



City of Ketchum

November 4, 2019

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation to Discuss Ketchum's Exceedance Agreement Policy and Possibility that Excess Community Housing Square Footage in One Project Might Be Used to Benefit a Second Unrelated Project

Recommendation, Summary & Analysis

Staff is recommending the council discuss its exceedance agreement policy and consider, in general terms, whether language such as the following is appropriate and/or desirable:

In the event the Developer provides as mitigation measures square footage of Community Housing (CH) in excess of that required, Developer shall be entitled to sell or assign such Excess Square Footage to other developers and/or developments for use in satisfying FAR Exceedance Mitigation Requirements of other projects.

Factors possibly affecting the Council's determination, as adapted from the City's Community In-Lieu Funding Application Request Form, include whether the Excess Square Footage:

- results in additional workforce units
- will be used exclusively for resident occupied workforce housing
- is for a targeted unit size and income category for occupants
- will be leased and/or rent restricted in perpetuity
- other considerations, such as the quality of the unit, dollar value involved and/or period in which any Excess Square Footage can be sold or assigned (e.g., before conveyance of the CH unit and any associated excess SF or some period of time thereafter).

Introduction and History

In 2017 the City adopted Resolution 17-006, which allows developments that exceed City-adopted Floor Area Ratio (FAR) standards to receive a building permit and construct projects in excess of a given zoning districts FAR limits, provided the developer voluntarily opts into a FAR Exceedance Agreement with the City.

Ketchum's FAR Exceedance Agreements provide community housing to the Ketchum workforce in 1-of-3 ways, including developer: (1) construction of a deed restricted unit within the project; (2) payment of an in-lieu community housing fee; or (3) purchase of existing housing stock and the conversion of the purchased house into a deed restricted unit.

The City has entered into FAR Exceedance Agreements reflective of each three methods noted. Because required CH unit sizes do not always match with existing housing stock and/or design goals with a deed restricted unit to be created in a project, the question of assigning Excess Square Footage has arisen.

Financial Impact

TBD

Attachments

None