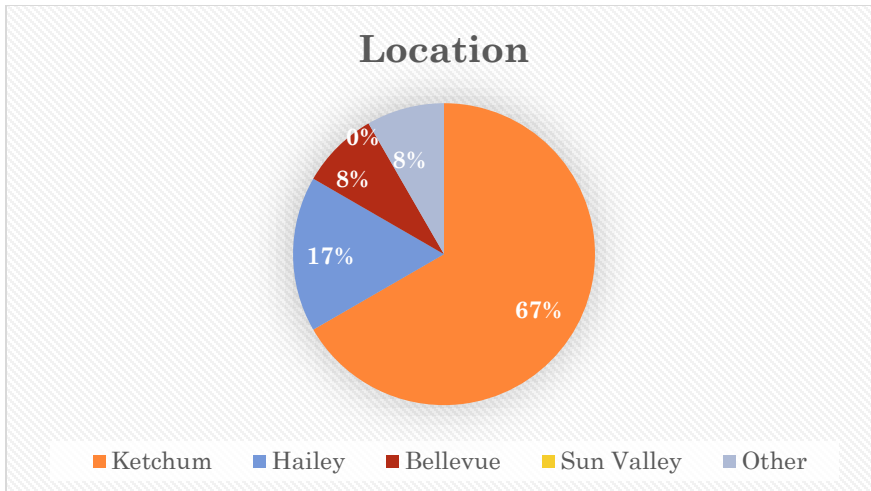


The highest influx (50%) of household applicants qualify as Income Category 1; *households earning up to 50% of the Area Median Income (AMI)*. The second largest percentage is for Income Category 5 or higher, earning 100% or more of the AMI.

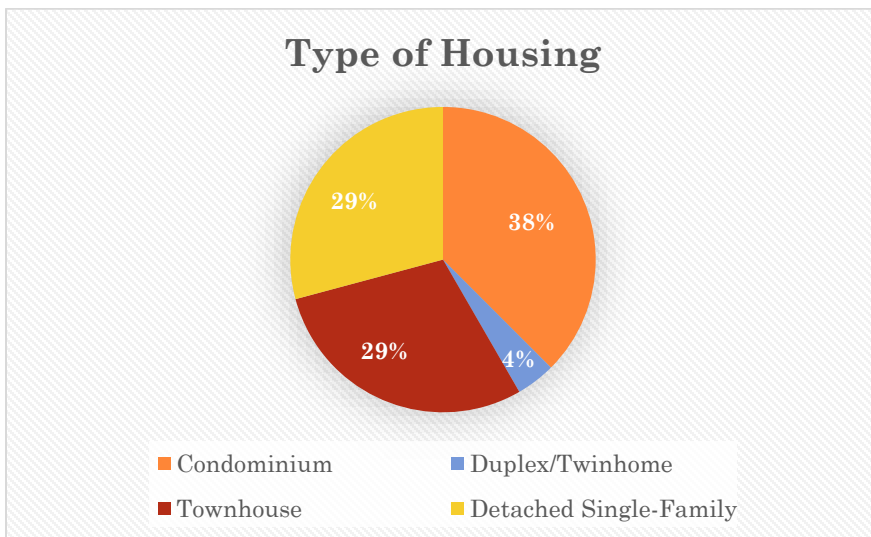
BCHA recently listed 3 community homes for sale, all of which were Income Category 4 units. Often when higher income category units are available BCHA recognizes an increase in higher income households applying to the program.

Conversely, when lower income category community housing units come available, BCHA receives a higher number than usual of lower income category household applicants. However, during this particular quarter BCHA did not have any lower income category housing units come available, therefore the dramatic increase to the applicant database of Income Category 1 households is a new trend.

BCHA looked at the stated employer of those income category 1 applicants, and discovered that the majority were service level workers who had applied and /or were hired by the Limelight Hotel. This fact further emphasized that Ketchum was their first preference area for housing. BCHA well understands that most workers choose their employer's location as their first preference for housing, in order to live close to work. The following chart illustrates this trend during the reporting period.



