



City of Ketchum

August 1, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation to Approve Independent Contractor Agreement #22120 with Landing Locals

Recommendation and Summary

Goal 1: Create and preserve housing

Action 8: Incentivize long-term rentals: Implement "Lease to Locals" workforce rental program. Analyze additional incentives such as property management and bond/guarantee.

Staff is recommending the City Council approve Independent Contractor Agreement #22120 with Landing Locals for Community Housing Strategic Services. This contract will temporarily extend the capacity of City of Ketchum staff and enable to start-up and administration of the Lease to Locals program, including use of Landing Locals' expertise, template forms, online platform, and capacity for customer service – both of tenants and homeowners.

"I move to approve the contract with Landing Locals to administer the Lease to Locals program"

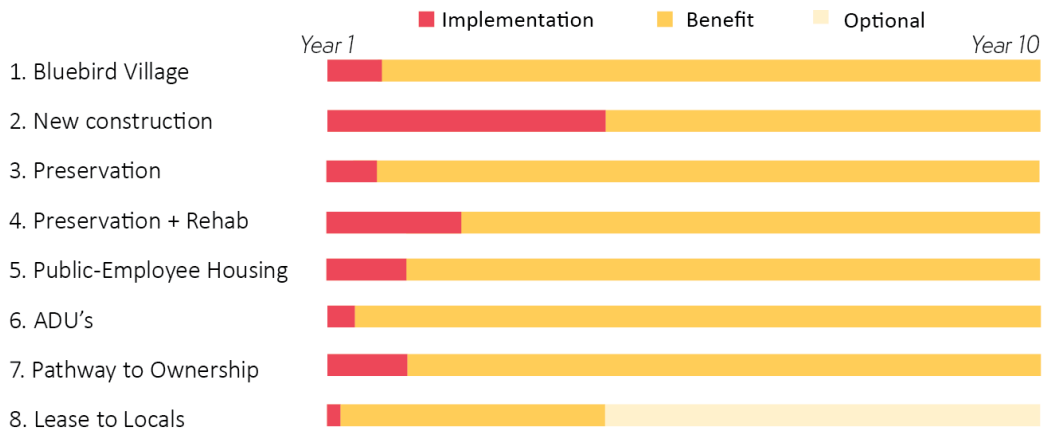
The reasons for the recommendation are as follows:

- The Landing Locals team possesses the necessary knowledge, skills, and experience to execute a much-needed housing program quickly and efficiently.
- The program unlocks housing inventory that would otherwise not be available, due to typical new construction and new housing program timeframes.
- The city currently has adequate funds for this contract in the Strategic Initiatives Account.

Introduction and History

The administrative costs and incentives could result in housing up to 80 people, which is about 8% of Ketchum's households who currently are unstably housed (i.e. cost burdened, experiencing homelessness, in severe overcrowding or substandard housing). This would signify unlocking about 1.5% of potential, available housing – vacant homes as well as bedrooms and Accessory Dwelling Units in owner-occupied homes (about 40 of 3,200 units / 100 of 6,700 bedrooms).

Ketchum experienced a substantial increase in housing demand with the onset of COVID. Between 2019 and 2020 alone, Ketchum’s population increased by 25% compared to the historic annual increase of 1%. This demand pushed up rents and sales prices on homes, displacing workers South or out of the region all together.



Restaurants, businesses, and community members are struggling to continue functioning here and will continue to do so without adequate housing. Such displacements – compounded with the stress of the pandemic – has negative impacts on residents’ mental, physical, and economic health.

Landing Locals unlocks new housing opportunities by marketing to owners of vacant, seasonal, and short-term rentals and facilitates financially incentivizing their conversion to long-term rentals. They began in Truckee in 2019 and have since expanded to North and South Lake Tahoe, Summit County, and are committed to implementing in additional markets. In the Town of Truckee, they housed 108 locals in 107 bedrooms (55 units). They found that ~85% of homeowners renewed for a second year.

This is an action with immediate results and if the market changes or ample affordable homes come online, could be scaled back, or stopped in later years. This is not meant to be a silver bullet (as there are none) but is one tactic to be used in tandem with other long-term interventions (like building new and preserving housing).

The goal is to provide housing as quickly as possible, not establish a long-term program. That is one of many benefits of working with Landing Locals: There is no commitment to unlocking additional housing in the future nor commitment to onboarding staff to administer the program. Their expertise, template forms, online platform, capacity for customer service, and staff would temporarily extend the capacity of the City of Ketchum.

