



City of Ketchum

### CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

Recommended Motion:

Reasons for Recommendation:

- Staff made substantial progress moving housing actions forward through implementation of HAP.
- HAP, year 3 reflects learnings from the inaugural HAP and continues or adjusts actions that are in progress, ongoing, or not started.
- Staff request fewer actions, particularly newer actions, this year so that onboarding new staff, trainings, and clarifying processes and roles can be priorities.

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

Attached you will find the proposed changes from the year 2 HAP as well as status and progress description. There is a new section in most of the goal areas called Backburner. This is a holding spot for actions that staff know are needed but do not believe they will have the capacity to start this fiscal year. Since the Housing Department is still in start-up mode and staff are overwhelmed and overworked, staff request fewer actions this fiscal year. This change in approach should allow time for key operational improvements, including hiring and onboarding new staff, ensuring adequate and relevant trainings, and clarifying processes and roles.

Note that, to better clarify what falls under BCHAs versus the City of Ketchum’s Authority, staff are recommending removing BCHA action items from Ketchum’s HAP. You will see these actions ~~crossed out and in red~~, along with any completed or no longer supported actions. BCHA’s HAP, however, includes an action to create a regional plan whereby municipalities’ actions are transcribed and tracked there (as well as whatever forms the individual municipality wants to track). New descriptions and actions are in green.

Staff did not engage stakeholders or community members for this year’s update outside of informal feedback received year-round. Staff reviewed feedback for the year 2 HAP and believe that feedback is still relevant and reflected in the proposed, year 3 update. Last year’s staff report which summarizes that feedback is attached.

**PRIORITY ACTIONS**

**GOAL 1: CREATE + PRESERVE COMMUNITY HOUSING**

1. Community engagement and RFP for South YMCA and Lift Tower Lodge sites.

2. Continue Ownership and Preservation Program.
3. Continue to map, prioritize, and strategize vacant parcels, underused land, and naturally occurring affordable housing (NOAH).

**GOAL 2: UPDATE POLICY TO PROMOTE COMMUNITY HOUSING**

4. Explore priority processing + incentives for projects that serve the HAP.
5. Update density bonus program, including requiring adjusted dues and assessments in HOA's CC&Rs.
6. Financially support an Analysis of Impediments to Fair Housing Choice. Identify + implement policy changes.

**GOAL 3: EXPAND + IMPROVE SERVICES TO CREATE HOUSING STABILITY**

7. Improve operations of transitional housing by transitioning current Program Administrator to part-time contract case management and backfill that position with someone who has property management experience.
8. Continue to financially support the countywide mediation program through BCHA and support Blaine County Charitable Fund.

**GOAL 4: EXPAND + LEVERAGE RESOURCES**

9. Secure additional lodging LOT funds.

**GOAL 5: INFORM, ENGAGE + COLLABORATE**

10. Increase staff capacity through filling open positions, targeted training, and greater operational efficiency.

# KETCHUM'S REDLINED PROPOSED HOUSING ACTION PLAN

October 16, 2024

GOAL 1: PRODUCE + PRESERVE COMMUNITY HOUSING			
OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS	STATUS	PROGRESS DESCRIPTION
1. New construction	Develop new construction pipeline: - 1st & Washington (~64 homes) - Explore YMCA with parking - Identify parcels for acquisition - Dialogue w/ significant site owners	ongoing	Council reviewed HOLST's land use analysis and determine next RFP(s), planning community engagement on South YMCA and Lift Tower Lodge Lots and for RFP in next six months. Biweekly meetings mapping, prioritizing, and strategizing parcels and older multifamily.
	RFP next parcel for development	ongoing	Planning to RFP one or two parcels in next six months
2. Preservation	Pursue historic preservation of Forest Service Park <span style="color: red;">warehouse + 2 homes</span> <span style="color: green;">big house</span>	ongoing	Limiting scope based on immediate need and support.
	Identify buildings <span style="color: green;">and strategy</span> for preservation.	ongoing	Biweekly meetings mapping, prioritizing, and strategizing parcels and older multifamily.
3. Conversion to locally occupied	Continue Lease to Locals program.	ongoing	Executing year 3 contract early October; 19 homes converted, housing 33 people in FY24 (30 properties, 56 people since launch).
4. New construction, preservation, or conversion	Pilot ownership + preservation program (include bargain sale).	ongoing	Year 1 pilot ends 1/2025; 2 sales complete, 3 new restrictions in progress. Continued interest from new applicants.
BACKBURNER	Explore light preservation program ( <span style="color: green;">incentive for existing long-term rentals</span> )	HOLD	These actions were dependent on increase staff capacity, and continue to be on hold.
	Outreach for right of first refusal	HOLD	
	Create lease template & how-to-guide for prospective landlords	HOLD	
	Increase # of occupied ADUs - outreach to homeowners - pilot incentives	HOLD	While a how-to-ADU guide was created, staff have not had the capacity to create this new program.

