



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: Staff Member/Dept:

Agenda Item:

Recommended Motion:

"I move to approve the Housing Action Plan, year 2"

Reasons for Recommendation:

- Staff made substantial progress moving housing actions forward through implementation of HAP, year 1 (48% completed or ongoing, 41% in progress).
- HAP, year 2 reflects learnings from year 1 and continues or adjusts actions that are in progress, ongoing, or not started.
- Each HAP acts as the Housing Team’s job description and provides clear direction on how staff should devote their time.

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

Here is an analysis of action items that have been adjusted or are new for the HAP, year 2. Staff welcomes guidance on any of these actions.

GOAL 1: CREATE + PRESERVE HOUSING

- RFP next public parcel for development: To achieve the goal of 660 new, preserved, or converted homes in Ketchum by 2033, Staff believe that a portion of those units will need to be new construction. The most financially feasible and efficient means of achieving this and other city priorities (walkability, sustainability, etc.) is to use publicly owned land. An RFP of one publicly owned parcel is the next logical step from our land use analysis with HOLST to identify which publicly owned land is next to develop, potential unit count, and other programming considerations.
- Explore lite preservation program: General feedback and feedback specifically on the Lease to Locals program is the need to incentivize preservation of existing, locally occupied homes. Market forces and environmental conditions are challenging existing, cash-constrained homeowners. Through surveys and incoming calls, we hear of owner-occupied homes and homes rented to community renters that are at risk of flipping to current market prices and displacing existing owners and tenants due to increased HOA fees, property taxes, and capital improvement costs.
- Create lease template + how-to-guide for landlords: Staff similarly hear of owners who wish to rent to locals but have limited knowledge of or experience being a landlord. One common request to support this conversion is for tools such as a lease template and process document.
- Outreach + incentivize right of first refusal: One learning from peer communities is the value of obtaining rights of first refusal on existing naturally occurring affordable housing at risk of going market.

Jason Glidden of Park City recommends door knocking and surveying existing owners to put agreements in place that if and when the owner wants to sell, would provide the City a right of first refusal to purchase the property. This necessitates adequate funds be made available for purchases, but the approach would allow the City to resell the housing units with deed restrictions, ensuring long-term affordability.

- Implement ownership + preservation program (OPP): Research in Blaine County and peer communities, like Teton County, have made it clear that the only way to ensure our community and workforce can continue to support our economy and community character is if we deed restrict as many homes as possible for local occupancy. Best practice in peer communities is to essentially buy deed restrictions for local occupancy. Staff aim to launch a pilot of such a program this summer. Based on this year’s survey, there is significant demand for this type of program countywide.
- Increase # of occupied ADUs: Based on learnings from year one, this action is clarified with two sub-actions, as follows.
 - Outreach to homeowners. Staff’s analysis during year 1 elucidated prohibitive practices and regulations by HOAs. Staff aim to educate on the impact of those regulations, clarify existing state and local regulations, provide alternatives for HOAs and clear pathways to ADU development and local occupancy for homeowners.
 - Pilot incentives. Staff are exploring a variety of incentives to deed restrict ADUs for local occupancy, from policy changes to financial incentives and pre-approved plans.

GOAL 2: UPDATE POLICY TO PROMOTE COMMUNITY HOUSING

Build a regulatory and policy environment that increases community housing supply while remaining consistent with other community goals, such as sustainability, diversity, and aging in place.¹

Goal 2 for HAP, year 1, was to “Update Policy to Promote Housing.” The goal described increasing general supply, with an emphasis on community housing. However, learnings over the last year highlight how housing development that doesn’t have a restriction for local occupancy increases the community housing deficit, redirecting staff to promote community housing instead of general growth.² As such, staff recommend rewording goal 2 to “Update Policy to Promote Community Housing.”