Given the housing market and prominence of vacant homes and short-term rentals, government provided incentive nudges these homes to transition. Landing Locals specifically needs an anchor institution, of which the City of Ketchum will be with this contract. The City of Hailey committed \$20,000 to \$25,000 towards this administration fee, which will be reimbursed upon their contract. The incentives will only be paid out if there is a match between a homeowner and tenant.

Landing Local’s anticipated launch is October 2022, with first leases starting October 1. Policy development would start in August - such as amount of incentive for number of bedrooms or employees, tenant eligibility, and lease terms. Marketing to homeowners would begin late August/early September.

Sustainability impact

Ability to house employees and community participants locally decreases commuter vehicular trips.
Preservation of existing buildings uses fewer resources than new construction.

Financial Impact

Funds for administrative services will come from the Strategic Initiatives Fund account as a monthly cost of \$7,500. The initial marketing budget for year one is \$15,000, bringing total administrative costs to \$105,000 for August 2022 to July 2023. Incentives of \$395,000 for year one would be set-aside.

Note that there may be homeowner and tenant matches towards the end of year one, in which case administration of the program would continue beyond one year. The monthly rate can be renegotiated then.

Attachments:

Sole Source Provider Resolution 22-025
Contract and Purchase Order #22120

**CITY OF KETCHUM
RESOLUTION NO. 22-025**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHUM, BLAINE COUNTY, STATE OF IDAHO, APPROVING AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDING, INC. SERVICES.

Section 1. Findings

- 1.1 The City has authority to enter into a contract for provision of public services pursuant to Idaho Code § 50-301 *et seq.*
- 1.2 The City finds that it is economical and efficient and that is in the best interests of the City to contract with Landing, Inc. for certain services as set forth in the attached Agreement.
- 1.3 The City finds that Landing, Inc. provides a unique professional service and is the only provider reasonably and practically available to the City for provisions of the desired services. A competitive solicitation would be impractical, disadvantageous, or unreasonable under the circumstances.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Ketchum that:

- 2.1 Pursuant to Idaho Code §67-2808(2), the City determines and declares that there is only one vendor, Landing, Inc, reasonably available for the desired services.
- 2.2 The *City of Ketchum Independent Contractor Agreement for Landing, Inc. Services*, as attached, is approved and the Mayor is authorized to enter into and execute such on behalf of the City.

PASSED BY THE CITY COUNCIL of the City of Ketchum, effective this 1st day of August, 2022.

APPROVED:

Signed: _____
Neil Bradshaw, Mayor

ATTEST:

By: _____
Lisa Enourato, Interim City Clerk

**CITY OF KETCHUM
INDEPENDENT CONTRACTOR AGREEMENT #22120
FOR LANDING, INC. SERVICES**

This Independent Contractor Agreement is made and entered effective to the 1st day of August, 2022, by and between the City of Ketchum, a municipal corporation of the State of Idaho (“City”), and Landing, Inc., a California corporation (“Contractor”).

- A. The City is a municipal corporation duly organized and existing under the laws of the State of Idaho.
- B. The City is empowered to contract and be contracted with for the provision of public services. Idaho Code § 50-301 *et seq.*
- C. Contractor independently provides certain professional services which may be beneficial and of use for the general welfare of the City.
- D. The City finds that it is economical and efficient and that is in the best interests of the City to contract with Contractor for certain services as set forth herein (“Services”).

NOW THEREFORE, the Parties enter into this Independent Contractor Agreement according to the following terms and conditions:

- 1. Services. In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform the general services for the City as set forth and outlined in the Scope of Work, attached as Exhibit A, and incorporated herein by reference
- 2. Task Orders. Services may be additionally provided on a task order basis. In such situation, Contractor will provide City with either a project cost bid or an hourly cost scope on a project-by-project basis dependent upon the level of definition in the task request. Task orders will be reviewed and approved on per project basis by the Mayor or designee. Task orders must be agreed upon and approved prior to commencing any project.
- 3. Payment for Services. City’s total fiscal obligation under this Agreement shall not exceed one-hundred and five thousand dollars and zero cents (\$105,000.00).

City shall make payment to Contractor based on the rates and terms in Exhibit B. City reserves the right to withhold full or partial payment if City determines the quantity or quality of the work performed is unacceptable or may be in dispute. In the event City makes advance payments to Contractor, Contractor agrees to refund any amounts in excess of the amount owed by City at the time of termination or expiration of this Agreement. Contractor is not entitled to payment for work not performed as required by this Agreement.

