

**Pathways to Removing Obstacles to Housing (PRO Housing)
FR-6700-N-98**

City of Ketchum

PRO Housing Grant

Table of Contents

City of Ketchum

Contents

Exhibit A: Executive Summary

Exhibit B: Threshold Requirements and Other Submission Requirements

Exhibit C: Need

Exhibit D: Soundness of Approach

Exhibit E: Capacity

Exhibit F: Leverage

Exhibit G: Long-Term Effects

Attachment A: Summary of Public Comments

Attachment B: Required Forms

Attachment C: Leverage Documentation

Attachment D: Letters of Support

Attachment E: Budget Worksheet

Exhibit A | Executive Summary

City of Ketchum

Executive Summary

The rural City of Ketchum, Idaho is a beautiful place. The sun shines 205 days a year, and visitors flock to the region year-round to enjoy our ski hills, mountain trails and trout-filled rivers. The Sun Valley Ski Resort was established here in 1936, and the Wood River Valley has served as a destination for people seeking adventure, tranquility, and quality of life ever since. Historically, people who work in Ketchum have also been able to live here.

Housing in the City of Ketchum and Blaine County has become increasingly unaffordable over the last several decades since our location and amenities as a resort community have driven extreme demand for housing units, particularly for use as second homes and short-term rentals. This existing trend of housing unaffordability was exacerbated in 2020 and 2021 during the COVID-19 pandemic and the rise of remote work, when Ketchum's population boomed by 25% (Blaine County's by 5%) with primarily remote workers and retirees who do not participate in the local workforce and have substantially greater buying power than those who do. The 25,000 residents of Blaine County, which includes Ketchum, are finding it increasingly impossible to remain in the community in which they work. Currently only 8.5% of Ketchum's workforce lives in Ketchum, a 41% decline since 2002, with displacement disproportionately affecting our Hispanic and Latino neighbors.

At root, our housing crisis has three main sources:

1. Limited availability of developable land and high land and construction costs
2. Lack of alignment of our comprehensive plan with housing goals and lack of tools in our local land use regulations
3. Community opposition to affordable housing

In response to this crisis, in 2021 the City of Ketchum began proactively pursuing strategies to preserve and expand the region's supply of affordable housing. In 2022, voters approved new revenue dedicated to the construction of community housing, and the city has dedicated staff and land to the effort.

The award of \$5 million in PRO-Housing grant funding would allow us to leverage our new dedicated affordable housing revenue to launch multiple public-private development projects that are currently stalled due to a lack of gap financing. These opportunities represent public-private partnerships between the city and developers, and creative approaches to capital stacks. Two are also opportunities to convert existing older buildings (a hotel and a senior living center) into housing for low- and middle-income people in a cost-effective way that we anticipate could serve as a model for similar resort communities. These projects would be in the City of Ketchum and throughout Blaine County, in well-resourced neighborhoods with access to jobs, transit and amenities.

PRO-grant funding would also be deployed to revise Ketchum's comprehensive plan and zoning code. To meaningfully advance our housing production goals, the infusion of new public dollars must be paired with the establishment of policies that review affordable housing development

projects in a cost-effective and expeditious way. Most of the city's current code was written in 1974 and fails to address the region's current housing needs, goals, and precipitous housing situation.

Receipt of PRO-Housing funds will allow us to deploy these combined resources (dedicated housing revenue and planning processes) in a focused way to meet the region's housing needs while addressing historic trends of displacement and ethnic and economic division. Ketchum will judge our ultimate success under this grant by the number of affordable housing units produced, the experience of people applying for and accessing those units, and the retention of our neighbors who are at risk of being displaced.

Due to our small size, receipt of this award would be transformative for our community. However, our struggles and strategies are also common: we believe our PRO-Housing implementation could be scaled and replicated in those resort communities throughout the mountain west struggling with workforce and housing shortages. We are a creative and ambitious team with vision and experience executing large scale projects. The City of Ketchum has the capacity to lead and execute the project, working closely in partnership with the Blaine County Housing Authority (BCHA).

We appreciate the opportunity to apply for funding that will amplify our efforts to retain our neighbors in this beautiful place.

Exhibit B | Threshold Requirements and Other Submission Requirements

City of Ketchum

Threshold Requirements

1. Resolution of Civil Rights Matters: The City does not have unresolved civil rights matters.
2. Timely Submission of Applications: This application will be submitted before 11/06/23.
3. Eligible Applicant: The City of Ketchum is an eligible application as a city government, as listed under section III A.02 of the Notice of Funding Opportunity.
4. Number of Applications: The City of Ketchum will submit only one application.

Additional Eligibility and Requirements

- The City of Ketchum will comply with all eligibility requirements for applicants and recipients of HUD Financial Assistance Programs.
- Code of Conduct: The City of Ketchum has a code of conduct that it will submit to HUD.
- Limited English Proficiency (LEP): The City of Ketchum's public notice of the grant application was published in the local newspaper in Spanish and English. The information was also shared with organizations that specifically serve LEP populations.
- Physical Accessibility: All meetings that are held in person will be held in facilities that are physically accessible to persons with disabilities. Meetings will also be available through video conferencing for remote access.
- Environmental Review: The City of Ketchum will comply with applicable environmental requirements related to this grant.
- 424-CBW Budget Form: The 424-CBW budget form is included in this application.
- Certification Regarding Lobbying: This certification is included in this application.
- Disclosure of Lobbying Activities (SF-LLL): This form is included in this application.

Exhibit C | Need

City of Ketchum

i. Describe your efforts so far to identify, address, mitigate or remove barriers to affordable housing production and preservation.

Community Profile

The City of Ketchum is a small city in rural Blaine County, Idaho, home to the Sun Valley resort. Ketchum is located in a narrow, mountain valley and is surrounded on three sides by public lands owned by the U.S. Forest Service and Bureau of Land Management. According to the U.S. Census Bureau's 2022 Population Estimates, Blaine County has a population of 24,866 and the City of Ketchum has a population of 3,553. The HUD Median Family Income in 2023 for Blaine County is \$89,000, a 12% increase from 2022. Given the income discrepancy in resort communities, median earnings is often a better indicator of affordability: Median Earnings for workers in Blaine County in 2021 were \$36,077 – or \$72,154 for a dual-earning household (2021 ACS 5-year estimates).

Like many resort towns, Ketchum saw an influx of remote workers during COVID, inflating real estate prices. In 2021, the affordability gap in Blaine County for home purchase was \$530,000 for a two earner household. The rental gap was \$12,600 per year for a two-bedroom for two average earners. Blaine County's population of 25,000 has 15,417 homes – however by 2021 43% of those were vacant, seasonally used, or short-term rentals: nearly 1,000 homes, including naturally occurring affordable and workforce housing, became vacant between 2010 to 2021.

The spike of unaffordability in Ketchum – as the primary resort community – was the epicenter, with consequences reverberating out into the rest of the county. Ketchum's Hispanic and Latino populations were displaced, decreasing by 46% between 2011 and 2021, while the county's total Hispanic or Latino population increased by 21% during the same period (ACS 5-year estimates). Today, 23% of the county is Hispanic or Latino but only 9% of Ketchum residents are. The Hispanic or Latino population is disproportionately affected by housing unaffordability and inaccessibility. Limited English ability hinders access to resources and navigation of housing systems: 10% of Blaine County's population speaks English less than well, but 40% of children in the Blaine County School District experiencing homelessness are English language learners.

Alongside increased demand, construction has been slow. Construction of residential units within Ketchum decreased significantly since 1989. From 1990 to 2009, an average of 15 units were built per year; this dropped to an average of 9 units per year between 2010 and 2020. In 2021, 2 out of 3 building permits were for low density single family detached homes or detached townhomes in areas designated for higher density developments. This reduction in residential construction, coupled with population growth – particularly of wealthy households – created a perfect storm of housing conditions in our community.

Ketchum's 2022 housing needs assessment – which covers all jurisdictions in the county – identified that Ketchum needs a minimum of 660 new, preserved, or converted (from vacant) homes by 2032. The minimum need countywide is 4,700 – indicating that development efforts need to occur in every neighboring city.

Efforts to Date

Recognizing this growing crisis, in 2021 the City of Ketchum initiated an effort to develop a needs assessment and Housing Action Plan (HAP) with extensive community engagement and input. Strategies included a county-wide survey, 35 stakeholders interviews, interviews with Housing Directors of peer communities, formation of a housing Task Force of 30 individuals representing a range of industries, two focus groups, three open houses, a joint session with City Council, Ketchum Urban Renewal Agency, and Planning and Zoning Commission, and one public hearing at a City Council meeting. Posters were placed at schools and recreation centers throughout the county that summarized the needs assessment, presented potential solutions, and included a new survey on a draft framework for the HAP.

These efforts culminated with the adoption of the HAP in May 2022. With its adoption, for the first time in Ketchum’s history the city established a Housing Department, designed to lead implementation of the HAP and to manage and develop programs and policies to remove barriers to affordable housing production and preservation. Crucially, Ketchum’s HAP emphasizes consistency with regional, collaborative efforts and achievable, specific actions for Ketchum. The PRO-Housing grant opportunity aligns with several goals identified in the HAP and represents an opportunity to accelerate and enhance the work currently underway.

Specifically, the HAP assesses and analyzes barriers to affordable housing in Ketchum and establishes five goals to drive action. The HAP is conceived as a living document that is evaluated and revised each year to assess progress and identify actions to achieve community housing goals. The actions identified in the HAP, and our initial progress on them, are as follows.

Goal 1: Produce + Preserve Community Housing

10-YEAR PERFORMANCE MEASURES	MAY 22’	STATUS
• Minimum of 660 preserved, converted, new housing	0	41
• At least 60% of housing stock is long-term occupied	30%	41%
• 40% of Ketchum’s workforce can live in Ketchum	7%	8.5%

The city achieved this progress through several in progress and pending efforts. First, the city acquired and improved the infrastructure at an aging building, the Lift Tower Lodge. Through the city’s intervention, occupancy could increase from 6 units to 14, which are now all dedicated to households earning less than 120% AMI and are coming out of homelessness.

Second, the Lease to Local program, launched in October 2022, provides a financial incentive for owners of vacant homes to rent to people who live or work in the area and earn under 120% AMI. In the first year of programming, 36 people were housed in 17 apartments.

Third, realizing that ADU development and occupancy is minimal, Ketchum created an ADU FAQ document for owners seeking to build ADUs. For the Year 2 HAP, staff are proposing creating incentives to develop and, more importantly, occupy ADUs with long-term occupants.

