

**From:** [Kelsie Choma](#)  
**To:** [Suzanne Bathke](#)  
**Subject:** FW: Comments to City Council on Vail presentation  
**Date:** Tuesday, July 20, 2021 1:12:56 PM

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## **KELSIE CHOMA | CITY OF KETCHUM**

### **DEPUTY CITY CLERK**

P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

o: 208.726.3841 | f: 208.726.7812

[kchoma@ketchumidaho.org](mailto:kchoma@ketchumidaho.org) | [www.ketchumidaho.org](http://www.ketchumidaho.org)

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**From:** Participate <[participate@ketchumidaho.org](mailto:participate@ketchumidaho.org)>  
**Sent:** Tuesday, July 20, 2021 12:52 PM  
**To:** Neil Bradshaw <[NBradshaw@ketchumidaho.org](mailto:NBradshaw@ketchumidaho.org)>; Courtney Hamilton <[CHamilton@ketchumidaho.org](mailto:CHamilton@ketchumidaho.org)>; Amanda Breen <[ABreen@ketchumidaho.org](mailto:ABreen@ketchumidaho.org)>; Michael David <[mdavid@ketchumidaho.org](mailto:mdavid@ketchumidaho.org)>; Jim Slanetz <[jslanetz@ketchumidaho.org](mailto:jslanetz@ketchumidaho.org)>  
**Cc:** Jade Riley <[jriley@ketchumidaho.org](mailto:jriley@ketchumidaho.org)>; Kelsie Choma <[kchoma@ketchumidaho.org](mailto:kchoma@ketchumidaho.org)>  
**Subject:** Fwd: Comments to City Council on Vail presentation

Public comment.

Sent from my iPhone

Begin forwarded message:

**From:** Perry Boyle <[perryb@ahketchum.com](mailto:perryb@ahketchum.com)>  
**Date:** July 19, 2021 at 5:43:39 PM MDT  
**To:** Participate <[participate@ketchumidaho.org](mailto:participate@ketchumidaho.org)>  
**Subject: Comments to City Council on Vail presentation**

First, I think it is great that the Mayor and Council are looking for models of success employed by other mountain towns.

Thanks to Jade Riley for reaching out to Vail.

As Mayor Bradshaw noted, this is the first kind of strategic look Ketchum has had on housing. As he noted, a strategic view would help us figure out if we should and how we should find funds for housing and what kind of housing we should invest in. He prodded the Council to provide funding for a strategic approach. I concur.

Given that the City has outsourced deed restriction administration to BCHA, could the City encourage the BCHA to reach out to more cities? Shouldn't they be helping us come up with options? Aren't they the delegated authority of the KMC Chap 4 requirement for a Housing Commission? Why does Jade have to do all this work?

I ask the Council to reconsider the establishment of Ketchums Community Housing

Commission to help create a strategic approach to housing for Ketchum.

The "Vail Indeed" program is, in my opinion, far superior than providing the use of city land and forgoing property taxes to things like Bluebird. A similar program would enable the City to work with local developers who want to provide community housing as a material incentive to get more long term rental and other types of community housing built. Unlike Bluebird, that housing would be available to "lifeblood" occupations like full time firemen, police, health care professionals and teachers. It can also keep locals in their current homes. And it feel like second home owners, who are substantial tax payers and contributors to the community, but get no vote, might find this more palatable.

That being said, I think the City's #1 priority should be to regulate short-term rentals. The loss of long-term housing to short term rentals is as root cause of our crisis. Attack this at its source. Efforts on a Ketchum Indeed program should not displace time spent on that effort.

I was surprised that no one on the Council asked how Vail regulates short-term rentals.

Before proceeding with an Indeed program, I urge the City to work with local people/organizations interested in this issue to identify all the potential pushbacks prior to moving forward. That kind of proactive outreach could have averted much of the community division over Bluebird.

Councilor David's comments on working with the City of Sun Valley were particularly on point. A joint program with them seems to make a lot of sense. How to work with Hailey/Bellevue/Blaine County?

Councillor Breen commented that people are exiting Ketchum by selling to non-resident owners and moving down valley where their life is better, but then they drive up to Ketchum to work and we are down a resident to attend Ketchum Alive type events. That is an important point. They see their quality of life improved by extracting a financial gain from their investment in Ketchum to move down valley. Is that a bad thing?