- 4. Performance and Warranty. Contractor will provide its own tools and equipment as needed to perform the Services. Contractor warrants that all equipment used to perform this

Agreement will function safely, properly, and efficiently. Contractor warrants that all services will be timely performed in a safe, professional, and workmanlike manner.

5. Term and Termination. This Agreement shall be in effect for an initial term from August 1, 2022 through July 31, 2023, at which time it shall terminate unless further extended in writing. Either party may terminate this Agreement for any reason upon thirty days written notice to the other party. Contractor will invoice for any work that has been actually performed as of the date of notice of termination.
6. Independent Contractor. Contractor performs the Services hereunder solely and exclusively as an independent contractor. Contractor is not an employee, servant, agent, partner, or joint venture of the City. The City will determine the projects to be done by Contractor, but Contractor will determine the legal means by which it accomplishes the work specified by the City. This Agreement shall not be construed to create or establish any employee-employee relationship between the City and Contractor or make Contractor eligible for any City employment benefits. Contractor is solely responsible for all withholding and payment of all applicable federal, state, and local income or payroll taxes of any kind.
7. Indemnification. Contractor releases, holds harmless, and agrees to indemnify City from and against all claims, suits, damages (including, without limitation, damages to persons and property including deaths, and all tax responsibilities), costs, losses, and expenses, in any manner related to or arising from the acts or omissions of Contractor, its managers, members, directors, officers, shareholders, agents, and employees.
8. Licensing. Contractor represents that Contractor possesses the requisite skill, knowledge, and experience necessary to perform the Services. Contractor represents it has or agrees to obtain and maintain all necessary registrations, licenses, and insurance as required by the State of Idaho for the performance of the Services under this Agreement.
9. Insurance. Contractor is not covered by the City's liability insurance policy. Contractor shall carry and maintain liability insurance in the following minimum amounts:

General liability	\$1,000,000.00 per occurrence; \$2,000,000.00 aggregate.
Commercial Auto	\$1,000,000.00
Professional Liability	\$1,000,000.00
Worker's Compensation	As required by the State of Idaho, and not less than \$1,000,000.00

Proof of said insurance shall be provided to City. Each policy of insurance required shall provide for no less than thirty-day advance notice to City prior to cancellation. In addition, the City shall be named a "Additional Insured" by all contractors and subcontractors.

10. Notice. All notices under this Agreement shall be in writing and addressed as follows:

CITY:

CONTRACTOR

City of Ketchum
Attn: City Administrator
P.O. Box 2315
191 5th St., West
Ketchum, ID 83340

Landing, Inc.
10418 Donner Pass Rd., Unit C
Truckee, CA 96161

11. Compliance with Laws/Public Records. Contractor, its managers, members, directors, officers, shareholders, agents, and employees shall comply with all federal, state and local laws, rules, and ordinances. This Agreement does not relieve Contractor of any obligation or responsibility imposed upon Contractor by law. Without limitation, Contractor hereby acknowledges that all writings and documents, including without limitation email, containing information relating to the conduct or administration of the public's business prepared by Contractor for City regardless of physical form or characteristics may be public records pursuant to the Idaho Public Records Act. Contractor further acknowledges that, subject to certain limitations, the public may examine and take a copy of all such public writings and records. Accordingly, Contractor shall maintain such writings and records in such a manner that they may readily identified, retrieved and made available for such inspection and copying. Should Contractor wish to claim an exemption to disclosure on any record, Contractor shall identify such in advance and assume all costs of defense on any associated legal action to defend such claimed exemption from disclosure.
12. Non-Assignment. Contractor hereby acknowledges that City has agreed to enter this Agreement based in part on Contractor's unique skills and reputation for professional work. Accordingly, Contractor may not assign, subcontract, or transfer in any manner this Agreement or any of Contractor's right, title or interest in or to this Agreement without the prior written consent of City.
13. Amendments. This Agreement may only be changed, modified, or amended in writing executed by all parties.
14. Non-Waiver. The failure of either party to exercise any of its rights under this Agreement at any time does not constitute a breach of this Agreement and shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.
15. Headings. The headings in the Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.
16. Attorney Fees and Costs. In the event that either party hereto is required to retain the services of an attorney to enforce any of its rights hereunder, the non-prevailing party shall pay to the prevailing party all reasonable costs and attorney fees incurred in such enforcement, whether or not litigation is commenced and including reasonable costs and attorney fees on appeal.
17. Information Technology Security Requirements. Exhibit C, "Information Technology Security Addendum" is attached and incorporated by this reference. Contractor's failure to

comply with the requirements in Exhibit C is a material breach of this Agreement.

