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Section 6. Developing Community Housing

Developers are required to contact BCHA and the local planning staff early in the conceptual stages of a development to determine how Community Housing obligations shall be met and/or the amount, size, type, and Income Categories of Community Housing and/or Employee Housing that are recommended for inclusion in the developer's Community Housing Plan. BCHA is interested in discussing with developers options that may benefit both the developer and the community. The final requirements for inclusion in the Community Housing Plan will be decided by the jurisdiction granting the development permit.

BCHA recognizes that non-profit organizations including Community Land Trusts and Community Housing Development Organizations (CHDO) are able to significantly leverage housing dollars thereby making it possible to construct or acquire more, and in some cases more appropriate, Community Housing, than private developers. As such, the conveyance of land and/or monetary funding by private developers are considered favorable methods of meeting Community

Housing obligations. All methods shall be considered for developments on a case-by-case basis. For more details, see Section 6.8 below.

A. Priorities for Community Housing.

The priorities set forth below are intended to serve as a guide to members of the development community, elected and appointed officials, planning and building department staff, and BCHA staff. BCHA remains flexible in its approach to providing Community Housing and Employee Housing, but not at the expense of listed priorities being ignored or not given due consideration.

1. The intent of BCHA is not to build one or two large complexes to accommodate the needs of the area's workforce, but to provide human-scale communities. Community Housing should be constructed with the intent to create, preserve, and maintain a sense of community. For example, where a development contains Community Housing, the Community Housing component should generally be dispersed throughout the market rate homes rather than concentrated in one specific portion of the development. The location of Community Housing should be balanced with the transportation, environmental, recreational, economic, and social needs of the overall community.
2. General priorities for preferred Community Housing types, sizes and location will be based on need as evidenced by ongoing assessments and the Applicant Database characteristics. BCHA remains responsive to market fluctuations, economic factors, and jurisdictional needs.
3. The pricing of Community Housing should reflect not only the need for affordable housing, but also the relative difficulty in producing such housing in Blaine County. In most cases, the respective City Council or the Blaine County Commissioners render the final decision on the Income Categories and prices for Community Housing. BCHA will recommend the average Income Categories for Community Homes in different areas of Blaine County in order to provide assistance to decision-making bodies.
4. The characteristics of the Applicant Database, published in BCHA's quarterly reports, will be used to determine the demand for various types of Community Housing within the community housing market. (Quarterly reports are available on BCHA's website).
5. Land Use Considerations. Developments should be compatible with present land use and zoning codes. Areas of high priority include:
 - (a) Sites adjacent to or near existing incorporated cities or unincorporated villages;
 - (b) Lands within municipal areas of impact;

- (c) Sites that are adjacent to or that are zoned for residential use; and
 - (d) Development proposals with the potential to serve existing and newly developing commercial, service or industrial areas.
6. Transportation/Access. Sites should be developed with present and future public transportation systems in mind and should have relatively easy access to existing arterial and collector routes and systems.
- (a) Priority for Community Housing should be given to sites that provide access to existing and/or proposed future busing, including school busing, Blaine County multi-use path system, and the regional public transportation system.
 - (b) Developments that offer easy vehicular access to Highway 75 via existing connection nodes are encouraged.
7. Developments within incorporated cities will not be required to have direct access to arterials or collectors. Pedestrian access and public transit access to job centers will be of greater emphasis in these areas.

B. Integration of Community Housing

Where Community Housing is to be provided on site, BCHA prefers Community Housing be fully integrated into the market rate homes. BCHA does not require that developers provide Community Housing in locations which could provide the developer the opportunity to maximize the sales price of market-rate housing, e.g. on top (penthouse) floors or building orientations that provide exceptional views; however, Community Housing should be spread among different floors and various orientations.

Within developments primarily targeting the second-home market, (e.g. time-share or fractional ownership homes), BCHA may recommend grouping Community Housing in order to foster a sense of community among the full time, working residents. Grouping of Community Housing may be allowed in single-family plats, provided that such grouping furthers the objectives of BCHA, preserves the sense of community, or meets other objectives of public benefit.

C. Community Housing Plan

Developers proposing to develop Community Housing or Employee Housing are required to submit a Community Housing Plan to BCHA for review and approval. It is strongly recommended that the planning staff having jurisdiction direct the developer to meet with BCHA staff to discuss the community housing requirements prior to making a written submittal for approval. BCHA will, upon approval of the Community Housing Plan, forward its recommendation together

with a copy of the Community Housing Plan to the appropriate planning and zoning body for consideration.

