



Blaine County Housing Authority
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August 15, 2011

Planning and Zoning Commission
City of Ketchum
P.O. Box 2315
Ketchum, ID 83340

Via email: pzcomments@ketchumidaho.org

Dear P&Z Commissioners,

Thank you for the opportunity to comment on your upcoming hearing on the application by Helios Development Company to modify, among other items, the employee housing element of their prior approval. My understanding is that the developers propose to charge an additional fee or hotel tax on all gross sales at the resort, which would be earmarked for employee housing. I further understand that the fees would be placed in a fund for future development of housing off-site.

BCHA recognizes the challenges of financing development projects in the current economic environment, as well as the desire of the City of Ketchum to realize the creation of new hotels. BCHA is also seeking ongoing funding sources to support affordable housing development or acquisition and operations. If the proposal by Helios Development is found to be legal and enforceable, and the appropriate documents are put in place to ensure that this will be an ongoing and perpetual funding source for housing, including operations and stewardship, the Board of the BCHA may give it their support.

Nevertheless, if hotel developers are allowed to provide cash funding in lieu of housing, BCHA believes that it is imperative that the agreement be fashioned so that a significant portion of funds will be received at an early stage of development or in pre-development. This would allow the acquisition of affordable housing units in the current market, when real estate prices and construction/remodeling costs are low. In future years, there are not likely to be the same opportunities available as there are now. If funds are received early, and those funds are appropriately leveraged, a meaningful number of affordable housing units could be realized.

The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse and vibrant community.

Ketchum Planning and Zoning Commission
August 15, 2011
Page 2

BCHA looks forward to learning more about the proposal and the City's legal review of it. If approved, BCHA should be involved in working through the details of how the funds should be overseen and disbursed.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Grotto", with a horizontal line extending to the right.

Kathy Grotto
Executive Administrator

cc: BCHA Board of Commissioners