18. Governing Law. This Agreement shall be governed by the laws of the State of Idaho. Venue shall be in the Fifth Judicial District, Blaine County, Idaho.
19. Entire Agreement. This Agreement contains the entire Agreement between the parties respecting the matters herein set forth and supersedes any and all prior Agreements between the parties hereto respecting such matter.
20. Severability. If any part of this Agreement is held to be invalid or unenforceable, such part shall be considered as stricken and the rest of this Agreement shall continue in full force and effect and so as to preserve the agreement and intent to the fullest possible extent.
21. Execution and Signatures. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
22. Authority. The parties executing this Agreement warrant, state, acknowledge, and affirm that they have the authority to sign the same and to bind themselves to the terms contained herein.

IN WITNESS WHEREOF, the Parties execute this Agreement.

CITY OF KETCHUM

Neil Bradshaw, Mayor

Date

ATTEST:

, City Clerk

LANDING, INC.:

Evan Goldin, Founder/President

Date

Exhibit A Scope of Work

1. Project Description

Landing, Inc. (the “Contractor”) will administer “Lease to Locals”, a longer-term rental incentive program (the “Program”) in the City of Ketchum. Through this program, the City will provide up to \$405,000 in grant funding to property owners that rent their homes to local workers. To administer the Program, Contractor will provide the Scope of Services listed below.

The Program will be a one-year pilot program launching August ____, 2022 and running through July ____, 2023.

2. Personnel

Contractor’s project manager for this program will be _____. Contractor will adequately staff the project to ensure all tasks included in this scope of work are completed.

3. Marketing

	Deliverable	Deadline or Frequency
A	Build Program website with information for property owners to understand the Program requirements and learn how to apply for grant funding.	The website must be built and live by August ____, 2022 Contractor is responsible for keeping website up-to-date.
B	Build a PR and advertising plan to continue to build awareness of the Program.	The PR an advertising plan is due to the City August ____,2022. Contractor’s implementation of the approved plan will be ongoing.
C	Design and execute print and web advertisements for the Program.	Design must be completed and provided to the City by August ____, 2022. Contractor will post print and web advertisements three times during the term of this Agreement, as directed by the City. Payment for all advertisements will be funded from Marketing Costs, as described in Exhibit B.
D	Design and print postcards to be mailed to second home owners at their home addresses.	Design must be completed by August ____, 2022.

		Contractor will mail postcards three times over a year, as directed by the City.
E	Send email to all current and past STR owners to encourage them to participate in the Program.	Contract will email at least two time per year.

4. Customer Service and Education

Contractor will:

- A. Respond to all inbound inquiries via web and email. Compile feedback on the Program to use for modifications of the Program.
- B. Conduct outreach to the City of Ketchum-based Property Managers to educate them on the program and explore the possibility of converting some of their underperforming properties.
- C. Work with Property Managers and Property Owners to review leases, qualify tenants, and ensure property owners receive incentive payment(s) in accordance with Program guidelines adopted by the City.
- D. Engage with the business community in the City of Ketchum with the goal of educating them and their employees about the Lease to Locals program.

5. Property Listing and Tenant Matching

Contractor will:

- A. Allow property owners and property managers to self-list their properties for free on Landing Locals' website, which includes a unique URL with photos, property attributes, property description, and a way for interested and qualified local tenants to contact the property owner.
- B. Act as the Lease to Locals "clearing house" for properties and prospective tenants, and allow property owners and managers to connect with and secure qualified tenants through Landing Locals.
- C. Allow local tenants to complete and update a renter profile that includes attributes such as gross income, employer name and location, and desired rental type(s).

6. Administration

Contractor will:

- A. Build Property Owner and Tenant Applications for the Program.
- B. Coordinate with the City housing team for City payment to homeowners to efficiently process, approve and pay incentives, as described in Section 6.
- C. Scope out and develop a portal for Property Owners to upload Program documents and track the status of their applications.