- Permanent adoption of interim ordinance: Staff is analyzing and reviewing the effects of the interim zoning ordinance to produce a draft ordinance for permanent adoption by October 2023. The proposed ordinance will affirm and refine standards of the interim ordinance, clarify administrative processes, codify interpretations, and clarify ADU standards to remove barriers to construction.
- Monitor progress on Tiny Homes on Wheels (THOWs) in other jurisdictions: The City of Hailey and Blaine County each passed amendments to their zoning ordinances to allow for Tiny Homes on Wheels as year-round dwelling units. Some health and safety concerns have been raised around the viability of THOWs in a mountain climate. Staff will be monitoring the use and uptake of THOWs in other jurisdictions to develop recommendations for future consideration of allowing THOWs in Ketchum.
- BCHA recommendations at public meetings: On behalf of BCHA and in an effort to fulfill their mission, staff will monitor housing-related topics that move through other jurisdictions’ Planning & Zoning Commissions and Councils/Commissions. Staff will draft written comments and, when able, BCHA board members from the relevant jurisdiction will present for public comment.
- Monitor Lava Hot Springs case: The Idaho Association of Realtors and some private individuals sued the City of Lava Hot Springs for regulating short-term rentals. Staff will monitor the final outcome of this case as it proceeds up to the Supreme Court to help guide future recommendations on short-term rental regulation.

- Identify and implement policy changes identified in analysis of impediments: Learning from last-year’s action to “clarify Fair Housing and Affirmatively Furthering Fair Housing Requirements,” City Staff will now analyze impediments to housing choice based on survey and census data. There may be policy-based recommendations resulting from this analysis.
 - One barrier already identified is the limited applicability of tenant-based rental assistance (known as Section 8), with only 29 households receiving such assistance in the county. Staff are exploring with IHFA and seeking input from HUD on how to address this. This is referenced in Goal 3 as “advocate + expand section 8.”
- Propose non-discrimination ordinance for rental assistance: This is a slight rewording from last year, to specify that staff recommends an ordinance that prohibits landlords from discriminating against potential or existing tenants because they receive or would receive rental assistance. Unfortunately, it is common for this type of discrimination to occur even though rental assistance is more reliable than other sources of rental payments.

GOAL 3: EXPAND + IMPROVE SERVICES TO CREATE HOUSING STABILITY

Address immediate needs of unhoused and people at risk of displacement in our community. Integrate, improve and expand supportive services, rapidly rehouse, and prevent future displacement throughout the region.

With over 9,400 residents countywide identified as unstably housed or cost-burdened and 158 individuals served this last winter through shelter and motel stays (1/3 of which were children), staff and partners recognize an ongoing need for shelter and transitional housing. Since research shows that homelessness is caused by an affordable housing deficit, actions of the Shelter Plan are incorporated here.³ A Shelter Plan is being finalized in the coming weeks. The following additions to HAP, year 2 are actions outlined in the draft Shelter Plan.

- Identify + negotiate master leasing opportunities
- Convert, acquire, or construct new transitional housing
- Identify + fund rapid rehousing coordinator
- Implement regional, systems-level approach to planning + response
- Establish + track shared goals

Staff continue to hear how challenging it is to find and navigate housing resources, including knowing where and how to apply for permanent, deed-restricted housing. Staff, service providers, and property managers and owners refined the scope and during implementation of the HAP, year 1 action of “convening a one-stop-shop.” For year 2, this action is updated to “Manage housing navigation system:”

- Annually update Resource Guide + one-pager
- Create common pre-application + waitlist
- Create cheat sheet on how to apply + train case managers
- Continue case conferences
- Create/adopt referral system
- Educate on system, BCHA’s policies, VAWA, fair housing, housing navigation system, landlord-tenant law
- Certify BCHA program administrator as Housing Counselor

The last action here is “continue mediation program.” Six months after launch, this program has assisted 18 households avoid homelessness and is gaining traction. The mediation team is also training 11 local stakeholders to be certified mediators, had 98 registrants for an eviction law training, and has trained 9 individuals in conflict resolution.

GOAL 4: EXPAND + LEVERAGE RESOURCES

Increase resources - both funding and land - to support Action Plan Goals from a range of public and private sources.