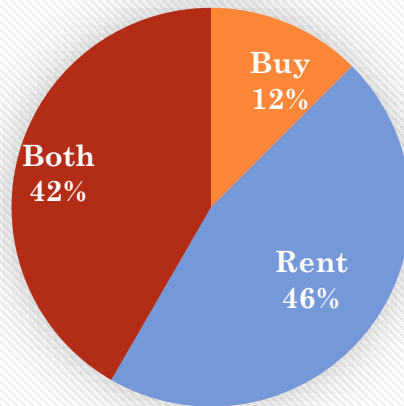
Once again, Ketchum is the dominant location choice for housing of the new applicant households in to the database. Other areas within Blaine County are increasingly requested, such as Picabo/Carey, Gannet and more rural areas of southern Blaine County.



Types of housing choices are fairly evenly preferred. Not surprising that larger households prefer larger housing types, such as Townhomes and Detached Single-Family homes. Duplex/Twinhome type of housing is a misunderstood housing term, and BCHA is looking at other defining terms more familiar to applicants, to describe this type of housing preference. The term duplex seemingly has a negative connotation and applicants rarely choose this housing type. BCHA will be updating its application form this year, and will begin using in January of 2018.

This quarter’s new applicant preferences, demonstrate a swing toward more households choosing “rent” as their preferred option. The charts and descriptions on the next pages proves this point.

New Applicant Preferences



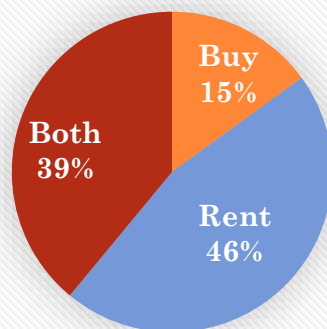
Since September of 2014 the Rental only choice had been decreasing, now it is beginning to show signs of increasing, and is a trend BCHA will watch for the remainder of this fiscal year.

	Sep 2014	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017
Rent	41%	75%	34%	72%	73%	74%	34%	37%	40%	8%	46%
Buy	27%	25%	28%	13%	10%	13%	28%	23%	22%	50%	12%
Both	28%	0%	38%	15%	17%	13%	38%	40%	38%	49%	42%

Only reporting the number by which the database increases or decreases does not accurately reflect the amount of movement there is in the database from one period to the next. The following sections will impart demographic information about the database as a whole.

