



Housing Priorities (next four years)

City Council Strategic Session

Thursday, April 16, 2026



AGENDA

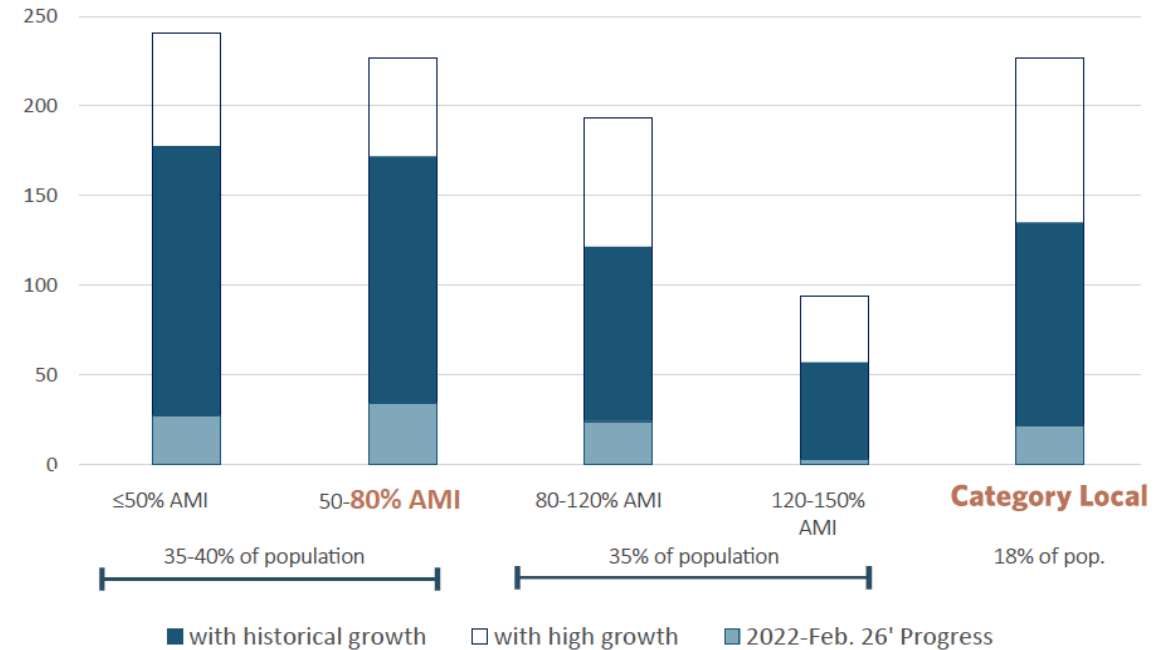
1. Overview/Intro of Target – Jade
2. Financial Model Discussion – Shanna
 - Assumptions
 - Key Takeaways
 - Cost/Income
 - Levers/Scenarios
3. Proposed Go-Forward – Jade
4. Five-Year Financial Look – Brent



4 YEAR HOUSING TARGET

- Past Strategic Planning Session: Establish a housing unit target for the next 4 years
- Housing Action Plan: 660 by 2032
- Progress: ~111 units since 2022 (~28/year)
- Staff 4-Year Target Recommendation: 100 – 125 units
 - Achievable + informed by past performance

10-Year Housing Unit Need by Household Income Level





WHAT

PROJECT OBJECTIVE:

Identify options for meeting community housing target over the next four years.

PROJECT FOCUS:

Housing affordable to households not served by federal programs and existing local inventory or the market (broad “middle”, 100% AMI+).



BCHA INCOME LIMITS

FOCUS IS HERE

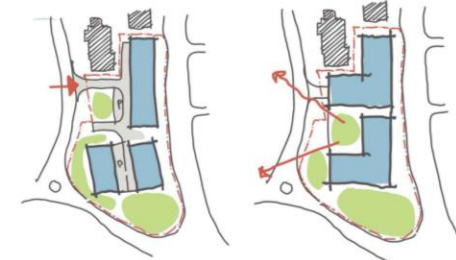
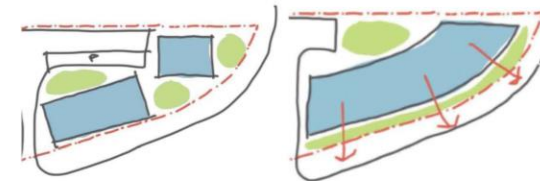
Household Size	Category 1 up to 50% of Median	Category 2 50% to 60% of Median	Category 3 60% to 80% of Median	Category 4 80% to 100% of Median	Category 5 100% to 120% of Median	Category 6 120% to 140% of Median	Category Local No Income Limit
1	\$ 35,150	\$ 42,180	\$ 56,240	\$ 70,300	\$ 84,360	\$ 98,420	Full-time, exclusive resident of or employed in Blaine County, Idaho
2	\$ 40,200	\$ 48,240	\$ 64,320	\$ 80,400	\$ 96,480	\$ 112,560	
3	\$ 45,200	\$ 54,240	\$ 72,320	\$ 90,400	\$ 108,480	\$ 126,560	
4	\$ 50,200	\$ 60,240	\$ 80,320	\$ 100,400	\$ 120,480	\$ 140,560	
5	\$ 54,250	\$ 65,100	\$ 86,800	\$ 108,500	\$ 130,200	\$ 151,900	
6	\$ 58,250	\$ 69,900	\$ 93,200	\$ 116,500	\$ 139,800	\$ 163,100	
Allowable Net Worth (retirement accounts excluded)	\$258,160						\$516,320



