

## ORDINANCE NO. 993

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, AMENDING THE KETCHUM MUNICIPAL CODE, TITLE 17, LAND USE CODE, BY ADDING A NEW CHAPTER, CHAPTER 17.114, WORKFORCE HOUSING LINKAGE REGULATIONS, WHICH OUTLINES REQUIREMENTS FOR AFFORDABLE DEED RESTRICTED WORKFORCE HOUSING WITH ALL NEW RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT WITHIN THE CITY; BY PROVIDING FOR A SEVERABILITY CLAUSE; BY PROVIDING FOR A CODIFYING CLAUSE; BY PROVIDING FOR A REPEALER CLAUSE; BY PROVIDING FOR PUBLICATION BY SUMMARY; AND BY PROVIDING AN EFFECTIVE DATE.

WHEREAS, the 2001 *City of Ketchum Comprehensive Plan*, states on page 104 that the City will “Ensure the long term supply of desirable housing of all types in Ketchum” and “Promote the development and maintenance of affordable housing in Ketchum”; and

WHEREAS, the *Comprehensive Plan* sites the *1997 Ketchum Housing Needs Assessment* which documents the existing and future housing needs for the entire Wood River Valley;” and

WHEREAS, policy 5.1 in the City of Ketchum 2001 Comprehensive Plan states: The City will take the lead in the development of affordably priced housing using, but not limited to, the following means:

- Land acquisition
- Development contracts
- Incentives
- Regulatory strategies
- Tax treatments
- Zoning and density modifications
- Voluntary contributions
- Coordination with the Blaine County Housing Authority
- Use of the City’s Planned Unit Development Ordinance
- Use of Transfer of Development rights, if feasible
- Require affordably priced housing units where the size and scope of the project could make this requirement appropriate

WHEREAS, in 1998 the Ketchum Housing Authority and the Blaine County Housing Authority adopted Housing Guidelines to establish a framework for identifying specific housing programs and to set standards for developing affordably priced housing units; and

WHEREAS, the Housing Guidelines were updated by the Blaine-Ketchum Housing Authority (BKHA) as the Community Housing Guidelines 2005-2006 (Guidelines) which identifies a range of income categories for households who earn up to 140% of the Area Median Income (AMI) and has updated these income categories based on May, 2006, data from the United States Department of Housing and Urban Development to determine market price gap between what the estimated Blaine County market rate housing price is per square foot and what households within those income categories can afford; and

WHEREAS, the *Idaho Local Land Use Planning Act*, 67-6508 (1) requires the City's *Comprehensive Plan* to provide an analysis of housing needs and plans for the provision of affordable housing, and this Ordinance is intended to implement the goals of the *Comprehensive Plan* to meet the requirements of the State of Idaho; and

WHEREAS, the City of Ketchum has reviewed and concurs with the findings of the 2002 Blaine County Residential Job Generation Study which demonstrates the health, safety and welfare of the citizens of the City of Ketchum is dependent upon a reasonable supply of affordable deed restricted workforce housing being made available to ensure that critical professional workers, essential services personnel, and service workers live within proximity to their work to provide municipal and private sector services; and

WHEREAS, the economic vitality and well-being of the citizens of the City of Ketchum is dependent upon a reasonable supply of affordable deed restricted workforce housing, and that persons employed in providing visitor and residential services, as well as persons such as medical personnel, peace officers, emergency personnel, fire personnel, and providers of other professional services, which are vital to the community, are dependent upon the availability of affordable workforce housing; and

WHEREAS, the *July 2006 Blaine County Housing Needs Assessment Update* conducted a household survey and found that 81.5% of people living in the North Valley felt that employees finding affordable housing was the most critical problem or one of the more serious problems in the region; and

WHEREAS, the City of Ketchum concurs with and desires to utilize the Blaine-Ketchum Housing Authority (BKHA) *Community Housing Guidelines 2005-2006* (Guidelines) which identifies a range of income categories for households who earn up to 140% of the Area Median Income (AMI); and