Finally, Ketchum is poised to launch a deed-restriction purchase program. This program will provide a substantial financial incentive to buyers or current homeowners in exchange for restricting homes for long-term occupancy. This will both preserve existing housing and provide down payment assistance for new buyers.

Goal 2: Update Policy to Promote Community Housing

An initial assessment of local land use policies and regulations during the development of the HAP identified critical barriers to affordable housing development and preservation. Ketchum's comprehensive plan was last updated in 2014 and has not been updated to reflect the community's changing conditions. Although the comprehensive plan has goals and policies related to affordable housing, they are not in full alignment with the adopted HAP and are a significant barrier to the city's ability to achieve the needed number of additional affordable housing units in the next 10-20 years. For example, 39% of the city's land area is designated as "transitional residential" – large lot, single family – or "low density residential", which substantially inhibits the city's ability to construct more than single family homes.

Ketchum is significantly land constrained by federal lands and natural barriers (hillsides and rivers) and therefore we must utilize our available land more effectively to reach our housing goals. The comprehensive plan needs to be updated to better influence changes to the land use regulations in support of housing. Because Ketchum is such a desirable, high amenity area; large luxury, low density residential will always prevail over smaller more affordable housing choices in the unsubsidized development environment. Without consistent and clear policy directives, staff will not have the support to change the land use regulations and effectuate the change we need to see for a sustainable future.

Following adoption of the comprehensive plan in 2014, Ketchum effected some changes to the zoning regulations supportive of affordable housing, including a density bonus program which provides for additional floor area for development in exchange for affordable housing units deed restricted to households making 80-100% AMI or less. However, utilization of that program was minimal until the increase in development in downtown resulting from growth during the COVID-19 pandemic. In 2017, the city revised the city's parking standards downtown to incentivize the creation of smaller, more affordable, housing units by exempting parking requirements for any unit 750 SF or less and affordable housing units of any size. This program was successful in its goal of providing a diversity of housing types within the downtown and has resulted in the creation of more dwelling units since adoption. Finally, Ketchum revised its land use regulations to permit the creation of live/work uses in the light industrial district to facilitate more available housing options to local business owners.

Even with these accomplishments, the creation of affordable housing units has been limited due to the city's other comprehensive plan policies and land use regulations. Over the past few years, the city recognized that existing zoning was enabling actions that reduced housing development within city limits. Ketchum has seen an increase in the consolidation of lots, the consolidation of

units, and the demolition and replacement of older mixed use and multi-family residential buildings with new construction with fewer, but more expensive residential units. To address this trend, the city adopted an interim zoning ordinance in 2022, which requires no net loss of units, establishes minimum residential densities, and set limits and standards for lot/unit consolidations. The interim ordinance acted as a stopgap to help preserve existing naturally occurring affordable housing units in the city and limit further displacement while larger policies could be developed. The city just completed the process of permanently adopting a modified version of the interim ordinance that maintains no net loss of units and now removes some regulatory barriers to the development of accessory dwelling units, including clearer standards and a more flexible lot coverage incentive.

Goal 3: Expand + Improve Services to Create Housing Stability

10-YEAR PERFORMANCE MEASURES

STATUS

- | | |
|---|--|
| <ul style="list-style-type: none"> • Prevent displacement and assist 100 households annually | <p>+85 households (complete)
+260 households (in progress)</p> |
|---|--|

During community engagement, Ketchum heard how challenging it is to navigate housing and access supportive services. To that end, BCHA – with guidance from Ketchum’s Housing Director – is now establishing a Housing Navigation System that includes a resource guide and common pre-application for affordable housing throughout the county. This pre-application also identifies households experiencing homelessness.

In 2022, Blaine County started experiencing an influx of newcomers, most of whom reported they were fleeing violence, extreme poverty, and dangerous conditions in their home countries. This influx of a vulnerable limited English proficient population, on top of a pre-existing housing crisis precipitated by the pandemic, led to unprecedented rates of homelessness and housing insecurity in our county. Blaine County’s One Night Count in January 2023 documented 152 individuals experiencing homelessness, including 77 in ad hoc emergency shelters and 47 in transitional housing. Temporary congregate shelters for people experiencing homelessness were erected at various locations throughout the county, including an unused movie theater, staffed by volunteers and run by a cohort of nonprofits and City of Ketchum leaders. Ketchum screened and scheduled nearly 100 volunteers while case managers with partner nonprofits provided housing navigation assistance and connections to supportive services. These temporary shelters housed 158 individuals (including 59 children) experiencing homelessness between January and the end of March 2023.

In December 2022 the City of Ketchum also launched the Blaine County Housing Mediation Program, to help prevent evictions and divert people from homelessness. The Housing Mediation Project is a free mediation program that provides Blaine County landlords and tenants with an avenue for resolving housing-related issues without filing an eviction with the court. It is available to landlords considering filing for eviction and tenants facing eviction. In its first 10 months of operation, 13 households have been served by participating in mediation, receiving 8 stay extensions and one lease renewal. Efforts to raise awareness of this program and its value continue, through posters, social media, service partners, and word of mouth.

Ketchum also funds Blaine County Charitable Fund, a local non-profit that assists people with various financial emergencies, including rent assistance and security deposits.

Goal 4: Expand + Leverage Resources

10-YEAR PERFORMANCE MEASURES

STATUS

- Secure \$6-8m annually of local funds, including 20% to be used countywide

+~\$1.85 m

Due to restrictions set by the Idaho State Legislature, funding for affordable housing preservation and construction is one of the greatest barriers that the city faces (see Barrier section, below, for additional details). One of the available remaining tools is designation of funds through a Local Option Tax (LOT), which is proposed to voters as a ballot measure. After a failure to achieve the threshold to adopt the LOT in May 2022, City of Ketchum voters approved it resoundingly in May 2023, encouraged by the city’s efforts on affordable housing in the first year of the HAP and increased knowledge among the general population of housing needs. Voter approval of the LOT has been a key success for the city because it establishes dedicated funds for housing, approximately \$1.3 million annually, that can be leveraged with other funding like PRO-Housing to achieve meaningful preservation and construction initiatives.

The city has also put its limited resources, specifically publicly owned parcels of land, to work in the development of affordable housing. With the market failing to provide low-and-moderate income housing opportunities at scale, the city recognizes the value of public-private partnerships to achieve dedicated, income-restricted housing. A major success has been the approval and development of Bluebird Village, Low-Income Housing Tax Credit apartments built on the site of Ketchum’s former City Hall building. Bluebird Village is set to open in fall 2024 and will provide 51 units of long-term rentals exclusively to households earning less than 100% AMI. The city is ground leasing the land for a nominal amount and contributed \$3.3 million in gap funding to the development.

The city is undertaking a land use analysis on the remaining five developable parcels in its portfolio to identify and prioritize future affordable housing development. The city intends to strategically RFP each of those sites – or select developers from a general qualified pool identified in an RFQ process – for additional public-private partnerships in the coming years. The contribution of valuable and scarce land from the city is key to unlocking affordable housing in Ketchum.

The Ketchum housing team also successfully applied for grant funding on behalf of other organizations, like BCHA – which received \$125,000 in HOME-ARP funds for operations, capacity building, and services – and the Blaine County Charitable Fund – which received \$250,000 in ERAP funds.

GOAL 5: Inform, Engage, + Collaborate

Ketchum holds quarterly implementation partner meetings for leaders from throughout the county. These are opportunities for a guest speaker to educate on specific, relevant topics and for

partners to provide updates on their efforts. Guest speakers include Housing Directors from peer resort communities, a specialist in public-private development, and the Director of Harvard University's Joint Center for Housing Studies. Between 30 and 40 community leaders attend each session. Quarterly progress on the HAP is also tracked and presented at these meetings. Guest speakers also present at the Community Library, which brings in 40 to 80 in person viewers and dozens more online.

The housing team distributes monthly newsletters to over 800 individuals and has a 70% open rate, much higher than market standard which hovers around 40% for government and service provision.

The City of Ketchum anticipates that receipt of a PRO-Housing award would advance our progress on each of these identified HAP priorities through the activities described in the Soundness of Approach section.

ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?

HUD identified Ketchum as a priority geography as it exceeds the threshold for two factors: affordable housing not keeping pace and insufficient affordable housing. It is noteworthy that HUD also identifies Blaine County as a priority geography, and it exceeds all three thresholds.

As part of the HAP development process and ongoing housing monitoring efforts, Ketchum has conducted housing surveys, community outreach, and housing needs assessments to better understand affordable housing needs and projected continued need. In 2021-2022, Ketchum conducted a housing needs assessment, produced by the consulting firm Agnew::Beck, that identifies a need for 660 to 982 affordable housing units for full-time members of the community over the next 10 years. This can be achieved through new construction, acquisition/rehabilitation, or conversion of vacant homes to long-term occupancy. The range in units needed is driven by two possible growth scenarios: historical growth (1%) and high growth (3%). While there is affordable housing need across the income spectrum, the most acute affordable housing need is for low-to-moderate income households. Within the identified housing needs, about 50% of the housing units needed in Ketchum are for households earning 80% or less of AMI. The needs assessment estimates Blaine County's need to be 4,700 to 6,400 units over the same time period.

Projected new, converted, or preserved deed-restricted Blaine County homes needed in the next 10 years by income level. Housing is needed across all income levels, the greatest need is for 80% AMI and below.



Source: Blaine County Housing Survey 2023, U.S. Census Bureau: American Community Survey 2021 5-year Estimates, HUD

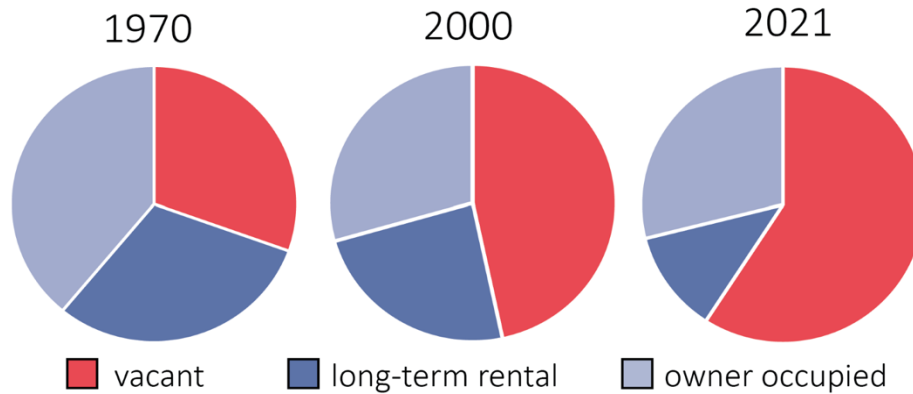
Ketchum’s ownership and rental housing stock prices have grown dramatically in the last ten years, with a significant uptick since 2020, while wages and earnings across Blaine County have barely risen. In 2021, the median single-family home sale price was \$1,950,000 (ratio of price to Blaine County AMFI: 26) and rose to \$3,600,000 in 2022 (ratio: 25.4). The median sale price of a unit in a multi-family, attached development was \$800,000 in 2021 (ratio: 10.6) and \$1,005,000 in 2022 (ratio: 12.67). Blaine County’s AMFI in 2022 was \$79,300. Market home prices in Ketchum are far out of reach for low- and moderate-income households.

