

AGENDA PLANNING COMMISSION VIRTUAL/ELECTRONIC PUBLIC HEARING

Thursday, March 4, 2021 7:00 p.m.

Held Remotely on Zoom

https://us02web.zoom.us/j/85651710878?pwd=Sk56YmZ6blRHUzdzMmd5S0tVdEFLUT09

Passcode: 733827

In an effort to curtail the spread of the COVID-19 virus, the Planning Commission meeting will take place online using the Zoom platform and the public will not be allowed to attend in-person. You may watch a live feed of the meeting online; join the meeting via Zoom Webinar; or listen to the meeting over the telephone.

The Planning Commission is providing opportunities for public comment by submitting written comment or calling into the meeting to provide oral public comment. To provide oral public comment you must sign-up by 6:30 p.m. the night of the meeting. Please see the information listed below to access all of these options:

- Click here to watch live streaming video of the Meeting on shorelinewa.gov
- Attend the Meeting via Zoom Webinar:
- https://us02web.zoom.us/j/85651710878?pwd=Sk56YmZ6bIRHUzdzMmd5S0tVdE FLUT09 Passcode: 733827
- Call into the Live Meeting: (253) 215-8782 Webinar ID: 856 5171 0878
 Passcode: 733827
- Click Here to Sign-Up to Provide Oral Testimony
 Pre-registration is required by 6:30 p.m. the night of the meeting.
- Click Here to Submit Written Public Comment
 - Written comments will be presented to Council and posted to the website if received by 4:00 p.m. the night of the meeting; otherwise they will be sent and posted the next day.

	Estimated Time
1. CALL TO ORDER	7:00
2. ROLL CALL	7:01
3. APPROVAL OF AGENDA	7:02
4. APPROVAL OF MINUTES FROM:	7:03
a February 4 2021 Draft Minutes	

b. February 18, 2021 Draft Minutes

Public Comment and Testimony at Planning Commission

During General Public Comment, the Planning Commission will take public comment on any subject which is not specifically scheduled later on the agenda. During Public Hearings and Study Sessions, public testimony/comment occurs after initial questions by the Commission which follows the presentation of each staff report. Please be advised that each speaker's testimony

is being recorded. Speakers are asked to sign-up by 6:30 p.m. the night of the meeting. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. In all cases, speakers are asked to state their first and last name, and city of residence. The Chair has discretion to limit or extend time limitations and the number of people permitted to speak. Generally, individuals may speak for three minutes or less, depending on the number of people wishing to speak. When representing the official position of an agency or City-recognized organization, a speaker will be given 5 minutes. Questions for staff will be directed to staff through the Commission.

5.	GENERAL PUBLIC COMMENT	7:05
6.	PUBLIC HEARING a. Housing Action Plan	7:10
	PUBLIC TESTIMONY	
7.	STUDY ITEMS	7 :50
	a. 2021 Development Code Amendments – Part I	
8.	DIRECTOR'S REPORT	8:30
9.	UNFINISHED BUSINESS	8:35
10	. NEW BUSINESS	8:36
11.	REPORTS OF COMMITTEES & COMMISSIONERS/ANNOUNCEMENTS	8:37
12.	12. AGENDA FOR Next meeting – March 18, 2021	
13.	. ADJOURNMENT	8:40

The Planning Commission meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2230 in advance for more information. For TTY telephone service call 546-0457.

DRAFT

CITY OF SHORELINE

SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

(Via Zoom)

February 4, 2021 7:00 P.M.

Commissioners Present

Chair Mork
Vice Chair Malek
Commissioner Callahan
Commissioner Lin
Commissioner Rwamashongye
Commissioner Sager

Commissioners Absent

Commissioner Galuska

Staff Present

Rachael Markle, Planning Director Nora Gierloff, Planning Manager Steve Szafran, Senior Planner Carla Hoekzema, Planning Commission Clerk

Guest Present

Kirsten Larsen, Senior Planner, Growth Management Services, Washington State Department of Commerce

CALL TO ORDER

Chair Mork called the regular meeting of the Shoreline Planning Commission to order at 7:00 p.m.