- Review vacant and NOAH inventory: Staff aimed to use existing resources and contracts over the last year to inventory vacant lots and naturally occurring affordable housing to identify opportunities for acquisition and preservation with restrictions for local occupancy. Existing resources are better suited for other efforts, so staff recommend contracting this analysis out to GIS experts.
- Contract for + use grant-writing services: Last year, staff were involved in two grant applications (both successful). One was written without the assistance of someone familiar with the application or process and the other was written by a contractor familiar with both. The latter was much more efficient than the former – leaving staff more time for their primary responsibilities. Staff recommend contracting for grant-writing services going forward. These services typically pay for themselves.

GOAL 5: INFORM, ENGAGE + COLLABORATE

Invest in building local capacity and regional partnerships to make informed decisions about, and execute on, housing action. Support ongoing communications to increase coordination and effectiveness, targeting the public, other jurisdictions, and implementation partners.

- Removed “convene quarterly government meeting”: This has transitioned to the City Administrator level, so the Housing Team is no longer involved.
- Table at events + in areas with potential development: Housing Staff and BCHA see value in being approachable and accessible to community members. To that end, staff aim to table at community events to get the word out on programs and respond to housing questions. In areas where the City is involved in potential development, the housing team can table and engage neighbors and passersby to educate and receive feedback.
- Enhance BCHA board engagement: BCHA, staff and partners recognize the need for the community’s housing representatives – i.e. BCHA Board members - to provide public comment. Staff would draft recommendations for board member consideration. Similarly, events and other opportunities arise to have public representatives of the housing effort.
- Encourage creation of annual peer community housing conference: Visits to and from housing directors of peer communities highlight the value of brainstorming and problem solving together. This year’s visiting housing directors enthusiastically indicated interest in attending a housing conference of peer communities. Staff can encourage or explore ways to facilitate such a convening.
- Create countywide scorecard: Tracking actions across jurisdictions would create transparency for community members and across governmental actors and other partners. Such clear action items would also provide opportunities for greater collaboration.
- Outreach + education to HOAs: Staff are recognizing the need for direct education and engagement of HOAs, particularly those that include deed-restricted homeowners. In general, HOAs also control design and planning restrictions in ways that may – intentionally and unintentionally – restrict local occupancy and be detrimental to housing efforts. Staff recommend learning from HOAs about their goals, brainstorming alternative methods, and educating existing homeowners on impacts.
- Support housing education org. or position: Peer communities directly support or fund organizations whose primary mission is to educate the community and advocate for housing initiatives. Staff capacity

and ability to conduct such efforts is limited, and staff recommend supporting a third-party entity that can learn from staff and share out to the community.

- **Support employee generation study:** A study from 2002 in Blaine County and more recent ones in peer communities have highlighted how new development exacerbates the need for community housing. Staff know that this community values data-driven decisions. While a full nexus study demonstrating the direct relationship between market rate development and employee generation might not be needed at this time, a detailed study could better inform planning and zoning decisions and refinement of tools and strategies.

FORMATTING NOTE

For the sake of efficiency and staff capacity to continue to conduct housing efforts, staff propose the attached format for subsequent Housing Action Plans. Staff recommend a full review of the assessment at year 5, and – depending on the outcome of such an assessment – revisiting the goals and strategies at year 5 or 10.

SOURCES

1. Ketchum, 2014 Comprehensive Plan.
2. New development exacerbates need for affordable homes:
 - “New study gives legal footing to ask developers to pay for housing impacts,” by Jackson Hole News and Guide. [The study](#) finds that new development, including each new market rate housing unit, exacerbates the need for affordable (deed-restricted) housing. For example, for every 100 new market rate single-family units in Jackson, an additional 21 affordable units are needed for employees to adequately service those market rate homes and their occupants.
 - A similar study from [Blaine County in 2002](#) showed similar results. The larger the market rate home, the more employees generated. This study estimated that for every 100 new market rate homes used as a primary residence, it generated 40 new employees. For every 100 new market rate homes used as a second home, it generated 20 new employees.
3. “Homelessness Is a Housing Problem: How Structural Factors Explain U.S. Patterns,” by Gregg Colburn and Clayton Page Aldern. March 2022, University of California Press.

