



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: Staff Member/Dept:

Agenda Item:

Recommended Motion:

I move to approve 1) authorization of up to \$107,700 for the Ownership and Preservation Program to purchase a Category Local, light deed 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 a 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.

Funding Requested

The unit is a 2-bedroom, 1-bathroom condominium unit in West Ketchum. The home is under contract with the applicant for \$718,000. The unit has not yet been appraised. The buyer applied to the Ownership and Preservation Program and is qualified under the program, conditional on the sale of a home they home outside of Blaine County prior to closing. They have requested a light deed restriction. The OPP will provide 15% of the market value of the home for the deed restriction, up to \$107,700 (15% of \$718,000). If unit appraises lower than \$718,000, the City would provide 15% of the appraised value. Appreciation will not be limited by the light deed covenant, but when sold or transferred, the new owner household must be qualified by the City or its program administrator.

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 the appraisal, staff will request that a check for 15% of the market value of the unit 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, sale of the applicant’s other home, 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 units 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 \$107,700 in funds will be released from the Housing Department’s budget and an additional \$75 for a title insurance policy (deed-restriction program line item).