WHEREAS, the City of Ketchum will give consideration to and desires to use these income categories for determining the target income levels for workforce housing development, the estimation of affordable prices for workforce housing and for other data necessary to construct reasonable methodologies for the provision of workforce housing; and

WHEREAS, the City of Sun Valley's 2005 *Nexus Proportionality Analysis for Commercial and Residential Linkage Programs* "Residential Job Generation Rates by Size of Home" table has data that helps measure, through the use of updated, reliable and valid statistical surveys, the estimated number of jobs generated by new nonresidential and residential uses in new development and identifies the linkage or nexus of new development with new job generation; and, which provides income level data of the residents of the City of Sun Valley as identified in the 2000 United States Census which indicate that approximately 30% of the City's households only earn up to 80% of the Area Median Income as identified by the United States Department of Housing and Urban Development; and that housing needs are identified particularly in Income Categories 1-4; and

WHEREAS, the 2000 United States Census, tables 3.1-13 and 3.1-14 indicates that approximately 35% of the City of Ketchum's households only earn up to 80% of the Area Median Income; and

WHEREAS, the construction or development of new residential and nonresidential buildings or the expansion of residential and nonresidential development in the City of Ketchum will result in new workers being needed for uses in the new buildings and/or for the maintenance of the new buildings; and

WHEREAS, the City of Ketchum recognizes that most construction less than 1,000 net square feet is for the purpose of small residential additions on existing homes; and

WHEREAS, establishing a variable mitigation rate dependent on home size can serve as an incentive to producing and maintaining smaller homes which thereby require fewer employees; and

WHEREAS, the City Planning and Zoning Commission and City Council believe that with land use and residential building guidelines, additional units caused by the requirement of providing workforce housing can be accommodated on-site without reducing the quality of life in Ketchum and will promote reduced air pollution, a vibrancy in the City due to more full-time residents, and increase public and private revenues from increased spending by workers in the City; and

WHEREAS, the City of Ketchum has determined that the herein changes to Title 17 of the City of Ketchum Municipal Code are consistent with achieving the previously cited goals; and

WHEREAS, the Planning and Zoning Commission for the City of Ketchum has recommended the herein changes to Title 17 of the City of Ketchum Municipal Code based upon its analysis of collected data, its public work sessions and public hearing, as well as suggestions from property owners; and

WHEREAS, the Mayor and City Council for the City of Ketchum hereby adopts the above findings so as to further the Purpose and Intent of the Zoning District regulations in the City, consistent with the *Comprehensive Plan*.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Ketchum, Idaho, Title 17 Ketchum Municipal Code as follows:

SECTION 1: That a new Chapter 17.114, Title 17 of the Ketchum Municipal Code, WORKFORCE HOUSING LINKAGE REGULATIONS, is hereby created to establish a variable linkage mitigation rate as follows:

#### CHAPTER 17.114

### WORKFORCE HOUSING LINKAGE REGULATIONS

#### SECTIONS:

17.114.010: PURPOSE

17.114.020: APPLICABILITY

17.114.030: GENERAL PROVISIONS

17.114.040: IN LIEU FEE PROVISIONS

17.114.050 REVIEW

17.114.010 PURPOSE: The purpose of these regulations is to ensure that new residential and nonresidential development in the City provides for a reasonable amount of affordable workforce housing for sale or rent, to mitigate (mitigation) a percentage of the effects of the jobs generated with that new development for households with incomes up to one hundred percent (100%) of the area median income. Where alternatives to the on-site provision of such housing are determined to be more practical, efficient, and equitable, this article will set forth standards for eligible site housing, the conveyance of land, or a payment in lieu fee.

