



City of Ketchum
Planning & Building

STAFF REPORT
KETCHUM PLANNING AND ZONING COMMISSION
REGULAR MEETING OF JANUARY 10, 2023

EXECUTIVE SUMMARY

As part of the implementation of the adopted Housing Action Plan, the Ketchum Housing and Planning & Building Departments are collaborating to identify and address barriers to the construction and occupancy of accessory dwelling units (ADUs) in the city, as one tool to help address local housing needs. This initiative is beginning with a comprehensive review of current barriers to ADU development and occupancy that generally fall into three main buckets: regulatory, financial, and other. Subsequently, solutions and incentives will be analyzed and proposed.

The Planning and Zoning Commission's role is to evaluate, review, and recommend revisions to the city's land use regulations to achieve the goals and objectives outlined in the city's adopted plans such as the comprehensive plan and Housing Action Plan. Therefore, the Commission has a role in identifying and addressing "regulatory" barriers to ADU development and occupancy contained within the city's zoning and subdivision ordinances. The purpose of this discussion is to engage the Planning and Zoning Commission in the initial evaluation of regulatory barriers to ADU construction and occupancy in Ketchum. Based on internal discussions with staff, feedback received during the development of the Housing Action Plan, and a review of industry materials, an initial list of potential regulatory barriers in Ketchum's zoning ordinance are included in the analysis section of this report.

Additionally, staff identified that one of the immediate barriers is public understanding of ADUs. Specifically, what they are and what the current rules are. The Ketchum Housing Department has, with the assistance of Planning and Building Department staff, drafted an ADU FAQ that, once finalized, will be posted on department websites and distributed through newsletters and other channels. A draft of this document is attached to this staff report (Attachment A) for review and feedback by the Commission.

Finally, housing staff are also undertaking a mapping exercise, reviewing zoning and CC&Rs throughout Ketchum, to identify properties that currently allow ADUs and areas where ADUs may not be permitted for various reasons. This information will help inform the evaluation of future regulatory changes and incentive programs being considered.

BACKGROUND

Goal 1: Produce + Preserve Housing

Act to create and preserve housing affordable for our local workforce and community housing. Maintain a healthy balance of short-term/visitor lodging and resident-occupied housing.

- Ketchum Housing Action Plan, adopted May 9, 2022

The Housing Action Plan identifies increasing the number of occupied accessory dwelling units as a Year 1 Action. This action includes developing education materials, incentives, or policy and regulatory improvements to encourage the development and use of ADUs.

Current Zoning Regulations regarding ADUs:

- **Definition (KMC 17.08.020):** *Dwelling unit, accessory: An attached or detached dwelling which is secondary in nature to a primary residential unit and cannot be sold separately from the primary residence. An accessory dwelling unit provides complete, independent living facilities with a separate dwelling entrance for one or more persons, including permanent facilities for living, sleeping, eating, cooking and sanitation, on the same lot as the primary residence. Accessory dwelling units are provided in conjunction with one-family dwelling units and are not to be constructed as an addition to a multiple-family unit.*
- **Development Standards (KMC 17.124.070), Parking (KMC 17.125), and Design Review (KMC 17.96)**
 - ADUs are only permitted as an accessory use to a one-family dwelling.
 - ADUs may be attached or detached.
 - ADUs must be between 300 and 1,200 square feet of net livable space.
 - ADUs are exempt from design review.
 - Parking for ADUs is not required.

The Commission may also find the following articles to be informative on current industry discussions related to the role of ADUs in housing and barriers that are common in many communities:

- [Unlocking the Potential of Missing Middle Housing](#)
- [ADUs for All: Breaking Down Barriers to Racial and Economic Equity in Accessory Dwelling Unit Construction](#)
- [ADU Construction Financing: Opportunities to Expand Access for Homeowners](#)

ANALYSIS

The following potential regulatory barriers to ADU construction and occupancy exist in the current zoning ordinance:

1. **Limited to Single Family Residential.** Under the current ordinance, ADUs are only permitted on lots accessory to a detached, single-family dwelling. ADUs are not permitted on lots with duplexes or other multi-family units such as townhomes or detached townhomes.
2. **Setbacks.** The addition of a new attached or detached ADU on a lot may be limited by required setbacks, depending on lot size and configuration. For detached units, accessory structure setbacks are currently determined by the height of the primary structure, not the accessory structure, which may make siting a detached ADU on a property more challenging.
3. **Lot Coverage.** The addition of a detached or attached ADU often will increase the lot coverage. This can cause challenges when adding an ADU to property with an existing structure where development is already near or at the lot coverage maximum. The current standards allow for a 5% increase in lot coverage allowance to accommodate an ADU that is being added to an existing home. This allowance does not apply to new development.
4. **Number of Structures.** Currently, the city allows a maximum of two detached structures. If an existing property already has two detached structures, one of the existing structures would need to be added onto or remodeled to accommodate the ADU which may be challenging depending on the type of detached structures that exist.
5. **Recreational Vehicles Prohibited.** Some communities have begun to allow tiny homes on wheels (THOWs) and park model recreational vehicles as accessory dwelling units with certain requirements for utility connections and construction. Recreational vehicles or THOWs are currently prohibited from being used as ADUs in Ketchum.
6. **Guesthouses.** Guesthouses, which are distinct from ADUs because they cannot have kitchen facilities, are not allowed on the same lot as an ADU. Consequently, ADUs and guesthouses may be in competition with each other
 - a. **Guesthouse (KMC 17.08.020):** *A living unit consisting of a minimum of 400 square feet and not exceeding 600 square feet and containing no kitchen facilities that is located on a lot in conjunction with a single-family dwelling.*

NEXT STEPS

Following feedback from the Commission, staff will provide an overview of the feedback to the City Council along with information about financial and other barriers to ADU construction and occupancy. Based on feedback from the City Council, staff will further the investigation of the identified barriers and make recommendations on next steps. These may include amendments to address regulatory barriers, development of programs and financial incentives, and process enhancements. Regarding regulatory barriers, staff will evaluate potential code changes to determine if changes should be made to the land use regulations now or with the comprehensive rewrite of the land use regulations to begin later this year. Once any changes and the preferred process timeline have been identified, staff will present proposed changes to the Commission for review and recommendation.

STAFF RECOMMENDATION

Staff requests the Commission review and provide feedback on the ADU FAQ sheet provided in Attachment A.

Staff requests initial feedback on the regulatory barriers identified above and seeks the assistance of the Commission in identifying other potential regulatory barriers in the construction and occupancy of ADUs in Ketchum. This introductory meeting is not the time to recommend specific changes to the zoning code, only to identify areas for further investigation.

ATTACHMENTS

- A. Ketchum ADU FAQ Draft

ACCESSORY DWELLING UNITS (ADUs) IN KETCHUM

Frequently Asked Questions



WHAT IS AN ADU?

An ADU, or **ACCESSORY RESIDENTIAL UNIT**, is an attached or detached dwelling which is secondary in nature to a primary single-family residential unit and cannot be sold separately from the primary residence. It provides complete, independent living facilities with a separate dwelling entrance for one or more persons, including permanent facilities for living, sleeping, eating, cooking and sanitation, on the same lot as the primary residence ([KMC 17.08.020](#)).

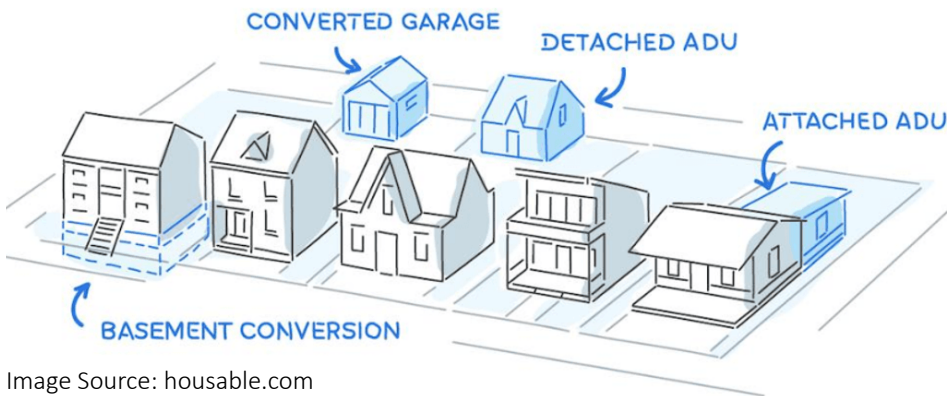


Image Source: housable.com

An ADU may be new construction or converted from existing space. ADUs can be rented for additional income, occupied by a family member, or used intermittently by guests.

In-law suites, granny flats, and basement apartments are all other names for ADUs.

WHAT SIZE CAN AN ADU BE?