ROLL CALL

Upon roll call by Ms. Hoekzema the following Commissioners were present: Chair Mork, Vice Chair Malek, and Commissioners Callahan, Lin, Rwamashongye and Sager. Commissioner Galuska was absent with notice.

APPROVAL OF AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

The minutes of January 21, 2021 were accepted as presented.

GENERAL PUBLIC COMMENT

There were no general public comments.

STUDY ITEM: WASHINGTON STATE DEPARTMENT OF COMMERCE GROWTH MANAGEMENT ACT (GMA) BRIEFING

Kirsten Larsen, Senior Planner, Washington State Department of Commerce, explained that the Department of Commerce works with local governments, providing technical assistance, as well as advising on transportation policies. Their core mission is to strengthen Washington communities. It operates a multitude of programs aimed at helping communities reach their potential in all areas that are important to them.

Ms. Larsen advised that her presentation is part of a Short Course on Local Planning, and the entire course is available on their website, with a very concise video guide. The website also provides links to a full-length guide book and Open Public Meetings Training. She also encouraged Board Members to check out the Municipal Research and Services Center (MRSC) Website, which provides resources on a wide-range of topics for local governments that are easily accessible.

Ms. Larsen shared a list of reasons why it is important to plan. She observed that planning results in more effective and efficient outcomes. The public expects fairness and transparency, and the GMA establishes a framework for planning that provides a public decision-making process and offers predictability to the public that, once decisions are made, development will be reviewed consistent with those decisions.

Ms. Larsen advised that, according to data provided by the Office of Financial Management, Washington State's population grew from 4.1 million to 6.7 million in the 20-year period between 1990 and 2010. The state is expected to exceed 9 million by 2040. With its natural beauty, recreational opportunities and other desirable attributes, the state will continue to grow. They must plan to maintain quality of life while accommodating that growth.

Ms. Larsen reviewed that the legislature adopted the GMA in 1990 in response to concerns that uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in conservation and wise use of lands, posed a threat to the environment, sustainable economic development and the health, safety and high quality of life that is enjoyed by the residents of the state. The GMA provides a statewide planning framework that addresses these concerns and requires local planning that is guided by state law and is regionally enforced.

Ms. Larsen advised that only the state's largest counties and cities are required to fully plan under GMA. This includes those in the Central Puget Sound region. Counties and cities fully planning under GMA are required to meet all of the acts, goals and requirements. This means they must agree on countywide planning policies and develop detailed comprehensive plans. She provided a map of the 39 counties in the state, noting that 18 are required to fully plan under GMA and 10 others chose to do so because they saw the value in the planning framework. The 11 smallest and slowest growing counties and cities only need to plan for resource lands and critical areas.

Ms. Larsen very briefly shared the GMA's 14 goals to guide the development and adoption of comprehensive plans and development regulations and emphasized that all of the goals should be looked at to compliment and reinforce each another.

Ms. Larsen said the first thing counties had to do when GMA was passed was designated and conserve natural resource lands and designate and protect environmentally critical areas. Natural resource lands of long-term commercial significance are designated and conserved based on specific criteria that looks at parcel size, soil and proximity to markets. All counties and cities are required to designate and protect environmental critical areas against risk to human life and investment and to protect the important functions and values that are provided by wetlands, critical aquifer recharge areas and fish and wildlife habitat. Local governments must use the best available science (BAS) and adopt regulations to protect functions and values of the five critical areas. Counties and cities may use information that local, state or federal natural resource agencies have determined represent BAS or scientific information can be produced through a valid process. She noted that Washington Administrative Code (WAC) 365-195-900 through 925 provides guidelines related to BAS.

Ms. Larsen explained that science is used to identify land that is prone to flooding and steep slopes that may be vulnerable to landslides. These measures protect humans from harm and are more important as weather patterns and landscapes change with the impacts of climate change. Critical aquifer recharge areas are particularly porous areas that fill underwater resources for drinking water and must be protected from uses that may introduce hazardous substances to ground water. Areas adjacent to well heads with a direct link to underground water must also be protected from impervious surfaces that may limit ground water recharge. She said science is also applied to determine the type of buffers that are needed between development and sensitive areas that provide important and often irreplaceable biological services.