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17.114.020 APPLICABILITY: All approvals for design review or all building permits issued for projects not subject to design review approval in the City for applications certified complete and accepted subsequent to the effective date hereof shall require an approved workforce housing linkage plan such that a percentage of the employee housing demand generated by the application will be provided as workforce housing units, unless alternatives are provided in accordance with Section 9-3D-3 of this Article.

17.114.030 GENERAL PROVISIONS: Approval of a workforce housing linkage plan shall be based upon the following criteria:

A. Nonresidential Development Requirements:

1. Mitigation Rate. For nonresidential development, an applicant shall be required to complete development or ensure the completion of development of two and one-half (2.5%) of the employee housing unit demand generated by the application, either on the application or on an eligible site, prior to or concurrent with the issuance of any building permits for proposed new construction, unless the conveyance of land or the payment of an in lieu fee (for a fraction of a workforce housing unit) as provided under subsection D of this Section.
2. Calculation of Required Workforce Housing Unit(s): For nonresidential development, required workforce housing units generated by the application shall be calculated as follows:
  - a. For development of hotels, lodges, timeshare accommodations, public or semi-public use, schools, or buildings which include theatres, concert halls, convention centers, and other large public performance and/or public meeting spaces, the full time equivalent (FTE) employment shall be projected for a specific project and shall be submitted as part of the workforce housing linkage plan. The actual employment number shall be divided by 1.65 to account for the average number of employees estimated to reside in a workforce housing unit, and that quotient shall equal the employee housing unit demand. The employee housing unit demand shall be multiplied by two and one-half (2.5%) to calculate the required workforce housing unit(s).
  - b. For all other nonresidential development, employment generation shall be calculated at a rate of 3.5 employees per one thousand (1,000) square feet of new construction to account for the average number of employees generated from the proposed nonresidential uses of the development. The employee generation number shall be divided by 1.2 to account for the average of multiple jobs held by an individual employee, and that number shall be divided by 1.65 to account for the average number of employees estimated to reside in a workforce housing unit. That final quotient shall equal the employee housing unit demand. The employee housing unit demand shall be multiplied by two and one-half percent (2.5%) to calculate the required workforce housing unit(s).
  - c. The following provides an example of the on-site workforce housing requirement for a new one thousand (1,000) square foot nonresidential development:

**Table 1**  
**Example for Non-residential /Retail Development Workforce Housing Requirement**

<u>NON-RESIDENTIAL/RETAIL DEVELOPMENT</u>	<u>FACTOR</u>	<u>CALCULATION</u>
<u>Size of development - square feet</u>	<u>3.5 per 1,000 square feet</u>	<u>1,000</u>
<u>Jobs generated - average number of jobs</u>		<u>3.5</u>
<u>Employees generated divided by 1.2 to account for multiple jobs</u>	<u>1.2 jobs per employee</u>	<u>2.92</u>
<u>Employee housing unit(s) demand generated - employees divided by average number of employees per unit/household</u>	<u>1.65 employee per household</u>	<u>1.77</u>
<u>Mitigation rate</u>	<u>2.5 percent</u>	<u>Units required =</u> <u>1.77 x 2.5 percent =</u> <u>0.085 unit</u>

3. New Additional Square Footage Development. For existing development which applies for a net area increase in a remodel or addition to a nonresidential structure, the workforce units required shall be provided as stipulated above for the net square footage increase.
4. Replacement Buildings. For replacement buildings removed by demolition or lost to fire or other natural calamities that receive a building permit within 24 months of the effective date of this ordinance are not subject to the provisions of this ordinance.
5. Density. Any increases in density caused by the development of workforce housing regulations shall be in addition to the existing allowable zoned density in effect at the time of development application.