In Ketchum, an ADU must have a minimum of 300 square feet of net livable space and cannot have more than 1,200 square feet of net livable space. Garages and mechanical rooms are not considered livable space. Tiny homes on wheels (THOWs) and recreational vehicles are not designed for year-round habitation and are not currently allowed as ADUs in Ketchum. ADUs must be installed on a foundation and built to meet local building code regulations.

ARE THERE ANY INCENTIVES FOR BUILDING AN ADU?

Yes, ADUs in Ketchum do not require additional parking spaces and are exempt from the city's design review process. Fire, parks, police, and street impact fees are waived for ADUs. Water and wastewater connection fees may be waived depending on the size of the ADU and the water/wastewater connection proposed for the project. Depending on the specifics of your property, you may also be allowed a 5% building coverage bonus to accommodate your ADU. Additionally, building an ADU increases the value of your property and provides an optional source of income if rented.

WHERE ARE ADUS ALLOWED?

ADUs are allowed on parcels with a single family dwelling in most zoning districts. ADUs are not allowed on multi-family or commercial parcels. To see the zoning on your property, visit the interactive [City of Ketchum GIS](#), or contact the Planning & Building Dept. Additionally, some Homeowners Associations (HOAs) may prohibit or have additional restrictions for ADUs in their CC&Rs. Contact your HOA to see if ADUs are allowed on your property and if there is a process for design review.

ZONES THAT ALLOW ADUS

Limited Residential (LR, LR-1, LR-2)

General Residential (GR-L, GR-H)

Short Term Occupancy (STO-.4, STO-1, STO-H)

Tourist (T, T-3000, T-4000)

Agriculture and Forestry (AF)

ZONES THAT PROHIBIT ADUS

Light Industrial (LI-1, LI-2, LI-3)

Recreational Use (RU)

HOW MUCH DOES AN ADU COST?

ADU costs vary and depend on what you are looking to build. A basement or garage apartment conversion is usually cheaper than building a new, detached structure. New construction, prefabricated or built on site, can cost between \$100,000 and \$300,000+ depending on design and features. This does not always include costs for site work, surveying, and utility connections. Prefabricated units can be less expensive and can have more predictable costs. Fees will be assessed for building permit review and approval through the Planning and Building Department. Building permit and plan check fees are based on project valuations. The Planning and Building Department can provide more information based on the specifics of your project.

ARE THERE PREFAB ADU OPTIONS?

Yes, many companies offer modular or manufactured ADU designs, and some will assist with permitting, site surveying, and installation. Others will provide a kit for do-it-yourself installation. Note that modular and manufactured ADUs require foundations and utility connections. Typically, a local contractor will be needed to prepare your site for installation. The companies below are just some examples and their inclusion is not an endorsement and does not guarantee approval of any permit.

COMPANY	SERVICES OFFERED	SITE WORK AND INSTALLATION	WEBSITE
Modal	Choose from three designs, with options for upgrades and customization. Full process handled by Modal: surveying, permitting, sitework, installation.	Local contractor. Modal can help to identify and coordinate.	livemodal.com
Studio Shed	Range of customizable sizes and designs. Permitting assistance and coordination.	Choose from contractor to DIY assembly.	studio-shed.com
Steelblox	Choose from existing designs and select finishes and fixtures. Surveying, permitting assistance, and coordination.	Local contractor. Steelblox can help to identify and coordinate.	steelblox.com
ZipKit Homes	Choose from three "pod" designs. Unit delivered assembled. No permitting assistance or coordination.	Local contractor, chosen by customer.	zipkithomes.com
Ideabox	Choose from existing designs and customize finishes, fixtures and layouts. Option for more customization. No permitting assistance.	Local contractor, chosen by customer. Support for installation and finish work.	ideabox.us

HOW DO I APPLY?

In most cases, the only required permit is a building permit. Additional permitting may be required if your property is in a floodplain, the avalanche overlay district, or in certain Planned Unit Developments (PUDs). Contact the Planning and Building Department (see below) for additional information on your property.

HOW LONG DOES THE APPROVAL PROCESS TAKE?

Building permit review time varies, but Planning staff will provide initial comments within 21 business days of submittal. Feedback for any additional rounds of review will be provided within 10 business days. If all requirements have been met, the permit will then be issued.

CONTACT

For questions about property, zoning, and development standards:
(208) 726-7801 or planningandzoning@ketchumidaho.org

For questions about building permits or building requirements:
(208) 720-4648 or building@ketchumidaho.org

[Building Permit applications are available online.](#)