GOAL 2: UPDATE POLICY TO PROMOTE COMMUNITY HOUSING			
OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS	STATUS	PROGRESS DESCRIPTION
1. Zoning code	Permanent adoption of aspects of interim ordinance	complete	Adopted October 2023.
	Develop code change work plan	not started	Part of Phase 2 of Comprehensive Plan update
	Audit existing code in relation to HAP	complete	Completed Fall/Winter 24'
	Meet regularly with partners to obtain feedback for process improvements	ongoing	Planning Dept Semi-regular meetings with Technical Advisory Group (TAG) and bi-annual Development and Construction Meetings.
	Explore priority processing and incentives for projects that serve the Housing Action Plan.	ongoing	Part of Phase 2 of Comprehensive Plan update. Will implement in Phase 3.
	Establish annual accountability metrics for application, permit, etc.	complete	City established a system for tracking and reporting turnaround times on all planning and development permits. Planning team reports monthly.
	Monitor progress on Tiny Homes on Wheels in other jurisdictions	ongoing	Any action would occur in Phase 3 of the Comprehensive Plan Update.
	Update density bonus program, including requiring adjusted dues and assessments in HOA's CC&Rs	not started	Plan to start in February, 2025.
2. State & federal policy	Identify state-level policy changes	ongoing	Provided feedback to IHFA Board at breakfast meeting 8/24; Director sits on state coalitions and committees
	Identify federal-level policy changes	ongoing	Provided feedback to HUD's Idaho field and regional directors (Northwest US)
3. Short-term rentals	Monitor Lava Hot Springs case	ongoing	Ketchum & other resort cities filed an 'amicus' brief; scheduled for a hearing with the Idaho Supreme Court in November.
4. Stability & access	Financially support an Analysis of Impediments to Fair Housing Choice. Identify + implement policy changes from the analysis.	started	BCHA posted RFP with no response. HUD is in the process of updating rules, so staff suspect that consultants are waiting for the updated rules.
BACKBURNER	Propose non-discrimination ordinance for source of income, including rental assistance and social security	HOLD	State legislature has explicitly made this impossible in Idaho.
	Propose relocation & displacement ordinance	HOLD	These actions were dependent on increase staff capacity, and continue to be on hold.

GOAL 3: EXPAND + IMPROVE SERVICES TO CREATE HOUSING STABILITY			
OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS	STATUS	PROGRESS DESCRIPTION
1. Emergency & homelessness	<del>Identify + negotiate</del> Financially support master leasing opportunities	ongoing	Ketchum provides a financial guarantee to Silvercreek Living, in the event BCHA is unable to cover monthly rental payments to owner.
	Convert, acquire, or construct new transitional housing	not started	Transitional housing units can be incorporated in upcoming RFPs on publicly owned land, or acquisition of Silvercreek Living.
	<del>Identify + fund manager</del> Hire new Program Administrator with property management experience.	ongoing	Ketchum hired transitional housing Program Administrator. Staff are now seeking to transition this person to part-time (contract) case work and backfill the position with property management experience.
	<del>Implement regional, systems level approach to planning and response</del>	complete	BCHA: With input from social service providers, BCHA created and maintains an Emergency and Transitional Housing Plan. Track progress here <a href="https://www.bcoha.org/emergency--transitional-housing-plan.html">https://www.bcoha.org/emergency--transitional-housing-plan.html</a>
	<del>Establish + track shared goals</del>	complete	
	Advocate + expand Section 8	ongoing	Staff advocated directly to HUD's regional and Idaho Director, and IHFA's Board.
2. Process & ease of access	<del>Coordinate funding sources.</del>	complete	The Spur Foundation, via the Hunger Coalition, has provided funds that support shared goals. Staff believe cross-organization coordination is better suited to continue with Spur and larger non-profits.
	<del>Manage housing navigation system</del>	ongoing	BCHA: 2024 resources guides distributed in April, update to begin in December. Close to finishing Bluebird leaseup and have made multiple referrals to WRCHT. Common Intake Form in English and Spanish continues to be used. BCHA has transitioned to new application and data management system that will streamline review and conglomerate related data.
	<del>BCHA program admin to certify &amp; conduct housing counseling-</del>	not started	BCHA: Staffing and capacity have not been solidified. The pathway towards certification is also unclear.
3. Supportive services	Continue to financially support mediation program	ongoing	Contract transferred to BCHA in November, 2023. This last fiscal year (FY24) there were 35 inquiries for mediation, with 11 mediations occurring and agreements reached. This enabled greater housing stability for 22 people. 7 mediations didn't occur because the landlord was unwilling, but the local judge now requires use of our mediators during eviction cases. This contract will be presented to the Board for renewal November, 2024.
	Continue to financially support Blaine County Charitable Fund	ongoing	BCCF is allocated to receive another \$50,000 this fiscal year, assisting 225 individuals who live or work in Ketchum and 241 who work valleywide.