Sustainability Impact:

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Financial Impact:

None OR Adequate funds exist in account:	Expected LOT funds would cover most these efforts. Staff will continue to pursue grants and alternative funds.
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Attachments:

1. Draft Housing Action Plan, year 2
2.
3.



DRAFT HOUSING ACTION PLAN, YEAR 2

June 2023 - May 2024

for more details, visit projectketchum.org

2022 NEEDS ASSESSMENT SUMMARY

1 There is a massive shortage of affordable homes in Ketchum.

660 Need at least 660 preserved, converted, or built homes in Ketchum by 2032.

2 Ketchum is losing its workforce and year-round residents because most local people cannot afford to live here.¹

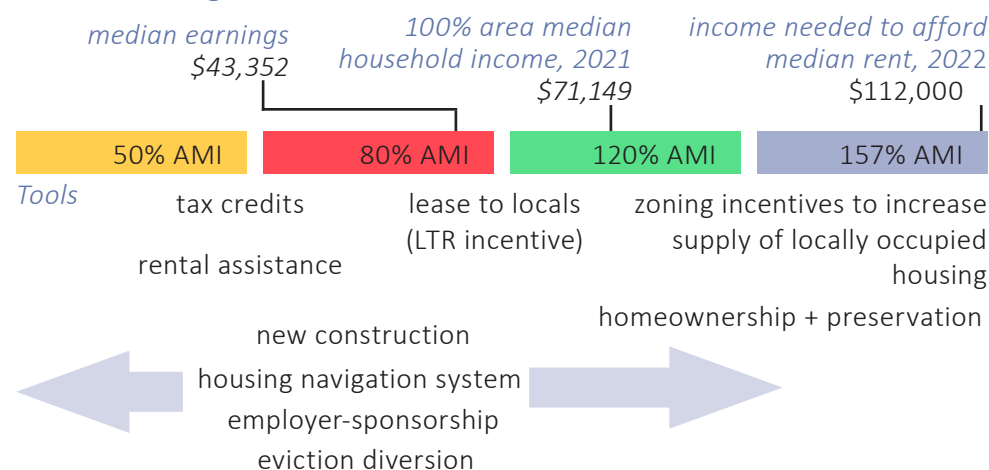
3 Our community agrees that there is a housing crisis and wants action.²

TRACKING OUR 1-YEAR HOUSING ACTION PLAN

PROGRESS HIGHLIGHTS SINCE MAY 2022

- 21 community homes in Ketchum constructed, preserved, or converted
- 148 community homes in progress in Ketchum (70 under construction, 78 under review)
- Directly assisted 85 households & increased support for an additional 260 households facing displacement, countywide
- Housing team raised \$1.7 million in funding for housing efforts, countywide

