

**MINUTES OF THE JOINT WORKSHOP FOR THE PLANNING AND ZONING COMMISSIONS OF
CITY OF COEUR D'ALENE, CITY OF HAYDEN, CITY OF POST FALLS, CITY OF RATHDRUM, CITY OF ATHOL,
AND KOOTENAI COUNTY
KOOTENAI COUNTY ADMINISTRATION BUILDING, 451 N. GOVERNMENT WAY, ROOMS 1A AND 1B
NOVEMBER 10, 2022
5:30 PM**

The Planning & Zoning Commissions of Kootenai County, Coeur d'Alene, Hayden, Post Falls, and Rathdrum convened for a multijurisdictional workshop to learn about the Regional Housing & Growth Issues Partnership (RHGIP) efforts, explore possible tool kit solutions, and have an open dialogue.

The following P&Z Commission Members were in attendance:

Coeur d'Alene

Tom Messina, Chair
Jon Ingalls, Vice-Chair
Lynn Fleming
Peter Luttrupp
Sarah McCracken
Phil Ward

Hayden

Keith Gibson
Mary Howard

Post Falls

Ryan Davis, Chair
James Steffensen
Vicky Jo Carey
Nancy Hampe

Rathdrum

John Lamb

Kootenai County

Madeline David, Vice-Chair
David Dean

Commission members not in attendance: Brinnon Mandel (CDA), Alan Davis (Hayden), Shawn Taylor (Hayden), Brandon Bemis (Hayden), Benjamin Prickett (Hayden), Ray Kimball (Post Falls), Ross Schlotthauer (Post Falls), Kevin Ward (Post Falls), Lacey Schwab (Rathdrum), Nina Burns (Rathdrum), Larry Vandenburg (Rathdrum), David Levine (Kootenai County), Deborah Rose (Kootenai County), Cheri Zao (Kootenai County), Barry Stearns (Kootenai County), and Paul Glader (Kootenai County).

RGHIP Members Present:

Hilary Patterson, Coeur d'Alene
Sean Holm, Coeur d'Alene
Bob Seale, Post Falls
Jon Manley, Post Falls
Donna Phillips, Hayden
Melinda Lee, Hayden
David Callahan, Kootenai County
James Casper, Habitat for Humanity
Maggie Lyons, Panhandle Area Housing Alliance (PAHA)
Greta Gissel, CDA 2030
Victoria O'Banion, Manufactured Home Park Task Force
Melissa Cleveland, Welch Comer Engineers

Council & other Community Leaders Present:

Ed dePriest, Hayden Councilperson
Woody McEvers, Coeur d'Alene Councilperson
Troy Tymesen, Coeur d'Alene City Administrator
Field Herrington, Post Falls City Attorney
Randy Adams, Coeur d'Alene City Attorney
Lori Yarbrough, Athol Clerk

Bill Hill, Mayor Athol
Jeanette Kramer, Athol Councilperson
Tony Berns, ignite cda
Joe Johns, Post Falls URA
Aaron Bradley, NIBCA
Scott Krajack, NIBCA

WORKSHOP:

Opening Remarks (Kiki Miller, City of Coeur d'Alene Councilmember): Ms. Miller welcomed the P&Z Commissioners and other community leaders present and explained the goals of the meeting, as follows:

- To provide a summary of work-to-date and build upon the presentations that were made to each commission earlier this year
- Learn more about the next steps of the RHGIP
- Hear presentations on specific Solutions Toolkit items,
- Learn about housing solutions currently being utilized
- Ask questions
- Have the ability to engage in dialogue with one another

RHGIP Background & Current Efforts

Ms. Miller started with a presentation explaining the background of the Regional Growth and Housing Issues Partnership (RGHIP) over the past year and a half.

Greta Gissel (CDA 2023) discussed data-driven solutions to discuss housing needs and the current mission is to address local worker housing. RHGIP was formed in 2021 and is a non-funded volunteer collaboration. More than 40 organizations are represented within RHGIP.

Ms. Miller explained that the workshop will focus on the toolkit that is on the website. There are also several volunteer subcommittees that are explained in more detail on the website. RHGIP surveyed citizen to determine priorities (approx. 3700 responses). Number 1 priority was preservation of open space on the prairie and Number 2 priority was tied between school capacity and traffic. The RHGIP has formed frequently asked questions that are located on the website as a resource. The RHGIP partnership teamed with PAHA and University of Idaho to develop a Housing Needs Assessment. The assessment is on the website. (RGHIP website is: <https://rhgip.com>.)

Ms. Miller introduced Victoria O'Banion who represents an organization that helps tenants in manufactured home parks create a partnership to own their development.

Home-share Kootenai County has launched and Pam Houser is their president. This group finds folks that have space in their home (home providers) and match them with people needing housing (home seekers) looking for a place to live. This tool addresses the immediate needs the housing issue.