Ms. Larsen shared a graphic provided by King County to illustrate how the GMA is implemented through the various levels of planning, noting that the GMA requires the adoption of multi-county planning policies for the central Puget Sound Region. These policies provide for coordination and consistency among the metropolitan counties that share common borders and related regional issues. The Puget Sound Regional Council (PSRC) is the regional planning authority for the Puget Sound, and its members include King, Kitsap, Pierce and Snohomish Counties. She advised that the PSRC adopted Vision 2050 in October of 2020. In addition to studying the multi-county planning policies, it includes actions and regional growth strategies to guide how and where the region grows through 2050. It informs updates to the Regional Transportation Plan and Regional Economic Strategy and sets the stage for updates to the countywide planning policies and local comprehensive plans done by the cities and counties. The multi-county planning policies of Vision 2050 are guided by the following: provide opportunities for all, increase housing choices and affordability, sustain a strong economy, significantly reduce greenhouse gas emissions, keep the region moving, restore health of Puget Sound, protect a network of open space, and grow in centers and near transit.

Ms. Larsen explained that the countywide planning policies help ensure that plans within the county are consistent with one another and that they work together to manage growth. The policies may include a means to allocate the Office of Financial Management's forecast 20-year countywide population targets for incorporation into each city's comprehensive plan. Some counties have chosen to also allocate employment targets using the 20-year employment projections. The policies can also be a mechanism for a county to designate urban growth areas (UGAs). UGAs are drawn by counties and cities to accommodate growth in a collaborative process using a land-capacity analysis.

Ms. Larsen advised that policies that address the siting of public facilities of a countywide or statewide nature may include policies that address the need for affordable housing and other locally-important regional issues. The policies should be supported by financially-realistic plans to provide adequate public facilities. She noted that King County is in the process of updating its Countywide Planning Policies and expects to adopt them by the end of 2021 in advance of the 2024 periodic update of local comprehensive plans to reflect a number of changes to the regional policy framework. She pointed out that changes to the vision and framework chapters set the context for the topic-specific chapters and reflect the guiding principles, which include: establish focus scope for review based on the 2012 baseline; consistent with the local annual comprehensive plan amendment review process and the scope of Vision 2050; center on social equity and health; ensure that comprehensive plans enable equitable health and quality of life outcomes for all; integrate regional policy and legislative changes that have occurred since 2012; provide clear actionable direction for comprehensive plans through specific policies; and implement a regional growth strategy with 2044 growth targets that quantify land use, infrastructure and other needs to be addressed in the periodic comprehensive plan updates.

Ms. Larsen explained the county receives a population growth projection from the Office of Financial Management, and a generally-cooperative countywide process allocates population growth to cities and unincorporated urban and rural areas. The PSRC has provided guidance for the Puget Sound Region based on regional geography, allocating larger populations to cities and centers. Cities decide how to plan for the allocated growth. Several counties are subject to the Buildable Lands Program, which requires jurisdictions to measure growth and compare actual development to planned densities within specific time periods. The program looks back to determine whether a county and its cities are achieving urban densities within UGAs as planned and looks forward by asking if there is sufficient capacity for residential and employment growth for the next 20 years. If there is not, the city must identify reasonable measures, other than adjusting the UGA boundary, to correct inconsistencies between actual and planned growth. The next Buildable Lands Report is due in June of 2021.

Ms. Larsen explained that there are five required elements of a GMA Comprehensive Plan for cities. The GMA and WAC 365-196 provide specific direction on the elements that must be included. The Land Use Element provides a layout for the community's future growth, and the Transportation, Housing, Utilities and Capital Facilities Elements all must include an inventory of what is existing and identify what is needed now and in the future to accommodate growth. Only counties are required to include a Rural Element.