WHY

WHAT WE HAVE HEARD

- Maintain Momentum - Ketchum needs to show progress on the creation of community housing
- Too Little/Too Much - Ketchum's residents in need make too much for current community housing, but too little for market rate
- Need Has Changed - Ketchum is already meeting the need for lower income members of our workforce
- False Starts - Previous proposals for community housing developments have not succeeded
- New Strategy - Ketchum needs a new approach for the creation of community housing





HOW

ANSWER THE FOLLOWING:

What is the funding needed to deliver middle-income community housing in Ketchum?

How many middle-income community housing units can that funding provide?

What are other opportunities and challenges to providing middle-income community housing in Ketchum?



HOW: Step 1

Financial Gap Analysis

2 general scenarios: large scale vs. small scattered sites

- 5 total scenarios with variables for ownership, rental, and mixed income

Financial Model Development

- Compares total development costs to the capitalized value of the income from rents or sales proceeds
- Assumptions developed through research of current real estate data, recent case studies, and subject matter interviews
- Evaluated ranges of assumptions to understand potential risks
- Tested potential modular cost savings & inclusion of higher-end/penthouse units



KEY TAKEAWAYS

- Creation of 44-52 units will cost between \$8 and \$11 million dollars.
- Per unit gap is \$277,000-\$466,000, without any incentives.
- Providing land at no cost reduces the gap by at least 25-35%, depending on land values.
- Modular construction may improve feasibility at scale; depends on each developer's cost structure.
- High-end housing mixed with middle income may help cross subsidize the project, if price points hold given site characteristics.

Model is highly dependent on:

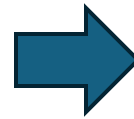
- Land costs
- Actual cost of construction/construction type
- Tenure (rent vs own)
- Income mix
- Parking plan



HOW: Step 2

STRATEGY DEVELOPMENT

- Identify funding gap
- Identify funding sources and timeframes for receiving funds
- Identify non-financial hurdles to housing development
- Evaluate pros and cons of development scenarios
- Compare pros and cons development to other Ketchum housing programs



GO FORWARD OPTIONS



Questions?



FEEDBACK RECEIVED

- We met with partners, housing developers, contractors who helped to provide data and we shared the results.
- Key feedback was provided:
 - Savings from modular are variable. In Ketchum, developers have not experienced the level of savings modeled.
 - No podium parking. Consider development at a large scale site without podium parking. This could reduce the gap by \$4-\$5 million.



SCENARIO SUMMARY

1 Large Scale



~ 1 ACRE

2 Scattered Sites



~ .25 ACRES (11,000 sf)



SCENARIO SUMMARY

Item	Large Scale Development: Category Local			Scattered Site: Category Local	
	Scenario 1a Rental	Scenario 1b Ownership	Scenario 1c Ownership Mixed Income	Scenario 2a Rental	Scenario 2b Ownership
Number of Housing Units	44	44	42	assume four developments for 52 units total	
Number of Category Local	44	44	38	13	13
Gross Building Square Feet*	55,787	56,925	58,322	11,414	11,685
Floor Area Ratio (Density)	1.20	1.22	1.25	1.04	1.06
Unit Types					
Studio (450 SF)	7 15%	5 10%	0 0%	2 15%	1 10%
1 Bdrm (600 SF)	13 30%	13 30%	17 40%	4 30%	4 30%
2 Bedrooms (750 SF)	11 25%	13 30%	21 50%	3 25%	4 30%
3 Bedrooms (1,000 SF)	13 30%	13 30%	0 0%	4 30%	4 30%
Market Rate Pent House (1,900 SF)	0 0%	0 0%	4 10%	0 0%	0 0%
Estimated Monthly Rents or Sale Price	Category Local at 120% of AMI	Category Local at 160% of AMI	Category Local at 160% of AMI	Category Local at 120% of AMI	Category Local at 160% of AMI
Studio (450 SF)	\$1,563	\$322,828	\$322,828	\$1,563	\$322,828
1 Bdrm (600 SF)	\$1,665	\$349,799	\$349,799	\$1,665	\$349,799
2 Bedrooms (750 SF)	\$1,889	\$390,710	\$390,710	\$1,889	\$390,710
3 Bedrooms (1,000 SF)	\$2,111	\$431,354	\$431,354	\$2,111	\$431,354
Market Rate Pent House (1,900 SF)	n/a	n/a	\$2,200,000	n/a	n/a

