

ONLY when people can afford to live where they work can the small-town flavor and beauty of a community be preserved despite growth that is inevitable.

"Being locals here in North Idaho, we never thought we would ever have a shot at buying a home. We've watched our family and friends move out of the area and it hurt us to think one day we would need to move away because we couldn't afford it anymore..."

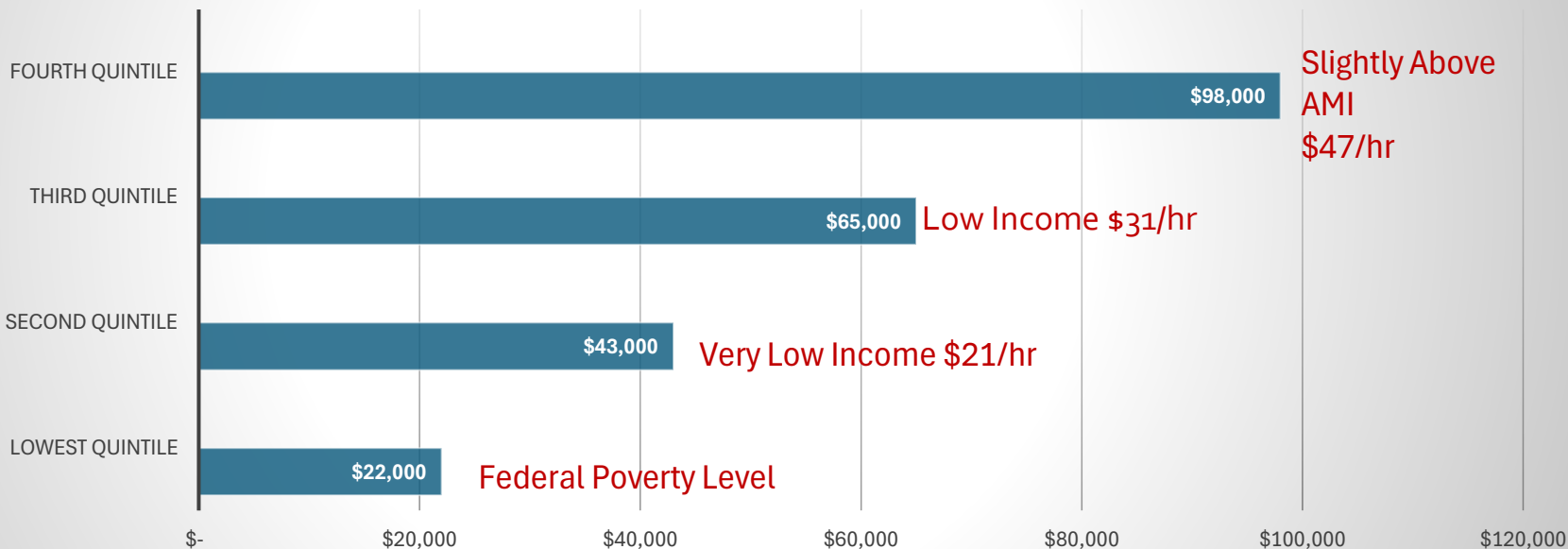
BUYING OUR FIRST HOME [from PAHA] HAS MEANT THE WORLD FOR US. FOR THE FIRST TIME IN OUR LIVES, WE FEEL LIKE WE'VE EARNED OUR RIGHT TO STAY AND BE A PART OF OUR COMMUNITY HERE IN NORTH IDAHO."

Ryan and Jayne February 13, 2024



Kootenai County

Teachers, First Responders, Health Care Providers vs HUD's Poverty Scale



An aerial photograph of a city, likely Kelowna, British Columbia, showing a mix of residential and commercial buildings, green spaces, and a waterfront area with docks. In the background, there are forested mountains under a blue sky with scattered white clouds. A dark blue rectangular box is overlaid on the left side of the image, containing white text.

Next Steps: The Housing Availability and Affordability Study for Kootenai County

An *Updated* Look at Housing Constraints,
Population and Demographic Changes
and Business Activity

October 2023

Income Needed To Buy Median Priced Home 2019 vs 2023 in Kootenai County



Kootenai County Households Able to Purchase a Home

75%



2019



20%

2023



RENTS INCREASED 35% in LESS THAN 2 Years



What
Happened
When Rental
Homes Sold
with 30-Day
VACATE
Notices?

WHAT ABOUT RENTALS?



**44% of Kootenai County
Residents CANNOT
AFFORD Average Current
Rent of \$1,580**

**CAN WE
SOLVE OUR
HOUSING
CRISIS?**

YES!!!!!!

Growth in our county and region? Here to stay and restricting the number of homes built will NOT stop growth.

Initiating change = better opportunity to manage the change that is inevitable.