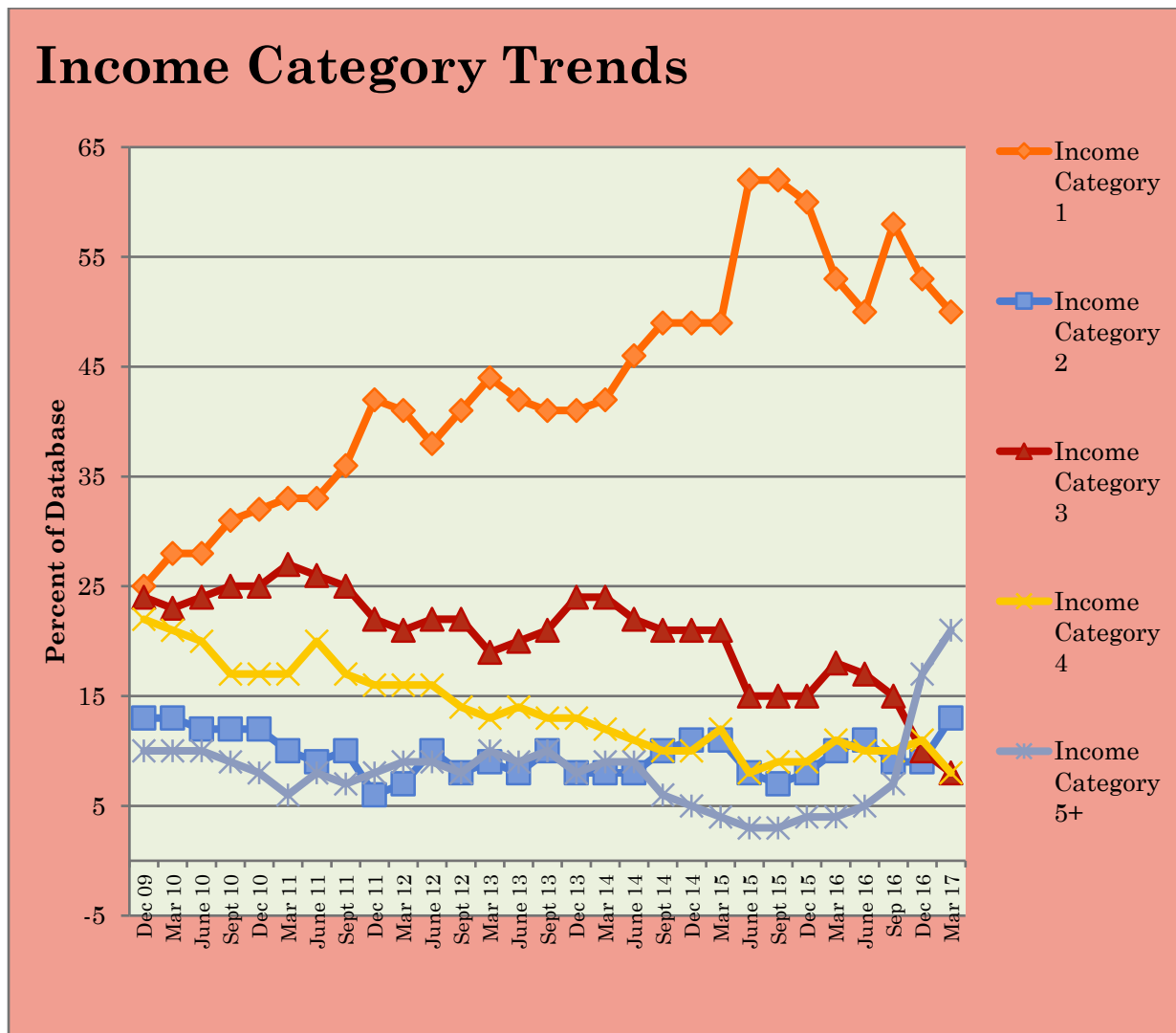
When comparing the new applicant household preferences to the entire database household preferences. The percentages for households choosing to Rent, Buy or Both options are similarly ranked. The chart below illustrates applicant preferences, as of March 31st, for all database applicant household's preferences.

All Applicant Preferences



Analysis of data, helps BCHA note fluctuations and movement amongst Income Categories, Locations, Types of housing desired and whether or not applicants wish to purchase, rent or wish to be notified of both rental and purchase opportunities, in order to identify trends. BCHA will then be able to advise our affordable housing development partners and our local jurisdiction stakeholders with sound, affordable housing development and policy advice.

The chart and narrative below will look at the applicant database as whole, and compare movement within the applicant database to previous reporting periods and discuss trends.



This chart represents the percentage of applicant households in each Income Category (IC) since December 2009.

While the number of IC-1 applicants has risen dramatically since December of 2009, it seems to have peaked in June of 2015. The beginning of this fiscal year saw a small upward spike for this income category, but during the past 2 quarters the downward trend continues. This income category remains the largest represented income category and the least served with

available housing stock. As noted in previous reporting, most resort jobs are low income and resort businesses rely heavily on the labor of low income households.

IC-2 and IC-5+, are demonstrating an upward trend since the beginning of this fiscal year. Due in part to the three (3) higher income category community home resales, mentioned earlier in this report.

A troubling trend is the continued decline in the number of IC-3 and IC-4 applicants. This dwindling amount of IC-3 and IC-4 households is cause for concern.