GOAL 4: EXPAND + LEVERAGE RESOURCES			
OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS	STATUS	PROGRESS DESCRIPTION
1. Local match / gap funds	Map vacant and Naturally Occuring Affordable Housing (NOAH) inventory	ongoing	Biweekly meetings mapping, prioritizing, and strategizing parcels and older multifamily. Also see Goal 1, Strategy 2. Preservation.
	<del>Coordinate philanthropic efforts</del>	not started	The Spur Foundation, via the Hunger Coalition, has provided funds that support shared goals. Staff believe this function is better suited to continue with them. Also in Goal 3. Strategy 2. Process & ease of access.
	Secure additional lodging LOT funds for preservation	not started	Council instructed staff to conduct more engagement and will consider putting it on the May ballot.
	Update in-lieu fee	complete	Updated August 2024, effective October 1, 2024, to be updated again alongside other City fees in FY25.
2. Leverage other resources	Secure state/federal/county funds	ongoing	Received \$2.5 million from HUD. Will fund Phase 3 of Comprehensive Plan Update and 2 new construction or acquisition/rehabilitation developments. Will continue to track grant opportunities and will apply depending on staff capacity.
	Contract for + use grant-writing services	ongoing	There are two skilled writers on contract that staff can call on to supplement grant-writing capacity.
BACKBURNER	Facilitate employer-sponsored housing	HOLD	

GOAL 5: INFORM, ENGAGE + COLLABORATE			
OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS	STATUS	PROGRESS DESCRIPTION
1. Coordinate	<del>Continue quarterly implementation partner meetings</del>	ongoing	BCHA: Transitioned responsibility to BCHA. As of October 10, 2024, these seven events had 882 views (in-person, live-streamed, and recorded). This is tied to the quarterly partner meetings, with the same guest speakers and similar - if not the same - content. Staff are planning to do two meeting next year.
2. Community feedback	Determine perception on efforts.	ongoing	Annual survey showed that there are still improvements to be made.
	Table at events + in preparation of developing on public land	not started	Scheduling for South YMCA and Lift Tower Lodge sites in November.
3. Implementation vision + capacity	Create Year 3 Housing Action Plan	started	Council review October 21, 2024.
	Increase staff capacity through filling open positions, targeted training, and greater operational efficiency	ongoing	Operations Manager Heather Nicolai, now onboarding, will hire the Admin Assistant and an experienced property manager. The current Program Administrator that manages the transitional housing (Lift Tower Lodge and Silvercreek) is motivated to transition to a contract case worker (using IHFA funds). The Operations Manager will also track and organize relevant, needed trainings and become proficient in the administration of the housing department, allowing the Director to focus on strategy and management. She will also take responsibility for some responsibilities that other staff and contractors have needed to fulfill.
	Clarify, document, and improve processes	started	A primary responsibility of the new Operations Manager is manage updates to - and develop - policies, procedures, and forms to ensure the effectiveness of housing operations
	<del>Enhance BCHA board engagement</del> <del>Create countywide scorecard</del>	ongoing not started	BCHA BCHA
4. Community education	Transparent budgeting, annually	ongoing	New Treasurer has improved transparency and accessibility of materials.
	Quarterly progress report, newsletter + <del>monthly</del> City Council updates.	ongoing	Have already reduced, and request approval to reduce, the frequency of updates given staff capacity.
	<del>Continue speaker series, trainings</del>	ongoing	Moved to BCHA'S responsibilities
BACKBURNER	Develop education and calculator for in-lieu fee	HOLD	
	Outreach + education to HOAs with and without community housing	HOLD	
	Create Idaho Mountain Express insert, Blaine County housing report	HOLD	

Sustainability Impact:

Community housing houses members of the community locally, ensuring that residents are closer to their places of work, recreation, and other needs. This proximity helps to decrease transportation time (and costs to residents) and reduce vehicle-related emissions associated with commuting to and from work from outside of the community.