B. Residential Development Requirements:

1. Mitigation Rate: A residential development, including single-family and multi-family development, shall be required to develop or ensure the development of a variable mitigation rate shown in Table 2 of the employee housing unit demand generated by the application, either on-site or on an eligible site prior to or concurrent with the issuance of any building permits for proposed new construction, unless the conveyance of land or the payment of an in lieu fee (for a fraction of a workforce housing unit) are provided under subsection D of this Section.
2. Calculation of Required Workforce Housing Unit(s): For new residential development, required workforce housing units generated by the application shall be calculated by first determining the full time equivalent (FTE) employment based on the total size of a proposed dwelling, including garages, from the following table:

**Table 2**  
**Residential Job Generation Rates and Mitigation Rates**

<b><u>RESIDENTIAL AREA (SQUARE FEET)</u></b>	<b><u>FULL TIME EQUIVALENT (FTE)</u></b>	<b><u>MITIGATION RATE</u></b>
<u>1 – 499</u>	<u>0.17</u>	<u>2.5%</u>
<u>500 – 999</u>	<u>0.18</u>	<u>2.5%</u>
<u>1,000 – 1,499</u>	<u>0.20</u>	<u>5%</u>
<u>1,500 – 1,999</u>	<u>0.22</u>	<u>7.5%</u>
<u>2,000 – 2,499</u>	<u>0.25</u>	<u>10%</u>
<u>2,500 – 2,999</u>	<u>0.27</u>	<u>10%</u>
<u>3,000 – 3,499</u>	<u>0.30</u>	<u>10%</u>
<u>3,500 – 3,999</u>	<u>0.33</u>	<u>12.5%</u>
<u>4,000 – 4,499</u>	<u>0.37</u>	<u>12.5%</u>
<u>4,500 – 4,999</u>	<u>0.41</u>	<u>12.5%</u>
<u>5,000 – 5,499</u>	<u>0.45</u>	<u>12.5%</u>
<u>5,500 – 5,999</u>	<u>0.50</u>	<u>12.5%</u>
<u>6,000 – 6,499</u>	<u>0.55</u>	<u>15%</u>
<u>6,500 – 6,999</u>	<u>0.61</u>	<u>15%</u>
<u>7,000 – 7,499</u>	<u>0.67</u>	<u>15%</u>
<u>7,500 – 7,999</u>	<u>0.74</u>	<u>15%</u>
<u>8,000 – 8,499</u>	<u>0.82</u>	<u>15%</u>
<u>8,500 – 8,999</u>	<u>0.91</u>	<u>15%</u>
<u>9,000 – 9,499</u>	<u>1.00</u>	<u>15%</u>
<u>9,500 – 9,999</u>	<u>1.11</u>	<u>15%</u>
<u>10,000 – 10,499</u>	<u>1.23</u>	<u>15%</u>
<u>10,500 – 10,999</u>	<u>1.36</u>	<u>15%</u>
<u>11,000 – 11,499</u>	<u>1.50</u>	<u>15%</u>
<u>11,500 – 12,000+</u>	<u>1.66</u>	<u>15%</u>

- a. Employee Housing Unit Demand. The above numbers from Table 2 of this Section shall be divided by 1.65 to account for the average number of employees estimated to reside in a workforce housing unit, and that quotient shall equal the employee housing unit demand. The employee housing unit demand shall be multiplied by the mitigation rate to calculate the required workforce housing unit(s).
- b. Workforce Housing Requirement. The following provides an example of the on-site workforce housing requirement for a new three thousand five hundred (3,500) square foot and a new six thousand five hundred (6,500) square foot residential unit:

**Table 3**  
**Example for Residential Development Workforce Housing Requirement**

<u>Market Unit Square Footage</u>	<u>3,500</u>	<u>6,500</u>
<u>Job generation rate per market unit (see Table 2 of this Section)</u>	<u>0.33</u>	<u>0.61</u>
<u>Employees per unit/household</u>	<u>1.65</u>	<u>1.65</u>
<u>Employee housing unit demand generated adjusted for household size = 0.33/1.65 and 0.61/1.65</u>	<u>0.20</u>	<u>0.37</u>
<u>Mitigation rate</u>	<u>12.5 percent</u>	<u>15 percent</u>
<u>Units required = 12.5 percent x 0.20 and 15 percent x 0.37</u>	<u>0.025</u>	<u>0.06</u>

