



BLAINE COUNTY HOUSING AUTHORITY

BOARD MEETING AGENDA MEMO

Meeting Date: Staff Member:

Agenda Item:

Recommended Motion:

I move to approve converting one of BCHA's two permanent housing self-managed rentals to a Category _____ ownership unit.

Reasons for Recommendation:

- BCHA only directly manages two long-term rentals, whereas the majority of BCHA's rental portfolio is managed by the property managers and owners beholden to the rental deed restriction.
- Staff capacity is better applied to the Housing Navigation System, portfolio management, tenant and buyer screening, compliance, and transitional housing than property management.
- Half of BCHA's permanent housing inventory is category 4 (81% to 100% AMI).

Policy Analysis and Background (non-consent items only):

GOAL 5: STEWARD/PRESERVE + EXPAND PORTFOLIO OF DEED RESTRICTED HOMES

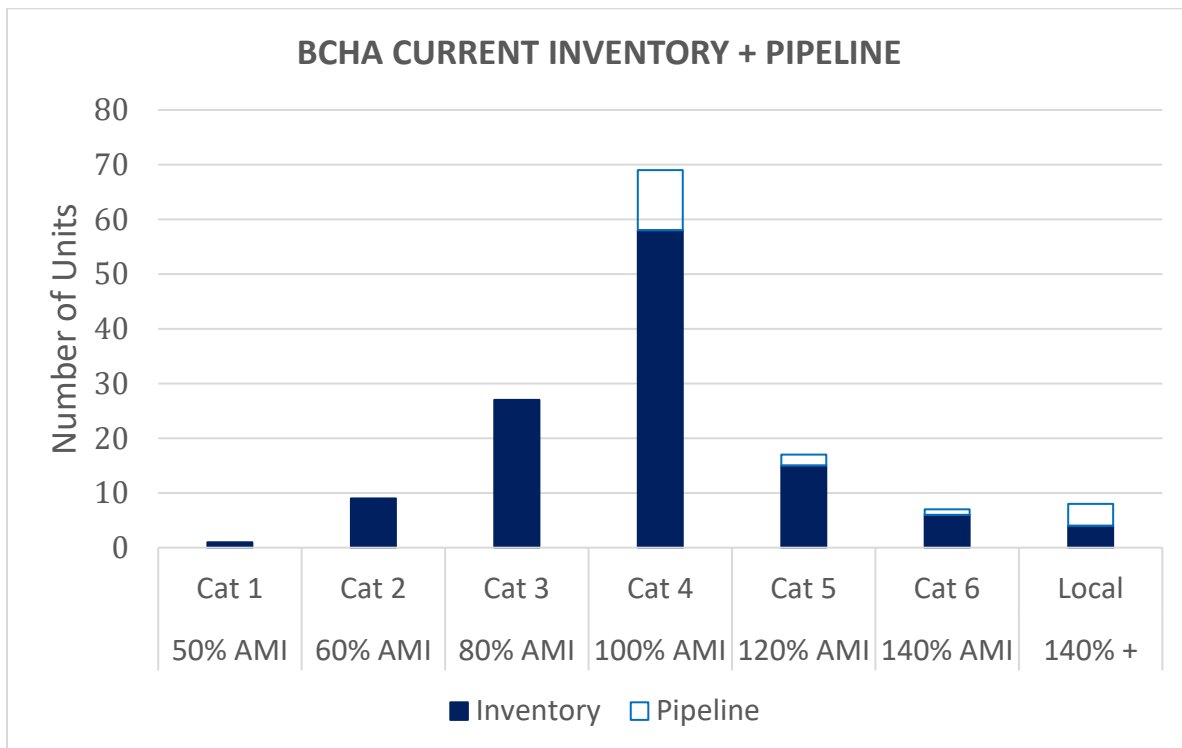
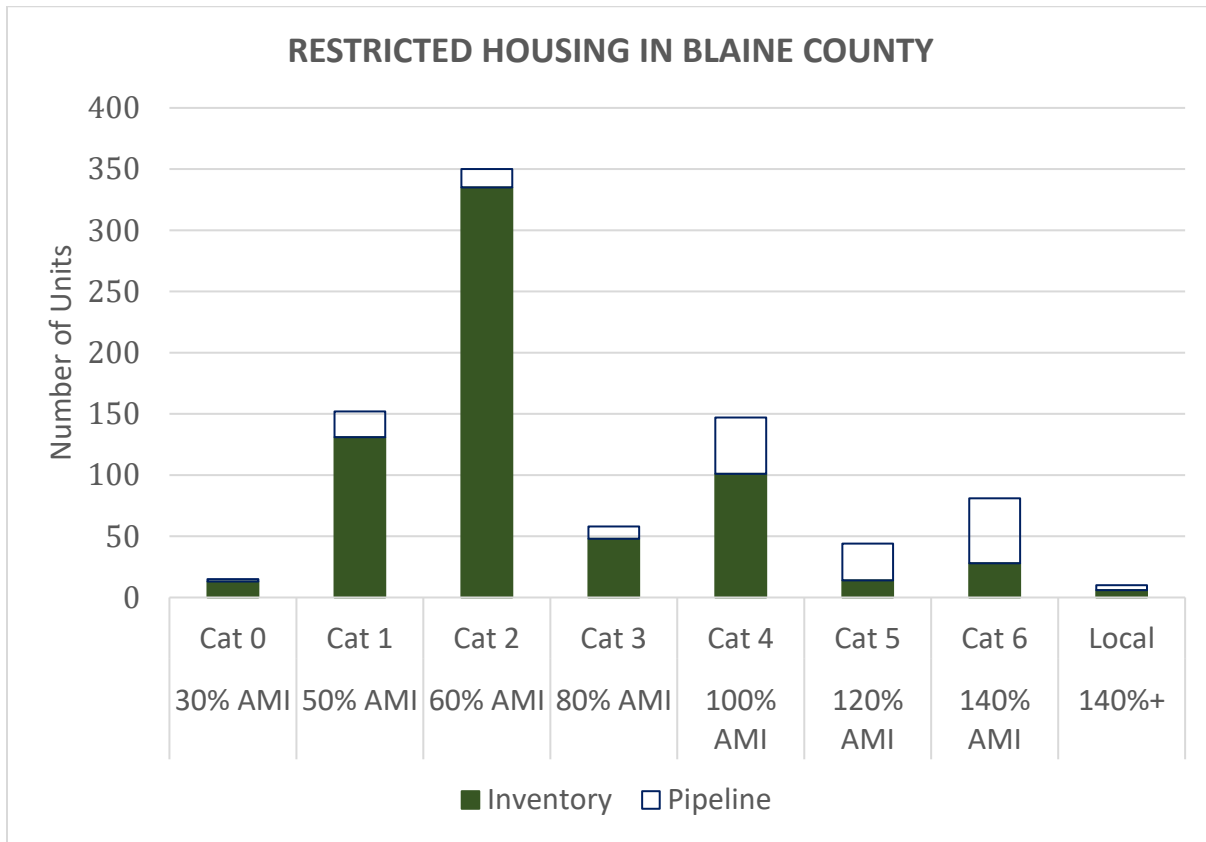
Why sell? Aside from the master leased transitional housing, BCHA only property manages two rental units. The remaining 35 rental units have third party property managers, determined and overseen by the owners of those developments. These two rental units take staff time away from other vital responsibilities, such as establishing and maintaining the Housing Navigation System, portfolio management, tenant and buyer screening and placement, compliance, and transitional housing management. The maintenance teams employed for Silvercreek and Lift Tower Lodge benefit from economies of scale – they know those buildings and are on call for emergencies. To streamline staff efforts and relieve staff time, staff recommend converting these two units to ownership – when convenient.

Last week, staff received notice that one of the tenants was moving to more suitable, senior living. That Category 4 unit is now vacant, giving BCHA an opportunity to reorient this asset. Currently, half of BCHA's permanent housing portfolio is Category 4 (81% to 100% AMI).

Why increase income category?