Similarly, rents in Ketchum are increasingly unaffordable. BCHA monitors rental listings to track prices. The median monthly rent for a 2-bedroom apartment in Ketchum in 2022 was \$3,000, which would command 45% of the 2022 AMFI, far exceeding the standard 30% threshold for housing affordability. The rise in housing costs is fueling displacement pressures for low- and moderate-income households. In the recent 2023 Blaine County Housing Survey, 38% of respondents identified as housing cost-burdened and/or housing unstable (including homelessness, temporary living situation, overcrowding, escaping domestic violence, and month-to-month or verbal lease). The 2023 Blaine County Point in Time Count identified 139 individuals experiencing homelessness and 114 homeless or unstably housed students in Blaine County Public Schools.

Ketchum’s housing stock is aging and is converting to short-term and seasonal uses. According to the American Community Survey and local building permit data, nearly half of the city’s housing stock was constructed between 1970 and 1989, and there was a sharp drop off in housing construction since 2008. This older housing stock, which consists of many condominium

complexes, has traditionally housed locals. However, with the rise of online vacation rental platforms like Airbnb, significant quantities of these units are being converted to short term rentals. According to the U.S. Census Bureau, in 1970, 70% of housing units in Ketchum were owner-occupied or occupied as long-term rentals. As of 2021, only 40% of housing units were occupied by owners or long-term rentals, with most vacant units used as vacation rentals and second homes.

Ketchum’s Housing Stock



iii. What key barriers still exist and need to be addressed to produce more affordable housing?

Three key barriers to the production and preservation of affordable housing in Ketchum and Blaine County are 1) limited availability of developable land and high land and construction costs, 2) limitations in the city’s current comprehensive plan and zoning ordinance that conflict with the goals of the Housing Action Plan, and 3) community opposition.

1. Limited availability of land and high costs. Ketchum is located in a narrow, mountain valley and is surrounded on three sides by public lands owned by the U.S. Forest Service and Bureau of Land Management. Directly to the east is the city of Sun Valley that has limited services, restaurants, and retail. Additionally, due to the city’s unique location in the mountains and along a river, there are natural constraints on development due to avalanche and floodplain risk. As a result, land available for new development in Ketchum is significantly constrained, which adds price pressure to the existing private lands in the city limits. In the absence of market-driven solutions to affordable housing for low-to-moderate income households, the city is focused on leveraging the properties in its portfolio to deliver affordable housing through public-private partnerships. However, the city’s portfolio is limited and the city’s ability to acquire more property for housing development and preservation is a significant barrier to achieving our affordable housing needs. Additionally, the lack of additional land for development is leading to market-driven redevelopment pressures on older housing stock and other properties in the community, including motels and senior living centers.

The combination of land scarcity, rural location, and high housing demand has also led to extremely high land and construction costs. In 2023, interviews conducted for a financial feasibility study identified the market average construction cost at \$850 per square foot, not including land costs. Land costs were estimated at \$235 per square foot. The city has established a plan for development, conversion, and preservation of affordable housing; however, the high costs of land acquisition and construction present significant barriers to the city's ability to carry out these initiatives.

2. Lack of alignment of our comprehensive plan with housing goals and lack of tools in our local land use regulations. As noted above in the activity description, the city's comprehensive plan is not in alignment with the HAP, specifically, single-family homes are encouraged throughout the city, which limits the developability of affordable housing in Ketchum. As the guiding policy document for land use in the city, the comprehensive plan sets the tone for new development within the community. Outdated policies make community conversations about new housing very challenging when the visioning document says one thing, but our HAP clearly states a different need. In addition to that challenge, the State of Idaho significantly limits the ability of local jurisdictions to promote affordable housing. Cities in Idaho are prohibited from implementing inclusionary zoning, housing mitigation requirements, impact and nexus fees for housing, rent control, real estate transfer taxes, or vacant home taxes. In addition, the state limits local ability to regulate short-term rentals.

Because of the regulatory barriers at the state level, Ketchum must rely on incentive-based programs through the city's land use regulatory environment and more flexible zoning regulations in each zone district to influence the development of affordable housing in market rate developments. Currently, the city's land use regulations include minimal incentive programs that only produce a small number of affordable housing units per year, and only in high development periods. As such, using the updated comprehensive plan as a foundation, the city's land use regulations need to be updated to effectuate the vision of affordable housing for our community.

3. Community opposition. Politics and NIMBYism are also significant barriers to affordable housing production and preservation. Some members of the community hold uninformed biases about low-income families and residents of tax credit developments. Some community members raise concern and opposition to changes to the character of the city that may result from increased density and availability of parking related to the development of affordable housing. There has been inconsistent political fortitude historically in Ketchum, with 5 total tax credit development efforts derailed, which would have provided approximately 120 affordable housing units.

In recent years, the visibility of the affordable housing crisis in Ketchum and Ketchum's community education efforts have helped produce political momentum that the city intends to build on as it implements the HAP. The proposed zoning code and comprehensive plan update activities described in this application will include extensive public engagement to educate members of the community about the barriers to housing built into legacy regulations and policy.

Exhibit D | Soundness of Approach

City of Ketchum

i. What is your vision?

Through this grant, the City of Ketchum will (i) establish an Affordable Housing Gap Fund and (ii) update the city's comprehensive plan and land use regulations. Collectively, we anticipate these two complimentary strategies will produce between 225 and 242 units of affordable housing over the five-year grant period, more than doubling the number of available affordable units in Ketchum and significantly addressing our housing shortage in a sustained and equitable way. Both activities would advance CDBG national objective (a) ("benefiting low- and moderate-income persons") and fall under the eligible activity "facilitate affordable housing production and preservation" enumerated in Section III.F.1 of this NOFO. The update to the city's comprehensive plan and land use regulations is also an eligible activity under "further develop, evaluate and implement housing policy plans." Together the activities will also advance HUD's Strategic Goals 1A Advance Housing Justice (support vulnerable populations, underserved communities, Fair Housing Enforcement), 1B (reduce homelessness), 2A (increase supply of housing) and 4B (strengthen environmental justice).

Activity 1: Establish an Affordable Housing Gap Fund

\$4.46 million from this grant will be used to establish an Affordable Housing Gap Fund. This Gap Fund, supplemented by the local public and private resources described in Leverage, will support the predevelopment, construction and renovation costs of affordable housing throughout Blaine County. These funds will fill a documented void in our community between traditional loan funds from a senior lender, developer equity, tax credits and other non-traditional funding sources. Nonprofit and for-profit developers will seek grants from the Gap Fund to support projects, or units within mixed-development projects for those making up to 100% of Blaine County AMI. Eligible projects will include affordable housing, transitional housing, permanent supportive housing and conversion of non-residential buildings into affordable multi-residential units. The Gap Fund will support public private partnerships to facilitate new construction of affordable housing on publicly owned land, as well as acquisition/rehabilitation for preservation and adaptive reuse.

The Blaine County Housing Authority (BCHA) would be a close implementing partner in the Gap Fund, potentially as the administrator of the fund. BCHA is a well-positioned partner to execute this project for four key reasons. First, BCHA has bonding authority which can be deployed to leverage funds in the Gap Fund. Secondly, BCHA has a nonprofit arm, which can be used to receive private donations to leverage public dollars in the Gap Fund. Third, BCHA has countywide reach and currently manages the application process and waitlist for much of the community's existing affordable and transitional housing. BCHA has been providing services in the community since 1997 and is a well-recognized player on housing in the community, with bilingual Spanish/English speaking staff and strong relationships with service providers and the Hispanic/ Latinx community. Affordable units in any project funded through the Gap Fund could be seamlessly filled through BCHA's waitlist. Finally, as described in greater detail in Capacity, BCHA recently received new funding that has allowed it to increase staff and available services.

Funds through this grant will seed the Gap Fund, which will in turn be leveraged with publicly owned land, local option tax funds, density bonus / in lieu funds, and philanthropy. The Gap

Fund resources can be deployed on projects that the City of Ketchum is currently pursuing or supporting, but which have stalled or are infeasible due to gaps in available capital funds. Four potential projects that could be served by the Gap Fund within the first 24 months of the grant are identified below.

Opportunity 1 | Convert a local hotel

An underused, aging hotel near the center of Ketchum is a prime location for transitional and affordable, permanent housing. The unit mix available suits the demand in the area. A non-profit affordable housing developer provided the city with an initial pro forma on this site to demonstrate the funding gap with 46 tax credit units (60% AMI average) and 6 HOME units (50% AMI).

Units	52 units <ul style="list-style-type: none"> • single studios • option for some to be converted into 1- and 2-bedrooms
AMI	50% and 60% AMI
Costs	Acquisition + rehabilitation estimate \$14.7 million <ul style="list-style-type: none"> • Land \$2 million • Improvements \$8 million • Rehabilitation \$4.7 million (including adding kitchenettes)
Status	Negotiation and planning. Draft pro formas completed. Identified developers that specialize in this income level, are experienced in hotel conversion, and are eager to respond to an RFP/RFQ.
Sources	<ul style="list-style-type: none"> • 4% LIHTC + HOME \$6.7 million • Idaho Workforce Housing Fund \$2 million (if IWHF receives more funds) • Federal Home Loan Bank – AHP \$1 million • Permanent loan \$1 million
Gap	About \$4 million

Opportunity 2 | Acquire an assisted living center

A former assisted living center in Hailey, Idaho with 32 studios has been operating informally as affordable housing for the last 18 months while listed for sale. It is ideally suited for transitional and low-income housing, given two communal kitchens, laundry rooms, and common space. There are also shared computer rooms equipped with computers and printers, high-speed internet throughout, outdoor recreation and play areas, office space, and community rooms. The project is adjacent to a bus stop and across the main street from a major grocery store. Current occupancy hovers around 100 people, with a mix of low-wage and white-collar workers.

BCHA is exploring a master lease of the building that includes an option to purchase at any time. Under the draft five-year Master Lease terms, BCHA would need a subsidy of \$1.1 million to bring the rents down to FMR for a studio/efficiency (\$807 in Blaine County) for the duration of the master lease. Rents are currently \$1,600.

