



AGENDA REPORT

City Council Meeting

TODAY'S DATE: January 6, 2026

MEETING DATE: January 21, 2026

TO: Mayor Grimm and members of City Council

FROM: Planning and Community Development Director Jason Welker, Deputy Director and City Planner Bill Dean

SUBJECT: PUBLIC HEARING: Amendments to Sandpoint City Code Title 9 to change lot coverage standards in all residential zones and minimum lot size and density standards in the RM zone.

INTRODUCTION:

The proposed amendments to Sandpoint's residential development standards being presented tonight relate to lot coverage, lot size, and allowed density in the residential single family (RS), residential multifamily (RM) and rural residential zones (RR1 and RR2). Additional amendments to our RS and RM zoning codes are aimed at cleaning up and clarifying language around development standards while maintaining the specific standards from existing code around setbacks, building heights, residential design standards, and garages. Finally, the standards for development of residential substandard original lots of record have been revised to make development on such lots easier to implement and administer.

The staff report will provide context and clarification on three amendments that stand to have the greatest impact on development in the RS and RM zones: 1) Changes to lot coverage standards, 2) changes to minimum lot sizes in the RM zone, and 3) allowed density in the RM zone.

Underlying the proposed amendments is the Planning team's ongoing effort to implement the goals and objectives of the 2024 Comprehensive Plan. The amendments being considered tonight support several Comp Plan goals relating to enabling a variety of housing choices in Sandpoint to promote affordability through the following objectives:

- Promoting **infill and redevelopment** within existing neighborhoods;
- Supporting a **diversity of housing types and affordability**;
- Ensuring **efficient land use** and sustainable growth; and
- Encouraging **compact, connected, and walkable neighborhoods**;

This report presents proposed amendments to Sandpoint City Code Title 9 aimed at increasing the percentage of Sandpoint lots that may be developed with living space while preserving a maximum footprint for two-story structures and a total impervious surface standard that protects the character of Sandpoint's neighborhoods. We also introduce an amendment that allows for the creation of smaller

lots in the residential multi-family (RM) zone, which will bring modern development standards into alignment with those originally in place when much of Sandpoint was platted a century ago.

PLANNING & ZONING COMMISSION RECOMMENDATION

The amendments presented tonight were not prepared for council without considerable input from the Planning & Zoning Commission. Between September and December the Commission allocated six meetings towards fine tuning the code language presented tonight. Their development of these amendments included two noticed public hearings at which over 20 members of the public participated, providing comments, thoughts, feedback, and ideas that informed changes made by the Commission over the months of development.

Finally, on December 16th, 2025 the Planning & Zoning Commission voted in favor of recommending that City Council approve the amendments to Title 9 described in this staff report. It is important for Council members to know that the amendments presented here were not developed by City staff alone, rather, reflect the input and the values of the seven-member P&Z Commission, whose effort was informed by the greater Sandpoint Community through the **2024 Comprehensive Plan**, the vision document for Sandpoint's 20-year horizon in which the goals and objective around *affordability, infill development, and incremental increases in density* these amendments advance.

PART 1 – Lot Coverage Standards:

A basic function of lot coverage standards is to manage the built environment by limiting the percentage of a lot that can be covered by building footprints and impervious surfaces. Sandpoint's current zoning regulations contain two zone districts (Rural Residential 1 "RR1" and Rural Residential 2 "RR2") with a single lot coverage standard and two zone districts (Residential Single-Family "RS" and Residential Multi-family "RM") with two requirements to achieve this objective, often leading to confusion over what portion of a proposed development is regulated/limited by each standard.

The RS zone currently allows a maximum building footprint of 35% of the lot size, with a max impervious surface (including building footprint) up to 65%. The proposal is to keep the 35% maximum building footprint limit currently in code but to change that to apply only to portions of a structure taller than 18 feet, while allowing single-story structures (18 feet or shorter) to exceed the existing 35% cap up to a new proposed maximum impervious surface limit of 70% of lot size (bringing the RS max impervious surface standards to the same level as it is in the RM and mixed-use residential zones). How we settled on these standards relates to the discussions held over four PZC meetings between September and November.

