



City of Ketchum

## CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

### Reasons for Recommendation:

- Staff seek guidance on budget allocation for housing programs
- The housing budget request included Lease to Locals and adequate staffing to manage existing program commitments

### Policy Analysis and Background:

Staff seek guidance on if and how the budget needs to be adjusted to accommodate housing programs, before the budget workshop on June 18<sup>th</sup>. The housing budget previously submitted to Council was designed to best manage the status quo plus the Lease to Locals program.

**Status Quo** - Here is a summary of expenses from the housing budget, which is funded by the 0.5% LOT:

- Grant writing assistance
- \$50k to Blaine County Charitable Fund (the same commitment as FY24, FY23 was \$45k)
- Lease to Locals
- Lift Tower Lodge operations
- Adequate staffing to manage existing programs
- Housing Fellow Contract
- BCHA operation and program support (70% of which would be reimbursed). Broadly, BCHA support covers the following:
  - Administrative and office expenses
  - Difference between Silvercreek anticipated revenue and expenses (to be revisited by the Board on June 12)
  - Legal enforcement and compliance labor
  - Ketchum staff time
  - Adequate data management for application review, placement, and compliance
  - Marketing
  - Training for the staff (on BCHA-relevant responsibilities) and board
  - Translation
  - The landlord-tenant mediation program
- Any extra funding after revenue is allocated for deed-restriction programs like the OPP, currently estimated as about \$85k.

The in-lieu fund would be used for gap funding and local matches for new construction on publicly owned land. We have no funding allocated for the OPP (beyond anticipated surplus from the 0.5% LOT), charitable sales, ADU incentives, or existing long-term rentals.

**Strategy** – The only funding sources considered right now are in-lieu and the 0.5% LOT. Staff is asking Council to prioritize housing programs in the Housing Action Plan and determine importance of different program outcomes. This exercise is meant to assist Council in deciding whether to pursue use of other funding sources (capital improvements and the General Fund) that have direct tradeoffs with other City responsibilities and community expectations.

**Long-term** – For FY25, we must have a budget that balances, with existing funding sources. In the long-term, Council could consider asking voters whether to add additional LOT for Lodging. During previous LOT initiatives, there was relative support from the public and hoteliers for adding 2% to Lodging.

Another long-term consideration is how to address the LOT renewal July 1, 2028.

**Sustainability Impact:**

Community housing houses 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 program converts existing, underused housing units into community housing, utilizing existing housing stock, land, and resources.

**Financial Impact:**

None OR Adequate funds exist in account:

Existing funds in Housing Budget for previously submitted budget request but not for other programs.

**Attachments:**

1. Proposed Housing Budget, FY25
2. Housing Program Comparisons

# CITY OF KETCHUM

CITY PROGRAM COSTS	FY 2025 PROPOSED BUDGET
<b>REVENUE</b>	
Refunds & Reimbursement from county	\$ 150,000
Lot transfer .5%	\$ 1,300,000
Lifttower Loge rents	\$ 94,836
Reimbursements BCHA	\$ 252,055
General Fund Transfer	\$ -
Sale of Deed Restricted Property	\$ -
Fund Balance	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 1,796,891</b>
<b>EXPENSES</b>	
General programming	\$ (61,000)
Lease to Locals	\$ (300,000)
Deed-restriction programs	\$ (83,399)
General office expenses	\$ (11,560)
Lift Tower Lodge	\$ (89,200)
staff + benefits	\$ (669,237)
BCHA operation & program support	\$ (357,495)
Housing Fellow	\$ (75,000)
BCHA County Contribution	\$ (150,000)
General Fund Transfer	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ (1,796,891)</b>
<b>DIFFERENCE</b>	<b>\$ (0)</b>

# BCHA

BCHA PROGRAM COSTS	FY2025 BCHA PROPOSED
<b>REVENUE</b>	
City of Ketchum Contribution	\$ 357,495
County Contribution	\$ 150,000
CH Administrative Fee (Sales)	\$ 5,000
Rental Income	\$ 475,464
Grants	\$ 135,000
Donations	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 1,122,959</b>
<b>EXPENSES</b>	
Administrative Services	\$ (51,054)
Managed rentals	\$ (620,651)
Contract Labor	\$ (64,744)
Ketchum Staff Labor	\$ (252,000)
Office expenses	\$ (25,560)
Programming	\$ (108,950)
<b>TOTAL EXPENSES</b>	<b>\$ (1,122,959)</b>
<b>DIFFERENCE</b>	<b>\$ -</b>

**Relative Housing Strategy Analysis**

**Strategy**

	<b>new construction on public land</b>	<b>new construction w/ land acquisition</b>	<b>Ownership &amp; Preservation Program</b>	<b>Charitable Sale</b>	<b>ADU incentives</b>	<b>Lease to Locals</b>	<b>existing long-term rental incentives</b>
<b>Configurable Model Parameters</b>							
Funding Request, \$	\$ 1,500,000	\$ 6,633,648	\$ 1,000,000	\$ 200,000	\$ 200,000	\$ 234,620	\$ 200,000
Assumed Public Investment per Unit, \$	\$ 64,706	\$ 103,651	\$ 200,000	\$ 50,000	\$ 50,000	\$ 12,880	\$ 8,696
Estimated Staff Time FY25	60	90	90	150	210	45	90
Estimated Staff Cost	\$ 3,000	\$ 4,500	\$ 4,500	\$ 7,500	\$ 10,500	\$ 2,250	\$ 4,500
Total Investment Per Unit w/ Staff FY25	\$ 64,753	\$ 103,741	\$ 200,900	\$ 51,875	\$ 52,625	\$ 12,992	\$ 8,891

**Key Outcomes**

Assumed Number of Executable Transactions/Year, No.	64	50	5	4	4	20	23
Years until Units Habitable	4.0	4.5	0.3	0.3	0.5	0.3	0.3
Years Restricted	100	100	100	100	100	1	3
Council Priorities - Community Benefit	3	1	5	5	2.5	4	1

**Relevant Factors**

Income Level Served	all	all	local	local	local	moderate	moderate
Rental, ownership, transitional, or all	all	all	ownership	ownership	rental	rental	rental
Potential Funding Source	In-Lieu Fund	In-Lieu Fund	General Fund or new LOT for Lodging	General Fund or new LOT for Lodging	General Fund or new LOT for Lodging	0.5% LOT	General Fund or new LOT for Lodging

**Strategy Single Criteria Rank**

Funding Request, \$	6	7	5	1	1	4	1
Assumed Public Investment per Unit, \$	5	6	7	3	4	2	1
Estimated Staff Time FY25	2	3	3	6	7	1	3
Assumed Number of Executable Transactions/Year, No.	1	1	3	3	3	2	1
Years until Units Habitable	6	7	1	1	5	1	1
Years Restricted	1	1	1	1	1	7	6
Council Priorities - Community Benefit	4	6	1	1	5	3	6
Unweighted Score	25	31	21	16	26	20	19
Unweighted Score Rank	5	7	4	1	6	3	2
<b>Weighted Average Score</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>10</b>	<b>8</b>	<b>8</b>
<b>Overall Rank</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>4</b>

**Metric Weights**

Key Outcomes	Weights
Funding Request, \$	1
Assumed Public Investment per Unit, \$	2
Estimated Staff Time FY25	3
Assumed Number of Executable Transactions/Year, No.	5
Years until Units Habitable	2
Years Restricted	4
Council Priorities - Community Benefit	2