- c. New Additional Square Footage Development. For existing development which applies for a net area increase in a remodel or addition to a nonresidential structure, the workforce units required shall be provided as stipulated above for the net square footage increase.
- d. Replacement Buildings. For replacement buildings removed by demolition or lost to fire or other natural calamities that receive a building permit within 24 months of the effective date of this ordinance are not subject to the provisions of this ordinance.
- e. Residential Additions. The following provides an example of the on-site workforce housing requirement for residential additions of one hundred (100) square feet, five hundred (500) square feet, and two thousand (2,000) square feet:

**Table 4**  
**Example for Residential Addition Workforce Housing Requirement**

<u>Net Square Foot</u>			
<u>Increase In Residential Area</u>	<u>100</u>	<u>500</u>	<u>2,000</u>
<u>Job generation rate per net increase (Table 2 of this Section)</u>	<u>0.17</u>	<u>0.18</u>	<u>0.25</u>
<u>Employees per unit/household</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>
<u>Employee housing unit demand generated adjusted for household = 0.17/1.65, 0.18/1.65 and 0.25/1.65</u>	<u>0.103</u>	<u>0.109</u>	<u>0.152</u>
<u>Mitigation rate</u>	<u>2.5%</u>	<u>2.5%</u>	<u>10%</u>
<u>Units required = 2.5% x 0.103, 2.5% x 0.109 and 10% x 0.152</u>	<u>0.003</u>	<u>0.003</u>	<u>0.020</u>

- 3. Exceptions: New residential development that is deed restricted under an approved workforce housing plan shall not be subject to the requirements of this article. Additionally, accessory dwelling units and compact dwelling units constructed as deed restricted, workforce housing units shall not be subject to the requirements of this article.

4. Inclusionary Zoning Credits: If any project meets the requirements to provide workforce housing under the terms of the inclusionary zoning requirements contained within Chapters 17.32, 17.52, 17.56, 17.60 and 17.64, then the residential unit(s) will be granted a fifteen percent (15%) reduction in the number of workforce housing unit(s) required under this subsection.
5. Density: Any increases in density caused by the development of workforce housing regulations shall be in addition to the existing allowable zoned density in effect at the time of development application.

17.114.040 IN LIEU FEE PROVISIONS: The following provisions apply to both residential and nonresidential development requirements.

- A. Linkage Fractions: If this article results in requiring a fraction of a linkage workforce housing unit, this fraction shall be credited towards the construction of a full unit or a fee in lieu shall be provided in compliance with subsection D of this Section.
- B. Provision Alternatives: If upon recommendation of the Commission, the Council finds: 1) the application-site to be inappropriate and impractical for linkage workforce housing and would create a hardship on the applicant, or 2) it is considered more practical for the required units to be pooled with housing units from other projects in the City to generate greater workforce housing public benefits, or 3) the Council desires to create a more viable project on another site, then alternatives to the provision of required employee housing unit demand mitigation on-site may be considered as follows:
  1. Payment Of In Lieu Fee: The City Council may consider payment of a fee in lieu of providing the employee housing unit demand mitigation required on-site by this article.
    - a. A fee schedule shall be set forth by resolution and adopted by the mayor and Council, and updated as needed.
    - b. Payment of the in lieu fee(s) shall be made to the City at the time of building permit application for the development.
    - c. The City shall transfer the in lieu fee(s) to an interest bearing workforce housing fund.
    - d. In lieu fees deposited in the workforce housing fund, including any interest earnings on such fees, shall be used solely to increase and improve the supply of rental and/or for sale workforce housing affordable to moderate and low income households and whose income is derived from employment within the greater geographical area of Ketchum as approved by the City Council.
    - e. In lieu fees may be used, but not limited to, for the acquisition of property and property rights, cost of construction including costs associated with planning, administration, and design as well as actual building or installation, as well as any other costs associated with the construction or financing of affordable workforce housing. In lieu fees may be used to match state and/or federal grants and in projects approved under applicable laws.
    - f. In lieu fees in the workforce housing fund shall be used in accordance with the following priorities:
      - i. Within the eligible site unless otherwise directed by the Council.