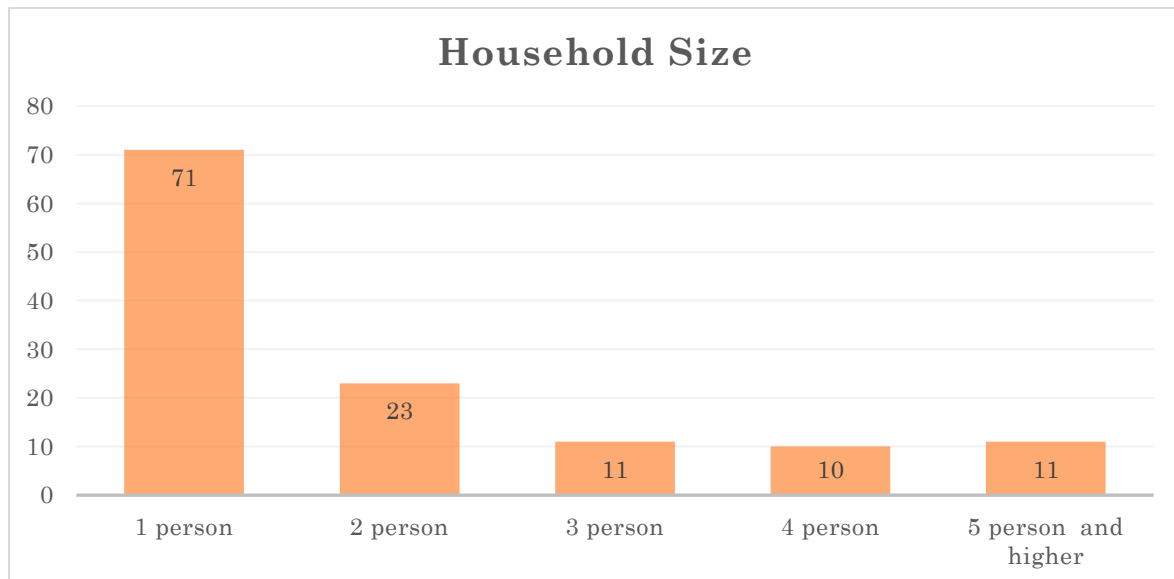
IC-3 and IC-4 households earn 60% to 100% of the AMI and are considered potential candidates for homeownership in a fairly short period of time. Many of these applicant households can be housing counseled and readied for homeownership within a fairly short period of time, generally within a year or two.

A main reason for concern is when currently owned community homes come available for purchase, the database will not have enough ready and willing applicant households to consider for the resale process.

BCHA is looking for ways to market to this income category household. Without a concerted effort to engage this demographic of the Blaine County workforce, BCHA staff will be burdened with looking outside the applicant database to find eligible buyers for community homes.

HOUSEHOLD SIZE

Again, since the previous reporting period, singles are the largest portion of household size in the database.

