

Friday, June 14, 2024

Neil Bradshaw, Mayor

Amanda Breen, Council President

Courtney Hamilton, Councilor

Spencer Cordova, Councilor

Trip Hutchinson, Councilor

RE: Payment in lieu of Housing, 108-110 Ritchie

Dear Leadership,

I would like to share with you this example of a proposed development and how the Ketchum's' current zoning has sometimes unintended negative consequences in regard to increasing rental housing market.

In 2022, the two lots were allowed to be merged into one large lot. I believe this was the first misstep, if the goal is encouraging development of modest rental housing. When the lots were merged, the neighborhood original design is compromised and changed. The developer is now dealing with a much larger building envelop. If the lots were not merged the developer would have had to focus on smaller more modest housing like the surrounding neighborhood condos.

In 2024, the developer has submitted a plan that includes a payment in lieu of housing. Our warm springs neighborhood has a **FAR of .5**. The developer is planning a **FAR of 1.36** this is more than two and a half times the FAR of the existing community. **Zoning is not just for new buildings. It also exists to protect existing home owners!**

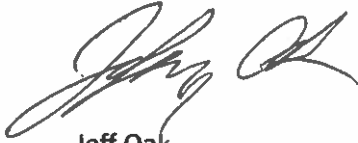
Proposed 12 new units has a gross square foot of 39,725 (average 3,310 sq, ft, per luxury unit) This is a gigantic increase above the permitted FAR by 25,161 square feet (.5 FAR)

The payment is for only 20% of the increase 5032 square feet reduced by a further 15% for net livable 4,277 SF x 550 = \$2,352,555. I don't know the right answer, but this seems inexpensive to allow someone to build at 2 ½ times over existing zoning? The market benefit to the builder adds sellable floor space which is currently valued at \$800 to \$1000 per sq ft x 25,161. (The payment in lieu of adds \$22 million into the developers' pocket, minus construction costs.

My argument is that if the zoning was left at .5 FAR and the payment wasn't allowed, we would end up with much more modest housing of 12 units (39,725sf – 25,161sf) sized at 1,200 sf each would have a much better chance of adding to the rental market. I have neighbors on all four sides of this lot that live and work here in Ketchum, the proposed development will be sized and priced to a different market of luxury home owners. Yes, the 2.3M is a nice addition to housing funding, but if the goal is to actually

build units that people can afford or that will end up being part of the rental market, this project is currently another lost opportunity if it proceeds as planned.

Thank you for taking the time to consider another viewpoint,

A handwritten signature in black ink, appearing to read "Jeff Oak", with a stylized flourish at the end.

Jeff Oak

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