Units	32 to 38
AMI	30% to 100% AMI

Costs	\$6.4 million current sale price
Status	Land use and plans complete. Finance pending. Pro Forma ready.
Sources	<ul style="list-style-type: none"> • Not candidate for tax credits, HOME, or Idaho’s Workforce Housing Fund because the buildings are relatively new and not in need of substantial rehabilitation • Could combine bonds and local funds
Gap	About \$2 million to acquire bring units down to FMR

Opportunity 3 | New construction in collaboration with Ketchum Urban Renewal Agency. In June 2021, the Ketchum Urban Renewal Agency (KURA) decided to prioritize redevelopment of their 1st and Washington Ave property. The property is currently a public pay-to-park surface parking lot leased to the City of Ketchum. In November 2022, after extensive review of RFPs with Ketchum’s Housing Director, the now Planning Director, City Administrator, and KURA’s Executive Director, KURA selected a developer who specializes in mixed-use development and is partnered with a local non-profit, the Wood River Community Housing Trust (WRCHT).

The 66 deed restricted units would be between 80% and 140% AMI, per the IRS designation provided WRCHT. Since the selection of the developer was announced in November 2022, the financing gap grew from \$0 to \$6.8 million.

Units	66 units <ul style="list-style-type: none"> • 44 studios • 15 1-bedrooms • 7 2-bedrooms
AMI	80% and 140% AMI
Costs	<ul style="list-style-type: none"> • Construction cost estimate \$27 million • Land is \$1 for 50-year land lease
Status	Land use and plans complete. Finalizing finance terms.
Sources	<ul style="list-style-type: none"> • Approximately 70-85% in double tax-exempt bonds • With the balance in a combination of donations and Employer Notes
Gap	Approximately \$6.8 million to achieve the desired affordability

Opportunity 4 | Demolition + new construction on public land

Lift Tower Lodge is a 14-room, centrally located 1950’s era motel on Ketchum’s main street. In 2016, the motel was gifted to BCHA and the City of Ketchum provided a conditional use permit for the motel to be used as transitional housing. In February 2023, BCHA transferred this asset to the City of Ketchum. Adjacent land is promised to the City of Ketchum by Sun Valley Company (the local ski resort) upon their redevelopment of a ski base. The Lift Tower Lodge is not suitable for rehabilitation and would need to be demolished and replaced with new construction. The city will partner with a developer to redevelop both the Lift Tower Lodge site – in accordance with the terms of its deed restriction – and the adjacent parcel. Land use analysis shows a total site area of 81,150 square feet.

Units	Around 86
--------------	-----------

	<ul style="list-style-type: none"> Up to 51 units on the gifted site and up to 36 units on the Lift Tower Lodge site Mix of studios, 1-, 2-, and 3-bedrooms
AMI	30% to 80% AMI
Costs	<ul style="list-style-type: none"> \$22.2 million in new construction costs on gifted site \$15.4 million in new construction costs on Lift Tower Lodge site Land would be ground leased for nominal amount
Status	Negotiating land gift.
Sources	<ul style="list-style-type: none"> These could be two separate proposals to Idaho Housing and Finance Association for 4% and 9% tax credits. Given scale, this site would be ideal for using tax credits, HOME, FHLB AHP, and Idaho’s Workforce Housing Fund
Gap	Approximately \$5 million

In sum, these are four opportunities that the city is currently unable to pursue due to gaps in financing which, if executed, will produce 236 to 242 units of affordable housing in resource and job-rich neighborhoods with at least 195 of those units designated for people making 30% to 100% of AMI. These four opportunities are illustrative of the financing gaps our community confronts, but are by no means exhaustive, and could be supplanted or replaced with similar opportunities as they arise. The Gap Fund, as proposed, would fill enough of the gap to leverage philanthropic and other grants to actualize the developments.

Activity 2: Update Comprehensive Plan and Land Use Regulations

The opportunities outlined in the section above are shorter term immediate opportunities to increase the amount of affordable housing in Ketchum. However, to successfully address the full needs of the community, we need to begin laying the regulatory framework to provide more opportunities long term. This framework is deeply rooted in the city’s comprehensive plan and land use regulations (code). \$387,000 in funds from this grant would support a targeted update to the city’s comprehensive plan and a full rewrite of its land use regulations. This process would align the comprehensive plan with the adopted HAP to put in place policies that further advance the goals of the HAP. Carrying those policies into action, the code update portion of the process would ensure that the land use regulations address procedural barriers to the production of affordable units and implement regulatory incentives, as permitted by the State of Idaho, throughout the City of Ketchum.

The City of Ketchum adopted its Comprehensive Plan in 2014, updating the previous version from 2001. Although the plan was adopted just nine years ago, demographic shifts seen during the pandemic and increased development pressures have spurred discussions about Ketchum’s future growth, housing, transportation, disaster preparedness, and resource management. A review and focused update of the comprehensive plan is necessary to align the plan with current policies of the Housing Action Plan, Transportation Plan, Sustainability Action Plan, and other more recently adopted plans that inform the future land use and development patterns of the city and will inform the proposed update to the land use regulations noted below.

The city adopted its zoning ordinance in 1974 and its subdivision ordinance in 1979. Other Titles that intersect with land use policies are the streets standards and the building and construction

standards. In 2015, the zoning code was restructured into a more accessible format and amended to reduce redundancies and errors. The current zoning regulations, however, have remained rooted in land use policies from Ketchum’s past. The dimensional standards that dictate allowed density, lot size, and building mass have remained largely unchanged since their adoption in 1974 and continue to produce low density residential housing with little variety in type and size.

The following objectives for the update process have been identified based on feedback from constituents, elected/appointed officials, and staff.

1. Achieve alignment between the updated comprehensive plan, other adopted plans, and the code to support the community’s vision, goals, and policies.
2. Integrate progressive and sustainable policies and practices to support smart growth and environmental stewardship.
3. Develop regulations that improve customer service by making the code user friendly, in plain English, streamlined, and fair with high quality visual references (images, graphics, tables, etc.).
4. Develop design guidelines and a design review process that fosters creativity and results in quality design.

The City of Ketchum selected an external consultant through an RFQ/RFP process to lead the comprehensive plan and land use update process in July 2023. Phase 1 (of three) of that activity is underway, with Phase 2 and Phase 3 pending and ready to launch upon receipt of PRO-Housing grant funds. Phase 1 included an audit of the comprehensive plan, development of a community engagement plan, and creation of the scope, schedule, and budget for Phase 2. Phase 2 includes the update to the comprehensive plan and the first part of the update to the land use regulations including reorganization of the code and streamlining of all processes including the creation of a streamlined process for developments with affordable housing. Phase 3 includes the final part of the update to the land use regulations, which is informed by the new comprehensive plan. Phase 3 will include revision of existing zone districts, creation of new zone districts, revisions to development standards, and incentives for affordable housing development.

Timeframe for the Expected Benefits

The benefits for each of these projects will be realized within the duration of the grant period and continue thereafter. For a specific timeline see Section v. below, and for an explanation of the persistence of the benefits beyond the grant period see the Long-Term Effect section.

Connection to Barriers

As described in detail in the Need section, the key barriers to affordable housing production and preservation in our region are 1) limited availability of developable land and high land and construction costs, 2) lack of alignment of our comprehensive plan with housing goals and lack of tools in our local land use regulations, and 3) community opposition. Barriers 1 and 2 are interconnected in that the City of Ketchum and Blaine County have limited options to draw down revenue that can finance the high cost of land and construction. The creation of the Gap Fund through this grant will allow us to remediate the financing gaps produced by barrier #1. As noted above, there are multiple opportunities already identified that have stalled or are not pursued simply due to the fragmented and insufficient availability of funding for affordable housing development and preservation.

Updating Ketchum’s comprehensive plan and land use code could help address all three barriers. Updating the comprehensive plan and regulations could address barrier (1) by increasing the amount of housing that can be constructed in certain areas of town, reducing some of the administrative challenges and accelerating pre-construction timelines. The land use regulations update will address barrier (2) through the creation of additional incentive programs similar to Ketchum’s density bonus program that provide a benefit in exchange for affordable housing. The update could also remediate the delays and expenses to construction associated with barrier (3). For example, many of Ketchum’s land use approvals require a public hearing with the Planning and Zoning Commission and sometimes additional hearings with City Council. These steps in the process are often time consuming because of noticing requirements and more contentious developments may require multiple hearings to address community concerns. Through the update to the land use regulations, the city will evaluate opportunities to streamline processes for affordable housing developments which may include administrative approvals not requiring public hearings.

As part of the creation of the Gap Fund, Opportunity 1 (conversion of an aging hotel) would not displace residents, as the property is only currently used for tourists. (It is also worth noting that two major hotel projects are currently underway in Ketchum, alleviating concerns that a conversion of a hotel into affordable housing will reduce job opportunities.) Opportunity 2 (acquisition of an assisted living facility) would not displace current residents and Opportunity 3 is new construction in a current parking lot. Opportunity 4 (demolition and expansion of transitional housing) might temporarily displace residents of the transitional housing Lift Tower Lodge, but staff are prepared to follow the Uniform Relocation Act. Construction could be phased and move tenants over as the new buildings are ready or BCHA would work closely with residents of the 14 units to find alternative housing prior to demolition, including providing financial support and rent assistance as needed (per the deed restriction).

Comparison to Similar Efforts

The proposal of a Gap Fund emulates successful homeless housing development funds in California and Oregon, as well as successful housing trust fund initiatives from other resort communities. Data shows that these funding pools can help localities effectively expand the supply of supportive and affordable housing, particularly when paired with planning efforts that address land use barriers.

Our focus on hotel, motel and senior living facility acquisition and conversion is also based on a review of successful national efforts undertaken during the COVID-19 pandemic. The unprecedented federal and state resources available during the pandemic enabled hotel and motel conversions into affordable and supportive housing to occur on a broader scale, and proved that, when done correctly, conversion can offer a relatively fast and cost-effective mechanism for increasing the housing supply. The Turner Center’s 2021 report on hotel and motel conversions identified three key limitations on facility conversions that we are addressing in our planning:

1. Highly technical knowledge is required to pursue conversion strategies. The City of Ketchum has identified an affordable housing development partner with technical

expertise on conversions (see Letter of Support from Northwest Real Estate Capital Corp) and will RFP or RFQ to ensure the best match.

