MINUTES
Approved by the Committee
Land Use and Housing Study Committee
Wednesday, May 14, 2025
10:00 A.M.
Room: WW02
Boise, Idaho

Legislative members in attendance: Cochairs Senator Jim Woodward and Representative Jordan Redman; Representatives Kyle Harris (via Zoom) and Todd Achilles; Senators Ben Toews (via Zoom) and Ali Rabe; Ad Hoc members in attendance: Matthew Adams (American Society of Landscape Architects), Jason Blais (Assoc. of Building Officials - Boise), Ken Burgess (via Zoom, HomeBuilders Assoc.), Trevor Chadwick (Assoc. Idaho Cities); Andy Erstad (American Inst. of Architects), Jeremy Grimm (City of Sandpoint), Jerri Henry (Dept. of Envir. Quality), Sherry Maupin (Assoc. of Counties), Bobbi-Jo Meuleman (Boise Chamber), Max Pond (Assoc. REALTORS), Jonathon Spendlove (American Planning Assoc.), Tyler Wolters (Apt. Assoc.); Legislative Services Office (LSO) staff: Monica Harrington, Chris LeHosit, Alex Hatfield, and Jennifer Kish. Absent: Caleb Roope (Pacific Companies) and Sean Schupack (Assoc. of Gen. Contractors).

Others in attendance: Sara Westbrook - Assoc. of Counties (IAC); Jason Kreizenbeck - Lobby Idaho; Austin VanDerHeyden - Dominium; Jason Hudson - Idaho AFL-CIO; Lance Jayers and Kelley Packer - Assoc. of Cities; Liz Hatter - City of Boise; Rich Hahn - Harris Ranch.

NOTE: Presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature's website https://legislature.idaho.gov/sessioninfo/2025/interim/ and copies of those items are on file at the Legislative Services Office in the State Capitol. Recordings of the meeting may be available under the committee's listing on the website.

Welcome / Introductions

At 10:00 a.m., Cochair Woodward called the meeting to order and invited the members to introduce themselves and the entities they represent. Cochair Woodward noted that the committee planned to have three more meetings: June 27th in Idaho Falls, August 14th in Sandpoint, and September 26th in Boise.

Housing Inventory Overview

At 10:15 a.m., **Max Pond**, representing the association of REALTORS, provided an overview of housing inventory within the state. Key items reported by Mr. Pond included: typical available housing inventory goal is 6 months: Idaho currently had an average of 3 months inventory available and the national availability was 4 months; of Idaho's 44 counties: 17 counties had <4 months, 33 counties had <6 months, and 11 counties had 6 months or more availability; a "starter home" typically is 25% less in value than the remainder of the inventory and, as of 2024, that home value in Idaho was $426,000, where the monthly mortgage was $2,500+ and the homeowner income was $100,000+; home values increased approx. 7% in 2024, but not seeing double-digit increases as happened in previous years.

- Rep. Achilles asked about the average interest rate and the amount of the down-payment. Mr. Pond would research that further.
- Mr. Grimm inquired about the type of homes included in that data and whether data about other types of housing could be reported. Mr. Pond noted that those numbers included single-family homes and condos, but yes, he could identify the data associated on other types of housing.
- Rep. Achilles inquired about the use of a transfer tax in Idaho. Mr. Pond explained that Idaho did not have a transfer tax (a state tax on each real estate transaction).

- Mr. Wolters inquired about the amount of new builds that went into the rental market rather than to homeowners. Mr. Pond would look into that further.

Resort Cities Overview

Jade Riley, City Administrator for Ketchum, Idaho, and a representative of the Idaho Resort Cities Coalition, a group of 23 communities who rely on tourism as a major component of their local economy, provided his comments to the committee. He reported that Ketchum typically had a balanced ratio of homeowners, long-term rentals, and second homes; but now reported a +60% short-term rental housing. His community completed a need-based assessment and created a housing action plan that focused on zoning and land use policies, utilization of publicly owned property for long-term leases, providing limited financial incentives to encourage long-term rentals, and collaborations with private sector entities to construct new facilities.