7. Compliance/Auditing

- A. At initial lease, Contractor will submit requests for payments (with required agreements, documentation, and payment information) to the City within 45 days of the lease start for payment to be made by the City directly to the Property Owner.
- B. Midway through the Lease, Contractor will audit the properties to ensure tenants meet employment requirements by following up directly with the tenant and landlord with midterm check.
- C. For Seasonal Leases Contractor will conduct 1:1 outreach to Property Owners with the goal of converting them into long-term leases.
- D. At the end of Lease, Contractor will audit the properties to ensure the full lease term is executed and tenants meet employment requirements by following up directly with the tenant and landlord with an incentive payment. Within 45 days of the final compliance check submit requests for payment to the City.

8. Reporting

Contractor will:

- A. Organize monthly meetings with the City staff and report out to stakeholders (six-month check-in at the City of Ketchum Board of Supervisors meeting).
- B. Provide bi-weekly written update to County staff on results vs. targets and feedback we are hearing from renters, homeowners, property managers, and the public.
- C. Report back on the landlord's intentions after the initial lease to see what units remain long-term rentals and which ones go back to their original use.

Exhibit B Payment Terms

1. Administrative Costs

Contractor may seek payment of up to \$90,000 in administrative costs.

Contractor will be paid \$7,500 (seven thousand five hundred dollars) per month, dependent upon Contractor's satisfactory completion of tasks outlined in Exhibit A. Contractor's invoice must be accompanied by description of work performed.

2. Marketing Costs

Contractor may seek payment of up to \$15,000 (five thousand dollars) in marketing costs. Eligible marketing costs include:

- Cost to design print or web advertisements.
- Cost of purchasing advertisement space in printed or web materials.
- Cost to mail marketing materials.

3. Invoicing & Payment

Email all invoices to: _____

Invoices must be submitted within 30 days of the completion of work and must include sufficient detail for the City staff to understand what activities Contractor is seeking payment for. The City will issue payment to Contractor within thirty (30) days after an invoice is received and approved by the City.

Exhibit C

Information Technology Security Addendum

1. Notification of Data Security Incident

For purposes of this section, “Data Security Incident” is defined as unauthorized access to the Contractor’s business and/or business systems by a third party, which access could potentially expose City data or systems to unauthorized access, disclosure, or misuse. In the event of a Data Security Incident, Contractor must notify City in writing within 48 hours. Notice should be made to _____ and to all parties referenced in the “Notices” section of the Agreement. Notice must reference this contract number. Notice under this section must include the date of incident and Contractor’s systems and/or locations which were affected. The duty to notify under this section is broad, requiring disclosure whether or not any impact to City data is known at the time, to enable City to take immediate protective actions of its data and cloud environments.

Failure to notify under this section is a material breach, and City may immediately terminate the Agreement for failure to comply.

2. Data Location

2.1 Contractor shall not store or transfer non-public City of Ketchum data outside the United States. This prohibition includes backup data and Disaster Recovery locations. The Contractor will permit its personnel and contractors to access City of Ketchum data remotely only as required to provide technical support. Remote access to data from outside the continental United States is prohibited unless expressly approved in advance and in writing by the City.

2.2 The Contractor must notify the City **in writing within 48 hours** of any location changes to Contractor’s data center(s) that will process or store City data. Notice should be made to _____ and must reference this contract number.

3. Data Encryption

3.1 The Contractor shall encrypt all non-public City **data in transit** regardless of the transit mechanism.

3.2 The Contractor shall encrypt all non-public City **data at rest**.

3.3 The Contractor’s encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology Security Requirements.

4. Subcontractor Disclosure

To the extent subcontracting or assignment is permitted under this Agreement, the Contractor is responsible for the actions of their subcontractors, vendors, and suppliers. Contractor shall take necessary steps to ensure that the provisions of this contract are enforceable on all subcontractors, vendors, and suppliers acting on behalf of or through Contractor.



CITY OF KETCHUM
 PO BOX 2315 * 191 5TH ST. * KETCHUM, ID 83340
 Administration 208-726-3841 (fax) 208-726-8234

PURCHASE ORDER
 BUDGETED ITEM? ___ Yes ___ No

PURCHASE ORDER - NUMBER: 22120

To: 5852 LANDING, INC SERVICES	Ship to: CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340
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P. O. Date	Created By	Requested By	Department	Req Number	Terms
07/28/2022	kchoma	kchoma		0	

Quantity	Description	Unit Price	Total
1.00	HOUSING RESEARCH & PROJECTS 54-4410-4200	105,000.00	105,000.00
	SHIPPING & HANDLING		0.00
	TOTAL PO AMOUNT		105,000.00

_____ Authorized Signature