



December 15, 2025

Mayor Chadwick
Star City Council
10769 W State St
Star, ID 83669
Phone: (208) 286-7247

RE: Comments Regarding Proposed Impact Fee Increases

Dear Mayor, Council Members, and City Staff,

Since our founding in 1989, Hayden Homes has focused on a clear mission: creating high quality neighborhoods that the area median-wage earner can afford – places where our own employees, teachers, first responders, and service providers can live and put down roots.

We appreciate the opportunity to provide comments on Star's Capital Improvement Plan and the related impact fee proposals. As the Council considers these significant increases, we respectfully request additional time for discussion about potential unintended consequences, as the magnitude of the proposed changes could unintentionally counteract the City's goals around attainable housing, workforce stability, and overall community health.

Affordability Pressures and Market Realities

Star's strong growth is well documented however the market remains extremely sensitive to cost increases. Throughout the Northwest, rapidly escalating housing prices, and continued interest-rate pressures, have reduced purchasing power for many households. Even modest increases in development or permitting costs translate directly into higher sale prices for the buyer.

As stated by the IHBA, every \$1,000 increase in the price of a new home pushes a ~975 households out of eligibility. This impact is magnified in markets like Star, where the supply of homes attainable to working families is already very limited. Recent local trends make clear the market cannot simply "absorb" additional costs – demand softens, construction slows, and overall affordability further deteriorates.

Current and Proposed Fee Burden

Under the current fee schedule, a new home in Star carries more than \$28,900 in fixed and permit-related fees. The proposed 2026 adjustments - for parks, pathways, police, and ACHD - would add nearly \$12,000 per home, a 41.5% increase totaling **over \$40,000 in fee** burden. For a household earning 100% of the Area Median Income, the maximum affordable home price is approximately \$477,551. A \$40,000 fee would account for more than 8.5% of the total home price. Escalating the cost of a 30-year mortgage



for the homebuyer.

Implications for Star's Workforce and Long-Term Community Health

We fully support the principle that growth should contribute to the infrastructure and services it requires. However, Star's demographic trends – particularly the concentration of recent growth among older and higher-income households – underscores the importance of evaluating how these proposals affect long-term community viability.

Younger families, who sustain schools, local businesses, volunteer networks, and the future workforce, represent a comparatively small share of recent growth. Ensuring that these families can continue to access homeownership in Star is essential to maintaining the balanced, vibrant community that residents value.

Request for Further Review

Our intent is not to oppose impact fees or their appropriate increases. We share the City's commitment to responsible planning and quality public services. We simply ask for a more detailed and calibrated review of the proposed changes – particularly where increases may go beyond maintaining existing levels of service and move into aspirational improvements that could be phased, reduced, or funded through alternative methods.

Given the long-term implications for housing affordability and workforce stability, we respectfully request the Council delay adoption of the current proposal to allow staff and stakeholders additional time to refine assumptions, prioritize needs, and identify the most efficient and equitable path forward.

Hayden Homes is committed to maintaining our support of the Star community and contributing to its continued success. We ask for thoughtful collaboration to help ensure housing costs do not move further out of reach for the families who work, live, and serve in this community.

We look forward to continuing a constructive, transparent partnership with the City.

Sincerely,

Tim Mokwa
Regional Director – South Idaho
tmokwa@hayden-homes.com