Ms. Larsen emphasized that comprehensive plans must be both externally and internally consistent. Plans must also be consistent with multi-county planning policies and countywide planning policies and should be coordinated with plans of adjacent cities and counties. All elements must be based on the same future land use plan map and population projections. Each jurisdiction's development regulations, planning activities and capital budget decisions must be consistent with and implement the plan.

Ms. Larsen reviewed that elected officials (city councils) are the legislative body of a city and have the authority to adopt plans and regulations. Elected officials also make decisions about how to fund capital facilities and where to focus staff effort. They appoint advisory bodies, such as a planning commission, to represent the broad interest of the community. Planning commissions serve as a sounding board for new ideas, promote community interest in planning, and provide leadership in citizen participation

programs. Planning commissions are advisory rather than regulatory bodies, and their role is to review plans and regulations and generally make recommendations to their elected officials.

Ms. Larsen advised that the GMA requires public outreach early and often when updating a comprehensive plan. When the public is engaged in the planning process, community decisions better reflect the shared values of the community as a whole. The draft comprehensive plan amendments are reviewed by the planning commission through workshops and public meetings. Because the State Environmental Policy Act (SEPA) is required for comprehensive plans, the environmental review will be done before final adoption. Cities are also required to submit proposed comprehensive plan amendments to the Department of Commerce for a 60-day review, and this acts as notice to other state agencies. The City Council must formally adopt the update.

Ms. Larsen emphasized that the Department of Commerce does not certify comprehensive plans, and they are presumed valid upon adoption. The Transportation Element is certified by the regional transportation organization, which is the PSRC. Comprehensive plans can only be amended once per year but must be updated every eight years. Amendments are appealable within 60 days to the Growth Management Hearings Board.

Ms. Larsen advised that Capital Improvement Plans (CIP) set priorities for infrastructure investments. CIPs inventory existing facilities, establish LOS, prioritize project needs and plan for financing of the projects. If revenues cannot pay for the needed facilities over the life of the plan, the Land Use Element must be reassessed. Development reviews must have a concurrency program to establish that adequate public facilities are available when the impacts of the development occur without decreasing the established minimum LOS. Concurrency is required for transportation within 6 years from the time of development and is optional for other services. If it is determined that a development would lower the LOS, the application must be denied unless the developer provides the improvements or the LOS is reassessed.

Ms. Larsen said comprehensive plans are implemented through development standards, which is done via zoning. Traditional zoning looks at density, lot size and uses, and a form-based code looks at the design of development. Critical area regulations set buffers and restrictions in critical areas, and subdivision regulations address drainage and other requirements when land is divided into smaller parcels. Public works standards specify the size, material, location and configuration of streets, sidewalks, drainage and utility improvements.

Ms. Larsen advised that comprehensive plans must be updated every eight years, and the City's next periodic update is due in 2024. The first step in the process is a detailed review of the existing plan and regulations. She noted that few counties and cities will be able to adopt a finding of GMA consistency without first making some revisions to their plans and regulations because ensuring consistency requires consideration of updated population projections, amendments to the GMA statutes, Growth Management Hearing Board important interpretations of GMA regulations, and changes in the community. Jurisdictions failing to complete the update are ineligible for a number of grant and loan programs.

Ms. Larsen summarized that good planning is timeless and centers on human-scale development that cities have been creating throughout the centuries or "complete neighborhoods." Does the neighborhood

provide for daily needs and are non-drivers able to be independent? Can you access your most basic day-to-day needs within a 20-minute walk from your home? She said having jobs and housing in more compact, walkable and transit-served locations will help reduce environmental impacts, lessen congestion and improve outcomes. Communities are achieving this through form-based codes, allowing for the "missing middle" housing, transit station planning and complete streets programs.

Ms. Larsen announced that the Next Short Course on Local Planning (via Zoom) is scheduled for February 18th. Interested Commissioners can register on the Department of Commerce website. She provided her contact information to the Commissioners and invited them to contact her with their future questions.