- The initial proposal brought to the PZC in September was to eliminate the maximum building footprint standards in both the RS and the RM zones and replace them with a single impervious surface standard, which, in theory, could have allowed property owners to build structures up to the maximum height in the RS zone (35') consuming up to 70% of the lot (assuming no additional impervious surfaces were included).
- Commissioners expressed concerns about this proposal's potential for allowing "McMansions," or domineering structures built up to or nearly up to the setbacks on RS lots, consuming valuable air, light, and open space currently available to neighbors, with the potential for second story windows peering down into backyards of adjacent property owners.
- Staff brought forth several options at subsequent meetings that would step down the max impervious surface (and thus max building footprint) on lots as lot size increases. Each of these

options had drawbacks, ranging from the “cliffs” that would be created when property owners with larger lots are allowed to cover less of their lot than owners of smaller properties, or the challenges of administering a system in which a mathematical formula is required to calculate the exact square footage of impervious surface allowed on each lot based on its exact size.

- In the end, staff determined that the best option is to keep things simple with a single max impervious standard across all RS lots regardless of size (70%) but keeping the 35% building footprint max in place *for all structures taller than a single story, or eighteen feet*. Limiting building footprint to the current 35% for two-story structures, but allowing single-story structures to exceed that up to 70% of the lot size, achieved the original desired outcomes that inspire the amendment: to allow and encourage single-story *aging-in-place* development on smaller Sandpoint lots, which is not possible when the 35% building footprint max applies to all building heights.

The proposed amendment to standards in the RS zone as it stands tonight is as follows:

- Apply the 35% max building footprint standard to portions of a structure that contain two or more stories or exceed eighteen feet in height.
- Allow a maximum impervious surface (including single-story building footprint beyond the 35% max allowed for two-story structures) of 70% of the lot size.

Meanwhile, in the RM zone we have settled on an amendment that eliminates the maximum building footprint standard altogether and allows development of properties up to the maximum impervious surface standards of 70%. Given the different characters of RS and RM neighborhoods and the intent to promote infill development and attached housing in the RM zone, the two-story building footprint max is not proposed to apply to the RM zone. Allowing structures to consume a larger percentage of a lot in the RM zone (where the max building footprint allowed currently is 40%) will allow for the construction of attached and multi-family housing types that are currently limited under the 40% building footprint maximum. Combined with the increased density standard described in part 3 of this report, the elimination of the building footprint standard in the RM zone will incentivize “more doorknobs per acre” in the RM zone.

The hope is that loosening regulations in current code that tell property owners they are allowed to cover their lots in some types of impervious surfaces (concrete patios, parking areas, driveways) but not others (living space or additional dwelling units) will ultimately contribute to more housing that will mitigate Sandpoint’s increasing rent and housing prices.

A goal of the Comp Plan is to “use land more efficiently” to “prevent sprawl.” By allowing more living space to be provided per square foot of real estate in the RM and RS zones, growth is encouraged where infrastructure already exists, as opposed to sprawling into parts of Sandpoint or beyond City limits into the county where infrastructure (water, sewer, roads, etc.) is limited.

Part 2 – Minimum Lot Size Standards:

Also included in our proposed amendments tonight is a decrease in the minimum lot size and the minimum required street frontage allowed for new lots created in the RM zone. Under current code lots down to 5,000 square feet in size are allowed to be created in both the RS and in the RM zones. In the RM zone a minimum street frontage of 37.5' is required for all newly created lots. However, historically, hundreds of lots in central Sandpoint were platted smaller than what our code currently requires (see figure 1), such that today there exist hundreds of what Sandpoint City Code refers to as “Residential substandard original lots of record” (in other words, lots that wouldn't be allowed to be created today because they are smaller than what current code allows).

Throughout the development of Sandpoint's 2024 Comprehensive Plan the community expressed support for development of standards and policies that allowed for creation of smaller lot sizes and setbacks, which would “promote infill development,” which the plan describes as becoming “increasingly more important as a means for creating housing.” The plan states, “Solutions such as accessory dwelling units, **smaller lot sizes**, attached single-family units (e.g. duplex or townhouse lots), and cottage housing are all options that can create additional units but **may need zoning code changes** to improve feasibility.” Additionally, the Comp Plan revealed that, “Through the Plan's public engagement process, these methods received more positive feedback than larger scale multifamily developments...”

In the Comp Plan's future land use section, Sandpoint's “medium-density residential” land use category (which overlays most of the RM zone in central Sandpoint) is described as having the “potential for **smaller lot sizes** and setbacks,” and supporting, “a mix of housing types often referred to as ‘**missing middle**’ housing (single, duplex, fourplex, townhome dwellings) and smaller scale multiple-family buildings (10 or fewer units).”