1. **Housing to be constructed by developer.** The required elements of a Community Housing Plan where housing is to be constructed on or off site by the developer include the following, with suggested timeline for submittal:

(a) **Submit prior to or concurrent with application to jurisdiction.** These items are necessary for BCHA review and comment, which is required before the application is considered complete by the jurisdiction:

- i. **Requirement Calculations.** Calculations determining the Community Housing Units that indicate each step of the calculation, per jurisdiction's ordinance.
- ii. **Method.** The method by which Community Housing Units (or alternatives) are to be provided.
- iii. **Analysis of Standards.** A written description of how the application meets the standards set forth in BCHA Guidelines.
- iv. **Location:** Identify the location of the proposed development.
- v. **Site Plan:** Identify location (at least approximate location) of Community Housing within the proposed development.
- vi. **Community Housing Type, Range of Sizes, and Parking:** Identify home types (condo, townhouse, single family detached), range of sizes, and whether covered parking will be provided.
- vii. **Income Categories:** Identify the Income Categories of each of the proposed Community Homes by type and size. (Range of pricing will be discussed by BCHA and developer.)
- viii. **Delivery Schedule:** Provide the anticipated delivery schedule of the market rate, Community Housing, and Employee Housing.

(b) **Prior to jurisdiction approval of the development:**

- i. **Floor Plans and Building Elevations:** Provide floor plans and typical building elevations for market rate, Community Housing, and Employee Housing.

- ii. **Construction Standards:** Provide a general description of the proposed home finishes, appliance and carpet grades for the housing. BCHA minimum standards and specifications may be viewed on BCHA's website or by request.
- iii. **HOA Assessments:** Provide information regarding regular and special assessments for Community Housing and identify how these will be capped or otherwise kept affordable.
- iv. **Draft CCR's (or Rules and Regulations for rental properties):** Provide draft CCR's (or Rules and Regulations) that include provisions for maintaining affordability of Community Homes (e.g. Assessments) and that require BCHA approval of any amendments to these documents with respect to Community Housing provisions.

(c) Prior to issuance of building permit:

- i. **Pricing:** Provide the proposed sales prices/ rental rates of each Community Home by type, size, and Income Category. (Pricing should not be determined for units that may be delivered more than one year out, due to changes in Area Median Income.)

2. Conveyance of Land or Fees In Lieu of Development. The required elements of a Community Housing Plan where conveyance of land or fees in lieu are proposed shall be as determined by BCHA, but shall include at a minimum:

(a) **Requirement Calculations:** Calculations determining the number of required Community Housing Units that indicate each step of the calculation, per jurisdiction's ordinance.

(b) **In-lieu calculations:** Calculations determining the monetary amount of fees and/or land value that indicate each step of the calculation.

(c) **Location:** Identify the location of the land to be conveyed, if applicable.

(d) **Delivery Schedule:** Provide the anticipated delivery schedule of land and/or fees.

3. Conveyance of Existing Housing In Lieu of Development. The required elements of a Community Housing Plan where conveyance of existing

housing in lieu of development are proposed shall be as determined by BCHA, but shall include at a minimum:

- (a) **Requirement Calculations:** Calculations determining the number of required Community Housing Units that indicate each step of the calculation, per jurisdiction's ordinance.
- (b) **In-lieu calculations:** Calculations determining the monetary amount of fees and/or land value that indicate each step of the calculation.
- (c) **Location:** Identify the location of the land to be conveyed, if applicable.
- (d) **Determination of Community Housing Type.** Identify whether existing housing will be offered for rent or sale to households in the Community Housing Database or if the property will be purchased by a landlord and offered as Community Housing for Rent.
- (e) **Delivery Schedule:** Provide the anticipated delivery schedule of land and/or fees.

D. Community Housing Development Agreement

Once a proposed development has received conceptual approval by the government having jurisdiction, BCHA will provide the government having jurisdiction a Community Housing Development Agreement (a sample of this form may be viewed on BCHA's website or by request) between BCHA and the developer for incorporation into its final approvals of the development. This Agreement shall be executed prior to the issuance of the first building permit for the development, or prior to final plat approval for residential subdivisions of land that do not include construction of dwellings.