* Includes square feet of podium parking in large-scale development



ASSUMPTIONS (Cost)

**GAP
=
TDC
MINUS
INCOME**

Total Development Costs (TDC)

- Land
 - Large Scale: \$150/land sqft. - Range \$100-\$175
 - Scattered Site: \$175/land sqft. - Range \$135-\$225
- Vertical Construction
 - Large Scale: \$450/sqft wood frame above podium + \$180/sqft for podium parking
 - Scattered Site: \$406/sqft wood frame, inclusive of carport
 - Modular: \$350/sqft with a 50% reduction in the construction timeline (less construction interest)
 - Highly dependent on builder & supplier. Excluded from summary tables b/c of variability.
 - Penthouse Mix: Additional Furniture Fixture and Equipment at \$100/sqft. Market feasibility?
- Demolition cost for Lift Tower Lodge - \$80,000
- Soft costs include permit fees, relocation expenses for LTL tenants, entitlements, architecture & engineering, taxes/insurance/marketing
- Construction loan at 6.4% for 18 months (or 9 months with modular)



ASSUMPTIONS (Income)

Unit Type	Rent Max Monthly Housing Cost	Ownership Monthly Mortgage & Condo Sale Price
Studio (450 sqft)	\$1,680	\$2,055 / \$322,000
1 bdrm (600 sqft)	\$1,799	\$2,227 / \$350,000
2 bdrm (750 sqft)	\$2,038	\$2,488 / \$390,000
3 bdrm (1,000 sqft)	\$2,278	\$2,746 / \$430,000
Estimated Household Income that Rents and Sale Prices are based on	120% of median \$85,000 to \$140,000 per year depending on household size	160% of median \$112,000 to \$185,000 per year depending on household size
	Rents are lower than max housing cost. Tenant pays electric and Internet. Landlord pays water, sewer, garbage. 4.5% cap rate for rental 6% property mgmt \$7,000 annual OpEx/unit	Assumes 160% AMI, accounting for homebuyer paying 15% for utilities/taxes monthly reserve, and a 6.5% interest rate 6% cost of sale for ownership

Category local: Must be a full-time, exclusive resident of Blaine County and employed in Blaine County, local senior or local with a disability

Step 1 Results: A Financial Gap Persists

	Large-Scale Development: Category Local			Scattered Site: Category Local	
	Scenario 1a	Scenario 1b	Scenario 1c	Scenario 2a	Scenario 2b
	Rental	Ownership	Ownership Mixed Income	Rental	Ownership
	42 to 44 units / 55,000 to 58,000 sqft, including podium parking \$450/sqft vertical construction & \$180/sqft for podium parking \$150/land sqft			Four 13-unit developments (52 units) 11,700 sqft each development \$406/sqft vertical construction \$175/land sqft	
PRO FORMA RESULTS, PRIVATE MARKET PERSPECTIVE					
Costs					
Land Costs	\$7,000,000	\$7,000,000	\$7,000,000	\$7,600,000	\$7,600,000
Hard Construction Costs	\$21,300,000	\$21,800,000	\$23,100,000	\$19,600,000	\$20,000,000
Soft Costs	\$5,800,000	\$5,900,000	\$6,200,000	\$5,600,000	\$5,600,000
Total Development Costs	\$34,100,000	\$34,700,000	\$36,300,000	\$32,800,000	\$33,200,000
Revenues					
Capitalized Value or Net Sale Proceeds	\$13,600,000	\$15,500,000	\$21,600,000	\$16,400,000	\$18,800,000
Financial (Gap)	(\$20,500,000)	(\$19,200,000)	(\$14,700,000)	(\$16,400,000)	(\$14,400,000)
<i>financial (gap) per unit</i>	<i>(\$466,000)</i>	<i>(\$436,000)</i>	<i>(\$350,000)</i>	<i>(\$315,000)</i>	<i>(\$277,000)</i>
PRO FORMA RESULTS, INCENTIVES & SOLUTIONS					
No Cost Land					
plus Savings from No Cost Land	\$7,000,000	\$7,000,000	\$7,000,000	\$7,600,000	\$7,600,000
Remaining (Gap) After No Cost Land	(\$13,500,000)	(\$12,200,000)	(\$7,700,000)	(\$8,800,000)	(\$6,800,000)
<i>remaining (gap) per unit after no cost land</i>	<i>(\$307,000)</i>	<i>(\$277,000)</i>	<i>(\$183,000)</i>	<i>(\$169,000)</i>	<i>(\$131,000)</i>