Questions

- Vail's 2018 "10 housing policy statements"—can we get as copy of these?
- Can the City post all materials like this to a webpage dedicated to Housing so that it is publicly available and easily findable?
- Can deed restrictions be "in perpetuity" or do they have an expiration?
- What happened to the deed restriction when the resident in the home dies?
- Has Vail ever withdrawn the deed restriction and gotten their money back if the resident becomes a non-resident?
- What happens when tenant of a deed restricted unit is no longer a "resident"?

What is the actual enforcement process?

- Would Ketchum consider acquiring deed restrictions in adjacent but non City limits areas, and/or Sun Valley.
- Will Idaho lenders write mortgages on deed restricted properties? Will they let a deed restriction take priority of their mortgage projection? For example, if property is foreclosed and there is no resident to buy it, will the lender be able to sell it to a non-resident?
- What happens if someone violates the terms of the deed restriction? You have to come back into terms of the deed restriction or put it up for sale.
- In Ketchum, what percentage of homes owned by “residents” are sold to non-residents?
- Will local businesses contribute? Can we tax them to participate if they pay less than a living wage?
  
- Deed restrictions become City assets. Unlike Vail, it is not clear that Idaho permits financing of deed restrictions to leverage them. What are the implications of this?

#### Observations

- **The key to success of this program is enforcement.** 100% annual enforcement. Per P&Z Commissioner Morrow, BCHA does not adequately enforce Ketchum’s deeds. They only enforce on direct complaint.
- Town of Vail long-term capital budget puts \$2.5mm per year into Vail Indeed. Looking to increase that to \$3mm.
- Vail has 5300 residents in 1753 free market or 698 deed restricted homes. When the free market residences went up for sale, 90% of the time they did not sell to a resident. Once it moves into that pool of homes it rarely moves back to a resident.
- Councilor Slanetz things 15-20% might be high.
- **You might look at historic average holding period of a house by someone who you define as a resident. That can help you figure out what the right budget is for a program like this.**
- The Vail Housing Authority does all the work, but the Town owns the deed restrictions
- Like Ketchum, Vail is has land availability limitations to build more units.
- The properties they are buying deed restrictions for \$68k average about \$400k. Bluebird units will average well over cost.
- They will buy a deed restriction for a current resident already living in their home. That sounds like a terrific deal for them as it provided no inducement for them to buy the house, and the only requirement is that one future resident work 30 hrs/week in Eagle County.
- This program at \$82/ft is their lowest cost way to acquire a deed restriction.
- 288 of the 362 people benefiting from the \$11mm of deed restrictions are in a single housing project.
- Town of Vail set up a quantified plan over a defined period of time. This would

be first for Ketchum.

- Vail doesn't look at the owner, only the resident. You could have a Seattle owner renting it to a Vail resident and get paid for the deed restriction.
- They are concerned that their deed restriction can be gamed by remote workers.
- When people retire in place, they can stay in the house but can only sell it to a resident and when they pass it has to be go into conformity with the deed restriction.
- They do not allow subleasing or short term rentals.
- Definition of resident is working 30 hours per week in Eagle County (not just Vail). No other criteria. This seems very lax for the amount of value transferred to the resident. Shouldn't it be tied to be a voter to ensure primary residence? Would Ketchum want to be provided deed restricted housing for Sun Valley or Hailey workers?
- Vail came up with a plan to fund the goal. It looks like they rely on Town funds to do that. Their transfer tax is dedicated to open space but looking to get a tax increase from residents to provide funding.
- With 698 deed restricted units, 28% of Vail's occupied housing is already deed restricted. Their 2027 plan is to bring this up to as much as 52%.
- Vail spent \$11mm on 162 deed restrictions—\$68k each; ave home value was \$400k,
- That money benefited 367 current residents.
- The town of Vail is permitted to develop property for housing. The City of Ketchum is not.
- The town of Vail has sources of revenue to provide for housing that the City of Ketchum does not.
- They primarily target 1 and 2 BR condos
- The property for this money has to be spent with Vail town limits and one adjacent unincorporated area.