E. Community Housing Minimum Livable Square Footage

In general, BCHA will not approve a Community Housing Plan that does not meet certain size minimums. Developers may choose to construct larger Community Homes but allowable rental and sales prices for such larger Community Housing may not exceed the maximum rates set by BCHA. **Table 6.1** sets forth the minimum net Livable Square Footage for each Community Home Type and Income Category.

Table 6.1 Minimum Livable Square Footage for Each Community Home Type

Community Home Type	Square Footage for Income Categories 1-3	Square Footage for Income Categories 4-9
Multifamily Apartments		
Studio	450	600
1 Bedroom	550	700
2 Bedroom	750	900
3 Bedroom	950	1100
Duplex/Townhome/Condo		
1 Bedroom	750	900
2 Bedroom	900	1000
3 Bedroom	1050	1150
Single family		
2 Bedroom	1050	1250
3 Bedroom	1150	1350
4 Bedroom	1250	1450

When required Community Housing is set out in “number of Community Homes,” those homes shall be of a size and type comparable to the market rate units in the subject development, unless smaller configurations reflect the needs of potential purchasers in BCHA Applicant Database. For example, if a developer of a condominium development constructs market rate homes with an average size of 2,000 square feet and is required to provide one Community Home, the developer may suggest that providing one (1) 850 square foot, one-bedroom Community Home and one (1) 1,150 square foot, two-bedroom Community Home instead of one (1) 2,000 square foot Community Home. This proposed housing “mix” may better serve the Community Housing need. The smaller Community Housing configurations may also allow the developer to better utilize the site and/or may provide a better ratio of sale price to construction cost. The decision to allow such trade-offs will be at the discretion of BCHA and subject to final approval by the governing body.

F. Income-Category Deed Covenant

1. The goal of BCHA is to ensure the long-term supply of desirable affordable Community Housing choices in all areas of Blaine County in order to maintain an economically diverse, vibrant and sustainable community. In order to ensure long term affordability of Community Housing, BCHA requires that an Income-Category Deed Covenant be recorded in the

official records of Blaine County for every Community Housing property so designated by BCHA.

2. The Income-Category Deed Covenant sets the maximum sales price and/or maximum rental rates for community housing and limits future appreciation of ownership units.
3. The Income-Category Deed Covenant (a sample of this form may be viewed on BCHA's website or by request) shall be recorded prior to the earlier of the issuance of the building permit or the recordation of the final plat for the subdivision in which the Community Housing is located.

G. Workforce Market Deed Covenant

1. BCHA encourages Community Housing that is price controlled by Income Category and by limited appreciation, both of which are limited by the Income-Category Deed Covenant in order to ensure affordability over the long term. However, BCHA has developed an alternative deed covenant, the Workforce Market Deed Covenant (a sample of this form may be viewed on BCHA's website or by request), in response to the City of Hailey's approval of developments to be offered to households with limited net worth who live and work in Blaine County. This alternative deed covenant allows Community Housing without limitations on pricing but with a defined "qualified buyer" profile.
2. BCHA will assist those jurisdictions utilizing a Workforce Market Deed Covenant by qualifying buyers in accordance with the definitions set forth in the governing Workforce Market Deed Covenant.
3. Since there is no history for predicting the preservation of long-term affordability under the Workforce Market Deed Covenant, BCHA considers its use a pilot project and will measure the results of its use over the next three to five years before recommending its use on future developments.

H. In Lieu Mitigation

1. Payments of fees in lieu of housing construction and/or the conveyance of land may be considered acceptable methods of meeting Community Housing obligations. Each development will be considered on a case-by-case basis and developers are required to contact BCHA early in the planning process to work together to achieve the most desirable and cost-effective outcome for the provision of Community Housing.
2. In some circumstances integrating Community Housing into the development may be inappropriate, impractical, and/or cause hardship to prospective owners or tenants due to several factors including, but not limited to:

- (a) Development location is distant from an urban center and/or an employment center thus creating the need for additional transportation to and from employment and essential services;
 - (b) Life and safety issues;
 - (c) Inappropriate zoning;
 - (d) Association fees and potential assessment fees that are not affordable for the income categories targeted for the development;
 - (e) High density of affordable housing in the area;
 - (f) Development location is within the 100-year floodplain as defined by Federal Emergency Management Agency (FEMA).
3. When Community Housing is a condition of development approval by governmental jurisdiction(s), it is the policy of BCHA that those housing obligations be met by one of or a combination of, the following options, as recommended by BCHA on a case-by-case basis:
- (g) On-site construction, integrated into the development and in accordance with the provisions of this Section 6.
 - (h) Off-site construction, pursuant to Section 6(I) below.
 - (i) Conveyance of land, pursuant to Section 6(J) below.
 - (j) Payment of fees, pursuant to Section 6(K) below.
 - (k) Conveyance of previously owned/occupied housing.

