



## City of Ketchum

October 4, 2021

Mayor Bradshaw and City Councilors  
City of Ketchum  
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

### **Recommendation to Hold a Public Hearing and Affirm the Planning & Zoning Commission's Approval for the Bluebird Village Community Housing Project Design, Maximum Building Height and Fourth Floor**

#### Recommendation and Summary

After considering the project plans, Staff's analysis, the applicant's presentation, and public comment, Staff recommends the Ketchum City Council move to: (1) affirm the Planning & Zoning Commission's approval of the Bluebird Village Community Housing Project Design and (2) approve the development's building height and fourth floor.

**Recommended Motion: "I move to affirm the Planning & Zoning Commission's approval of the Bluebird Village Community Housing Project Design and approve the development's building height and fourth floor and direct staff to return with findings of fact"**

The reasons for the recommendation are as follows:

- Footnote No. 2 of Ketchum Municipal Code §17.12.040 requires that all buildings greater than 48 feet or that contain a fourth floor receive final review and approval from the City Council.
- The Bluebird Village Community Housing Project contains a fourth floor and both buildings within the development exceed 48 feet in height.
- On August 10<sup>th</sup>, 2021, Planning & Zoning Commission approved the Bluebird Village Community Housing Project Design Review (Application File No. P21-063) conditioned upon the City Council's approval of the development's building height and fourth floor.

#### Introduction and History

##### **Bluebird Village Community Housing Project**

##### **51 New Affordable Rental Housing Units in Downtown Ketchum**

The applicant, GMD Development in partnership with the Ketchum Community Development Corporation, is proposing to develop a community housing project with 51 deed-restricted community housing units. The project site consists of two City-owned parcels—Lot 3A (City Hall) and the west 75 feet of Lots 7 and 8 (rear parking lot). The development site is located within the Retail Core Subdistrict of the Community Core (CC-1). The community housing project consists of two buildings, Building A on the City Hall parcel and Building B on the parking lot, connected by a walkway across the Block 45 alley.

Bluebird Village project balances two key community objectives—preserving downtown's vibrancy and increasing Ketchum's supply of affordable housing units. This project will provide the social infrastructure that Ketchum so desperately needs in a high-quality, inclusive development downtown that is easily accessible by foot, bike, or transit. Bluebird Village will enhance downtown's vibrancy, support local businesses, and help maintain Ketchum's community by providing 51 affordable, rental units for locals who live and work in town.

## **Community Housing Options for Ketchum Locals Living and Working in Town**

*We value a strong sense of community. Furthermore, we wish to be a place with a strong economy, vibrant downtown, diverse options for housing, and a varied demographic of people who live, work, and visit here.*

--Community Vision, City of Ketchum 2014 Comprehensive Plan

For 52 years, Ketchum has acknowledged the need to diversify its housing options within town to retain its permanent population and labor force. The City's first policy statement emphasizing the community's critical need for affordable housing was adopted in 1969 in a resolution stating, "employment in the Ketchum area has drastically increased, to the end that a severe housing shortage exists for low-income families."

By the time Ketchum had adopted its first Comprehensive Plan in 1983, the community had experienced the consequences that resulted from extreme housing pressure created by second homes and speculative development. The private sector had done little to develop affordable housing units for residents with lower or moderate incomes. The 1983 Comprehensive Plan stated that the city should institute incentives to encourage the construction of more employee and affordable housing units.

The housing crisis escalated in Ketchum without arrest for twenty years. Focusing on housing's importance in a healthy community, the 2001 Comprehensive Plan stated that, "The City of Ketchum recognizes the need for a balanced and sustainable housing supply for residents, employees and visitors. An adequate and diverse housing supply in Ketchum is needed to ensure the viability of town life and businesses." Healthy communities depend on adequate housing options to provide permanent living units for a diverse group of people making it possible to live and work within town year-round.

The 2014 Comprehensive Plan identified housing as one of the ten core values important to the community's future emphasizing that housing should be integrated into the downtown core. The community wanted people who worked in Ketchum to have housing options to live in town. The 2014 Comprehensive Plan recognized community housing's critical role in supporting a vibrant downtown, strong economy, and a year-round population.

## **Community Housing Development Incentives**

Throughout the years, the zoning code was amended to encourage the development of affordable community housing downtown. These amendments to Ketchum's zoning code reflect a willingness to consider trade-offs of mass and scale impacts if other community objectives like increasing the supply of community housing units are met.