2. Developers face challenges selecting a suitable property in an appropriate location as well as navigating public opposition and local land use requirements once a property has been identified. The comprehensive plan and land use regulation update activity under this grant proposal will minimize the risk of community opposition and remove zoning barriers to residential development, if not eliminate them entirely. More specifically, fire suppression and ADA compliance often come into play when an older, non-residential building is converted. Hotel/motel conversions sometimes require rezoning land from commercial to residential use, which can create frictions through height restrictions, certificate of occupancy requirements, and reduced density and larger minimum square footage for units. As part of the planning process, we can assess our local building codes to identify areas of flexibility for conversion projects where health and safety are not materially compromised.
3. Although most conversion projects are more cost-effective than new construction on many buildings, state and federal financing sources remain insufficient to enable acquisitions on a broad scale. The funding pursued through this application is an attempt to address this challenge.

The Gap Fund would also provide flexible capital to enable us to move as quickly as the private sector in identifying and acquiring properties suitable for conversion. As the Gap Fund could be used for a range of projects, the expansion of conversion strategies would not preclude ongoing investments in other strategies to expand the supply of affordable housing and end homelessness, including the city's current efforts to preserve existing affordable housing and prevent displacement.

The pairing of the comprehensive plan and land use reform and the Gap Fund reflects a recognition that efforts to expand supply-side subsidy sources will be hamstrung if more is not done to ensure localities are creating a level playing field for the siting and construction of affordable housing. Many communities are undergoing the effort of updating their comprehensive plans and land use regulations as the barriers to affordable housing are deeply entrenched in zoning regulations. The City of Boise, Idaho recently conducted a full update of their zoning regulations to facilitate the production of housing. The city conducted a broad and extensive community engagement strategy to gain input from all members of the community through many different mechanisms. However, the process took over 4 years to complete, and the adoption process was targeted by strong and organized opposition groups. The city was successful in passing the new regulations primarily because they built a strong foundation of "why" the changes were proposed and had political support from elected officials. Ketchum's key takeaways for our project are as follows:

- Develop a clear and concise "why" message that can be reiterated throughout the process.
- Create a project schedule that provides enough time for sound and thorough analysis, however, move quickly enough to achieve sustained community engagement

- Start the engagement process with an education and listening session as many community members are not always aware of what is currently allowed and why a change is necessary
- Obtain feedback from a broad and diverse set of community members
- Ensure that the goals and policies of the comprehensive plan create a strong foundation for the regulation changes proposed

Given the deeply entrenched local politics of zoning and variation in local market conditions, updating zoning alone is not enough to catalyze construction.

Alignment with Other Initiatives, Services and Assets

As outlined in the Need section, currently only 8.5% of Ketchum’s workforce lives in Ketchum, which results in significant commuting distances on substandard transportation corridors. Alongside other jurisdictions and the Idaho Department of Transportation, Ketchum is currently working to address corridor travel challenges along Hwy 75, which is the main north/south artery for commuting patterns in the county.

Ketchum adopted a Master Transportation Plan in 2021, which was not incorporated into the city’s comprehensive plan. Updating of Ketchum’s comprehensive plan and land use regulations will incorporate goals and policies of the master transportation plan and identify areas where transit-oriented development are appropriate for our community, such as the downtown, ski base areas, and key neighborhood nodes served by our free bus system. Ketchum is also participating in the 5B Can plan development which is a county-led sustainability initiative. One of the goals of that initiative is the reduction of vehicle miles traveled resulting from commuting.

This effort dovetails with affordability needs and community character, given the added financial, health, environmental, and social costs of commuting. By creating a land use regulatory environment that promotes housing development in Ketchum, we facilitate people living closer to their employment, which reduces vehicle miles traveled each day into Ketchum and increases the percentage of our workforce living in Ketchum. This assists in achieving the HAP goal of having 40% of our workforce living in Ketchum.

ii. What is your geographic scope?

The geographic scope is the City of Ketchum and the entirety of Blaine County, both of which are HUD designated priority geographies. The Affordable Housing Gap Fund would serve to expand housing options for people at 30 to 100% of AMI throughout Blaine County, with the sole caveat that only up to 20% of leveraged housing funds from the City of Ketchum may be used for significant developments outside of Ketchum.

The City of Ketchum planning department does not have jurisdiction over land use regulations in other cities or at the county level, with the exception of the “Areas of Impact” denoted in the comprehensive plan. Areas of Impact are areas that could potentially be annexed into the city at some point in the future and therefore are opportunities for joint planning conversations between the city and county. Ketchum’s Areas of Impact south of town is currently a target area for affordable housing due to the proximity of transportation and employment. The future land use map of the comprehensive plan will further address Areas of Impact for long range planning

purposes, but the city does not regulate them until annexation. The land use code update will exclude all other jurisdictions.

Each of the opportunity areas for Gap Fund developments are within 0.3 miles of the primary bus line on the North-South corridor. They are also all within 0.5 miles of a grocery store, the downtown core (Hailey’s core for the senior living facility), and the bike path. Residents will be able to use alternate modes of transit for work, errands, recreating and socializing. Blaine County is renowned for its miles of open space, biking and hiking trails, recreational opportunities and natural beauty. Projects that capitalize on these quality of life amenities will be prioritized. As described in Section iv. below, fair housing priorities will also dictate that new development will not further racial, ethnic, or economic inequities.

iii. Who are your key stakeholders? How are you engaging them?

The actions outlined in this proposal derived from extensive community engagement that contributed to Ketchum’s inaugural Housing Action Plan and the year two Housing Action Plan described in detail in the Need section.

As we move forward with PRO-Housing implementation, the city will continue to engage stakeholders on two complimentary paths, one for the Housing Gap Fund and one for the comprehensive plan/ zoning code rewrite. For the Housing Gap Fund, the City of Ketchum will continue to hold quarterly implementation partner meetings to provide updates, share information and receive feedback. These meetings are attended by 30 to 40 community members representing development, education, nonprofit and philanthropic sectors, all with connections to housing needs and development. Other participants include real estate agents, sustainability and economic experts, local community members and business owners and local governments’ administrators and planning directors.

In addition, the City of Ketchum and BCHA staff facilitate a monthly “Newcomer and Emergency Housing Needs” meetings, to share information with countywide nonprofits, police, school system and public health officials on the housing and stability needs of new migrants and local households. These meetings began in the fall of 2022 when unprecedented waves of immigrants with housing needs began arriving in Blaine County and continue to ensure that the ongoing stability of our new community members is supported. BCHA and City of Ketchum staff also facilitate quarterly case conferences with case managers from various nonprofits throughout the county. These provide an opportunity to discuss specific housing needs, barriers and opportunities that are arising in the community.

We anticipate these tools for connection and outreach will be maintained during the grant cycle to solicit robust and ongoing input from the community. Our small community allows for close collaboration and dialogue with the developers, providers and recipients of affordable housing.

The success of the update to the comprehensive plan and land use code is rooted in a comprehensive and consistent community engagement effort. Ketchum is developing a community engagement strategy much like the engagement that was implemented for the

development of the HAP. Ketchum has already formed a Technical Advisory Group (TAG) made up of developers, architects, contractors, engineers, landscape architects, and trade representatives from our local economic development organization and board of realtors. This group has been meeting bi-monthly since February 2022 and continues to provide thoughtful feedback on process improvements, code amendments, and policy development. This group will remain intact and engaged throughout the comprehensive plan and code update process.

Ketchum will also form a Citizen’s Advisory Group and a Code Review Group. Each of these groups are made up of 10 to 12 members of the community and will provide input to the city on all aspects of the comprehensive plan and code update. In addition to these groups, the city will conduct regular community engagement to reach a broad group of stakeholders with an emphasis in reaching underrepresented groups and populations including minorities, seniors, LGBTQ+, low-income populations, and youth. We anticipate a multitude of mediums will be used to execute the engagement strategy, including:

- a project website structured to facilitate two-way communication
- online surveys
- in-person open houses and walking tours
- on-location community meetings and group discussions
- One-on-one meetings with influential stakeholders
- Partnership development with key service providers

To ensure continued communication and reduce “meeting fatigue”, Ketchum will engage these groups at key milestones of each project to gather meaningful feedback. The engagement plan includes a detailed project timeline, opportunities for input, and engagement objectives to keep the project on track and ensure we hear from the community at those key milestones.

For the development of this grant, we drew on the wealth of input we received at the public meetings listed above over the last two years, and sought additional, specific feedback through directed PRO Housing outreach. This outreach entailed:

- Emails and individualized conversations with key developer, nonprofit and philanthropic partners, most of whom provided feedback and attached letters of support.
- Publication of a notice of public hearing in the Mountain Express, our region’s leading newspaper, in both English and Spanish.
- Hosting a public feedback meeting in person and on Zoom on October 25th.
- Publication of the draft grant proposal on the City of Ketchum’s website from October 14 to October 29. Members of the public were invited to provide feedback electronically, by phone or virtually during this window.
- Request for feedback and the public hearing announcement were amplified in the Mayor’s biweekly newsletter and a special edition of Ketchum’s Housing Matters newsletters, BCHA’s waitlist (in English and Spanish), on Facebook and Instagram.

iv. How does your proposal align with requirements to affirmatively further fair housing?

Ketchum’s Analysis of Impediments to Fair Housing Choice (AI) is in process, with initial survey data and census data collected. With BCHA Board approval, this will be conducted at the county level with jurisdictional-specific recommendations. The aim is to have this completed before Ketchum kicks off the comprehensive plan update. Ketchum does have a local regulation to reinforce the Fair Housing Act (9.24).

Given the diversity of the population and the service needs throughout Blaine County, it is critical for projects to have the tools to design culturally responsive supportive services, to engage diverse networks of providers, and to build programs based on the experiences and perspectives of community members. The City of Ketchum is committed to furthering fair housing by addressing historic inequities with modern tools and strategies. Staff will use the tools and guidebook provided by HUD to conduct the AI, including:

- Using data, mapping and other analytical tools to better analyze patterns, trends and conditions. We use both census and market data, along with local information gathered through surveys, interviews, and BCHA’s affordable and transitional housing application database. Information is disaggregated by protected classes to assess needs, review progress, and evaluate outcomes.
- Carefully analyze any anticipated effects of zoning changes on protected classes through processes informed by extensive community input. The 2023 Housing Needs Assessment update identified location, unit size, tenure, and housing type needs and preferences, as well as barriers. Without such analysis, zoning and land use reform could result in the production of units that do not actually address patterns of exclusion, such as only one-bedroom apartments, below-market units that are still too expensive for those in need, or units that are not accessible to persons with disabilities.