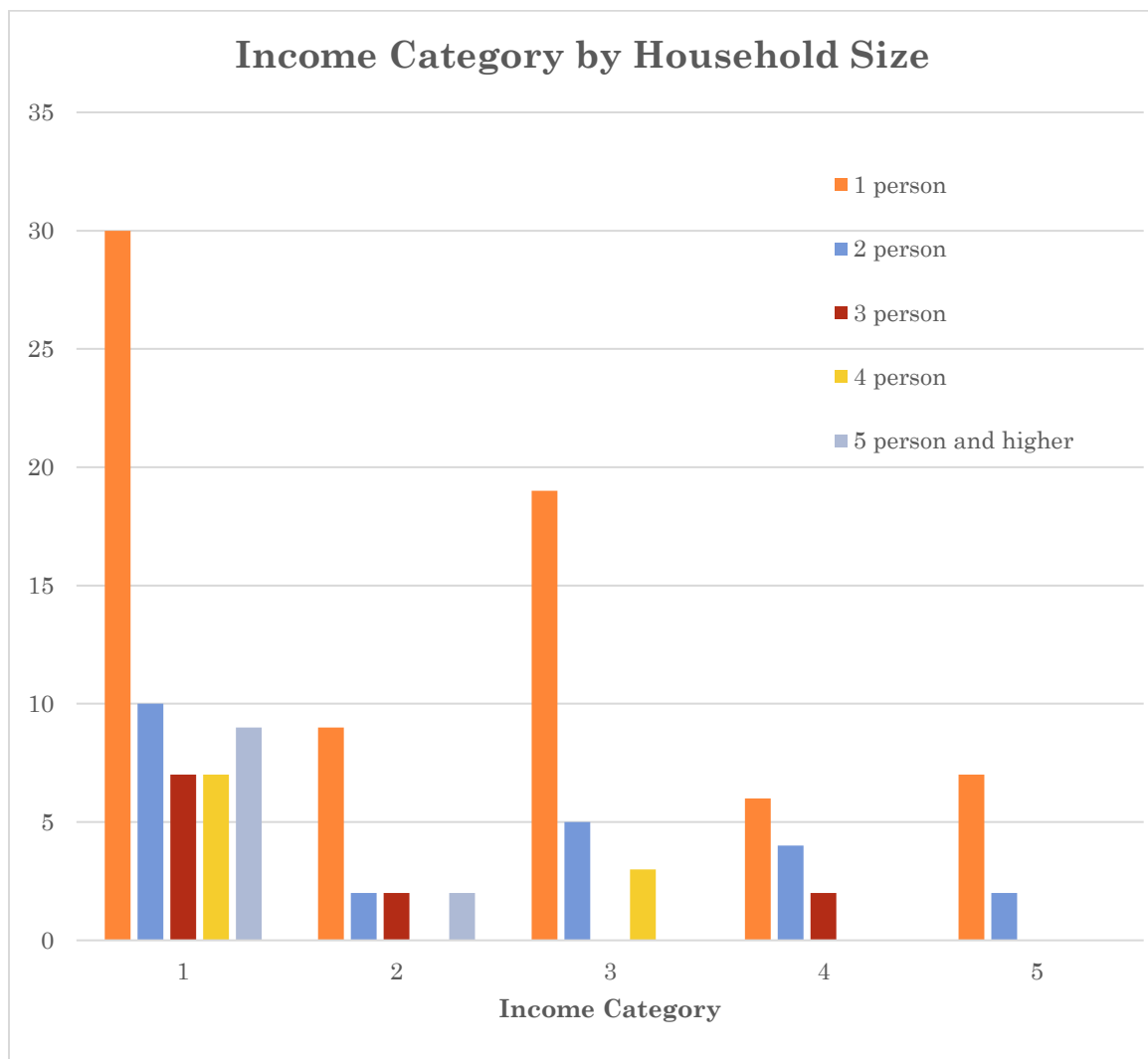


The numbers from the last quarter to this quarter end, are relatively consistent after seeing a reduction in the number of one-person households and an increase in the 3+ person household since fiscal year 2013, as demonstrated below.