We need housing across income levels, and multiple tools to achieve that goal.³



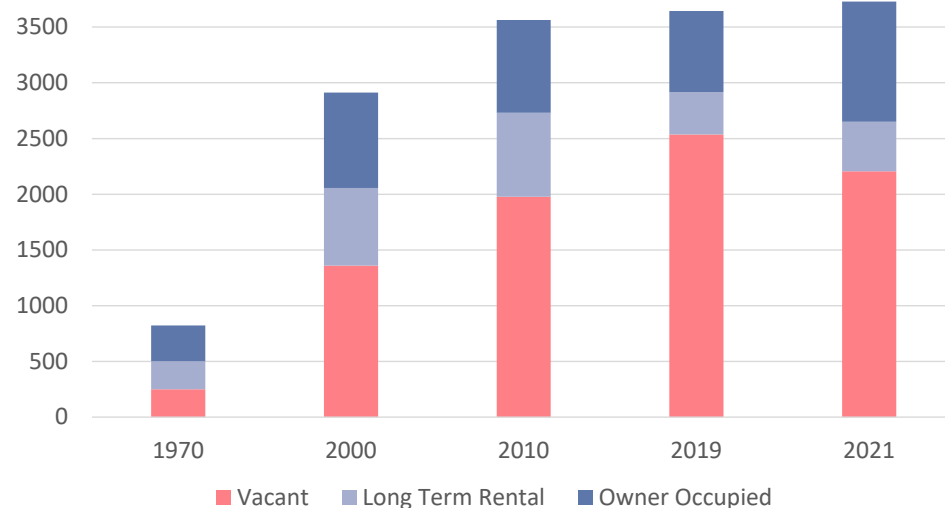
GOAL 1 PRODUCE + PRESERVE HOUSING

Act to create and preserve housing affordable for our local workforce and community. Maintain a healthy balance of short-term/visitor lodging and resident-occupied housing.

660

Preserve, convert, or build at least 660 homes in Ketchum by 2032. This estimated demand is based on historic growth rates but is primarily comprised of community members who are at risk of displacement or are unhoused. It does not include the 335 "lost" renter households from 2010 to 2019. The minimum demand for Blaine County is 4,700 preserved, converted, or new homes.

Long-term rentals have decreased in the last decade.⁴



10-YEAR PERFORMANCE MEASURES STATUS

- Minimum of 660 preserved, converted, new housing: 21
- At least 60% of housing stock is long-term occupied: 41%
- 40% of Ketchum's workforce can live in Ketchum: 8.5%

YEAR 2 ACTIONS: RESULTS TO DATE

NEW CONSTRUCTION

- Develop new construction pipeline:
 - 1st & Washington (~64 homes)
 - Explore YMCA with parking
 - Identify parcels for acquisition
 - Dialogue w/ significant site owners
- RFP next parcel for development

PRESERVATION

- Explore Forest Service Park for transitional or employee housing
- Identify buildings for preservation
- Explore light preservation program

CONVERSION TO LOCALLY OCCUPIED

- Continue Lease to Locals program (13 homes)
- Create lease template & how-to-guide for prospective landlords

NEW, PRESERVE, OR CONVERT

- Pilot ownership + preservation program (include bargain sale)
- Increase # of occupied ADUs
 - outreach to homeowners
 - pilot incentives
- Outreach for right of first refusal

- complete
- in progress
- ongoing
- not started

1. U.S. Census Bureau: ACS 5-Year Estimate 2019; Blaine County Housing Authority, fiscal year 2021.
 2. Ketchum Matters Community Housing Survey + Stakeholder Interviews, Nov. 2021-Jan.2022.
 3. U.S. Census Bureau: ACS 5-Year Estimate 2019; Blaine County Housing Authority, fiscal year 2021.

GOAL 2 UPDATE POLICY TO PROMOTE COMMUNITY HOUSING

Build a regulatory and policy environment that increases community housing supply while remaining consistent with other community goals, such as sustainability, diversity, and aging in place.⁵

Only upper-income households can really afford the 'market.' Given current, high housing for-sale and rental prices in Ketchum, market-rate housing is only affordable to upper-income households. Median (market) Ketchum rent is only affordable to households earning more than \$107,000 annually.⁶

Residential development has slowed. Nearly half of the existing housing stock was built between 1970 and 1989.⁷

Pandemic population boom accelerated trends. The first year of the pandemic saw a severe acceleration of negative trends for housing locals, along with a substantial increase in year-round population that appears to remain. (Exception: vacant/seasonal/short-term rentals have seen some near-term declines year over year in the past two years.)

Population Growth Rate, Ketchum⁸

Historic Annual Growth Rate

~1%

Pandemic Growth Rates (2019-2020)

~25%

10-YEAR PERFORMANCE MEASURES

- Supports all targets



YEAR 2 ACTIONS: RESULTS TO DATE

ZONING CODE

- Adjust interim ordinance for permanent
- Develop code change work plan
- Audit existing code in relation to HAP
- Meet regularly with partners to obtain feedback for process improvements
- Explore priority processing and incentives for projects that serve the Housing Action Plan
- Establish annual accountability metrics for application, permit, etc.
- Monitor progress on THOW in other jurisdictions

- BCHA recommendations at public meetings

STATE & FEDERAL POLICY

- Identify state-level policy changes
- Identify federal-level policy changes

SHORT-TERM RENTALS

- Monitor Lava Hot Springs case

STABILITY & ACCESS

- Identify + implement policy changes from analysis of impediments
- Propose non-discrimination ordinance for rental assistance
- Propose relocation & displacement ordinance

4. U.S. Census Bureau: ACS 5-Year Estimates (1970, 2010, 2019)

5. Ketchum, 2014 Comprehensive Plan.

6. Blaine County Housing Authority, fiscal year 2019 and 2021. Based on Idaho Mountain

Express advertisements.

