

Employer-Provided Local Housing Rental Covenant

THIS LOCAL HOUSING COVENANT is between THE CITY OF McCall, IDAHO ("McCall") and the MCCALL-DONNELLY SCHOOL DISTRICT NO. 421 (the "Owner").

RECITALS

- A. Owner owns real property, which is described in **Attachment 1** (the "**Property**").
- B. Owner has elected to participate in the McCall's Local Housing Incentive Program (the "**Program**") and has entered eight housing units at 2000 Wolf Pack Place, McCall, Idaho 83638, as part of the Program with McCall that involves renting units for Local Housing in accordance with the Program (the "**Units**").
- C. This Covenant applies to the Units.
- D. As part of the Program, Owner received reimbursement for certain development costs from McCall.
- E. Owner intends for the Property to be subject to certain restrictions and for the City of McCall to have the power to enforce the terms of this Covenant.

Owner and McCall agree as follows:

1. USAGE COVENANT. Owner shall rent the Units on the Property for Local Housing only, in accordance with the Program. Owner may, over time, elect to lease the property to a different entity for the purpose of leasing Units to Tenants. Such lease(s) shall not relieve the Owner of compliance with all terms of this Agreement.

2. RECORDING AND SALE. This Covenant will be recorded as a restriction on the Property or Units. The Owner and the City of McCall intend this Covenant to run with the land and to be binding upon the Owner's successors, heirs and assigns in perpetuity. Future conveyances of the Property shall include the following restriction:

This conveyance is subject to the restriction set forth in that certain Local Housing Covenant between the [Owner], as Owner and the City of McCall, Idaho, recorded on _____, as Instrument # _____ in the records of Valley County, Idaho. Specifically [Owner] was a participant in the City of McCall Local Housing Incentive Program for which they received consideration, so that number of current or future dwelling unit(s) OR addresses located on the above described real Property, will be used/rented only for Local Housing as defined in adopted City of McCall policy and further described in Instrument # _____

Before proceeding with a sale, the Owner shall give McCall at least thirty 30 days' prior written notice and shall promptly provide McCall with documentation sufficient to confirm compliance with such restrictions.

3. DEFINED TERMS. Owner and McCall agree on the following definitions of key terms used in this Covenant:

- (a) Qualified Housing: Rental housing authorized through the Local Housing Incentive Program, which requires occupants to meet the General Criteria and Priorities in this Covenant to reside in the housing.
- (b) Local Housing: Housing required to be occupied by a Local Worker.
- (c) Local Worker: Someone who works a minimum of 30 hours per week or 1,560 hours per year for a McCall Business or for the McCall-Donnelly School District, and who is contracted or otherwise classified as 0.6 Full Time Employee and works a minimum of 1,000 hours per year, for a set period (6 consecutive months), or has an employment offer to work at a McCall Business or McCall-Donnelly School District. Telework, or other work from home, for a business not physically located within the McCall Area, does not qualify as a McCall Business.
- (d) McCall Area: the area shown in Exhibit A of McCall Resolution 19-02, which is attached as **Attachment 2**.
- (e) McCall Business: a business that has a physical location within the McCall Area.
- (f) Program Administrator: the person or entity the City of McCall has designated to administer the Local Housing Incentive Program.
- (g) Short-Term Rental: a residential real property rental for 30 days or less. Short-Term Rentals include vacation rentals.
- (h) Tenant: A person who resides in a Leased Unit at the permission of the Owner and who meets the General Criteria and Priorities as described in Sections 4 and 5 and who has executed a lease or rental agreement to the Unit. When occupied, a Leased Unit must be occupied by at least one Tenant.
- (i) Occupant: A person who resides in a Leased Unit at the permission of the Owner and the Tenant, who is a family member, caregiver of the Tenant, or otherwise approved by property manager to occupy a Unit with Tenant, and whose name is identified on the Leased Unit rental agreement. Family members in this context include, but are not limited to, spouses, domestic partners, children (including biological children, adopted children, stepchildren and children who are otherwise under the Tenant's legal care and control), parents, legal guardians, siblings, grandchildren, grandparents and sons -in-law, or daughters-in-law. Only Tenant(s) and Occupant(s) may reside in a Leased Unit.
- (j) Leased Unit: A Unit on the Property and rented pursuant to this Covenant.