The proposed amendment allowing for creation of 3,500 square foot lots for individual dwelling units (and as small as 2,500 square feet for common wall townhouse lots) in the RM zone, (down from the 5,000 square feet for lots containing individual dwelling units and 3,500 square feet for townhouse lots) will allow for the creation of new lots that reflect the size, character, and intent of hundreds of lots laid out on Sandpoint's original residential plats. The intent of the City's historic subdivisions was to provide flexibility to property owners for how they could use their land. Where money and resources were limited, individual 25'-wide lots could be bought and smaller homes built; for families with greater means, two or more 25'-wide lots could be combined and larger homes built. Over the last century much of the development in central Sandpoint reflected the latter of those patterns, favoring large lawns and open space over density and doorknobs.

Today, with the pressure Sandpoint's housing market has experienced from the in-flow of residents and the resulting increase in rents **pushing long-time residents out of the housing market**, there is an urgent need to adapt our code to allow for the creation of smaller, more affordable lots that can be



Figure 1: 3,500 sf lots in Central Sandpoint. Hundreds of small lots in Sandpoint are currently “non-conforming”, and today's code prohibits the creation of new small lots.

developed with modestly-priced homes attainable by local workers who cannot afford the large-lot, large home product that has emerged across Sandpoint’s RS-zoned neighborhoods and consumed much of the valuable real estate in our RM neighborhoods as well. The amendments considered tonight acknowledge that the demands of today’s working-class families in Sandpoint are around **affordability** and **availability** of housing: an objective the relatively large 5,000 sf minimum lot size in the RM zones make difficult to achieve.

Part 3 – RM Density Standard

The final amendment proposed tonight is around the allowed density in the RM zone, as measured by number of dwelling units allowed based on lot size. Under current code, the minimum lot size required to develop a two-unit attached multifamily structure is 6,775 square feet. An additional 1,775 square feet of lot area is required for each additional dwelling unit, up to 10 units, which require 20,975 (roughly half an acre) of lot area. Beyond 10 units an additional 1,000 square feet of lot area is required per unit.

The table below demonstrates an example of the current density allowances in Sandpoint’s residential multi-family neighborhoods:

<u>Units</u>	<u>Lot Size (f²)</u>
2	6,775
3	8,550
4	10,325
5	12,100
6	13,875

Currently, any lot smaller than 6,775 square feet in the RM zone is allowed to contain only a single-family structure. The proposed amendment involves increasing the allowable number of primary structures on lots within each size bracket by one unit and reducing the minimum lot size required for the development of a two-unit structure from 6,775 square feet to 5,000 square feet. On lots smaller than 5,000 square feet in the RM zone, only a single primary structure may be constructed. The table below demonstrates an example of the proposed amendment:

<u>Units</u>	<u>Lot Size (f²)</u>
1	0-4,999
2	5,000
3	6,775
4	8,550
5	10,325
6	12,100

For example, if an individual who owned a 10,500 square foot lot in the multifamily zone wished to split it into three 3,500 square foot lots, the resulting lots could be developed with a single housing unit each (with the option to build an ADU in the rear). Alternatively, the same individual could split her 10,500 sf lot into two 5,250 sf lots, each of which could be developed with a duplex, or further subdivided those into four 2,625 sf townhouse lots with a common interior wall.

The net effect of the proposed density increase complements the proposed decrease in the minimum allowable lot size in the RM zone by promoting more doorknobs per square foot of soil in our multifamily neighborhoods. Despite the fact that around half of Sandpoint's residentially zoned property is zoned for multifamily development, our existing regulations make it relatively expensive and therefore undesirable to actually build multifamily housing. Requiring 6,775 square feet of soil for a two-unit attached product results in the multifamily zoned neighborhoods being only marginally denser (and thus marginally more affordable) than Sandpoint's single-family neighborhoods, in which 5,000 square feet is required for a single unit (thus 10,000 square feet for two single family homes).

- Under current zoning, Sandpoint's RM neighborhoods built to maximum density could accommodate **1.47 times the amount of housing** units per unit of land area as Sandpoint's single-family neighborhoods built to maximum density.
- Under the proposed amendment, Sandpoint's RM neighborhoods built to maximum density could be built to **twice the density** of Sandpoint's single-family neighborhoods.

WHY ARE THESE AMENDMENT NEEDED?

Returning to the Comprehensive Plan we can see how the proposed amendments to maximum building footprints and impervious surface standards, minimum lot size standards, and density standards work towards fulfilling the Plan's goals and objective around housing variety, neighborhood character, efficient land use, and housing affordability.