7. U.S. Census Bureau: ACS 5-Year Estimates, City of Ketchum building permit data

8. U.S. Census: ACS 5-Year Estimates (2013-2019); Decennial Census Redistricting Data



DRAFT HOUSING ACTION PLAN, YEAR 2

June 2023 - May 2024

GOAL 3 EXPAND + IMPROVE SERVICES TO CREATE HOUSING STABILITY

Address immediate needs of unhoused and people at risk of displacement in our community. Integrate, improve and expand supportive services, rapidly rehouse, and prevent future displacement throughout the region.

1%

Local residents experiencing homelessness (unhoused)

Ketchum Matters Community Housing Survey, Nov. 2021-Jan. 2022

436

Ketchum households are at risk of displacement, because they are

- cost burdened (paying more than 30% of income on housing)
- in substandard housing
- are overcrowded
- are unhoused

U.S. Census: ACS 5-Year Estimates for 2019

Housing instability is creating financial, social, and emotional challenges for residents across the valley.

"This is what we are hearing from our clients: Fear of the unknown, stress of abandoning other people who they might be leaving behind if they move and confusion about what the relocation may look like. It's really hard for them to navigate the system as well."

- Brittany Shipley of NAMI Wood River Valley

10-YEAR PERFORMANCE MEASURES

STATUS

- Prevent displacement and assist 100 households annually

85 households (complete)
260 households (in progress)

YEAR 2 ACTIONS: RESULTS TO DATE

EMERGENCY & HOMELESSNESS

- Identify + negotiate master leasing opportunities
- Convert, acquire, or construct new transitional housing
- Identify + fund coordinator
- Implement regional, systems-level approach to planning + response
- Establish + track shared goals
- Advocate + expand section 8

PROCESSES & EASE OF ACCESS

- Coordinate funding sources
- Manage housing navigation system
 - Annually update Resource Guide + one-pager

- Create common pre-application + waitlist
- Create cheat sheet on how to apply + train case managers
- Continue case conferences
- Create/adopt referral system
- Educate on system, BCHA's policies, VAWA, fair housing, housing navigation system, landlord-tenant law
- Certify BCHA program admin as Housing Counselor

SUPPORTIVE SERVICES

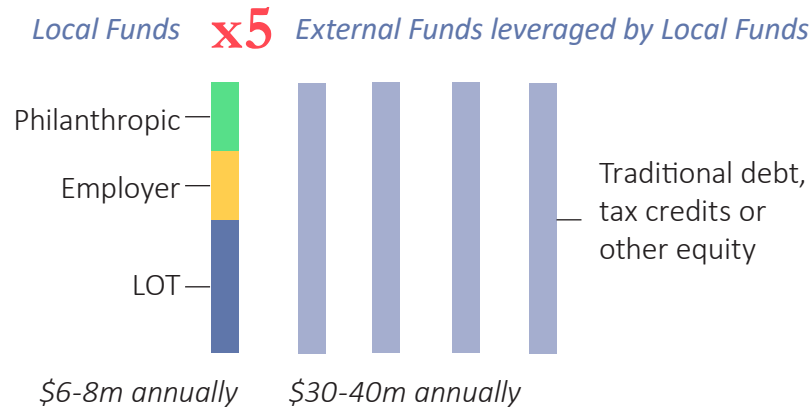
- Continue mediation program

GOAL 4 EXPAND + LEVERAGE RESOURCES

Increase resources - both funding and land - to support Action Plan Goals from a range of public and private sources.