Financial Impact:

None OR Adequate funds exist in account:	Expected LOT, in-lieu, and PRO-Housing funds would cover these actions. Staff propose continuing to pursue lodging LOT, grants and alternative funds to supplement and have targeted funding for preservation.
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Attachments:

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| 1. Clean Draft Year 3 HAP                     |
| 2. Staff report, Year 2 HAP, October 16, 2023 |



# KETCHUM'S PROPOSED HOUSING ACTION PLAN

October 21, 2024

GOAL 1: PRODUCE + PRESERVE COMMUNITY HOUSING	
OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS
1. 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
2. Preservation	Pursue historic preservation of Forest Service Park big house Identify buildings and strategy for preservation.
3. Conversion to locally occupied	Continue Lease to Locals program.
4. New construction, preservation, or conversion	Pilot ownership + preservation program (include bargain sale).
BACKBURNER	Explore light preservation program (incentive for existing long-term rentals)
	Outreach for right of first refusal
	Create lease template & how-to-guide for prospective landlords
	Increase # of occupied ADUs - outreach to homeowners -pilot incentives

## GOAL 2: UPDATE POLICY TO PROMOTE COMMUNITY HOUSING

OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS
1. Zoning code	Develop code change work plan
	Meet regularly with partners to obtain feedback for process improvements
	Explore priority processing and incentives for projects that serve the Housing Action Plan.
	Monitor progress on Tiny Homes on Wheels in other jurisdictions
	Update density bonus program, including requiring adjusted dues and assessments in HOA's CC&Rs
2. State & federal policy	Identify state-level policy changes
	Identify federal-level policy changes
3. Short-term rentals	Monitor Lava Hot Springs case
4. Stability & access	Financially support an Analysis of Impediments to Fair Housing Choice. Identify + implement policy changes from the analysis.
BACKBURNER	Propose non-discrimination ordinance for source of income, including rental assistance and social security
	Propose relocation & displacement ordinance

## GOAL 3: EXPAND + IMPROVE SERVICES TO CREATE HOUSING STABILITY

OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS
1. Emergency & homelessness	Financially support master leasing opportunities
	Convert, acquire, or construct new transitional housing
	Hire new Program Administrator with property management experience.
	Advocate + expand Section 8
2. Supportive services	Continue to financially support mediation program
	Continue to financially support Blaine County Charitable Fund

## GOAL 4: EXPAND + LEVERAGE RESOURCES

OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS
1. Local match / gap funds	Map vacant and Naturally Occuring Affordable Housing (NOAH) inventory
	Secure additional lodging LOT funds for preservation
	Update in-lieu fee
2. Leverage other resources	Secure state/federal/county funds
	Contract for + use grant-writing services
BACKBURNER	Facilitate employer-sponsored housing

**GOAL 5: INFORM, ENGAGE + COLLABORATE**

OBJECTIVES	PROPOSED FISCAL YEAR 2025 ACTIONS
1. Community feedback	Determine perception on efforts.
	Table at events + in preparation of developing on public land
2. Implementation vision + capacity	Create Year 3 Housing Action Plan
	Increase staff capacity through filling open positions, targeted training, and greater operational efficiency
	Clarify, document, and improve processes
3. Community education	Transparent budgeting, annually
	Quarterly progress report, newsletter + City Council updates.
BACKBURNER	Develop education and calculator for in-lieu fee
	Outreach + education to HOAs with and without community housing
	Create Idaho Mountain Express insert, Blaine County housing report



City of Ketchum

**CITY COUNCIL MEETING AGENDA MEMO**

Meeting Date:  Staff Member/Dept:

Agenda Item:

Recommended Motion:

Reasons for Recommendation:

- Staff made substantial progress moving housing actions forward through implementation of HAP.
- HAP, year 2 reflects learnings from the inaugural HAP and continues or adjusts actions that are in progress, ongoing, or not started.

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

Since staff last presented a draft of the year 2 HAP, the FY24 budget was adopted, and feedback was sought on the draft plan. 19 implementation partners and 18 community members reviewed proposed actions. Priority actions that are in the proposed plan were identified through this outreach and generally correlate with staff analysis. These priority actions and general feedback are outlined below. The June staff report with descriptions of new actions are attached.