- Cochair Redman asked about the deed-restricted housing programs. Mr. Riley explained that the city/housing authority would purchase a deed restriction (~ 20% the value of the property) and then a seller would sell only to a local resident or maybe an incoming retiree. Programs with developers required properties to stay affordable when sold. He added that these programs were either in perpetuity or for a time-certain, which was disclosed during the sale, and could/could not have local working requirements or income capacity limits. Cochair Woodward requested examples of these contracts. Mr. Chadwick inquired about the amount of homes actually embracing the deed-restrictions and about any issues with the program. Mr. Riley explained that it was a very small percentage that participated and that the biggest issue was the free-market value available. Mr. Adams inquired whether deed-restrictions were built into new construction contracts. Mr. Riley responded in the affirmative.
- Rep. Achilles inquired about the *Lookout Project* in Ketchum. Mr. Riley explained that the city collaborated with the BLM, the Dept. of Lands, and the Forest Service to create long-term lease arrangements; i.e., when building new office space, the Forest Service created about 100 units for workforce housing.
- Mr. Blais inquired about helpful permitting changes. Mr. Riley reported that most issues were either regulatory or permitting cost changes. For example, Ketchum streamlined the Accessory Dwelling Unit (ADU) process, reduced fees for sewage connection to ADUs v. single-family housing, and reimbursed developers from its impact fees when workforce housing was created.
- Mr. Grimm inquired about the use of "in-lieu" fees and the city's housing need-assessment study. Mr. Riley explained that the "in lieu" fees were held in a separate trust account that required auditing and was regulated by city code on how the funds were kept and used. For the needs-assessment process, Mr. Riley explained that one needed to determine the historical loss over a certain time (300 units) and then the expected growth for a certain time (~750 units).

Michelle Griffith, President of Sun Valley City Council and Exec. Dir. for ARCH Community Housing Trust, participated remotely. Ms. Griffith focused on the "missing middle," a term used to describe those who earn too much to qualify for assistance but not enough to afford market-rate housing. She explained that ARCH often employed collaborative partnerships to lessen the housing cost burden; for example, an entity may provide the land or the financing for a project. She noted that all current projects were rentals and were focused toward local employee housing.

- Mr. Grimm inquired whether the housing was for seasonal or year-round employees. Ms. Griffith clarified that this housing was for the city of Sun Valley, not the resort, and that the housing was geared toward year-round, full-time employees.

Michelle Groenevelt, Director of Community and Economic Development for McCall, provided her comments to the committee. She noted the dichotomy of visiting a glamorous resort city and the hard fact that most employees providing services were living in camp grounds, overcrowded residences, or neighboring communities. She reported that the west central mountain housing study

found that ~1200 units were needed for full-time residents, at all different price points. A study in Driggs found that 85% of new condos/townhomes were purchased as either a second home or intended short-term rental. McCall has focused on housing in these ways: revisited the zoning code (increasing building height and density), created a land-banking fund to purchase land for housing projects, and facilitated collaborative efforts among businesses (ski resort partnered with hotel to provide employee housing). Ms. Groenevelt proposed consistent state funding for housing and housing programs that continue to support infrastructure investment.

- Mr. Chadwick inquired whether the city was paying the fee to homeowners when enacting deed restricted housing and, if so, how was it funded. Ms. Groenevelt responded that the city started a deed restricted program in 2018, offering $10,000 per unit; after reviewing the program, the city created a second tier where the homeowner would receive an additional $10,000. She stated that the program was funded through the local option tax.
- Ms. Mueleman asked how resort cities used the local option taxes for housing. Ms. Groenevelt explained that McCall used a portion of the tourism option tax to fund the deed incentive program and a private developer incentive program and to match housing grants.
- Mr. Spendlove inquired about the amount of local option tax that went to housing programs. Ms. Groenevelt reported that McCall's was less than 10%.
- Rep. Achilles inquired whether McCall had policies that restricted short-term rentals (STR). Ms. Groenevelt reported that it did not; however, in 2022 the city changed regulations related to short-term rentals such as requiring a rental license rather than a business license, requiring a health-safety inspection, and clarifying requirements for parking and trash. Rep. Achilles inquired about the percentage of homes that were STR. Ms. Groenevelt responded that McCall had approx. 400 units, which was pretty concentrated per capita.
- Cochair Redman inquired about the apartment deed restriction. Ms. Groenevelt explained that, while not yet operating, the plan is that 30 of the 120 units to be built are to be rented to an individual that is locally employed, a senior citizen, or a person with a disability - it cannot be a STR - and the rent is not capped.
- Mr. Adams inquired about attempts to fast-track permits. Ms. Groenevelt explained that it had been discussed especially for larger projects; the city also discussed fee waivers and deferrals. Ms. Mueleman inquired about the engineering challenges mentioned regarding permits. Ms. Groenevelt explained that a priority was placed on local housing projects and those permits went to the front of the line.
- Sen. Toews asked about efforts to make single-family homes affordable. Ms. Groenevelt explained that often it was mixing the price-points and density that allowed the cost to be affordable.
- Mr. Grimm asked about affects/solutions to the "not in my back yard" (NIMBY) influence. Ms. Groenevelt noted that a community needed to present a strong "yes, in my backyard" and the benefits of bringing those improvements or editions to a community.

With the conclusion of the members questions, the committee took a 10-minute break.