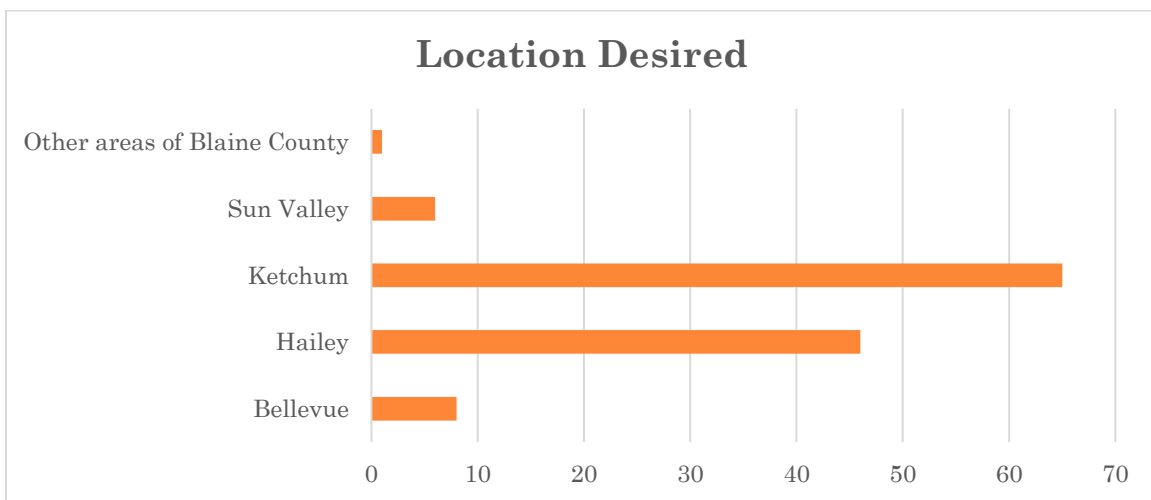
	One Person	Two Person	Three+ Person
FY 2014	61%	19%	21%
FY 2015	52%	21%	27%
FY 2016	52%	23%	25%
FY 2017-Q1	53%	22%	25%
FY 2017-Q2	57%	18%	25%

One person households seem to be increasing since the beginning of this fiscal year, a trend BCHA will be monitoring more closely, now that the upward trend has emerged.

This quarter’s distribution of the 126 applicant households in the database, currently is illustrated in the following chart. Each household’s size is represented relative to the income category of the household.



The following two charts illustrate the correlation of where an applicant household’s primary applicant employer location is, with regards to its preferred choice for location of housing.

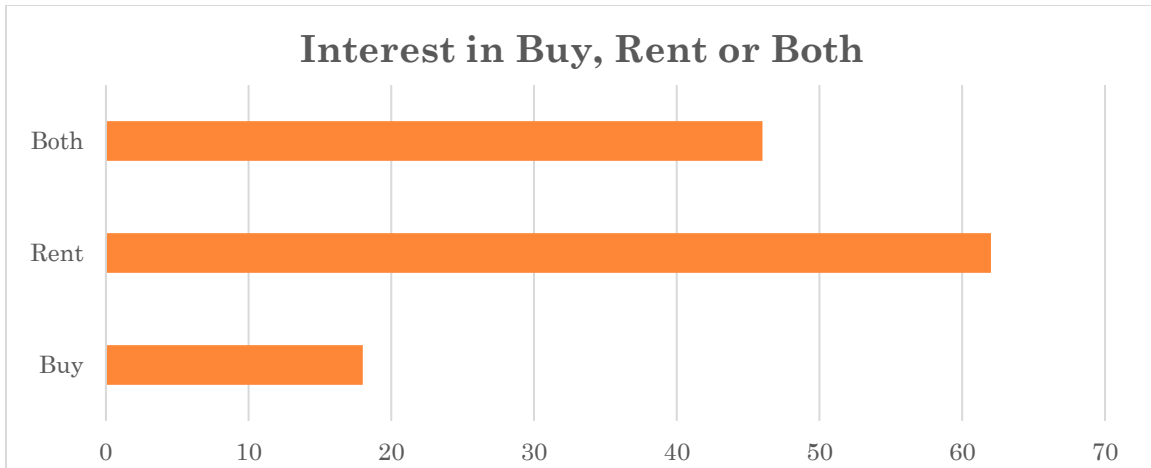


Ketchum is the dominant employer location, thus the dominant preferred choice for housing location.

The majority of household applicants choose, as their preferred choice to live, the same location as their employer.

An exception to this, are those whose employer’s location is Sun Valley. Often this is because a family whose primary household applicant may work in Sun Valley, the family prefers to live in Ketchum or in the lower valley.

