From: Participate
To: Morgan Landers

Subject: FW: Proposed Emergency Ordinance 1234

Date: Tuesday, March 29, 2022 12:46:59 PM

Importance: High

Just in ...

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From: bob@sunvalleyrealtors.org <bob@sunvalleyrealtors.org>

Sent: Tuesday, March 29, 2022 12:07 PM

To: Participate <participate@ketchumidaho.org> **Subject:** Proposed Emergency Ordinance 1234

Importance: High

Ketchum KPZ:

Please consider the following five concerns in your deliberations of proposed emergency ordinance 1234 this afternoon.

- 1. Do the issues that the proposed ordinance attempts to address comprise an EMERGENCY threatening the health, safety and welfare of Ketchum residents, as legally required to use emergency procedures?
- a. **NO!** If there is an emergency now it is an emergency related to the under supply of workforce and affordable housing, both of which will be addressed by i) **Ketchum's Housing Action Plan**, and ii) the **LOT use and rate increase** voters will be asked to approve on May 17th. The proposed ordinance does not address these matters, and therefore should not follow emergency ordinance procedures.
- 2. Affordable and workforce housing needs ARE NOT addressed by this ordinance.

The following quote is taken from page 2 of the staff report (2nd sentence, 2nd last paragraph, linked here):

a. "It is important to note that the goals above [of this ordinance] do not reference workforce housing or community housing specifically. The draft ordinance is solely focused on maintaining and increasing the housing stock within Ketchum, regardless of income level or affordability."

By its own admission staff states that the proposed ordinance addresses the quantity of all housing at all price points, with no emphasis on whether such housing is affordable, suits the workforce, or requires locally employed workers to reside in it. We should demand legislation that addresses the pressing needs that we have, not that requires change without providing any discernable benefit to those pressing needs, especially when no meaningful proof or analysis has been provided that the proposed legislation is even feasible from a development perspective.

Multiple public comments have been made stating that requiring more units for the sake of having more units will increase overall project and housing costs (more bathrooms and kitchens required). There are simply not enough workforce participants requiring, for example, a \$1.5 million, 1,000 square foot condominium residence that will likely be the type of property that results if this

ordinance proceeds, to validate these wholesale changes, given the risks associated with proceeding before an understanding of the potential outcomes is in place.

This ordinance would likely result in a new style of second home owner who seeks a lower price point second home, and will not result in any increase in long term rentals or in attainable workforce or affordable housing.

- 3. **Increased stress on Labor and Housing Resources:** Requiring more units at prices not obtainable by the workforce will result in more new residents in Ketchum as the increased number of units than might otherwise be developed are absorbed by second home owners. More residents result in added stress on already stressed components of our economy, such as:
- a. Staffing for restaurant, retail and other businesses to meet increased demand from more residents
- b. Housing that is affordable for the extra staff required to meet the increased demand
- c. Overcrowding at recreation sites (trailheads, etc.) due to increased population

4. CUP Requirement / Proposed Design Review Text Changes are Unworkable:

- a. As has been discussed at length, requiring a CUP for development projects exceeding 1.0 FAR is unworkable as the resultant level of uncertainty on the entitlement process would likely result in a de facto moratorium on development in Ketchum.
- b. As an alternative, staff has proposed that additional criteria shown on the top of page 3 of the staff report be included in the design review section (17.96.050) of the zoning code. The result of adding such language is essentially the same as the CUP requirement in that it significantly broadens the scope of design review approval negotiations and removes the programmatic decisions of the project from developers' purview. Allowing these additional criteria places significant uncertainty on entitlements at a point on the development timeline after significant cost has already been incurred. The result, as with the CUP, is that developers are likely to not begin development activities rather than face significant entitlement risk after expending material sums.
- c. While we believe neither the CUP nor the design review language changes are workable, if an either/or choice is made, the design review language changes are preferable because there are at least state requirements that standards of design review be objective.

5. Analysis Required:

- a. Ketchum employs consultants for many purposes (historic preservation, design guidelines, parking, housing action plan). The magnitude of change proposed by this ordinance requires detailed architectural and financial feasibility testing in order to ensure that the likely outcomes actually meet community needs, and do not exacerbate present labor and workforce housing issues.
- b. While some aspects of the proposal (retail parking exemptions, no net loss of residential units) are well considered, the minimum residential density and lot consolidation provisions require additional professional evaluation. Again, to ensure desired outcomes are achieved, we should insist on completion of such work before proceeding.
- c. There is no real risk associated with taking the time to properly evaluate this ordinance. If one or two developments proceed under existing zoning code rules while the appropriate study is done, they will provide affordable housing as part of those projects. Moving ahead before we fully understand the potential impact of the proposed ordinance could result in no improvement whatsoever in the workforce or affordable housing supply, and potentially no development at all, with the resultant negative effects on jobs, and the tax base.
- d. **LOT Impact:** Finally, if a de facto moratorium does result from the provisions of this ordinance, why would any voter vote to approve the housing LOT provisions? If nothing will be built, why vote in an additional tax to fund building that will not happen?

Thank you for considering our comments.

Bob Crosby Government Affairs Director Sun Valley Board of REALTORS 208-721-8353