Data from multiple sources reveals that the wealth, opportunity and wellbeing of our community is not equally dispersed across racial and ethnic groups. Historically, land use, zoning and market forces have perpetuated these divisions and today, community opposition continues to place hurdles ahead of attempts at greater economic integration. The activities delineated in this proposal strive to maximize their impact on the systemic barriers to fair housing progress, and staff involved with the implementation of this grant will be accountable to these efforts with multiple evaluation metrics and tools.

Through this grant, low- and moderate-income residents of Blaine County will have greater housing choice, with new and available units actively marketed to them through BCHA and other nonprofit partners in English and Spanish, along with social and traditional media outlets. With three of the four development opportunities identified being in Ketchum – which has disproportionately fewer Hispanic or Latino families – access and affordability will also facilitate desegregation.

To grow our workforce and diversify the socioeconomic status of residents of opportunity-rich Ketchum, the City of Ketchum is proposing leveraging its amenity – and transit-rich publicly owned land for, primarily, affordable housing development – creating deeply subsidized housing in areas where it can have the most impact on removing barriers to improved health and

economic outcomes. Each of the potential opportunities described under the Housing Gap Fund is situated in a high opportunity area.

Use of BCHA's common application and referral system and staff training in housing counseling will enable BCHA's Hispanic bilingual program administrator to assist Hispanic or Latino community members in accessing affordable housing in Ketchum or their location of choice. The City of Ketchum and BCHA have strong partnerships with local non-profits that provide case management. Staff are already facilitating housing access through case worker referrals. Furthermore, BCHA staff will conduct active outreach to vulnerable communities through tabling and speaking at diverse community events, including food distribution days at the local foodbank.

Non-profit partners have found it productive to door knock to reach the most vulnerable households. That is how case workers identified families with small children living in unheated RVs without water or sewer connections last winter and who did not have any connection to existing resources. The Hunger Coalition has a community organizer on staff, who is identifying and training additional Hispanic and Latinos to lead organizing and education efforts. BCHA staff will participate in the non-political activities, as deemed appropriate.

Staff already facilitate Fair Housing trainings, as well as trainings on Idaho landlord-tenant law and conflict resolution for case workers and community members. City of Ketchum staff, when convening local government meetings on housing, also facilitated a training on fair housing.

Racial Composition of Expected Beneficiaries

Community data suggests that Hispanic families are experiencing higher rates of housing insecurity in the community than non-Hispanic families. As described in the Need section, a disproportionate number of our Hispanic and Latino neighbors were displaced from Ketchum due to rising unaffordability. This population is also vastly overrepresented among households experiencing homelessness and housing insecurity. To counteract this, staff will abide by and go beyond Affirmatively Furthering Fair Housing standards. Strategic outreach and affirmative marketing will aim to maximize awareness of new resources within this population. Hispanic households may benefit from the development of new units of affordable housing under this grant at higher rates than non-Hispanic families, addressing some of the ethnicity-level inequities our community faces.

The AI will also determine additional remedies to barriers outside the scope of this proposal. For example, staff already recognize the limited use of leases written in Spanish and language barriers between potential landlords and residents. Staff could create materials and tools in both languages and facilitate translation services to increase comfort levels of potential landlords.

Housing Needs of Persons with Disabilities

Any projects supported through the Gap Fund would comply with the Americans with Disabilities Act and standards under the Fair Housing Act. These units would also support independent living through access to transportation, services, and amenities.

The AI will include targeted engagement with key non-profits that work with people with disabilities. For example, one of Ketchum's and BCHA's closest partners is St. Luke's Center for Community Health. St. Luke's assisted BCHA in determining that there is a need for approximately 15 to 20 units of permanent supportive housing in the county. While this number may seem low given the exponentially larger number of persons experiencing homelessness, that is because the vast majority of adults experiencing homelessness here are functional workers and permanent housing can reasonably be provided without being tied to case management. St. Luke's Center for Community Health, as with other partners, will assist BCHA in identifying and assisting households with persons with disabilities.

Displacement

A variety of policy tools will be reviewed in the comprehensive plan and zoning code update funded through this grant may be helpful in preventing the displacement of low-income tenants living in exclusionary areas. Such tools may include prohibitions on demolition of existing, occupied multifamily properties; prohibition or strict limitations on land use conversions of manufactured home communities; anti-harassment and retaliation protections; just cause eviction requirements; right to counsel; source of income protections; and a tenant's opportunity to purchase. The Housing Mediation Project will continue. As noted in Section i. above, some projects contemplated under the Housing Gap Fund may temporarily displace residents of the Lift Tower Lodge, but Ketchum will follow the Uniform Relocation Act and aim for a phased development so that households can relocate directly into the new, permanently affordable units.

Tracking

The HAP metrics enumerated in Need will continue to be monitored and advanced by activities proposed in this application. Each HAP goal has sub-indicators monitored in real time to assess progress. Alongside tracking progress of the metrics in the HAP, the AI will identify additional metrics to track such as racial composition of Ketchum vs. the county and surrounding areas and proportional comparison of protected classes experiencing homelessness and housing insecurity. Ketchum and BCHA will integrate progress updates of these new measurements into the HAP progress updates. Staff will ensure that either they personally review or other qualified personnel – such as from Idaho Housing and Finance Association – review the AFFH plans of property managers of new affordable units and ensure effective training and outreach is conducted.

v. What are your budget and timeline proposals? (5 points)

Budget

Comprehensive Plan and Zoning Code Update: \$606,000

- \$581,000 total/ \$362,000 in PRO-Housing funding will support the third-party consultants contracted with the City of Ketchum to update the comprehensive plan and rewrite land use regulations. Responsibilities will include:
 - Overall Project Management
 - Assisting the city in implementing the community engagement plan
 - Development and adoption of an updated comprehensive plan

- Assessment of the city’s land use regulations in comparison to the goals in the comprehensive plan
- Development and adoption of updated land use regulations
- \$25,000 in PRO-Housing funding will go toward community engagement efforts including:
 - Development and distribution of printed materials (postcards, posters, newspaper ads, legal notices, etc.)
 - Development and maintenance of a project website
 - Operational costs for hosting open houses and community meetings (space rentals and supplies)
 - Translation services for web and printed materials

Housing Affordability Gap Fund: \$6.96 million total

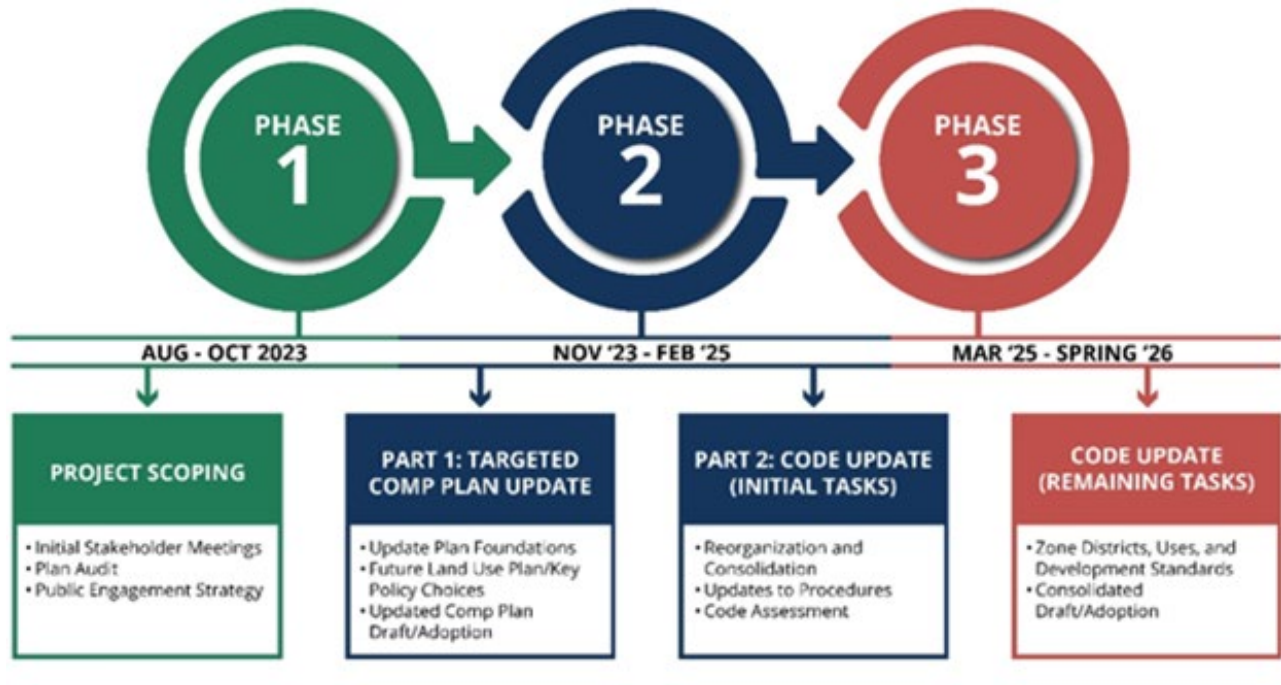
- Sources:
 - \$4,459,340 in PRO-Housing funds will seed the Fund
 - \$2.5 million in funds will be leveraged from the City of Ketchum
 - At least \$6.9 million in land will be leveraged - not directly into the Fund
 - Philanthropic and other grant opportunities will be pursued, leveraging the Gap Fund
- Costs:
 - Eligible costs include acquisition, rehabilitation, pre-development costs, and construction costs. Projects will be selected through a competitive process administered in accordance with HUD regulations and policies for construction projects. Awards will be subcontracts to developers TBD through an RFQ process.
 - Cost estimates are based on current bids, proposals and pro formas collected from developers and land owners
 - \$153,660 will be used to support a 0.25 FTE or contract to oversee grant administration

If the City of Ketchum is awarded less than the full amount requested, the number or scale of projects funded through the Housing Affordability Gap Fund will be reduced. The number of affordable housing units produced will also be reduced. The comprehensive plan/ zoning code rewrites will be maintained.

Timeline

Comprehensive Plan and Zoning Code Update

The comprehensive plan and code update work associated with Phases 2 and 3 are anticipated to launch in November 2023 and conclude in spring of 2026. Below is a graphic outlining the phases of the project.



The refinement of the Phase 3 scope and budget will be conducted at the tail end of Phase 2. All activities would be complete and funds for this project would be expended within 36 months of the award.

Housing Affordability Gap Fund

- RFP or RFQ process for funding established: Within 3 months of award
- Applications accepted and selection process begins: Within 6 months of award
- Public funding committed to new pool: Within 6 months of award
- Funding campaign to supplement Gap Fund begins: Within 6 months of award
- First projects identified, appropriate environmental review complete: Within 12 months of award
- Initial funds released: Within 18 months of award
- Public funding campaign for leverage to supplement gap fund concludes: Within 18 months of award
- All funds obligated: Within 42 months of award

We anticipate the establishment of the Affordable Housing Gap Fund could be within three months of receiving these funds. Opportunities are in various stages of readiness, from immediate, with land use and plans complete (Opportunities 2 and 3) to more remote, in negotiation and planning stages (Opportunities 1 and 4).