1. Current inventory, pipeline units, and countywide demand:

Countywide, Category 0 (30% AMI), 5 (120% AMI) and Local are the least represented – both for existing and future inventory. Amongst BCHA’s portfolio and pipeline, the least represented amongst those who could manage homeownership with high HOA fees are Category 6 (140% AMI) and Local.



Demand-wise, Category Local has more households seeking or expecting to need housing in the next two years. This is also a larger proportion of the population (~18%) compared to Category 4, 5, and 6 individually

(~12% each). Given BCHA’s current and projected inventory, countywide current and projected inventory, and housing need countywide, the Board could leave as Category 4, or increase to 5, 6, or local.

2. High monthly costs for owners:

The other is the high HOA fees on this unit – the CC&Rs of the HOA do not adjust for income-restricted units. The total monthly cost for HOA fees (includes Wi-Fi/cable, sewer, water, power, and gas) and maintenance is about \$620, not including special assessments. Staff have been finding that, unless the CC&Rs reduce responsibility of fees for Community Housing owners in income-restricted units, owners have been struggling to afford to remain in their unit. The table below is for a one-bedroom unit.

	Category 4	Category 5	Category 6	Category Local
Max Monthly Housing Cost	\$1,259	\$1,574	\$1,889	No max
Total Operating Cost (today)	\$620+	\$620+	\$620+	\$620+
Leftover for Mortgage + potential fee increases	Max \$639	Max \$954	Max \$1,269	Max \$1,269+
Maximum Sales Price (what Qualified Buyer pays and BCHA gets)	~\$100,000	~\$140,000	~\$190,000	No Max at 1 st sale Est. ~\$245,000 to \$330,000

The initial sale price from BCHA to a Category Local Qualified Buyer would determine the initial starting price for appreciation. Given comparable market prices of \$350,000 to \$390,000, staff estimate 15% to 30% off for the Local market depending on whether the buyer would be interested in a light or .

The proceeds from this sale would return to BCHA.

Attachments:

1. Resolution 2024-11

RESOLUTION No. 2024-11

BEFORE THE BOARD OF COMMISSIONERS
OF THE BLAINE COUNTY HOUSING AUTHORITY
BLAINE COUNTY, IDAHO

A RESOLUTION OF THE BLAINE COUNTY HOUSING AUTHORITY BOARD OF COMMISSIONERS TO APPROVE SELLING COMMUNITY HOUSING UNIT 113 ANGANI WAY, UNIT 2091, SUN VALLEY TO A QUALIFIED BUYER AT _____ INCOME CATEGORY

WHEREAS, the Blaine County Housing Authority (BCHA) Strategic Plan, 2022, includes the goal to steward/preserve + expand the portfolio of deed restricted homes and one action in the 2024 Action Plan is to continue compliance review of existing deed restricted units; and

WHEREAS, BCHA only directly manages two long-term rentals, whereas the majority of BCHA’s rental portfolio is managed by the property managers and owners beholden to the rental deed restrictio.;

WHEREAS, Staff capacity is better applied to the Housing Navigation System, portfolio management, tenant and buyer screening, compliance, and transitional housing than property management; and

WHEREAS, Half of BCHA’s permanent housing inventory is category 4 (81% to 100% AMI) – the unit’s current income level – and operating costs on this unit are over \$600 per month without including a mortgage or special assessments; and

NOW, THEREFORE, be it resolved by the Board of Commissioners of the Blaine County Housing Authority, Blaine County, Idaho, as follows:

Section 1. The Blaine County Housing Authority Board of Commissioners approves that Community Housing Unit 113, Angani Way, Unit 2091 in Sun Valley, Idaho, be sold to a Qualified Buyer of _____ Income Category.

Section 2. The Blaine County Housing Authority Board of Commissioners instructs Executive Director to market the unit to prospective, qualified applicants under BCHA’s Community Housing Guidelines and execute a Purchase and Sale Agreement between BCHA and the Qualified Buyer.

DATED this ____ day of _____, 2024

ATTEST:

BLAINE COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS

Executive Director

Chair