



City of Ketchum Planning & Building

STAFF REPORT KETCHUM PLANNING AND ZONING COMMISSION REGULAR MEETING OF FEBRUARY 15, 2022

INTRODUCTION

The City of Ketchum, like most of Idaho, has seen a tremendous amount of growth in the past two years. In 2021, the State of Idaho had the highest population growth in the United States, according to US Census estimates. The City of Ketchum's 2014 Comprehensive Plan is the guiding document to assist the city in decision making when addressing population growth and the systems that support that growth, such as housing, transportation, and the economy. Due to the dramatic increase in growth, exacerbated by COVID-19, some key issues identified in the plan such as the fostering of a vibrant downtown and the need to house the community's workforce have escalated.

The City of Ketchum is actively working on many key infrastructure projects and the development of a Housing Action Plan to ensure that the city can adequately support our growing community. Additionally, changes to the zoning regulations have been made over time to facilitate a vibrant downtown and development of high-density housing. Some of the changes include:

- Elimination of the Form Based Code to allow for more innovation and creativity in downtown development
- Reduction or elimination of parking requirements for certain types of uses in the community core
- Density bonus program to incentivize the development of housing in certain zone districts
- Increased building heights in the Community Core, from a three-story limitation to four stories subject to City Council approval.

Although some projects are meeting the overall intent of the changes, providing high density multi-family and mixed-use projects that contribute to the community, many development projects are not. Market conditions and land prices are driving the development of low density, large luxury single-family residences, penthouse units and low-density townhouses throughout the city. In the Community Core specifically, this results in very limited development of commercial square footage needed to support the economy within the downtown and provide the vibrancy the comprehensive plan envisions. Further, the trend for residential in the downtown consists of low-density single-family type condominiums for second homeowners. Over time, this results in dark streets with limited activity. Below is an overview of key issues and trends seen in current development projects not only in the Community Core, but throughout the city.

Identified Issues and Development Trends:

- **Loss of Housing/Density**
 - Removal of multiple units on a site and replacement with a project containing fewer units that previously existed. For example, there may be 2-3 units on a site that are being demolished and replaced with a project of 1-2 units.
 - Construction of fewer units in areas that are identified for high density development such as the Community Core, Tourist, and GR-H zone districts.
 - Loss of smaller more affordable units as a result of combining multiple residential lots for development of one large lot for one large single-family home.

- **Vibrancy in the Community Core**

- Development of 2-4 large single family condominium units on sites that can accommodate 5-7 units of varying sizes and affordability in the Community Core. The larger units are targeted for individuals who will not be full time residents in the downtown resulting in projects with little to no activity.
- Low inventory of commercial space in the Community Core for office and retail uses placing pressure on Light Industrial zone district for uses that are not permitted in the Light Industrial area.
- Low inventory of restaurant space limiting new restaurants and existing restaurants the ability to relocate or expand due to increase in size or displacement from redevelopment.
- Lack of public gathering spaces on the ground floor in the community core limiting opportunities for the community to gather

ANALYSIS

Currently, the Planning and Zoning Commission has no authority to review or modify mix of uses proposed in new development. The Planning and Zoning Commission’s purview is limited to design review of the building.

To address the stated issues above, the Commission would need the authority to evaluate not only the design of a building but also the proposed mix of uses in a new development project. The mix of uses is a key ingredient for ensuring a vibrant and active downtown. The Commission has the authority to recommend changes to the City of Ketchum Zoning Regulations for consideration by the City Council. Staff believe there are a variety of short- and long-term regulatory changes that can be made. Below is an overview of proposed changes for consideration by the Commission.

As we enter a new development season, the Commission may want to consider immediate short-term measures that can be easily implemented while a longer-term solution is being developed. The other option is to focus on the longer-term solutions without interim measures in place. Staff would recommend the Commission consider recommending short term measures to be in place while the long-term measures are being reviewed and adopted.

Short Term

The following regulatory changes could be made through an emergency interim ordinance to immediately allow Commission review of the mix of uses in a new project, halt the loss of housing, and increase the density of proposed projects where appropriate.

- 1. Require Conditional Use Permit for any project over 1.0 FAR in the Community Core.**

In order for the Commission to have review and approval authority over the mix and type of uses in a new project, there must be a permit required for review. In the short term, the Commission could require a Conditional Use Permit along with the Design Review Permit for any project over 1.0 FAR. This would allow the Commission to review new mixed-use projects to allow for site specific evaluation of the project’s programming and how it achieves the desired vision for the downtown. This would be considered an interim step while the development of more specific program requirements is evaluated .

