



City of Ketchum

## CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: January 22, 2026 Staff Member/Dept: Rian Rooney / Housing

Agenda Item: Request to Authorize Housing Department to Release Ownership and Preservation Program Funds

### Recommended Motion:

I move to approve 1) authorization of up to \$225,000 for the Ownership and Preservation Program to purchase a Category Local restriction on a condominium unit and 2) up to \$75 for a title insurance policy.

### Reasons for Recommendation:

- The purchaser has been qualified for participation by the BCHA and meets the requirements of the Ownership and Preservation Program Policies.
- The unit is located in Ketchum and meets the requirements of the Ownership and Preservation Program Policies.
- Conversion of existing housing units to deed-restricted community housing is consistent with the objectives of Goal 1 of the Housing Action Plan.
- The Ownership and Preservation Program provides assistance to locals in accessing homeownership, a goal identified in the Housing Action Plan.

### Policy Analysis and Background (non-consent items only):

#### **GOAL 1: CREATE + PRESERVE HOUSING**

##### ***Ownership and Preservation Program***

On January 24, 2024, the Housing Department launched the Ketchum Ownership and Preservation Pilot Program. The Ownership and Preservation Program (OPP) offers cash incentives to homeowners or homebuyers in Ketchum in exchange for recording a Category Local deed restriction on their property, limiting ownership and occupancy of the home to qualified locals in Blaine County, Idaho. OPP funds may be sought by qualifying local households who will occupy the home as their full-time, primary residence, work in Blaine County (or meet qualifying exceptions), and either (1) are existing homeowners in Ketchum or (2) are looking to purchase a home in Ketchum.

The OPP offers two Category Local deed restrictions from which applicants can choose. The first is a light deed-restriction, which does not cap appreciation. The second is an appreciation-capped deed restriction, similar to the Blaine County Housing Authority's other income category deed restrictions. The OPP offers 15% of a home's market value, up to \$125,000, for a light restriction. 30% of a home's market value, up to \$225,000, is available for an appreciation-capped restriction. Market value is determined by the lesser of the purchase price or the appraised value of the home. Additional information on the program is located at [projectketchum.org/own](http://projectketchum.org/own).

**Funding Requested**

The home is a 2-bedroom, 2.5-bathroom condominium in west Ketchum. The home is under contract with the applicant for \$875,000. The home has not yet been appraised. The buyer applied to the Ownership and Preservation Program and is qualified under the program. They have requested an appreciation-capped deed restriction. The OPP will provide 30% of the market value of the home for the deed restriction, up to \$225,000 (30% of \$875,000 is \$262,500). If the appraisal were to come in at less than \$750,000, the City would provide 30% of the appraised value, which would be less than the maximum of \$225,000.

Once deed-restricted, the home's base price will be the purchase price (\$825,000) less the funds provided for the deed restriction (~\$225,000). Appreciation will begin from the base price of ~\$600,000 ensuring the public investment remains with the home long term and through a succession of future owners. The deed restriction does not impact or limit the amount of HOA assessments and dues for the unit within the HOA. However, non-luxury capital improvements may, with review and approval, be added to the resale value with applicable depreciation under the terms of the deed restriction.

In addition to purchasing the deed restriction, staff recommends purchasing a title insurance policy covering the deed restriction's value, insuring the position and recording of the deed restriction on title.

**Next Steps**

Following confirmation of the appraisal, staff will request that a check for 30% of the market value, up to \$225,000, of the home be delivered to an escrow account at the title company for closing along with the deed restriction and associated documents. Upon confirmation of loan approval and final review, funds will be released from escrow at closing and the deed restriction and associated documents will be recorded.

**Sustainability Impact:**

Deed-restricted homes house members of the community locally, ensuring that residents are closer to their places of work, recreation, and other services. This proximity helps to decrease transportation time and reduce vehicle-related emissions associated with commuting to and from work from outside of the community.

Additionally, the Ownership and Preservation Program converts existing housing units in Ketchum into community housing, utilizing existing housing stock, land, and resources to achieve community housing goals.

**Financial Impact:**

None OR Adequate funds exist in account:

Up to \$225,000 in funds for the deed restriction purchase and an additional \$75 for a title insurance policy will be released from the Housing Department's budget (deed-restriction program line item). There are adequate funds in the account.