- ii. Targeted to benefit households who earn up to one hundred percent (100%) of the AMI as published annually by the United States Department of Housing and Urban Development.
  - iii. Considered in the near term for ensuring that a sufficient number of essential services personnel including, but not limited to, police officers, firefighters and medical workers are granted priority in renting and/or purchasing affordable workforce housing.
2. Conveyance of Land: The City Council may consider conveyance of land within the City of Ketchum or Ketchum Areas of City Impact boundaries in lieu of providing the linkage workforce housing unit(s) required on the application site by this article. Land accepted pursuant to this provision may only be used for the production of workforce housing linkage units and must be land on-site or on an eligible site unless otherwise accepted by the Council. The fair market value of the land conveyed must demonstrate appropriate zoning under applicable local law so as to provide for the required employee housing unit demand mitigation, and that the land conveyed has sufficient additional value to offset the City's development costs.
- a. Estimated value shall be established at the time the workforce housing linkage plan is submitted. Fair market value shall be established at the time of final plan approval.
  - b. Fair market value shall be established, at the developer's expense, by a licensed professional real estate appraiser acceptable to the City. Fair market value shall be the net of any customary real estate Commission for the sale of land.
  - c. Land conveyance to the City shall occur prior to the issuance of any building permits for the development.
  - d. The City Council may require, as a condition of approval, that land conveyed pursuant to this Section be fully developed and ready for construction, with roads, water supply, sewage disposal and other basic services in place. A soils report or other necessary environmental report may also be required, stipulating whether the land is suitable for the type of construction contemplated and identifying any special construction techniques which may prove necessary for its development.
  - e. Land conveyed pursuant to this Section may be subsequently conveyed by the City provided all proceeds from the sale of the land shall be placed in the interest bearing workforce housing fund.
3. Off-Site Compliance: The City Council may consider provision of linkage workforce housing requirements at locations other than the development site that has caused the linkage requirements as part of a linkage workforce housing plan. Approval of off-site development in lieu of providing workforce housing unit(s) required on site by this article shall be based on the following criteria:
- a. The City Council, upon recommendation of the Planning and Zoning Commission, must find that the off-site location is more appropriate for workforce housing than the site where the market rate units are proposed and provides for greater public benefit.
  - b. The development of linkage workforce housing units must be concurrent with and proportional to the time frames for development of the market rate units.
4. The City Council may consider a request by a hotel, motel, time shared property, public use and semi-public use property owner for reductions or waivers of in lieu fees. The City Council has full discretionary power to deny or modify said request.

17.114.050 REVIEW: This Ketchum workforce housing linkage article shall be reviewed by the Commission as needed using the most current data available to determine the effectiveness of the linkage regulations.

SECTION 2. SAVINGS AND SEVERABILITY. If any section, subsection, paragraph, subparagraph, item, provision, regulation, sentence, clause or phrase is declared by a court to be invalid, such actions shall not affect the validity of this Ordinance as a whole or any part thereof other than the part declared invalid.


SECTION 3. CODIFICATION. The City Clerk is instructed pursuant to Section 1-1-3 of the City of Ketchum Municipal Code to immediately forward this ordinance to the codifier of the official municipal code for proper revision of the code.

SECTION 4. REPEALER CLAUSE. All City of Ketchum Ordinances or parts thereof which are in conflict herewith are hereby repealed.