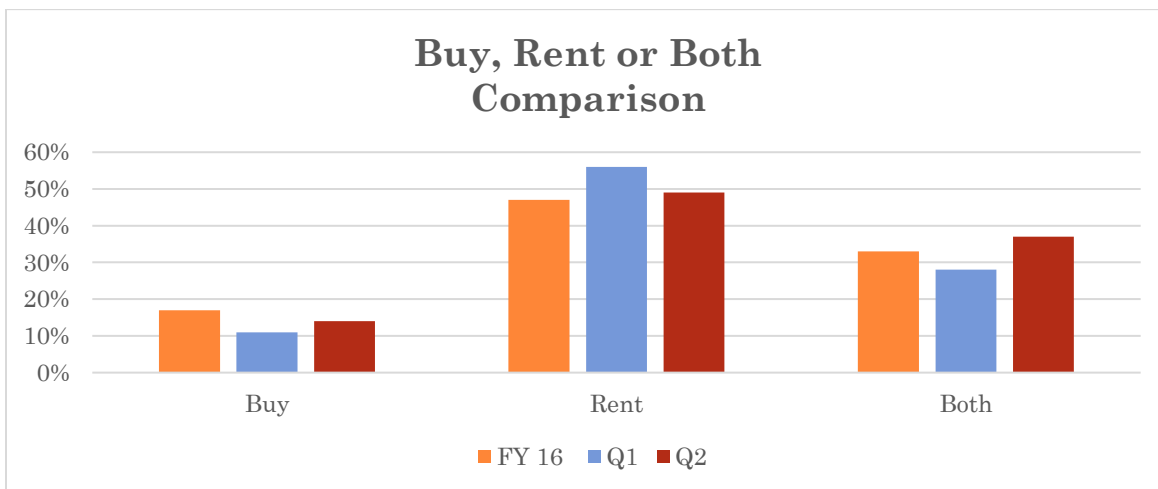
Proximity to schools is a major factor when families choose a location for housing.



The chart above shows the number of household applicants, for the second quarter, who are interested in buying, renting or either buying or renting a community housing unit.

Compare this data to the 2016 fiscal year end and FY 2017 first quarter data, you will see there is a slight fluctuation in the amount of housing applicants considering buying or wanting to be notified of either a rent or purchase opportunity.

With the current economic state of the county strengthening, somewhat, and the housing market seeing a decrease in inventory for both rental and purchase options, the applicant database is beginning to show signs of reaching more candidates for options to purchase community housing. As the fiscal year comes to a close, BCHA will provide more analysis on the current housing market.



In summation, BCHA continually tracks demographics and preferences of the applicant households in the database, continually updating relevant and pertinent information uncovered about the needs of the Blaine County workforce.

Reporting on the trends that may emerge, and actively sharing this information with policy makers, developers and the community at large, is our primary goal of the reporting process.

We feel imparting this statistical information will help the most, to best meet the needs of the community's workforce.

The summary of the data above and the data cited throughout this report clearly demonstrates BCHA's positive impact on behalf of the Blaine County workforce and its employers. Demand for our services is apparent in every measurable way. The numbers speak for themselves:

- 108 Community Homes in our stewardship; 88 ownership units & 20 rental units
- 126 active applications, representing 241 individuals
- 26 individual Housing Counseling session, this quarter alone; 169 individual Housing Counseling sessions since BCHA began offering the service in December of 2015
- Seven (7) volunteers from the community at large that serve as board members

Despite a current staff of one full time salaried employee and a full-time hourly employee BCHA continues to maintain a high level of service, with extreme care toward personal customer service and discretion toward the many applicants, renters, and homeowners we serve and steward.

Like all non-profit organizations working with a small budget and limited resources, more resources would allow BCHA to have a bigger impact with more resources.

Quantifying the financial and social benefits BCHA provides the community, is hard. Staff and board know that there are 108 and families living in Community Housing that would not exist without BCHA and our partners. Families living in these community homes are the backbone of the Blaine County economy.

It is my sincerest hope, that BCHA's present stakeholders, community partners, and the residents of Blaine County will continue to support our mission to "*advocate, promote, plan, and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse, vibrant, and sustainable community.*"

Respectfully Submitted,

Bobi Bellows

Bobi Bellows, MA GPC
Acting Director