Since 1994, deed-restricted community housing has been encouraged through development incentives for projects in downtown Ketchum. The first regulations to incentivize development of deed-restricted housing for Ketchum's local, full-time, working population were enacted in 1994. Those incentives allowed additional height and floor area for community housing projects. Between 1994 and 2019, additional development incentives were incorporated into the zoning code to promote and develop community housing projects within the Community Core. Ketchum has long considered community housing projects and units to be a valuable and encouraged use within downtown developments.

The zoning code provides the following development incentives to encourage community housing projects downtown:

- No parking is required for community housing units.
- Community housing projects are eligible for 10 more feet of building height than market-rate developments. 52 feet is the maximum permitted building height for 100% community housing projects. Market-rate developments have a maximum permitted building height of 42 feet.

- Community housing projects may exceed the maximum permitted 2.25 gross FAR subject to Design Review approval.

### Analysis

#### **Entitlement Process: Roles and Decisions**

Design Review is required for the development of new mixed-use buildings in all zoning districts within the city (KMC §17.96.010.A4). The Planning & Zoning Commission has the authority to review and approve Design Review applications pursuant to Ketchum Municipal Code §17.96.030.B. The Planning & Zoning Commission approved the Bluebird Village Community Housing Project Design Review (Application File No. P21-063) during their regular meeting on August 10<sup>th</sup>, 2021, and adopted the associated Findings of Fact, Conclusions of Law, and Decision during a special meeting on August 24<sup>th</sup>, 2021. These findings are included as Attachment B to the Staff Report. The Commission's Design Review approval for the community housing project is conditioned upon the City Council's approval of the development's building height and fourth floor. Footnote No. 2 of Ketchum Municipal Code §17.12.040 requires that all buildings greater than 48 feet or that contain a fourth floor receive final review and approval from the City Council.

The project complies with all zoning and dimensional standards for community housing developments in the Community Core (KMC §17.12.040) except for the 10-foot fourth floor setback. The city has proposed a zoning code text amendment for projects that dedicate all residential use to community housing. The Commission's Design Review approval is contingent upon the City Council's approval of the zoning code text amendment proposing to modify the fourth-floor setback requirement for community housing project.

The project also requires a Right-of-Way (ROW) Encroachment Permit for the snowmelt system proposed to be installed for the sidewalks along East Avenue and 5th Street, the walkway connecting the two buildings over the alleyway, the metal awnings framing the retail units projecting over the property line along East Avenue, and window shades that pop out slightly from the west façade. The City Council reviews and approves all permanent encroachments within the public right-of-way associated with a development project pursuant to Ketchum Municipal Code §17.96.030.C. The City Council must review and approve an encroachment agreement for the proposed encroachments prior to issuance of a building permit for the project.

The approval process for a project consists of several steps. The first step is to obtain planning permits. This process is comprised of the Planning & Zoning Commission's and City Council's quasi-judicial review of all planning and zoning applications required for a certain project. Once a project has received all required land use approvals, the project moves to the second step, building permit review and approval. The plans submitted for the planning process are not the same as those submitted for building permit. The plans for the planning process focus on compliance with sections of the Ketchum Municipal Code that relate to planning permit applications. While the plans may address building code compliance, the planning process does not verify compliance with building and fire codes. After planning approvals, an applicant submits a separate application and set of plans for a building permit. Those plans are detailed and focus on compliance with all building, fire and right of way requirements. A separate review is performed by Idaho Department of Building and Safety and the City. These final project plans are submitted with the building permit application to ensure compliance with all applicable building, ADA, zoning, and fire codes. A building permit cannot be issued unless the project complies with all the codes.

#### **Zoning Code History**

When the City of Ketchum first enacted a comprehensive zoning code through its adoption Ordinance No. 85 in 1965, the maximum permitted building height in the Community Core, then called the Business District, was 35 feet. It wasn't until 2000 through the City's adoption of Ordinance No. 849 that increases in maximum building height were permitted for certain roofing forms—38'-6" for flat roofs including parapet walls and 40' for pitched roofs with gable ends. The City's adoption of Ordinance 994 in 2006 established a form-based code for new developments downtown. Buildings were permitted a maximum of three floors under the form-based

code. A fourth floor was permitted if all uses above the ground floor were exclusively affordable residential units. The consolidation of the City's zoning code in 2015 through its adoption of Ordinance No. 1135 eliminated downtown's form-based code. Buildings of three stories or less were permitted a maximum building height of 42 feet. The maximum height for community housing projects eligible for a fourth floor was 50 feet. Ordinance No. 1162 adopted in 2016 eliminated regulations related to the number of permitted floors but maintained the same maximum permitted building heights for market-rate and community housing development projects. These ordinances both included the same footnote requiring that buildings exceeding 48 feet in height or containing a fourth floor receive final approval from the City Council. This footnote was added to ensure that the additional building height would meaningfully contribute to the character of Ketchum's built environment or meet key community objectives like the provision of community housing units. Ordinance No. 1202 adopted in 2019 increased the allowable building height permitted for community housing projects to a maximum of 52 feet.