SECTION 5. PUBLICATION. This Ordinance, or a summary thereof in compliance with Section 50-901A, Idaho Code, substantially in the form annexed hereto as Exhibit "A," shall be published once in the official newspaper of the City, and shall take effect immediately upon its passage, approval, and publication.

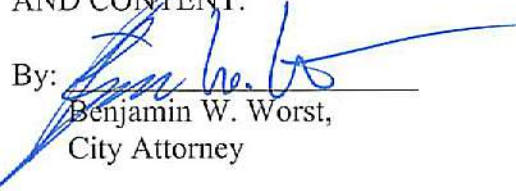
SECTION 6: EFFECTIVE DATE. This Ordinance shall be in full force and effect upon the date of its publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF KETHUM, IDAHO, and approved by the Mayor on this 30<sup>th</sup> day of October, 2006.

APPROVED:  
  
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Randy Hall, Mayor

ATTEST:

  
Sandra E. Cady, CMC  
City Treasurer/Clerk

APPROVED AS TO FORM  
AND CONTENT:  
By:   
Benjamin W. Worst,  
City Attorney



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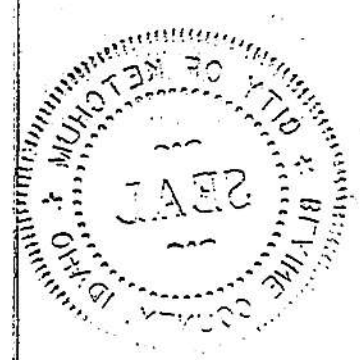


EXHIBIT A

**PUBLICATION OF SUMMARY OF ORDINANCE NO. 993  
CITY OF KETCHUM, IDAHO**

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, AMENDING THE KETCHUM MUNICIPAL CODE, TITLE 17, LAND USE CODE, BY ADDING A NEW CHAPTER, CHAPTER 17.114, WORKFORCE HOUSING LINKAGE REGULATIONS, WHICH OUTLINES REQUIREMENTS FOR AFFORDABLE DEED RESTRICTED WORKFORCE HOUSING WITH ALL NEW RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT WITHIN THE CITY; BY PROVIDING FOR A SEVERABILITY CLAUSE; BY PROVIDING FOR A CODIFYING CLAUSE; BY PROVIDING FOR A REPEALER CLAUSE; BY PROVIDING FOR PUBLICATION BY SUMMARY; AND BY PROVIDING AN EFFECTIVE DATE.

A summary of the principal provisions of Ordinance No. 993 of the City of Ketchum, Blaine County, Idaho, adopted on October 30, 2006, is as follows:

**Section 1:** Adds a new Chapter 17.114, Title 17 of the Ketchum Municipal Code, Workforce Housing Linkage Regulations, to establish a variable linkage mitigation rate. Linkage is a regulation intended to ensure that new residential and non-residential development in the City of Ketchum provides affordable workforce housing to mitigate the effects of jobs generated by such new development. Such mitigation shall be accomplished through on-site and off-site construction of affordable workforce housing, conveyance of land or payment of an in lieu fee. The ordinance sets forth the formula for calculating the mitigation rate. Such formula is graduated upwards based upon the square footage of construction ranging from approximately \$850 for residential construction less than 500 square feet to \$50,000 for residential construction up to 12,000 square feet. The fee for non-residential construction is approximately \$5,500 per 1,000 square feet.

Chapter 17.114.010 sets forth the purpose of the new Chapter which is to ensure that new development in the City of Ketchum provide affordable workforce housing to mitigate the effects of jobs generated by such new development.

Chapter 17.114.020 states that provisions of the new Chapter apply to all approvals for design review or all building permits issued for projects not subject to design review.

Chapter 17.114.030 sets forth the general provisions of the new Chapter including the formula determining the mitigation rate for residential and non-residential development.