- 2. Require minimum residential densities in the Community Core (CC), Tourist (T), and General Residential – High Density (GR-H).**

A minimum number of residential units based on the size of the lot could be set for each zone district based on an analysis of what the comprehensive plan envisions, what the zoning regulations allow for, and what has been constructed. Minimum densities would be different for 100% residential projects than for mixed-use projects with commercial and residential uses. Proposed projects would be required to include a minimum number of residential units

based on the lot area of the project. For example, on a Ketchum Townsite lot in the CC district with a Floor Area Ratio (FAR) bonus, a higher density project could accommodate 5-7 units of varying sizes where currently only two units are required.

3. Update the definition of “ Dwelling, multi-family”

Currently, the zoning regulations define “dwelling, multi-family” as “Dwelling, multiple-family: A building, under single or multiple ownership, containing two or more dwelling units used for residential occupancy.” In most communities, this definition would be used to describe a “duplex” not a multi-family development. Today, a project within the community core or in the high-density districts (GR-H and Tourist), is only required to include two dwelling units to be qualified as multifamily development. Single family units are prohibited in the Community Core and to avoid this restriction, some projects propose two large units. The definition of multi-family could be updated to reflect a larger number of units. This change would apply to not only the CC district, but also multi-family projects in all T and GR-H zone districts.

4. Limit ability of consolidation of lots.

An increase in consolidation of lots has occurred over the past few years. In most zone districts, this results in larger lots with larger single-family homes. The same area could be utilized for a larger number of smaller homes, more reflective of the originally platted subdivisions. In some areas, such as the CC, T, and GR-H zones, consolidation of lots can be an effective way to achieve higher density on a project as it provides more land area and potential for more efficient building design. The code could be revised to limit the ability for consolidation of lots in low density residential areas and allow consolidation of lots in the CC, T, and GR-H minimum densities are met as discussed above. These projects would still be subject to design review to ensure the bulk, mass, and scale of the project is appropriate.

5. Prohibit reduction in total unit counts for redevelopment projects

The consolidation of lots sometimes comes with the demolition of existing housing stock. In one recent example, two adjacent lots, each containing a modest single-family cabin, were consolidated with the intention of demolishing the two cabins for construction of one larger single-family home. Additionally, the city has seen the conversion of attached duplexes into single family homes. The code could be revised to prohibit the reduction in the number of units on a property. This approach does not eliminate redevelopment of the property but would require that redevelopment of the property contain the same number or more of units that existed prior to redevelopment.

Long Term

Building on the foundation of the short-term changes, the following long-term changes can be considered. Implementation of these changes is more complex, requiring detailed analysis of the proposed change and potential impacts on infrastructure, community character, and other city policy initiatives. These changes should be developed through analysis and comprehensive community outreach before final decisions are made.

- 1. Reduce minimum lot sizes or shift to maximum lot sizes in certain residential zone districts.**
- 2. Increase the CC-1 district area within the Community Core to require ground floor commercial space on more properties.**
- 3. Include requirements for the mix and percentages of uses for mixed-use projects, prioritizing underground parking and differentiating between active and passive commercial uses.**
- 4. Disincentivize the creation of large residential units of a certain size in certain zone districts.**
- 5. Re-evaluate the base FAR to incentivize the types of projects desired in certain areas.**
- 6. Allow duplex or multi-family uses in all zone districts where appropriate.**

7. Evaluate current parking incentives to identify potential opportunities.

Implementation of short-term solutions allows the city to track effectiveness of proposed changes to determine if desired outcomes are achieved. This evaluation will inform the approach the city takes in implementing the long-term solutions and may result in additional long-term solutions being identified throughout the process.

STAFF RECOMMENDATION

Staff requests the Commission consider the information above and provide directions on the next steps. Staff believes implementation of short-term measures are critical to address the loss of vitality in the downtown, continued loss of residential housing and increase the density of projects.

1. Provide direction to staff on which of the short-term measures should be addressed.
2. Provide direction to staff on the process by which the short-term measures should be adopted.
An emergency interim ordinance addressing the short-term changes would minimize continued degradation of the issues and provide time for development of long-term regulatory changes. An emergency ordinance can be in effect for up to 182 days and is adopted by the City Council. After that an interim ordinance can be adopted for up to one year. During this time, staff can proceed with the preparation of a long term ordinance addressing the short-term changes; however, the long term changes will take more time to implement, and the immediate impact of the changes will be diminished.

ATTACHMENTS:

- A. None