#### **Zoning & Dimensional Standards: Uses and Building Height/4<sup>th</sup> Floor**

##### *Permitted and Conditional Uses (Ketchum Municipal Code §17.12.020)*

Only pedestrian activated commercial uses like retail shops and restaurants are permitted on the ground-floor along the street frontage within developments in the Retail Core (CC-1) Zone (Ketchum Municipal Code §17.12.020). The Bluebird Village development includes ground-level retail units fronting East Avenue and 5<sup>th</sup> Street as well as a property management office on the first floor. The Planning and Zoning Commission approved Conditional Use Permit Application File No. P21-064 for the 304-square-foot property management office as required by Footnote No. 10 of Ketchum Municipal Code §17.12.020 on August 10<sup>th</sup>, 2021.

The upper levels of the Bluebird Village project will include 51 deed-restricted community housing units as well as amenities for the residents, including a rooftop deck, fitness center, and community room. Multi-family dwelling units are permitted within the Retail Core above the ground floor (KMC §17.12.020: Footnote 26). Developments in the CC-1 Zone that deed restrict all residential units above the first floor as community housing are qualified as 100% community housing projects (KMC §17.12.040: Footnote 1).

##### *Community Core Dimensional Standards (Ketchum Municipal Code §17.12.040)*

The project plans for the Bluebird Village Community Housing Project are included in the Staff Report as Attachment A. Sheet A2.04 of the project plans shows the maximum heights of the two buildings.

The maximum permitted building height for community housing projects in the Community Core is 52 feet (KMC §17.12.040). The Bluebird Village project contains a fourth floor and both buildings within the development exceed 48 feet in height—Building A is 50'-10" and Building B is 48'-3".

#### **Planning & Zoning Commission's Design Review Approval**

During their deliberations on the Bluebird Village Community Housing Project, Commissioner Tim Carter stated, "One thing that's unavoidable about this project is that it's big. This is a big change for town... The [affordable housing] problem that [this project] is meant to address is also big."

The zoning code allows community housing projects to exceed the maximum floor area and height permitted for market-rate projects. These development incentives were incorporated into zoning code to promote the development of community housing projects within downtown Ketchum. These increases in building size and mass are permitted at the Commission's discretion through Design Review.

The Commission found that the project's design and architectural features visually reduce the appearance of building bulk and mass to complement the scale and character of the surrounding built environment. The design utilizes both vertical wall and horizontal floor setbacks that move the building mass in and out from the property lines. Exterior materials change simultaneously with these setbacks to visually break up the building into distinct one-, two-, and three-story masses with visually distinguished façade designs. Upper-level

balconies are placed at the corners to reduce the development's rectangular bulk and soften its transition to neighboring buildings. Unlike existing downtown developments that cover the length of an entire Ketchum Townsite block, Bluebird incorporates an elevated walkway over the alley connecting the two main buildings. This approach accommodates space for light and air to move through building mass enhancing the development's transparency and creating a unique urban spatial experience that will visually engage pedestrians and activate the streetscape.

#### Sustainability Impact

Integrating affordable housing within the downtown commercial core in walking distance to jobs, stores, restaurants, and entertainment activities should decrease daily trips in and out of town currently made by commuters who work downtown but can't afford to live in Ketchum. Residential density within downtown near public transit services promotes walkable environments where people can connect to nearby neighborhoods by walking, biking, or commuting on the bus. Infill and redevelopment projects downtown decrease the need for costly infrastructure improvements, including new utility and transportation services. The Bluebird Village Community Housing Project incorporates sustainable building systems, including a roof-mounted solar panel system that will provide electricity for the development's common areas and heated sidewalks.

#### Public Comment

Two public comments related to this hearing have been received since the hearing notice was published on September 15, 2021. The comments are included on Attachment C.

#### Financial Impact

There is no financial requirement from the City related to this action.

#### Attachments:

- A. Bluebird Village Community Housing Development Project Plans
- B. Design Review Application File No. P21-063: Findings of Fact, Conclusions of Law, and Decision
- C. Public Comment
- D. Link to Planning and Zoning Commission Staff Report and Meeting Materials for the August 10, 2021, Meeting