4. GENERAL CRITERIA. General criteria for Tenant(s) of the Property are: (i) A Local Worker; who (ii) meets one of the priority and eligibility categories identified in Section 5(a) below.

5. PRIORITY AND ELIGIBILITY.

(a) Priority for Tenants shall be in the following order ("Priorities"):

(i) Employee of Owner

(ii) Other Qualified Tenants through the Local Housing Incentive Program

(b) All Tenants must fall into one of the categories identified in Section 5(a).

6. RESTRICTIONS ON RENTAL OF THE PROPERTY.

(a) A Tenant must meet the General Criteria and Priorities stated in Sections 4 and 5 at the time of commencement of the lease.

(b) Owner must adhere to the applicable rental rate requirements described in the current Local Housing Incentive Program Policy to the extent not inconsistent with Section 6(c).

(c) Employer-Provided Rental With Qualified Tenant. The monthly Base Rental Rate (including essential utilities) for a Leased Unit shall be a sum equal to not more than 30% of the monthly gross household income of all Tenants and Occupants over the age of eighteen residing within a Unit. While the Owner, through contractual affiliates, shall be responsible for verifying Tenants' and relevant Occupants' incomes, McCall may conduct annual compliance monitoring to ensure adherence to applicable program requirements.

(d) Lease Term and Tenant Continued Eligibility for Leased Unit. Unless otherwise agreed by McCall and Owner, if a Tenant, or, if there is more than one Tenant (ex. husband and wife both meeting the General Criteria and Priorities), all co-Tenants, cease to satisfy the General Criteria and Priorities in this Covenant during the lease term, then such Tenant, co-Tenants, and Occupants will, upon 30 days notice, be required to move out of the Leased Unit before the expiration of the term of their lease. Leases shall be a maximum of one year and can be renewable on a year-to-year basis upon confirmation of qualification of the General Criteria and Priorities in this Covenant prior to each renewal period.

(e) Unit(s) subject to this Local Housing Covenant may not be used as Short-Term Rentals.

7. OBLIGATION TO PROVIDE CURRENT MAILING AND CONTACT INFORMATION. Owner shall submit to McCall updated mailing addresses and other contact information of the Owner and their Tenants annually.

8. ONGOING COMPLIANCE. Owner shall submit to McCall documentation, including leases, on an annual basis sufficient to confirm compliance with the terms of this Covenant.

9. MCCALL'S ADMINISTRATOR, SUCCESSORS, AND ASSIGNS. McCall may designate a Program Administrator, a successor or assign to its rights and obligations under this Covenant, provided that such Program Administrator, successor or assign is a governmental body, governmental

agency, or entity (non-profit or for-profit) with a purpose consistent with the Program.

10. RECITALS. The above recitals are incorporated into and made a part of this agreement.
11. ENTIRE AGREEMENT. This Covenant constitutes the entire agreement between the parties.
12. ENFORCEMENT. It will be an event of default if the Owner fails to abide by any requirement or restriction stated in this Covenant and such failure is not cured by the Owner within 60 days after notice by McCall of such failure. Without limitation of any other rights or remedies of McCall, in the event of any rent, conveyance, financing, refinancing, or other transfer or occupancy of the Property in violation of the provisions of this Covenant, McCall shall have the following rights and remedies, which will be cumulative and not mutually exclusive:
 - (a) specific performance of the provisions of this Covenant;
 - (b) injunctive relief;
 - (c) the right to void any contract for lease, conveyance or other transfer of the Property in violation of the provisions of this Covenant, by an action in equity to enforce this Covenant.
13. ATTORNEY FEES. In the event an action is brought to enforce any of the terms or provisions of this Covenant, the successful party to such action or collection shall be entitled to recover from the losing party a reasonable attorney fee, together with such other costs as may be authorized by law.
14. SEVERABILITY. In the event any of the provisions of this Covenant are deemed illegal or unenforceable, such determination shall not operate to invalidate any of the remaining provisions of this agreement.
15. HEADINGS. The capitalized paragraph headings are for convenience only and are not a part of this Covenant and shall not be used in interpreting or construing this Covenant.
16. GOVERNING LAW; VENUE. The construction, interpretation and performance of this Covenant shall be governed by and construed in accordance with the laws of the State of Idaho without regard to any conflicts of law principles.

