



City of Ketchum

April 18, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation to Approve Letter of Intent for Supplemental Local Match Funding for Bluebird Village Community Housing Project

Recommendation and Summary

On April 4th, GMD Development and Ketchum Community Development Corporation (KCDC) briefed the Council and URA regarding updated construction/financing costs associated with implementation of the Bluebird Community Housing Project. IHFA has approved the increase in tax credits for the project.

"I move to approve the attached funding letter of intent with Ketchum Community Development Corporation for Bluebird Village Community Housing Project."

Staff will work with GMD and KCDC on a detailed funding agreement and return to Council for review and approval.

Introduction and History

On October 4, 2021, City Council approved the design for the Bluebird Community Housing project as recommended by the Planning and Zoning Commission. On November 18, City Council approved a long-term lease for the project.

The development team is now working with the city regarding issuance of their building permit. The city has already formally surplused old city hall and awarded a demolition contract to a local vendor. The contractor has completed the asbestos remediation and recycled building materials; full demolition is expected to begin this month.

Sustainability Impact

The availability of community housing in the city limits reduces trip generation associated with local workers.

Financial Impact

A local funding match was a major factor in the successful award of federal tax credits by Idaho Housing Finance Association. The city's original commitment was \$1.4 million and is now being requested to increase to \$3.3 million to address increase in construction costs and impact of decreased Blaine County AMI. The current balance of the In-Lieu Housing Fund is approximately \$3.1 million. Two pending development projects have indicated they will pay in-lieu fees, which are estimated to bring in another \$1.2 million. The funding agreement with KCDC will outline that the city will fund in phases to align with cash flow.

Attachments

Letter of Intent



City of Ketchum
City Hall

April 18, 2022

To: Ketchum Community Development Corporation
PO Box 6452
Ketchum, ID 83340

Letter of Intent: Supplemental Local Match Funding – Bluebird Community Housing

This letter is to notice that the City of Ketchum approves and hereby commits for further local match funding to KCDC for the Bluebird Village community housing project, per the presentation and request presented at the April 4, 2022 City Council meeting. The City has previously committed to local funding in the amount of \$1.4 million dollars as available and designated from the City In-Lieu Fund. This further commitment for local match funding is in the further amount of \$1.9 million dollars, for a total of \$3.3 million, as available and designated from the City In-Lieu Fund or as otherwise discretionarily available.

The City understands that the parties will further negotiate and enter into specific terms of these intended commitments at a future date via a Participation Agreement.

Neil Bradshaw, Mayor

As approved by City Council action on April 18, 2022.

ATTEST:

Tara Fenwick, City Clerk

cc: GMD
City Attorney