



City of Ketchum

December 1, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

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RECOMMENDATION TO ACQUIRE PREFABRICATED HOUSING

Recommendation and Summary

The arrival of snow means an increased cost of preparing Lewis Street to accommodate previously owned, prefabricated housing. The Meadows mobile home park has adequate space and utilities to house the park models and families until mid-May, by which time Lewis Street would be ready. Staff recommends ground leasing the land at the Meadows – most of the cost will be offset by tenant payments – and acquired pre-owned park models that can then be relocated to the Lewis Street lot. An alternative is waiting through the winter for Lewis Street to be ready and acquiring and placing park models directly there.

The reasons for the recommendation are as follows:

- Acquiring housing is a long-term investment that can be divested or transitioned to alternative locations, as needed. The Housing Action Plan specifies supporting this type of investment.
- The city currently has adequate funds for this from FY22 expense savings and revenue performance.

"I move to approve the temporary ground lease at the Meadows and acquisition of park models"

Context

The Ketchum Housing Action Plan outlines the following related objectives:

Goal 3: Expand + Improve Services to Create Housing Stability

Action 8: Identify and support physical housing options for unhoused and at-risk households:

- *Explore purchasing RV's and prefabricated homes for transitional purposes.*

Due to the arrival of snow, the cost of setting up utilities at Lewis Street increased significantly. Given this, staff sought alternative temporary locations for setting up park models / tiny homes. The Meadows has adequate sites available immediately with utility hookups: These sites would be available until May 15th. Staff anticipates Lewis Street being ready to receive these homes in late April or early May.

Ground leasing sites in the Meadows is a temporary, different cost structure than Lewis Street. As a master leaser of multiple sites, the ground lease per site would be \$800, including utilities. We anticipate households to pay an average of \$650 per month – based on the maximum amount recommended to charge the households Blaine County Charitable Fund is already working with (30% of their income). This signifies \$5,400 needed to cover the remaining cost of the ground leases for six months for six sites.

If or when prefabricated models are on Lewis Street, there would be no ground lease, so those tenant payments would go towards paying down the upfront cost of the investment at an average of \$30,000 for each pre-owned park model. The investment in six units, equaling about \$180,000 in acquisition and about \$90,000 to set up Lewis Street, would be paid off in under six years unless the units are resold before then.

BREAKOUT OF ANTICIPATED SETUP COSTS

DESCRIPTION	BUDGET
Demolition - City to self perform	\$0
Site Grading	\$6,000
IP electrical upgrades	\$13,000
Onsite electrical upgrades - 6 meter pack	\$9,000
Onsite electrical connections	\$10,000
Fence/screening	\$6,000
Main Sewer Service Connection and 6 service lines	\$10,000
Sewer Service Lines- 6 units	\$0
Main Water Service Line Connection and service lines	\$10,000
Water Service Line Connections - 6 Units	\$0
Construction Traffic Control - City to self perform	\$0
Striping - City to self perform	\$0
Signage - City to self perform	\$0
Approach work - asphalt - City to self perform	\$0
Light pole base	\$0
Snowmelt	\$0
Drainage Improvements	\$3,000
Park Model Delivery to Meadows	\$0
Park Model Set-up at Meadows (electrical, water, sewer. skirting)	\$5,000
Park Model relocation to Lewis St. - City to self perform	\$0
Park Model Connection - Electrical	\$3,000
Park Model Connection - Water	\$3,000
Park Model Connection - Sewer	\$3,000
Construction Contingency (10%)	\$8,100
TOTAL	\$89,100

Staff will review costs with Council during the meeting. For the sake of achieving the City’s housing goals, staff recommend purchasing the units now to be temporarily placed in the Meadows and then relocating those units to Lewis Street once that is ready.

Sustainability impact

Ability to house employees and community participants locally decreases commuter vehicular trips.

Financial Impact

Funds will come from FY22 budget expense savings and revenues performing stronger than forecasted.