The parties have executed this Covenant on the date next to their signature.

CITY OF McCALL, IDAHO

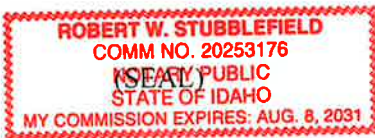
By: [Signature] Date: 9/2/26
Colby Nielsen, Mayor

By: [Signature] Date: 9/2/26
BessieJo Wagner, City Clerk

STATE OF IDAHO)
: ss:
County of Valley)

On this 2nd day of September, 2026, before me, a Notary Public, personally appeared COLBY NIELSEN, the Mayor of the City of McCall, Idaho, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same on behalf of the City of McCall, Idaho, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



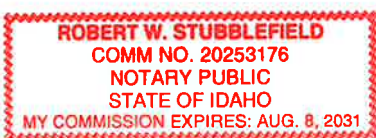
[Signature]
Notary Public for Idaho
My Commission Expires: 08/08/2031

STATE OF IDAHO)
: ss:
County of Valley)

On this 2nd day of September, 2026, before me, a Notary Public, personally appeared BESSIEJO WAGNER, the City Clerk of the City of McCall, Idaho, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same on behalf of the City of McCall, Idaho, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(SEAL)



[Signature]
Notary Public for Idaho
My Commission Expires: 08/08/2031

[Signatures Continued on the Next Page]

MCCALL-DONNELLY SCHOOL DISTRICT NO. 421

By: _____
Timothy Thomas, Superintendent

Date: _____

STATE OF IDAHO)
 : ss:
County of Valley)

On this _____ day of _____, 2026, before me, a Notary Public, personally appeared Timothy Thomas, Superintendent, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same on behalf of the McCall-Donnelly School District No. 421, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(SEAL)

Notary Public for Idaho
My Commission Expires: _____

ATTACHEMENT 1:
Legal Description

Instrument # 456381
VALLEY COUNTY, CASCADE, IDAHO
4-11-2023 11:48:22 AM No. of Pages: 2
Recorded for : CITY OF MCCALL
DOUGLAS A. MILLER Fee: 0.00
Ex-Officio Recorder Deputy
Index to: CITY OF MCCALL - MSC.

NA

WARRANTY DEED

FOR VALUE RECEIVED, McCall-Donnelly Joint School District No. 421, ("Grantor"), whose address is 120 Idaho Street, McCall, Idaho 83638, hereby conveys, grants and warrants to McCall-Donnelly Joint School District No. 421, ("Grantee"), whose address is 120 Idaho Street, McCall, Idaho 83638 (Grantee), for, the following described real property:

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); thence on the west section line of said Section 16, South 00°43'56" West, 210.02 feet; thence leaving said west section line, South 89°54'11" East, 35.00 feet to a point common with the easterly right of way line of North Mission Street and the southerly right of way line of Stibnite Street East, said point being the **POINT OF BEGINNING**.

Thence on said southerly right of way line, South 89° 54' 11" East, 540.40 feet to a point of curvature on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence 181.12 feet on the arc of a curve to the left, having a radius of 1482.39 feet, a central angle of 07° 00' 02", and whose long chord bears South 06° 56' 39" West, 181.01 feet to the point of curvature of a 50-foot Offset Spiral Curve;

Thence, continuing on said westerly railroad right of way line the following 8 courses of offset spiral curve to the left,

South 03° 00' 12" West, 23.52 feet;

Thence South 02° 11' 15" West, 23.51 feet;

Thence South 01° 27' 33" West, 23.50 feet;

Thence South 00° 49' 26" West, 23.50 feet;

Thence South 00° 16' 51" West, 23.50 feet;

Thence South 00° 10' 29" East, 23.49 feet;

Thence South 00° 32' 13" East, 23.49 feet;

Thence South 00° 48' 37" East, 23.49 feet;

Thence leaving said railroad right of way, North 89° 24' 33" West, 303.02 feet, to a point on the boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said boundary line, North 89° 20' 40" West, 222.07 feet, to a point on the easterly right of way line of North Mission Street;

Thence on said easterly right of way line, North 01° 56' 50" East, 210.71 feet;

Thence North 00° 43' 56" East, 152.29 feet, to the **POINT OF BEGINNING**.