Housing & Neighborhoods, Goal 1: Housing Variety, Objective 1A – Pursue diversity in housing types (*Ch. 4, Housing, Goal 1A*)

- More flexible footprint standards, especially for single-story homes, allow a wider range of housing types (ADUs, small-lot single-family, attached multi-family, attached single-family, and accessible single-level units) that currently cannot fit on RS or RM lots under rigid 35% caps.
- Reducing minimum lot sizes in the RM zone enables attached units, townhouses, duplexes, and "missing middle" forms that the Plan explicitly encourages.
- Increasing allowable density allows duplexes, triplexes, and small multiplexes on appropriately sized RM lots, directly expanding the diversity of attainable housing types.

Goal 3: Existing Neighborhoods, Objective 3G – Ensure new housing types are appropriately scaled (*Ch. 4, Housing, Goal 3G*)

- The 35% cap on two-story portions of structures preserves light, air, and massing patterns characteristic of established RS neighborhoods.
- Smaller RM lots channel higher-intensity housing into RM areas rather than RS neighborhoods, preserving appropriate transitions between housing scales.
- Increased RM density is concentrated in areas intended for more intense development, helping maintain compatible scale in both RS and RM districts.

Livable Community Vision, Respect the scale and character of established neighborhoods (*Ch. 2, Vision: Livable Community*)

- Height-dependent footprint limits prevent overly massive homes while encouraging single-story living forms compatible with existing neighborhood rhythm.

- Allows more modest home sizes and lot sizes consistent with the historic development pattern throughout central Sandpoint.
- Directs added units into RM zones in a controlled manner that maintains the character of RS districts.

Community Character & Design, Goal 1: Character and Identity, Objective 1A – Respect town character in density and site planning (*Ch. 3, Goal 1A*)

- Balances development flexibility with site-planning outcomes that preserve view corridors, air, and sunlight, reinforcing historic neighborhood character.
- Re-establishes the traditional small-lot pattern that shaped Sandpoint's residential identity for over a century.
- Ensures compact development occurs where intended (within RM neighborhoods) supporting thoughtful density compatible with historic character.

Land Use, Context Area 2 (CA-2: Traditional SF Neighborhoods), Built Form Policy – Structures should respect bulk, mass, and architecture of surroundings (*Ch. 6, CA-2 standards*)

- Maintaining the 35% cap on taller building mass preserves consistency with traditional CA-2 homes.
- Concentrates higher-density development outside CA-2 RS neighborhoods, preserving historic pattern and scale.
- Additional density is directed to RM zones, avoiding incompatible over-intensification of CA-2 areas.

Quality Places, Goal 4: Efficient Use of Land & Infrastructure, Objective 4G – Allow clustered development and efficient use of utilities (*Ch. 6, Goal 4G*)

- Coverage reforms allow more living area without expanding sprawl, using land more efficiently.
- Smaller lots reduce infrastructure cost per unit and support compact neighborhoods that make use of existing utilities.
- Increasing density where infrastructure already exists maximizes return on public investment and helps avoid outward expansion.

Overall Housing Affordability Direction, Plan Directive: Create additional units through zoning changes (*Ch. 4 & Engagement Summary*)

- Enables more feasible single-story and small-lot housing formats, expanding supply.
- Reduces land cost per dwelling and re-legalizes historically affordable lot sizes.
- Allows more units on RM parcels, directly increasing the city's attainable housing stock.

STAFF RECOMMENDATION

Staff recommend that City Council follows the Planning & Zoning Commission's recommendation to approve of the proposed amendments to Title 9 of City Code as presented tonight, including changes to the building footprint and impervious surface standards in the RS, RM, RR1, and RR2 zones, the decrease in the minimum lot size and minimum required street frontage standards in the RM zone, and

the increase in allowable density in the RM zone, along with the several other code language clean-ups proposed in the amendments before you tonight.

ACTION:

City Council is asked to:

1. **Approve the Amendments:** Approve the proposed amendments to Title 9 as presented in this staff report.
2. **Modify the Amendments:** Provide feedback or request revisions to the proposed language.
3. **Deny the Amendments:** Retain the existing standards.

WILL THERE BE ANY FINANCIAL IMPACT? N HAS THIS ITEM BEEN BUDGETED? N/A

ATTACHMENTS:

Draft amendments to title 9

Slideshow presented at the December 16th, PZC meeting

Notice of Public Hearing