The purpose of the workshop is to share knowledge and toolkit items developed by the RHGIP. Accomplishments Ms. Miller summarized include a potential local medical workers housing project that may break ground in 2023 and other developer incentive/opportunities.

Ms. Gissel introduced the toolkit and gave examples on the website. Ms. Gissel explained the future of RHGIP and coming together and merging with CDA2030. She acknowledged there is a huge brain-trust of people in the room and sharing ideas and information is important.

Ms. Miller explained that the CDA Realtors Association is intending to start a campaign to fund a pool for people to buy-down their down payment. Other ideas that have been brought forward include potentially making ordinances similar between the County and cities to streamline and simplify development. She also talked about housing co-op opportunities in other municipalities where private organizations purchase housing developments and keep a portion of the dwelling units for their workers. Ms. Miller also explained that weekly progress updates are available on the website.

Tool Kit Presentations with Questions and Answers

Land Lease

James Casper, Director of Habitat for Humanity, discussed land trusts and his organizations' model. He explained that land trusts and land banks do not have one specific definition. Deed restriction can mean a lot of various things. All the arrangements are unique to the individual owners of the property and special purpose designation. Deed restrictions do not involve in zoning. Mr. Casper gave an example where the City of Boise recently leased land to have the land available for an affordable housing project. Leasing, rather than selling provided flexibility and avoided surplus property processes.

Habitat for Humanity has a current project that where they lease land to the condo owners, providing permanent affordability. Two tax parcels are created – one for the land and one for the homeowner improvements. This creates a much lower tax valuation for the homeowner. Ed dePriest (Hayden Councilperson) explained that the idea is to keep the housing relatively affordable and asked how the valuations are kept low at resale. Mr. Casper indicated that the resale cannot exceed 3% increase in equity per year. Habitat has the first right of refusal to purchase the dwellings back. Habitat for Humanity does not pay taxes because they are tax exempt.

Mary Howard explained that people are always worried about a new development reducing their property values. She wondered if Mr. Casper had any data on if this occurs for local worker housing developments. Mr. Casper said the model is too new to have reliable data, but he should have data in a few years. He also indicated that the projects have been in higher density and commercial type areas anyway.

Deed Restrictions

Maggie Lyons, PAHA, spoke on deed restrictions. She stated some statistics. In 2016, 75% of residents in Kootenai County could afford to buy a home. In 2021, only 25% of residents in Kootenai County can afford to buy a home. A variety of solutions need to work together to help the issue. PAHA is a non-profit housing agency targeting low income and local workers. Affordable housing is a loosely used term. HUD defines affordable housing for very low income. Local worker housing is not HUD's definition of affordable. There is little inventory that the middle class workers can afford to purchase. Other statistics – In 2018, 40% of residents in Kootenai County could not make ends meet. Today, the estimates are closer to 60%. PAHA's goal is to responsibly respond to the housing shortage because the consequences are dire. In Sun Valley, the local workers drive more than hour. Our area will have a major change in the culture if we cannot provide housing for the local workers.

Ms. Lyons explained that homes can be reserved and preserved for local workers through deed restrictions targeting 60% to 130% of Area Median Income (AMI) which is a household income of about \$49,000 to \$108,000 annually. Covenants or deed restrictions can be community land trusts or private development. Deed restrictions can also set maximum resale value limitations. PAHA can help manage the deed restrictions for developers. Deed restrictions can also restrict to only primary resident ownership or a maximum household income allowed for purchase. The rising interest rates are really discouraging in the efforts to provide local worker housing. Private-public partnerships need to be creative. The inventory will never exist if we only use public funds. Must partner with developers.

Ms. Lyons explained that the goal is to offer affordability in housing for perpetuity, which can be accomplished through deed restrictions for 99 years. Home prices need to be in the \$280,000 to \$430,000 to provide local worker housing. Home ownership piece is only one part of the solution, home share and affordable rentals are also important. Right now, home ownership is out of reach for many. Middle class builds wealth through home ownership. Ms. Lyons explained that six builders are currently working with PAHA on local worker housing ideas. This needs to be a community-wide, multiple solutions effort. Kootenai County is leading the way and will have the template that can be rolled out across the state.

Jeanette Kramer, Athol Councilperson, said that a lot of people that cannot afford housing make a lot less than the ranges Ms. Lyons showed. She asked what is being done for people who make less. Ms. Miller indicated that there are other ideas like housing co-ops. Mr. Casper indicated that the ranges assume two incomes. Ms. Kramer explained that that this is a change culture because women cannot stay home to raise their children and have their families afford housing.

Developer Incentive Ideas from NIBCA's Developer Council

Hilary Patterson, Coeur d'Alene Planning Director, spoke about development agreements. Idaho Code allows for developer agreements for subdivision, PUDs, and zone changes. It is a contract between the land-owner and the municipality. The agreement is a benefit to both the developer and the municipality. Development agreements can include workforce housing, preservation of open space, agreements with school district, etc. Also, these agreements can be used at the time of annexation.