The above-described parcel contains 4.407 Acres (191,947 Ft²), more or less.

This conveyance shall include any and all appurtenances, tenements, hereditaments, reversions, remainders, easements, rights-of-way and water rights in anywise appertaining to the property herein described.

WARRANTY DEED - 1

The above-described easement contains 4.802 Acres (209,168 Ft²), more or less.

TO HAVE AND TO HOLD, all and singular the said premises, together with the appurtenances, unto Grantee, and to its heirs, assigns, and successors, forever.

IN WITNESS WHEREOF, the Grantor has executed this instrument on this 10 day of April, 2023.

By: [Signature]
Superintendent,
McCall-Donnelly Joint School District No. 421

STATE OF IDAHO)
 :SS
County of Valley)

On this 16th day of April, in the year 2023, before me personally appeared Eric Pingrey, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he had full legal authority to bind Grantor, and that he executed the same.



(SEAL)

[Signature]
Notary Public for Idaho

Commission expires: 1-9-29

QUIT CLAIM DEED-2

ATTACHMENT 2



City of McCall

RESOLUTION 19-02

A RESOLUTION OF THE CITY OF MCCALL, IDAHO, ADOPTING THE MCCALL LOCAL HOUSING INCENTIVE PROGRAM FOR PRIVATE DEVELOPMENT, PROVIDING FOR RELATED MATTERS, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the McCall Housing Strategy was prepared by consultant team of Logan Simpson and Zions Finance to look at the housing issue in McCall and provide recommendations to create more affordable housing options for local residents to be able to work and live in McCall; and

WHEREAS, the City of McCall conducted an extensive planning process as part of the 2018 McCall In Motion Comprehensive Plan update process involving members of the McCall community which examined the need for housing, role in economic development, importance to the workforce, impact on transportation and need to retain year around community; and

WHEREAS, the McCall Area Comprehensive Plan Our Economy Vision statement states: “Support a variety of housing opportunities to allow people to live and work in McCall, and to provide affordable opportunities for low- to middle-income employees, seniors, and persons with special needs”; and

WHEREAS, one of the six Big Ideas in the Comprehensive Plan is “Housing our Local Community: Achieve a sustainable, year-around community”; and

WHEREAS, Comprehensive Plan, Housing Goals and Policies include: “Goal 2: Support a local housing program as part of the vision for a diverse and year-round economy”; and

WHEREAS, the McCall Housing Strategy is a planning document to assist in the creation of funding sources, regulations, programs and policies to create ‘local’ housing options; and

WHEREAS, the McCall Housing Strategy Report was adopted on January 11, 2018; and

WHEREAS, staff presented information about the tour staff had with Planners from the Town of Winter Park, CO about public and private initiatives in its downtown and related to affordable housing with the goal of creating as much housing in its downtown as possible; and

WHEREAS, the City Council held a work session on September 27, 2018 to generate ideas and solutions for the lack of attainable housing in McCall; and

WHEREAS, on December 13, 2018 and January 17, 2019 the City Council discussed and reviewed an overview of a potential McCall Local Housing Program. Part of this program will be a Local Housing Incentive Program for private development developed to encourage and create deed restricted for sale or lease controlled local housing units; and

WHEREAS, the Local Housing Incentive Program is subject to available funding; and

WHEREAS, the City of McCall recognizes that deed restricted local housing is a Public Benefit to the entire community; and

WHEREAS; the Local Housing Incentive Program provides the terms and criteria for the value of the incentive for deed restricted units; however, deed restrictions shall be approved on a case by case basis for each project by the Administrator of the Local Housing Incentive Program: and

WHEREAS, the Local Housing Incentive Program is a reimbursement program to those developers and owners who voluntarily participate in the Program after specific deed restrictions are approved and recorded and there is acceptance of the public infrastructure by the City.