VARIATION: NO PODIUM Large Scale Rental (1a) & Ownership (1b)

Step 1 Results:
A Financial Gap Persists

	Large-Scale Development: Category Local			Scattered Site: Category Local	
	Scenario 1a Rental	Scenario 1b Ownership	Scenario 1c Ownership Mixed Income	Scenario 2a Rental	Scenario 2b Ownership
	42 to 44 units / 37,000 to 58,000 sqft, including podium parking for 1C only \$450/sqft vertical construction & \$180/sqft for podium parking \$150/land sqft. NO PODIUM FOR 1a and 1b			Four 13-unit developments (52 units) 11,700 sqft each development \$406/sqft vertical construction \$175/land sqft	
PRO FORMA RESULTS, PRIVATE MARKET PERSPECTIVE					
Costs					
Land Costs	\$7,000,000	\$7,000,000	\$7,000,000	\$7,600,000	\$7,600,000
Hard Construction Costs	\$17,800,000	\$18,200,000	\$23,100,000	\$19,600,000	\$20,000,000
Soft Costs	\$4,900,000	\$4,900,000	\$6,200,000	\$5,600,000	\$5,600,000
Total Development Costs	\$29,700,000	\$30,100,000	\$36,300,000	\$32,800,000	\$33,200,000
Revenues					
Capitalized Value or Net Sale Proceeds	\$13,900,000	\$15,500,000	\$21,600,000	\$16,400,000	\$18,800,000
Financial (Gap)	(\$15,800,000)	(\$14,600,000)	(\$14,700,000)	(\$16,400,000)	(\$14,400,000)
<i>financial (gap) per unit</i>	<i>(\$359,000)</i>	<i>(\$332,000)</i>	<i>(\$350,000)</i>	<i>(\$315,000)</i>	<i>(\$277,000)</i>
PRO FORMA RESULTS, INCENTIVES & SOLUTIONS					
No Cost Land					
plus Savings from No Cost Land	\$7,000,000	\$7,000,000	\$7,000,000	\$7,600,000	\$7,600,000
Remaining (Gap) After No Cost Land	(\$8,800,000)	(\$7,600,000)	(\$7,700,000)	(\$8,800,000)	(\$6,800,000)
<i>remaining (gap) per unit after no cost land</i>	<i>(\$200,000)</i>	<i>(\$173,000)</i>	<i>(\$183,000)</i>	<i>(\$169,000)</i>	<i>(\$131,000)</i>

Compared to LTL
with Podium
(previous slide)

(\$13,500,000) **(\$12,200,000)**
(\$307,000) **(\$277,000)**



Questions?

Are the baseline assumptions in the pro-forma reasonable?

Costs

Feasibility Gap

Modular Savings

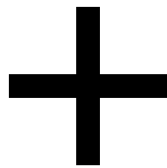
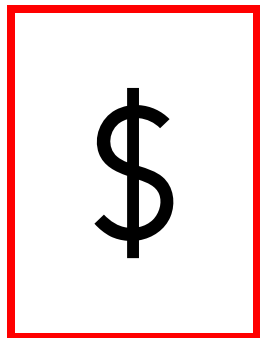
Mixed-Income Feasibility



OTHER FACTORS

PROJECT OBJECTIVE:

Identify options for providing the most amount of middle-income community housing possible in the next four years.



Land



Time



Support





OTHER PROGRAMS

	FAR Exceedance	New Construction, modular, no LIHTC, city land, estimate	Ownership + Preservation Program, estimate	Naturally Occurring Affordable Housing Purchase, average
Per unit subsidy	\$0	\$40,000 to \$185,000	\$160,000	\$220,000
Ongoing cost	About \$1,600 per unit per year			



PROPOSED GO-FORWARD

YEAR 1

- Cont. partnership w/ ARCH as financial contributor on Leadville Project (*11 units*)
- Initiate partnership w/ WRCHT on River Bend project (*81 units, approx. 65 currently planned market rate*)
 - Increase number of deed restricted units and/or extend period of affordability
- Encourage URA to acquire one ~ 11sqft future site
- Finalize HUD grant strategy
- OPP – à la carte

YEAR 2

- Issue request for proposal (RFP):
- New ~11k sqft acquired site (*approx. 13-15 units*)
 - 291 (*5 units*)
- OPP – à la carte

YEAR 3

- Issue request for proposal (RFP):
- YMCA site (*25-27 units*)
- OPP – à la carte

YEAR 4

- Issue request for proposal (RFP):
- Lift Tower (*44+ units*)
- OPP – à la carte



DISCUSSION

- Concerns with recommended path forward?
- What have we missed?