I. Off-Site Construction Option

1. The number of Community Homes constructed off site should be calculated at 100% for the Community Homes that would have been provided on site in the development.
2. The land use considerations set forth in Section 6(A) should be applied.
3. There is a preference that the off-site Community Homes be located within the limits of the jurisdiction approving the development.
4. The development of the off-site Community Housing must be delivered concurrently and in same ratio as the delivery of market rate units.

J. Conveyance of Land Option

The conveyance of land is an alternative method of meeting Community Housing obligations.

1. In order to fully protect the land conveyed as a community asset, the land shall be conveyed to the approving jurisdiction or to BCHA.
2. The land to be conveyed may be part of the development site, or in an alternate location preferably within the same jurisdiction. An alternate site must meet the requirements of the approving jurisdiction and be suitable for the development of Community Housing.
3. The land must be appropriately zoned under applicable local law so as to permit the construction of both the required number and/or type of Community Housing plus sufficient market rate units to create a mixed-income and mixed-type development.
4. The land use consideration set forth in Section 6(A) should be applied.
5. There is a preference that the land conveyed for Community Housing be located within the jurisdiction approving the development.
6. In order to qualify as an acceptable in lieu mitigation, the land must be fully developable with roads, water supply, sewage disposal, and other basic services readily available. A soils report or other necessary reports may also be required, addressing whether the land is suitable for the type of construction contemplated and identifying any special construction techniques which may prove necessary for its development.
7. The land must have a fair market value at least equal to the in lieu fee amount calculated according to the formula contained in the codes and regulations of the applicable jurisdiction. This amount should be established at the time of preliminary plan approval. Fair market value shall be established, at the developer's expense, by a licensed professional real estate appraiser acceptable to the local jurisdiction. Fair market value shall be net of any customary real estate commission for the sale of land.
8. The conveyance of the land shall occur according to the delivery schedule as set forth in the Community Housing Plan, provided however that financial surety is in place prior to issuance of the first building permit for the development, or prior to final plat approval for residential subdivisions of land that do not include construction of dwellings.

K. Lieu Fees Option

The payment of fees in lieu of housing construction is an alternative method of meeting Community Housing obligations.

1. Pursuant to applicable land use and zoning codes and ordinances, a developer and may satisfy the Community Housing requirement by payment of an in lieu fee. Acceptance of the in lieu fee shall be at the sole discretion of the respective governing body and in consultation with BCHA. Any such fees shall be paid according to a schedule as set forth in the Community Housing Plan, provided however that financial surety is in place prior to issuance of the first building permit for the development, or prior to final plat approval for residential subdivisions of land that do not include construction of dwellings.
2. All in lieu payments shall be made by the participating developer to the approving jurisdiction to be held in a fund dedicated to the development and administration of Community Housing or shall be paid into the local housing trust fund administered by BCHA.
3. The method for calculating the in-lieu fee shall be determined by the jurisdiction in consultation with BCHA.

L. Conveyance of Previously Owned/Occupied Housing Option

Because of the potential for increased maintenance risks and costs associated with previously owned or occupied dwelling units, the potential inability to amend CCRs already in place, BCHA recommends that jurisdictions exercise due diligence when such units are proposed to satisfy Community Housing obligations. Each proposed conveyance of Previously Owned/Occupied Housing will be analyzed and considered on a case by case basis.

1. The land use considerations set forth in Section 6(A) should be applied where applicable.
2. All previously owned/occupied housing proposed as Community Homes should be located within Blaine County.
3. There is a preference that the previously owned/occupied housing proposed as Community Homes be located within the limits of the jurisdiction approving the development.
4. The delivery of the previously owned/occupied housing proposed as Community Housing should be delivered concurrently and in same ratio as the delivery of market rate units, or in a schedule as set forth in the Community Housing Plan.
5. A home inspection must be conducted by a certified home inspector, selected by BCHA, at the sole cost of the developer. All recommended repairs and/or upgrades should be completed at the sole cost of the developer to ensure that the home is in good and safe condition. The home should meet the minimum construction standard set forth in BCHA's

Minimum Construction Standards (available on BCHA's website or by request) to the extent feasible.