Note that Goal 1 and Goal 2 for the inaugural HAP referred to housing without specifying community housing. The goals described increasing general supply, with an emphasis on community housing. However, research from Blaine County in 2002 and Jackson/Teton County last year highlight how housing development that doesn't have a restriction for local occupancy increases the housing need for locals.<sup>1</sup> Staff now promote community housing instead of general growth. As such, staff recommend rewording these goals.

**PRIORITY ACTIONS**

**GOAL 1: CREATE + PRESERVE *COMMUNITY* HOUSING**

1. Develop new construction pipeline.
2. Continue Lease to Locals program.
3. Identify buildings for preservation.

**GOAL 2: UPDATE POLICY TO PROMOTE *COMMUNITY* HOUSING**

4. Explore priority processing + incentives for projects that serve the HAP

**GOAL 3: EXPAND + IMPROVE SERVICES TO CREATE HOUSING STABILITY**

5. Convert, acquire, or construct new transitional housing.
6. Implement regional, systems-level approach to planning and response.

#### **GOAL 4: EXPAND + LEVERAGE RESOURCES**

7. Secure Lodging LOT funds.
8. Update in-lieu fee.
9. Secure state/federal/county funds.

#### **GOAL 5: INFORM, ENGAGE + COLLABORATE**

10. Continue speaker series, trainings.

#### ***Which of the five HAP Goals do you think should be prioritized this year?***

11. Goal 1: Produce and Preserve Housing
12. Goal 5: Inform, Engage + Collaborate

### **GENERAL FEEDBACK**

#### ***What external factors are affecting or likely to affect HAP implementation?***

1. Funding:
  - “Ability to attract sufficient philanthropy to provide “free land” for affordable housing development”
  - “Budgetary constraints”
  - “financial consideration”
  - “Inadequate funding”
  - “lack of funds”
  - “The High Cost of Capital” and “interest rates”
  - etc
2. Capacity:
  - Construction capacity: “difficult to find builders”
  - Staffing: “need more staff to take advantage of available funding opportunities” and “need staff to do reporting and monitoring
3. Politics and NIMBYism:
  - “NIMBY and naysayers, the complacent government in the south valley, ridged thinking”
  - “Not standing up enough to pressures from property owners”
  - “held hostage by aging older population”
  - “Are illegals occupying all affordable housing”
  - “Regional issues are not being led regionally” and “need to improve regional coordination”
  - “jurisdictions too siloed”
4. Conflicting understanding of goals, needs and preferences:
  - “lower incomes don’t want to live here”
  - “people don’t want to live in Ketchum” and “are we trying to have everything in Ketchum”
  - “Are the performance measures realistic” and “skepticism about Ketchum’s goals”
  - “Too many new proposals without completing one first. I hear - lets convert this open space, and that open space, and where can we find more space. Finish one project first!”
  - “surprise that people are homeless or housing unstable”
  - “doing too many things”

#### ***What are you hearing from the community about our housing efforts?***

- “Mixed responses - cannot keep everyone happy”

- “Local residents surrounding Forest Service Park are stunned and immensely upset over the ‘Explore Forest Service Park for transitional or employee housing’ statement in the most recent HAP. Please expect very strong resistance to abusing this historic and vital part of Ketchum.”
- “Great staff but need more collaboration and leader”
- “doing something rather than nothing”
- “more than ever, housing recognized as a significant issue”

**ANALYSIS**

Staff agree with the feedback that goals 1 and 5 need to be prioritized – though not at the risk of the other goals. Two of the primary barriers could be mitigated with greater community education and collaboration – (1) politics and nimbyism and (2) conflicting understanding of goals, needs and preferences. One action that was under consideration but then removed due to budget constraints is funding a staff member or organization that solely focuses on community education. Other peer governments either directly staff or fund a non-profit whose mission is community education on housing, and some communities have member-based non-profits that amplify government’s education materials and advocate politically. This action is now reinserted into the year 2 HAP, with an asterisk since it is contingent on staffing unless a non-governmental entity takes on this responsibility.

Staff are also actively working on increasing funding and staff capacity – staff are currently applying for a \$5 million grant from HUD that requires leverage of local funds. Implementation partner and public feedback generally confirmed the direction of, and actions in, the HAP.

**SOURCES**

1. 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.

**Sustainability Impact:**

Community housing houses members of the community locally, ensuring that residents are closer to their places of work, recreation, and other needs. This proximity helps to decrease transportation time (and costs to residents) and reduce vehicle-related emissions associated with commuting to and from work from outside of the community.

**Financial Impact:**

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

1. Staff report, June 12, 2023
2. Draft Housing Action Plan, year 2