A. Nonresidential Development:

1. The mitigation rate for nonresidential development is 2.5%.
2. The employee housing unit demand for hotels, lodges, timeshare accommodations public or semi-public use, schools, or buildings which include theatres, concert halls, convention centers and other large public performance and/or public meeting spaces shall be calculated by dividing the actual employment number by 1.65 and then multiplying it by 2.5% to calculate the required workforce housing units. The employee housing unit demand for all other nonresidential development shall be calculated by dividing the employee generation number by 1.2 to account for the average of multiple jobs held by an individual employee, then divide that number by 1.65 and multiply it by 2.5% to calculate the required workforce housing units.

3. For the development of new additional square footage, the workforce units shall be provided as stipulated for the net square footage increase.

4. Replacement buildings are not subject to the provisions of this ordinance.

5. Any increases in density caused by the development of workforce housing shall be in addition to the allowed existing zoned density in effect at the time of application for development.

**B. Residential Development**

1. The mitigation rate for residential development shall be variable, based on the residential area and full time equivalent of the employee housing unit demand generated by the application or unless the conveyance of land or an in lieu fee are provided.

2. The calculation of required workforce housing units shall be calculated by determining the full time equivalent employment based on the total size of a proposed dwelling. The employee housing unit demand shall be found by dividing the residential area and full time equivalent by 1.65 and then multiplying the employee housing unit demand by the mitigation rate. The development of new additional square footage shall be provided as stipulated for the net square footage increase. Replacement buildings are not subject to the provisions of this ordinance.

3. Deed restricted new residential development, accessory dwelling units and compact dwelling units shall not be subject to the requirements of this article.

4. A 15% reduction in the number of workforce housing units shall be granted if any project meets the requirements to provide workforce housing under the terms of the inclusionary zoning requirements.

5. Any increases in density caused by the development of workforce housing shall be in addition to the allowed existing zoned density in effect at the time of application for development.

Chapter 17.114.040 sets forth the provisions for payment in lieu of mitigation in the form of construction of affordable workforce housing for residential and nonresidential development, including linkage fractions and provision alternatives.

Chapter 17.114.050 requires the Ketchum Planning Commission to review the new Chapter as needed using current data to determine effectiveness.

**Section 2:** Provides a savings and severability clause.

**Section 3:** Provides a codification clause.

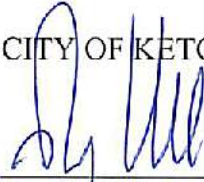
**Section 4:** Provides a repealer clause.

**Section 5:** Provides for publication of a summary of the Ordinance.

**Section 6:** Establishes the effective date.

The full text of this Ordinance is available at the City Clerk's Office, Ketchum City Hall, 480 East Avenue North, Ketchum, Idaho 83340 and will be provided to any citizen upon personal request during normal office hours.

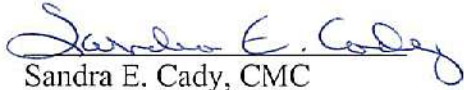
CITY OF KETCHUM, IDAHO



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Randy Hall, Mayor

ATTEST:

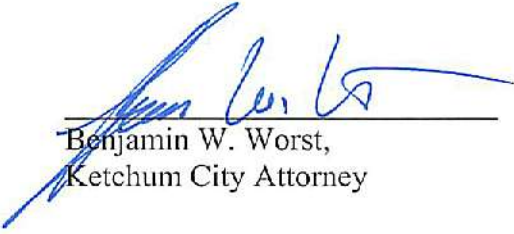


Sandra E. Cady, CMC  
City Treasurer/Clerk

**STATEMENT OF LEGAL ADVISOR**

I, the undersigned attorney at law, duly licensed in the State of Idaho and serving as City Attorney to the City of Ketchum, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 993 of the City of Ketchum and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

Dated this 1<sup>st</sup> day of November, 2006.

  
\_\_\_\_\_  
Benjamin W. Worst,  
Ketchum City Attorney

Publish: Idaho Mountain Express  
Date: \_\_\_\_\_