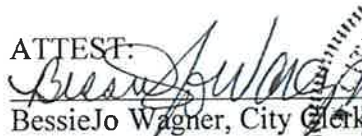
NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of McCall, Valley County, Idaho that:

The City of McCall adopt the Local Housing Incentive Program, a copy of which is attached hereto as Exhibit 1, and by this reference incorporated herein.

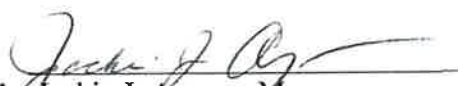
This resolution shall be in full force and effect upon its passage and approval.

Adopted this 14th day of February 2019.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor



City of McCall

Local Housing Incentive Program For New Development

Purpose: As outlined in the *2018 McCall Area Comprehensive Plan* and the *City of McCall Housing Strategy*, a Local Housing Program that includes a number of tools to create a variety of for-sale or rental units with various price points is needed in order to support a year-around community. As part of the Local Housing Program, this incentive-based program intends to encourage the private sector to build units with deed restrictions to increase the supply of housing for locals. Deed restrictions are an important tool to ensure housing units for locals stay affordable for the long-term for other locals who are interested in renting or purchasing a unit in the city of McCall. These restrictions ensure permanent affordability.

Incentive: Maximum Incentive Value: \$10,000 of value per unit, provided that units are deed or lease restricted for local housing and meet the criteria set forth in the Incentive Program. The Incentive will be calculated for the value of the incentive amount and will be issued on a reimbursement basis. The Local Housing Incentive Program is contingent upon available funding.

Eligibility: Project must be located within the McCall City limits and have recorded approved deed restrictions for units to be eligible for the incentive.

Examples for Incentive Expenditure: The following are the priorities for expenditures for the incentive (value up to \$10,000/unit) but may not be limited to:

- Public street improvements
- Public sidewalk/pathways
- Upgrades to City utilities (water, fiber)
- Undergrounding of overhead utilities (power, telecommunications)
- Water hookup fees
- Parks in-lieu fees as required by MCC 9.3.10
- Building / P&Z application fees

Funding Sources: The following is a list of funding sources but may not be limited to:

- City General Funds / LOT
- Water hookup fees (water fund must be repaid by source above)
- Utility Franchise fees
- Building / P&Z application fees
- City-owned property

Deed Restrictions: A deed restriction placed on the property will determine how an owner may use, rent or resell the property or unit. Rather than link the local housing program to income categories, the purpose of the criteria for the deed restrictions would focus on people who work in the community to also have housing within McCall. Deed restrictions for rental, for sale or employer owned units would define and include the following criteria set forth here.

Criteria: The purpose of the criteria is to define how deed restrictions will be developed depending on the ownership, type of unit or development, and other considerations based on a project-by-project evaluation.

Criteria for all projects: These minimum requirements apply to all deed restricted units:

- Employed, work minimum 30 hours/week or 1,560 hours/year, within the city for a set period (6 months) or have employment offer from a McCall Business; or
- Senior (age 65 and older) as primary resident; or
- Person with disability; and
- No short-term/vacation renting or sub-leasing.

For Rent Units: Must meet the general criteria for all projects and may be subject to the following:

- Rent Control to ensure affordability typically tied to Consumer Price Index; and
- Annual or random audits of leases.

For Sale Units: Must meet the general criteria for all projects and may be subject to the following:

- Restriction on resale price based on maximum annual appreciation rate for sale units (i.e. 3% of original purchase price and cost of improvements, typically tied to the Consumer Price Index, or other measure such as Median Household Income).

EXHIBIT A

- BRICK & MORTAR BUSINESSES
- HOUSING INCENTIVE BOUNDARY
- COUNTY BOUNDARY
- IMPACT AREA
- MUNICIPAL BOUNDARIES