Exhibit E | Capacity

City of Ketchum

i. What capacity to you and your Partner(s) have? What is your staffing plan?

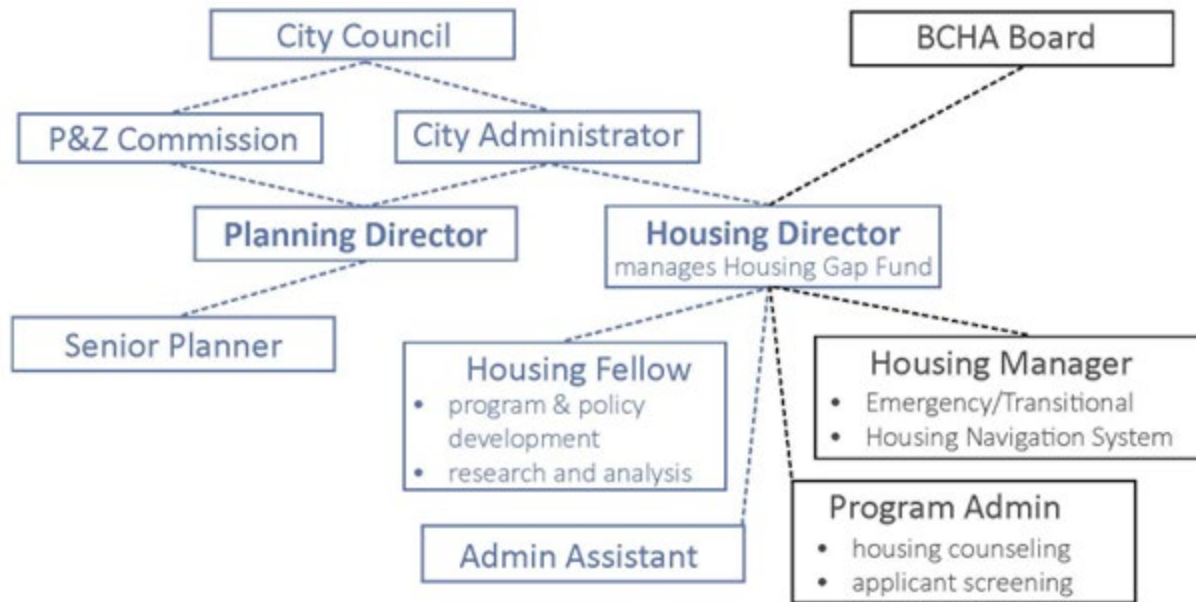
The City of Ketchum has the administrative capacity, capable and experienced staff, and energy necessary to implement a project of this scale and complexity.

Roles

This grant will be overseen by the City of Ketchum Housing Department. The Director of Housing will coordinate and manage the projects outlined in this proposal and provide a connection to City Council, as needed, to fulfill any project tasks. The Director of Housing will also coordinate the dispersal of public funds into the Affordable Housing Gap Fund. A 0.25 FTE or contractor will be funded through this grant to support Affordable Housing Gap Fund administration and compliance.

In February 2023, the City of Ketchum and BCHA entered into a services agreement to strengthen BCHA's infrastructure and, thereby, further the shared goal of ensuring that all people of low to moderate income in Blaine County will live in safe, attractive, and affordable housing in the community of their choice. Through this agreement, the City of Ketchum agrees to provide funds to support BCHA's work, as well as provide necessary support staff (clerk, communications, supervision, housing expertise) to support BCHA's mission. BCHA staff report to the City of Ketchum Director of Housing. BCHA staff will be a key partner in the administration of the Affordable Gap Fund. Through funding and support from the City of Ketchum, BCHA's capacity recently expanded, and the agency is in the final stages of hiring a new Program Manager.

The Director of Planning and Building for the City of Ketchum will oversee the updating of the City's comprehensive plan and land use policies. This work will be executed in part through a contract with third party consultants, who will be managed by the Director of Planning and Building and the city's Senior Planner, who reports directly to the Planning and Building Director. The consultants selected to support this work, Clarion Associates, have extensive experience in the development of comprehensive plans and code updates. The city selected Clarion Associates for not only their deep knowledge, but also their experience in updating comprehensive plans and codes concurrently. Clarion and their team have a combined over 50 years of experience in this realm of work.



Management Capacity and Civil Rights/ Fair Housing Expertise

Although the City of Ketchum itself has not received HUD funding historically, it has played a key role in three recent federally funded initiatives. First, the City of Ketchum staff are overseeing a HOME-ARP grant received by BCHA through the Idaho Finance and Housing Authority. This grant supports the operational, capacity building, and direct service activities of BCHA as it serves Blaine County residents experiencing and at risk of homelessness.

Secondly, in January 2023 the City of Ketchum drafted a successful application for \$250,000 in CDBG funds received by our partner the Blaine County Charitable Fund. The Blaine County Charitable Fund deployed these funds for emergency rental assistance for Blaine County residents at risk of eviction. In the course of providing the rental assistance, the Blaine County Charitable Fund identified households in potential need of emergency shelter and connected them with the City of Ketchum, which led an emergency shelter effort in winter 2023.

Third, the city received \$614,100 of federal ARPA funds as COVID relief in 2021. These funds combined with general funds to launch Ketchum’s first Housing Action Plan and provided year 1 of funding for a new Housing Department and housing efforts. The proof of concept during 2022 inspired faith in the impact and viability of such work as a response to the housing crisis (as amplified by the pandemic). The turnaround in public consensus is evident in the fact that the first ballot initiative for a recurrent resort tax lost by a 6% margin, whereas a similar ballot measure in 2023 won by a 10% margin. This tax, the local option tax, now brings in an estimated \$1.3 million annually for housing.

Morgan Landers, Ketchum’s Director of Planning and Building, is a certified planning professional (American Institute of Certified Planners) with over 18 years of experience in the areas of long-range planning, real estate development, and community development in the public, private, and non-profit sectors. She has supported communities across the country

through her roles as Senior Land Planner for a national brownfield redevelopment firm, Director of Development for a national non-profit, Community Development Director for the Town of Eagle, and Planning Manager for Eagle County Colorado. In her director roles she has acted as lead project manager for multiple comprehensive planning projects and full code updates of similar scope and scale as the project proposed for the City of Ketchum. Equity, ethics, and law are three key areas of professional knowledge that are specifically mandated by the AICP for annual trainings and often focus on equity and availability of resources for disadvantaged populations and fair housing. She has an undergraduate degree in Environmental Design (architecture and planning) from the University of Colorado – Boulder and a Master’s in Urban and Regional Planning from the University of Colorado – Denver. She currently sits as the Education and Outreach Chair for the American Planning Association Idaho Chapter and as a member of the International Advisory Board for the University of Colorado Boulder Real Estate Center.

Carissa Connelly, Ketchum’s Housing Director, has worked for six years on housing policy, development, and finance, including as a generalist and then Assistant Director with Georgia’s Housing Finance Agency in their tax credit department. During her time with Georgia’s Department of Community Affairs, she overhauled their relocation program so that developers had clear processes and policies that align with the Uniform Relocation Act and similarly updated the environmental manual and processes. Carissa is a certified Fair Housing Coordinator and worked as the Senior Real Estate Project Manager on a LIHTC + HOME development in Buffalo, New York. In Ketchum, she project managed the development of Ketchum’s first Housing Action Plan, manages its annual renewal, and facilitates implementation of the actions therein. She was elected by the region’s Continuum of Care as a representative on the Idaho Housing and Finance Association committee to increase housing supply throughout Idaho. Carissa holds a Bachelor’s in International Development from McGill University and dual Master’s degrees from Harvard University in Urban Planning and Design Studies in Real Estate.

Current staff within the City of Ketchum and third-party consultant support have the capacity to manage the activities and programs associated with this grant. We anticipate that the fiscal requirements of grant administration may exceed the City of Ketchum financial team’s bandwidth, and plan to use a portion of the 0.25 FTE funded through this grant to provide additional fiscal administrative capacity.

Leadership Capacity and Legal Authority

The Planning and Building Director and the Housing Director are both charged with the responsibility of executing the work of their departments and management of their staff under the Direction of the City Administrator, Planning and Zoning Commission, and City Council. The Housing Director also reports to the Blaine County Housing Authority Board of Commissioners to fulfill responsibilities as outlined in the Ketchum – BCHA Contract for Services.

Additionally, the Planning and Building Director is the administrator of the city’s land use regulations (code) as denoted in the Ketchum Municipal Code. Both positions, and the City Administrator, coordinate annual work plans for review and approval by City Council. Staff have limited authority to spend city funds, without the express approval of City Council. Additionally,

staff seeks City Council direction and approval on all policy implementation actions, budget allocations, partnerships, and legally binding agreements.

Partnerships

The City of Ketchum has an extensive network of partners engaged in collaboratively providing case management, housing navigation and supportive services to housing seekers and people experiencing and at risk of homelessness. Ketchum has also worked with multiple developers, property managers, housing providers and financial partners to produce affordable housing in the last three years. As detailed in the Need section, Ketchum actively solicits input from housing stakeholders, and we anticipate these relationships and engagement processes will continue for the duration of this grant.

BCHA will be a critical partner in the execution of this grant. BCHA is committed to this proposal, and legally tied to the City of Ketchum by contract. Upon receipt of PRO-Housing funds, the BCHA Board and Ketchum City Council will determine the best role for BCHA among (1) fund administration, (2) land disposition tied to long-term affordability, and (3) tenant referrals or waitlist management.

Application Preparation

This application was collaboratively prepared by City of Ketchum staff, including Carissa Connelly, Director of Housing, Morgan Landers, Director of Planning and Building, and Rian Rooney, Housing Fellow, with input from Courtney Noble, a consultant with expertise in homelessness under contract with BCHA.

Exhibit F | Leverage

City of Ketchum

i. Are you leveraging other funding or non-financial contributions?

Ketchum has dedicated the following resources as leverage for implementation of the activities described in this PRO-Housing proposal:

- Approximately \$2.5 million from the Housing In-Lieu fee
- Approximately \$292,500 from the LOT tax for Housing staff
- \$20,625 to support a philanthropic fundraising campaign to raise public awareness and matching funds for the Housing Gap Fund
- \$219,000 allocated for the comprehensive plan update
- Anticipated \$469,000 in Planning Department staff time
- Six parcels of publicly owned land, including one deed restricted for affordable housing which is valued at \$6.9 million and a seventh promised to the city for housing purposes

Cumulatively, the city will dedicate at least \$3.5 million in funding during the life of the grant as well as at least \$6.9 million in land. In-Lieu and LOT amounts are estimates because they are calculated annually.