Local Zoning Landscape

At 11:30 a.m., **Trevor Chadwick**, Mayor of Star, ID, spoke to the challenges of managing growth, housing, and infrastructure in a fast-growing city. Mr. Chadwick reported that the population of Star had doubled in five years (11,000 in 2020 to 23,000 in 2025) and the price of land had increased from $25K/acre to $350K/acre. He reported that one of the biggest challenges was coordinating construction regulations across two counties and multiple districts; additionally, the city of Star does not control its own utilities. Mr. Chadwick lamented that the limitations of the infrastructure has actually forced the city to "downzone" rather than "upzone." He supported the idea of deed restricted "attainable" housing, proposed the idea of bulk-purchasing of materials/supplies with

other entities/cities, proposed state support of local financing efforts to create city infrastructure that support more density, and wanted to encourage growth of his city without impacting the rights of current and long-time residents.

- Cochair Redman inquired about ideas to streamline water and sewer. Mr. Chadwick lamented that related studies and permits took too long and affected the cost.
- Ms. Maupin inquired whether the pre-platting was done by the city or the builder. Mr. Chadwick responded it was done with the builders.
- Mr. Erstad inquired how development "pays its way" in Star. Mr. Chadwick noted that impact fees are employed, but those fees do not cover the cost for personnel needed to operate the systems that are created.
- Mr. Grimm inquired why the entitled units were not being built upon and whether there was a way to compel builders to build. Mr. Chadwick responded that its possible some developers are holding onto the land to obtain better value.

At 12:00, **Kathy Griesmyer**, Director of Policy and Government Affairs for the City of Boise, provided her presentation "A Modern Zoning Code" that detailed the city's efforts to housing needs. She was assisted by **Deanna Dupuy**, Planning and Design Manager for the city.

- Ms. Maupin asked about the multi-family housing funding. Ms. Dupuy responded that it was the city's development and, while some was low-income housing tax credit (LIHTC), it was mostly market rate development.
- Ms. Mueleman asked for more detail about the solution being a regional partnership. Ms. Griesmyer explained that the Treasure Valley Partnership, which is a consortium of both mayors and county commissioners that serve Canyon County to Mountain Home, gather frequently to discuss issues; knowing that what's good for one community is good for the region in order to provide the types of housing that meets the workforce demands. Mr. Erstad noted the number of partners it took to finance and build the Boise *Adare* mixed-income project.
- Rep. Achilles inquired whether the multi-family housing developers were local or out-of-state. Ms. Dupuy noted that most were locally based.

The committee recessed for lunch from 12:30-2:00 p.m.

Idaho Building Code Review

At 2:00 p.m., **Justin Touchstone**, Executive Officer of the Idaho Building Code Board, provided details and nuances about the state building code. He noted that the intent of the code was to ensure safety; regulation on the use of land was up to local jurisdictions such as city planning and zoning authorities.

- Mr. Adams asked how the code was used when there was no local authority for guidance. Mr. Touchstone explained that if there was not a local authority to manage plans or inspections for mechanical, electrical, or plumbing then the board would facilitate those reviews. Additionally, state-owned buildings were under the board's purview.
- Cochair Woodward inquired about the building code being employed. Mr. Touchstone explained that Idaho enforces the 2018 International Building Code (IBC) and International Residential Code (IRC) and the 2009 energy code; statute references the 2006 building code is the default unless other rules are adopted by the board. He explained that the IBC focused on commercial buildings and institutional residential housing, while the IRC focused on the housing market (condos, single-family, apartments, etc.) structures. He noted that there are exceptions.
- Ms. Maupin inquired about storage sheds/units being used as housing. Mr. Touchstone explained that the 2024 building code appendix addressed accessory dwelling units, which the currently

used building code does not address, and it should be reviewed for inclusion. She also inquired about the board's oversight of manufactured housing. Mr. Touchstone noted that there was a factory-built structure board and it was creating checklists for the installation process. Ms. Maupin inquired whether there was oversight on the manufactured structures' anchoring process and whether it was tested for seismic activity, which is common in Idaho. Mr. Touchstone noted that the board does have oversight on those anchor systems and it would need to review newer methods to ensure they meet Idaho's seismic categories. Ms. Maupin noted that it was difficult to get funding with some lenders when new building ideas went without approval by the building code.

- Ms. Maupin inquired what items could be considered to make a home more affordable while still making it cost effective to live there after the fact. Mr. Touchstone acknowledged that there exists a sweet spot of saving energy and saving electrical cost while not burdening the homeowner and possibly the energy code was one spot to focus. Mr. Erstad acknowledged that the design and building industries were robustly being evaluated by the Division of Occupational and Professional Licenses in its mandated reviews of administrative code. He cautioned the push back on single-family housing for other types of housing and lamented the adherence to the 2009 energy code. He also cautioned limiting local jurisdictions to require more than the minimum regarding the building code, because doing so limits innovative building techniques and ideas; smart building reduced energy usage needs for the homeowner.
- Mr. Blais noted that tiny homes, from the appendix of the 2024 building code, would be a beneficial tool for communities, if adopted statewide (currently it is permitted by local jurisdiction).

Committee Discussion / Next Meeting(s)

At 2:30 p.m., committee members shared challenges and solutions to housing that were working in their community or were being considered.

With no further business, the meeting was adjourned at 3:10 p.m.