Need \$6-8 million annually, or \$60 million total.

The more local resources devoted to housing, the more investment can be leveraged.



20%

20% of City housing funds to be allocated for significant county-wide developments or programs.

10-YEAR PERFORMANCE MEASURES

STATUS

- Secure \$6-8m annually of local funds, including 20% to be used countywide

~\$1.7 m
(by Ketchum housing team)

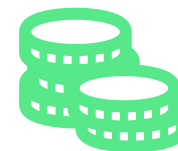
YEAR 2 ACTIONS: RESULTS TO DATE

LOCAL GAP / MATCH FUNDS

- Review priorities with partners
- Map vacant and NOAH inventory
- Coordinate philanthropic efforts
- Facilitate employer-sponsored housing
- Secure lodging LOT funds
- Update in-lieu fee

LEVERAGE OTHER RESOURCES

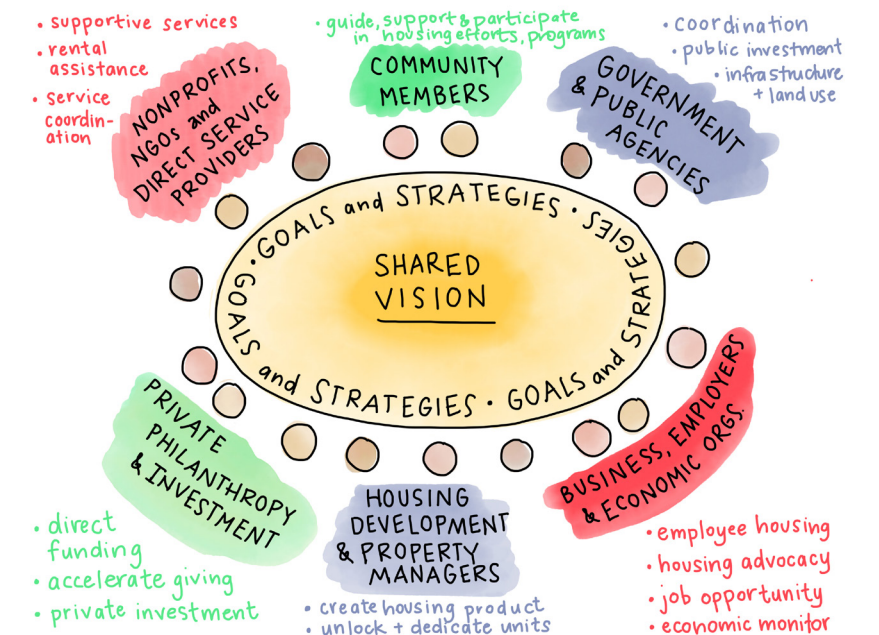
- Secure state/federal/county funds
- Contract for + use grant-writing services



GOAL 5 INFORM, ENGAGE + COLLABORATE

Invest in building local capacity and regional partnerships to make informed decisions about, and execute on, housing action. Support ongoing communications to increase coordination and effectiveness, targeting the public, other jurisdictions and implementation partners.

Coordination around a shared vision is imperative.



10-YEAR PERFORMANCE MEASURES

STATUS

- Achieve minimum of 51% satisfaction/public approval of action, coordination and results
- Allocate 20% of City housing funds county-wide

38%

~20%

YEAR 2 ACTIONS: RESULTS TO DATE

COORDINATE

- Continue quarterly implementation partner meeting

COMMUNITY FEEDBACK

- Determine perception on efforts
- Table at events + in areas with potential development

IMPLEMENTATION VISION + CAPACITY

- Update annual Housing Action Plan
- Maintain staff capacity
- Enhance BCHA board engagement
- Encourage creation of annual peer community conference

- Create countywide scorecard

COMMUNITY EDUCATION

- Transparent budgeting, annually
- Quarterly progress report + monthly City Council updates
- Continue speaker series, trainings
- Develop education and calculator for in-lieu fee
- Outreach + education to BCHA + general HOAs
- Support housing education org. or position
- Support employee generation study