**MULTIPLE SOLUTIONS AND
OPPORTUNITIES TO ADDRESS
HOUSING SHORTAGE FOR
LOCAL WORKERS**

SHARED EQUITY = Lasting Affordability



Lower price initially



Lower price at resale



Again, again and again



What does the data say?



First-time home buyers' access to shared equity homeownership often move on to market homeownership.

7 out of 10

shared equity homeowners are first-time homebuyers



6 out of 10



shared equity homeowners use their earned equity to eventually purchase a traditional market rate home.

**Is home
ownership for
our working
middle class
possible in
today's market?**

ABSOLUTELY

**Community
Land Trusts-**
home only

**Dee Restricted
Fee Simple-**

land and home

SHARED EQUITY

ENSURES HOME REMAINS AFFORDABLE EVERY TIME IT SELLS

SHARED EQUITY



STABILITY

WEALTH
CREATION

Fair Return

Mortgage
Paydown

1. Income & Asset Limits
2. Primary Residence
3. Resale Formula

COMMUNITY LAND TRUST: Home Only

- Households earning \$48k-\$80k (60-85% AMI)
-
- Preferences for first responders, teachers, medical workers

Public/Private Partnerships
\$0 Land Cost—donations/fundraising

Land Held by Non-Profit

400/year over next 10 years

Deed Restricted Fee Simple: Land & Home

- Households earning \$85k-\$113k (90-120% AMI)
- Deed Restrictions Recorded in Deed

Mortgages can be sold to Fannie/Freddie

Developers/Builders Carve Out Small Portion of Each Development

Cities and State provide incentives and land density -only for Shared Equity Homes

PAHA MANAGES THE DEED RESTRICTIONS SO CITIES AND PRIVATE MARKET DON'T HAVE TO

900/year over next 10 years

MIRACLE ON BRITTON



28 SHARED EQUITY HOMES: Homes Ranging \$200k to \$420k



SIMPLICITY

BY HAYDEN HOMES











**New \$40
million
affordable
housing
initiative
announced
September
2023**



Shared Equity Home Ownership



**Investment subsidizes land costs and resale restrictions
keep home affordable every time it sells**



**INTEGRITY OF THE COMMUNITY IS PRESERVED
DESPITE RAPID GROWTH**



**Aimed at: Teachers; First Responders; Service and
Industry Workers, NOT AMAZON EMPLOYEES**



Home Ownership Solutions for Local Workers

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MIRACLE ON BRITTON

WHY Housing?

Hope. Neighborhoods. A place to call home.

80% of Kootenai County residents have seen their dream of buying a home fade away and with it the opportunity to build a better life for them and their families.¹

We can do better! We can create life-changing opportunities that give people the freedom to flourish. We refuse to accept that only the wealthy can purchase a home in our county!

By working together, we will build and preserve homes for the hard-working people who live and work here. We will restore the American Dream of home ownership for our middle-class families while ensuring our cherished sense of community continues for decades to come.

Our Big, Hairy Audacious Goal (BHAG)?

To establish a supply of homes residents can afford to purchase now and for generations to come. During the next 10 years, Kootenai County can become a leader in the state in responding with private market solutions that will address the current housing crisis and hopefully avoid another crisis like this in the future. We can create solutions that provide our local workers with the opportunity to buy a home regardless of market price increases. Solutions that protect the beauty and vibrance of our community because we value our local workers and want them to thrive and work here.

Buying a home in Kootenai County is out of reach for our middle-class households earning good wages--like our teachers, firefighters, police officers, plumbers, electricians, hospital workers to name a few. Grown children cannot move back home to work and many working residents are leaving Kootenai County to seek homes they can afford. These realities negatively affect our local businesses and hinder economic growth. More importantly, the very fabric of our community erodes when local workers cannot afford to live where they work.

¹ U of I “Next Steps Housing Study for Kootenai County” dated October 2023.

How To Respond

Together, our region's Housing Crisis can be solved. We believe initiating change gives us a better opportunity to manage the inevitable growth in our area that will continue. We refuse to put our heads in the sand and pretend the problem will go away. Look no further than Sun Valley and Blaine County to see the problems that manifest when a community ignores a long-term critical shortage of housing for its local workers. Not only are venerable restaurants shuttered because of food service shortages, but public safety, school and medical staff shortages also plague the county. Many workers commute 60-90 minutes to work because of the scarcity and cost of housing.

PAHA, together with developers/builders and our municipal leaders, will spearhead two unique, bold homeownership programs that are based on qualifying household incomes: Community Land Trusts and Deed Restricted Fee Simple homes. Both provide alternatives to market priced homes because the initial cost of a home is less than the market.

Land Trusts have been around for more than 30 years. Only the home is purchased on leased land. "Deed Restricted Fee Simple" homes is a relatively new opportunity and will be driven by the private market. Developer/builders carve out a small portion of every development specifically for these deed-restricted homes. And municipalities approve developments that include deed-restricted (aka Shared Equity) homes with incentives to help the private market build the Shared Equity homes at a lower cost.