6. The developer shall ensure that HOA regular dues and special assessments shall be capped to ensure the affordability of the home. If existing CCR's require amendment for such provisions, the jurisdiction shall require such amendments to be completed prior to approval. The cost of amending CCR's shall be paid for by the developer.
7. The developer should establish and provide initial funding for a capital reserve fund, as appropriate, to ensure that money will be available for future capital expenses related to the home.

M. Development of Employee Housing

1. In those instances where Employee Housing is required by the local jurisdiction, BCHA has developed criteria for housing types, design, and Income Categories. It is envisioned that Employee Housing will be provided by an employer on a rental basis. To ensure continued affordability of the Employee Housing, permanent covenants running with the land that will restrict rents to prescribed Income Categories should be recorded prior to the issuance of the certificate of occupancy. The covenants will allow for periodic Income Category adjustments based upon a clear showing that an adjustment is justified based upon the current employee profile. Such covenants should be reviewed and approved by BCHA.
2. In order to promote healthy living conditions for employees and cultivate long term employment, there is a strong preference for Employee Housing containing 1 bedroom and 1 bath or 2 bedrooms and 2 baths with rent levels based upon Income Categories 2-3, unless and to the extent that the employer can show that more highly compensated employees will occupy the Housing.
3. Employee Housing Minimum Livable Square Footage. In general, no Employee Housing should be accepted for development which does not meet certain size minimums. Table 6.3 sets forth the allowable minimum Livable Square Footage recommended for each Employee Home type and Income Category.

Table 6.3 Minimum Livable Square Footage for Employee Housing

Employee Home Type	Square Footage for Income Categories 1-3	Square Footage for Income Categories 4-6
Multifamily Apartments:		
Studio	400	600
1 Bedroom	550	700

2 Bedroom	750	900
3 Bedroom	950	1100

N. Design Criteria for Employee Housing

All Employee Housing designed to accommodate roommates should provide separate closets for each occupant. BCHA recommends that studios should be limited to one occupant. Each bedroom should be sized to accommodate sleeping arrangements for two unrelated adults and should contain, at least, one window, a door and closet(s). Each Employee Home should contain adequate storage space for bicycles, skis, camping gear, etc. Dishwashers, garbage disposals, self-cleaning ovens, frost-free refrigerators, sound insulation, efficient heating system, and internet service are highly recommended. Individual utility metering is encouraged to discourage excessive usage and waste. Whenever possible, individual outside entries should be provided without the use of a common hallway. Adequate onsite parking should be based upon the employee profile provided by the operator.

O. Location of Employee Housing

The development of Employee Housing is preferred near the employment site and, where site conditions permit, on the employment site.

P. Employee Qualification

When the approving jurisdiction appoints BCHA to manage or monitor the Employee Housing, employees selected or designated to occupy Employee Housing shall meet the income qualifications of BCHA. Monthly Gross Rental Rates shall not exceed either the current published maximum gross rental rates for each Income Category published by BCHA or greater than 30% of an employee's income. BCHA shall periodically monitor employee qualifications and rent levels to ensure compliance with these Guidelines.

Q. Administration Fees

BCHA may charge the operator of the employment center and the Employee Housing a reasonable fee annually for monitoring compliance with the Employee Housing program.

R. Building Code Compliance and Inspections

1. All new Community Housing subject to a deed covenant must be in a marketable condition and comply with the applicable building code and with all rules, regulations, and codes of all governmental utilities and agencies having jurisdiction.
2. The determination of whether a Community Home is in "marketable" condition shall be at the sole discretion of BCHA

3. Prior to sale, all Community Housing must be inspected and approved by a certified building inspector, architect, engineer, or other professional approved by BCHA for compliance with the Development Agreement and the Community Housing Plan.
4. Cost of such inspections shall be the responsibility of the developer, and the results of such inspection must be approved by BCHA.
5. Developers must correct punch list items promptly and cooperate fully with BCHA and the Buyer in resolving construction deficiencies and warranty items.

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