David Callahan, Community Development Director for Kootenai County, discussed the County's agreements. The County rarely has anything other than streets – which need to meet Highway District and Fire District standards. Other than that, the County has little need for agreements, but the tool does exist and can be used if it makes sense.

Bob Seale, Community Development Director Post Falls, indicated that Post Falls mostly uses them for the mixed-use zoning to indicate the percentages of commercial and various housing types in developments in this zone. Post Falls has also been looking at development agreements to help regulate cottage housing and short-term rentals. The smaller homes may not pencil as well as he hoped for developers, however. Post Falls is continuing to work with developers on deed restricted housing and will put that information into development agreements in the future, if those developments come forward.

Scott Krajack, chair of the development committee for North Idaho Building Contractors Association (NIBCA), indicated that NIBCA members brainstormed what can be done to encourage developers to provide local worker housing. The list included: fast tracking of permits, consideration of pre-approved designs, reducing fees, URD or PUDs for projects, reducing of parking requirements, reductions of open space requirements, increase in density, variances of setbacks, variances in height, ability to blend different densities and product types to promote diversity of offerings and affordability points across the same development, variances for oddly-shaped or sized lots to allow a building pocket, and fix outdated code requirements that eliminate funding for housing to developers.

Ed dePriest (Hayden Councilman) asked which of the options are the most desirable to developers. Mr. Krajack said increased density for tiny homes or cottage homes. Also, just gaining approval when their development meets the requirements because sometimes good developments are turned down.

Lynn Fleming (CDA P&Z Commissioner) indicated that parking requirements are a challenge.

Mr. Casper indicated that condos are more affordable to build because you can fit more dwellings on one piece of land. Profit margins are related to density and economics. Things have changed – the cost to build is much higher than it used to be.

Ms. Miller has also indicated she has heard about child-care incentives for developments that provide a daycare centers within them.

Ms. Miller would like to make this workshop an annual event to share knowledge. There was a survey for those present to fill out about the future of RGHIP.

Sarah McCracken (CDA P&Z Commissioner) wondered how the percentage of AMI ranges works with seniors on fixed income. Ms. Lyons indicated that the senior need is dire, as well, and in many cases worse. Victoria O'Bannion also indicated that seniors in manufactured home parks are experiencing rent increases that are, in some cases, the total of their social security check. There are both local worker housing needs and senior fixed-income needs. Mr. Casper said that creating housing for local workers can free up housing for seniors. The community needs pockets of housing in different price points to best meet the needs of all.

Mr. Casper said it is legal to deed restrict for how long the person has lived in the area or where they work. Ms. Lyons said that providing home ownership is a method to provide stability to the local worker and the senior.

Mr. dePriest asked if there are other examples of ordinances that can help protect quality of life. Ms. Miller said that one option that has come up would be to have standardized building plans that are acceptable in all jurisdictions, possibly for accessory dwelling units. This could reduce the cost to build. Mr. dePriest indicated that density is the number one dilemma because you have to balance affordability with quality of life. He indicated that wages need to increase to keep up with the cost of housing. He said that increasing density will continue to erode the quality of life. He asked how to balance affordability with quality of life.

Ms. Kramer asked if this group has considered the impacts of density on the aquifer. Ms. Miller said that there are groups working on the aquifer issue, but the RGHIP's marching orders were to try to address the local worker housing issues. Ms. Miller indicated that major employers are having trouble retaining employees because their workers cannot find housing.

Tom Messina (CDA P&Z Commissioner) indicated that we are, in part, a victim of our own success. We need to be a little bit tolerant of density, but it has to be in the right places. Mr. Casper indicated that you cannot choose to not grow. You can grow up or grow out and it is a balancing act. If you don't want to see all the prairie land used up by housing, then tolerate a little more density.

Randy Adams (CDA Attorney) said that the people in this room are the "idea people" and the City attorneys will help evaluate the legality of the ideas that come forward.

Mr. Callahan indicated that the County is looking at a potential bond for open space. Mr. Seale indicated that Post Falls owns 600 acres on the prairie for open space. It's currently used for agricultural and land application of wastewater treatment plant effluent. He indicated that Rathdrum also has 300 or so acres that is also set aside for preservation.

Ms. Lyons clarified that primary residence deed restriction is allowed.

Field Herrington, Post Falls Attorney, clarified that the property owner has to create deed restrictions, but the City cannot require deed restrictions. He just wanted to clarify that deed restrictions are legal, but the City cannot require them.

Ms. Miller said that those types of negotiations can be part of the developer agreements as developers and the municipalities try to find the balance that works.

Ms. Miller adjourned the meeting at 7:05 PM and asked those in attendance to fill out the survey and turn it in.