For these homes, PAHA manages long-term restrictions placed on the title deed or a land lease. Key features of every home:

- Eligibility to purchase is defined by established income and asset limits.
- Owner occupation is required.
- The percentage of market appreciation the homeowner can earn is capped at a fair return.

A portion of the equity remains with the homes forever and is used to keep the homes at below market pricing for future income-qualified buyers. "Sharing the equity" helps area workers get into a home over and over again while enjoying the stability and wealth creation that comes from owning a home.

It will take time, but over the next 10 years, Kootenai County will build a supply of Shared Equity Homes that does not exist, and will never exist, without this community-wide effort. No longer will hardworking citizens be denied home ownership simply because their wages have not kept up with the dramatic increase in home prices. Hope to build a future will be restored. Grown children will be able to return to their roots and work and live in the place they love. Healthy, vibrant neighborhoods will grow and expand. AND, because our workers will have the opportunity to buy their homes and

live and work here in Kootenai County, our economy will remain strong, and our cherished sense of community will continue.

NEXT STEPS

Home ownership is more than just for the wealthy.

Our community is better when our police, firefighters, teachers, nurses, dental hygienists, medical technicians, HVAC technicians, plumbers, electricians, bank tellers, store clerks-- the list goes on and on-- have opportunity to buy a home, build a future, and live and work in this beautiful place we call Kootenai County.

It's time to get started with solutions! And we are starting with **MIRACLE ON BRITTON**: 28 beautiful homes that anyone would want in their neighborhood. Homes built to fit the incomes of our lower to middle class households ranging in price from \$200,000 to \$400,000.

This breakthrough neighborhood's primary purpose? To launch Kootenai County on a journey to build homes that local workers can afford to buy.

The wonderful by-product of Britton? 28 families will be living in beautiful homes they call their own.

Miracle on Britton:

- Challenges the status quo that local workers can no longer afford to buy a home in Kootenai County.
- Provides a blueprint for how Land Trust and Property Development Alliances work.
- Shows how deed restricted homes are managed.

Miracle on Britton will:

- Showcase how beautiful starter homes can and will be in our community.
- Instill hope and belief among our cities and county, developer/builders, and citizens that we can build an inventory of homes that will remain affordable for lower to middle income households every time a home is sold.
- Begin transforming lives through wealth creation and stability.
- Unleash the potential of the private market, which is the only way to build the inventory of homes needed.

Our goal is to build 11 Land Trust homes and 17 deed restricted homes through Deed Restricted Fee Simple homes. Both approaches to home building are needed to catch up on the current shortage and to keep pace with projected growth over the next 10 years.

Land Trusts will always require underwriting the cost of the land. Only the home is sold and the land is owned by a housing nonprofit, PAHA in this case. For PAHA, our hope

is through land donations and fundraising, Land Trust homes will provide about 33% of the homes needed for households earning around \$50,000-\$70,000/year.

The other 67% of desperately needed homes will come through Fee Simple homes. This is where land and homes are sold and priced at less than the market. Developer/builders commit a small portion of proposed developments to these deed restricted homes. In return, our cities and county approve these developments and provide incentives, like greater density and reduced fees, for only the deed restricted homes. This win-win approach lets the developer build starter homes at a lower price than the rest of the development, and the city/county/community wins because homes are built and preserved at prices our hard-working citizens can afford.

Our greatest shortage and need is for homes in the Fee Simple bucket. Collaboration between the private market and our city/county governments is the feasible way to build these homes. By unleashing the potential of the private market, the inventory of homes needed will be built.

PAHA will manage the deed restrictions for both Land Trust homes and homes built through Property Development Alliances.

Status Update on Britton

MIRACLE ON BRITTON is a 4.65 acre parcel with an approved plat for 28 homes. These fully developed lots are located on Greensferry just south of Prairie Avenue in Post Falls. The lots are ready for construction to begin, but in order to dedicate all 28 homes to local workers, we need 100% of the \$2.4 million land cost to be underwritten.

To date, \$400,000 has been pledged and we are just getting started. PAHA purchased these 28 lots on August 29, 2023, through a promissory note at 5% interest only for 12 months, carried by the seller.

Our hope is to secure the additional \$2 million funding to pay for the land by the end of May. In addition to underwriting the land costs, we are currently working with a developer/builder to build all 28 homes; and a lender who will provide all-in-one construction loans for buyers at reduced market pricing.

We welcome everyone who wants to partner with us to make this project a reality. We need donations to pay for the land. Construction and financing are taking shape. Together we can make home ownership a reality for hard-working people in our area who need it, while at the same time, showing we value our citizens and want to preserve the integrity of our growing community.

For more information, call Maggie Lyons, PAHA's Executive Director at 208-659-3477, or email her at: maggie@pahaid.org

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