Housing In-Lieu Fund

- \$1,000,000 of current fund committed to pending development
- At least \$633,000 committed as gap funding for future development
- ~\$867,000 from general fund to bring total commitment to \$2.5 million

Ketchum Municipal Code §17.124.040 establishes a fee in-lieu of constructing community housing if a developer receives a density bonus. (Mandatory inclusionary zoning is not allowed in Idaho). The stated purpose of the density bonus program is “to encourage new development to include a reasonable supply of affordable and resident occupied workforce housing for sale or rent, to help meet the demand and needs for housing of the community's employees.”

Community housing is defined in the Ketchum Municipal Code as “Dwelling units, for sale or rent, restricted typically via deed restriction by size and type for individuals meeting asset, income and minimum occupancy guidelines approved by the governing housing authority and the City of Ketchum.(§17.08.020)” Furthermore, the program is meant to increase units dedicated to 100% AMI and below: “The community housing units shall be targeted for Blaine County housing authority income category 4 (100 percent or less of area median income).”

These fees go into the in-lieu fund, which is committed to gap funding for community housing development as described in the code. Ketchum historically committed \$3.3 million from the in-lieu fund for gap financing Bluebird Village – a tax credit development that is under construction. An additional \$1 million is committed from expected funds to 1st and Washington for 80% to 140% AMI with 66 units, which is currently experiencing a gap of \$6.8 million. All future funding will continue to be used as gap funding and may be leveraged through the Housing Gap Fund.

With changes to the annual fee associated with the program and program revisions that will occur as part of the comprehensive plan update, staff estimate that In-Lieu Revenue could grow to \$500,000 annually, or \$2.5 million total. If the In-Lieu Fund revenue has liquidity issues or

does not reach \$2.5 million over the five-year period, the General Fund can be re-allocated to make up the difference.

Local Option Tax (LOT) for Housing | \$292,000 in staff time.

In May of 2022, voters approved allocating 0.5% of a sales tax towards community housing. The funds are in a designated account that must adhere to the ballot language, which stated “Half of the one percent to be allocated solely for the purpose of preservation and creation of community housing.” During the timeframe of this grant, FY24 to FY29, the conservative estimate is that LOT will bring in \$6,500,000. The Housing Department relies on these funds for operations, staffing and programs, estimated at \$292,000 for the sake of the two proposed activities.

Public fundraising campaign | \$20,625 committed for consultant.

For FY2024, Ketchum’s Housing Department set aside \$10,625 for funding coordination and a community campaign and \$10,000 in grant writing assistance. These resources are dedicated to raising philanthropic dollars and private donations to support public-private developments funded through the Housing Gap Fund. Philanthropy and grants will be easier to raise when leveraging the PRO Housing Grant and other resources, creating a smaller, achievable target.

Publicly owned land for housing | \$6,961,875 in land value.

Ketchum is finalizing a land use analysis on our five publicly owned lots, which will determine in which order to develop housing and how many units we might expect from each lot. Ketchum currently owns and maintains transitional housing in an old motel on one of these lots – of which the land value is estimated at just under \$7 million. The building is not suitable for long-term use and will need to be demolished with new construction in the next couple of years.

Professional Services for Comprehensive Plan and Code Update | \$219,000 allocated.

As part of the FY24 budget adoption process, the city approved \$219,000 in one-time funds and professional services funds for the update to the comprehensive plan and code. The total timeline for the project is 2.5 to 3 years and future budget appropriations are prohibited. The estimated cost for completion of Phase 2 of the project is approximately \$357,000 with an additional \$224,000 for Phase 3. The estimated cost for community engagement during both phases is \$25,000.

Exhibit G | Long-Term Effects

City of Ketchum

i. What permanent, long-term effects will your proposal have? What outcomes do you expect?

If awarded this grant, the City of Ketchum will track four long term permanent outcomes. We anticipate the Outcomes 3 and 4 will facilitate the production and access to affordable units beyond the grant period, and that Outcome 4 may do so both in Blaine County and in other regions in the nation with comparable conditions and building stock.

Outcomes, Metrics, Deliverables and Models for Other Communities

Outcome 1: Produce at least 195 new units of permanently affordable housing for households earning 30 to 100% AMI.

Through the Affordable Housing Gap Fund, PRO-Housing support will be leveraged with local tax dollars and private philanthropy to produce 236 and 242 total units of housing, 195 for 30 to 100% AMI. The cost of land and building in our region is a primary barrier identified in Need. Support through this grant will remediate this barrier for the duration of the grant but will not provide a permanent funding stream. However, it will provide direly needed permanently affordable housing and we anticipate that the combination of local government funds and this grant will catalyze greater philanthropic donations. Indicators used to monitor progress towards this outcome during the course of the grant include:

- Funding distributed through the Affordable Housing Gap Fund
- Matching funds raised or otherwise identified for the Affordable Housing Gap Fund
- Affordable housing units in the county's project pipeline that are feasible due to receiving Affordable Gap Fund grants
- Greater private and nonprofit developer participation due to availability of gap funding

The deliverable for this outcome will be the completed units funded through the Affordable Housing Gap Fund.

Outcome 2: Improve vulnerable populations' access to affordable housing.

Any housing funded through the Affordable Housing Gap Fund will be required to receive resident referrals through the centralized housing navigation system administered by BCHA, which includes a pre-application, application, waitlist and case management or housing navigation support (if needed). If any Permanent Supportive Housing units are created through the fund, BCHA will work with our local Continuum of Care to ensure placements from the coordinated entry system.

Data collected by BCHA will allow us to assess who is applying for housing and how long they are awaiting a housing referral. We anticipate the participation of new housing developments in BCHA's navigation system will cement BCHA's status as the primary point of entry for those in need of housing in Blaine County, and that that status will be retained after the duration of the grant period. This aim is in response to community and stakeholder input that those in need of housing are finding it extremely challenging to navigate affordable housing resources.

The centralization of our affordable housing search tools, in conjunction with the creation of new housing units, will streamline the process for applicants and reduce the amount of time our vulnerable neighbors spend on the streets, in shelter, in unwinterized RVS, and in otherwise unsafe living environments. Indicators that can be collected during the grant period to track our progress on this outcome include:

- Total number of users seeking affordable housing through the BCHA portal
- % of BCHA housing seeker applicants who are Limited English Proficient
- % of BCHA housing seeker applicants who are Hispanic
- % of BCHA housing seeker applicants who are homeless or at risk of homelessness
- % of BCHA housing seeker applicants who are low income or very low income
- Time each subpopulation above spends on the waitlist before receiving a housing referral
- Referrals that convert into move-ins for each of the subpopulations above
- Housing stability post move-in for each of the subpopulations above
- Client satisfaction metrics on the BCHA housing navigation process

The deliverables for this outcome will be a detailed report and analysis on the number, characteristics and experiences of housing applicants throughout the grant period. BCHA staff will produce this report, with third party support for data analysis and visualization as needed.

Outcome 3: Reduce expense and delay in affordable housing pre-development and development processes.

Through the comprehensive plan and zoning code rewrite processes described in this application, we anticipate that several locally controlled components of the pre-development and development process will be streamlined. This outcome will persist beyond the period of this grant. While there are many external factors also affecting cost and timelines on construction projects, we will isolate portions of project budgets and timelines (for example, legal fees or time before the local Planning and Zoning commission), to use as indicators to assess our progress in achieving this outcome.

Outcome 4: Prove cost effectiveness of conversion model in resort communities.

The final outcome we will monitor is the cost effectiveness of converting aging facilities like motels and senior living facilities into affordable housing in resort towns. Based on data and research from COVID-19 related motel conversions, and on pro-formas received for conversions in our community, we believe there is a use case to be made for other communities. We plan to share lessons on how to finance and execute conversion projects both to perpetuate the model in our own community and encourage other resort communities to pursue conversion opportunities. The City of Ketchum Housing department will produce this analysis as a deliverable and share it as part of their ongoing partnership with other resort towns.

The City of Ketchum conducts active stakeholder engagement and outreach and will align the monitoring of each of these outcomes with the monitoring of its Housing Action Plan targets, continuously sharing results with stakeholders and the broader community to encourage accountability and transparency.

Reducing Cost Burden

Housing developed through the Affordable Housing Gap Fund will be selected in part due to the projects' location and proximity to jobs and transit. While cost of living in Ketchum and Blaine County may continue to rise, the individuals who are the ultimate beneficiaries of housing through this grant will be somewhat insulated from these increased cost burdens due to their placement within areas of concentrated opportunity.

The proposed activities are expected to result in both increased housing production in resource rich areas within Blaine County and significantly expand the housing choices available to low- and moderate-income residents of the community. Additionally, the City of Ketchum will continue to pursue anti-displacement efforts to ensure that naturally occurring affordable housing continues to be identified, actively managed, and well-resourced with anti-displacement programs – slowing the decline of affordable housing while providing growing rental and ownership opportunities among low to moderate income households.

Roadblocks

Staff to be involved in the implementation of this grant are familiar with the polarizing viewpoints on affordable housing within our community. Navigating the NIMBYism that accompanies new affordable housing projects has been a key part of their roles on the City of Ketchum housing team, and we anticipate it will continue to be so in the implementation of this grant. We also anticipate that some of the changes to the comprehensive plan and land use code will assist with this navigation.

The City of Ketchum's current Mayor and City Council have proven to be extremely pro-housing and have supported and led on a wave of progressive efforts to house low- and moderate-income individuals in our community. There is a possibility that the Mayor and Council composition will change during the course of the grant period, making the execution of some projects more challenging. We have accounted for this work by proposing that BCHA, a non-political entity somewhat insulated from the vagaries of elections, be involved with Affordable Housing Gap Fund and by front-loading activities into the first 12-24 months of the grant period.

Environmental Risk

Ketchum is in an environmentally rich area, which also comes with many risks including that from wildfire, flooding, and avalanches. The comprehensive plan specifically evaluates these risks and identifies suitable areas for land uses, especially housing, based on the risk management of those environmental factors. Community resilience is a key focus of this update to the plan and the future regulations to ensure that disadvantaged populations are not placed in areas of high risk where other populations are protected.

The Affordable Housing Gap Fund will require environmental assessments for all potential investment opportunities to ensure that housing developments occur in locations that are free from long term environmental risk.