STUDY ITEM: 2021 COMPREHENSIVE PLAN AMENDMENT DOCKET

Mr. Szafran reminded the Commission that the Growth Management Act (GMA) only allows cities to amend comprehensive plans once a year. To ensure the public can see the amendments, it requires cities to create a docket or list of proposed amendments that are submitted every year. Anyone can propose an amendment to the Comprehensive Plan, but only one was proposed in 2020 for consideration on the 2021 Docket. The proposed amendment has not been thoroughly evaluated by staff. At this time, the Commission is not being asked to recommend whether the comprehensive plan amendment should be adopted or not. Instead, they are being asked to recommend whether or not the proposed amendment should be on the 2021 Docket for further study.

Mr. Szafran advised that the proposed amendment would change the Comprehensive Plan Land Use Map of one parcel from Public Facility (PF) to High-Density Residential (HDR). He noted that the two parcels shown on the map were combined into one parcel that is currently designated as both PF and HDR. The amendment would change the designation of the northern parcel that fronts on N 192nd Street to HDR. Concurrently, the applicant is asking for a rezone for the entire property from R-18 to R-48. If the amendment is added to the docket, it will go through the Planning Commission to the City Council. The rezone portion will go to the Hearing Examiner and meet back up with the Comprehensive Plan amendment at the City Council level so both actions can be considered together.

Mr. Szafran shared a variety of photos of the site and explained that the parcel in question is an undeveloped lot that is directly adjacent to the park and ride and Aurora Avenue North, with single-family uses to the west and north. The site is currently fenced and was cleared of understory about two years ago. His understanding is that no trees were moved from the site.

Mr. Szafran presented some preliminary sketches of the proposed development that were submitted by the applicant. However, he cautioned that it is important to keep in mind that once the Comprehensive Plan is changed and the property is rezoned, any type of development could occur on the site if it is consistent with the zoning that is in place. The sketch provides an example of the type of development that could happen, but it is not likely that exact product will be developed. The applicant has indicated a desire to construct townhomes on the property.

Mr. Szafran said the Commission is being asked to make a recommendation to the City Council to either include or not include the amendment on the docket for future study. Staff is recommending that it be included on the final 2021 Docket.

Commissioner Lin asked how many units the current zoning would allow on the subject properties. Mr. Szafran answered that the current R-18 zoning would allow up to 10 units to be developed on the site. If the property is rezoned to R-48, up to 26 units could be constructed. Commissioner Lin asked if there are critical areas on the site, and Mr. Szafran said that a critical area report would be required to map the slope before a rezone could be granted. Commissioner Lin asked if a clearing permit was required before clearing the understory. Mr. Szafran explained that a concerned citizen called into the Code Enforcement Department when the clearing occurred. He studied the code enforcement case and found that no permit was required because no trees were removed.

Vice Chair Malek asked if the R-48 zone has the same townhome design standards as the MUR-35' and MUR-45' zones. Mr. Szafran answered that the single-family attached design standards would apply anywhere that the housing type is developed. Vice Chair Malek asked if the rezone could be linked to a townhome project or if the project could change and become an enhanced shelter, which is allowed in the R-48 zone. Mr. Szafran said the City will be working on code amendments for enhanced shelters, and he doesn't believe the use would be allowed in the R-48 zone. Again, he cautioned that although the applicant is showing a townhome site plan, the property could be developed into anything allowed in the R-48 zone if the rezone is approved. Vice Chair Malek pointed out that the property is adjacent to the park and ride.

Vice Chair Malek asked if the applicant would be required to do a study to confirm concurrency with stormwater and other city services. Mr. Szafran said the study would take place when the rezone is being evaluated.

Chair Mork asked what would happen if the Comprehensive Plan amendment is approved and the rezone application is denied. Mr. Szafran advised that the City Council will consider the recommendations from both the Commission (Comprehensive Plan amendment) and Hearing Examiner (rezone). If the Commission recommends denial and the Hearing Examiner recommends approval, the City Council will have to make the final decision on both actions.

Chair Mork asked if the City Council could overrule a recommendation by the Commission to not include the amendment on the 2021 Docket. Mr. Szafran answered affirmatively.

Commissioner Callahan asked how the properties came to be owned by a private developer. Vice Chair Malek answered that the King County Transit Authority sold the property in 2014. Commissioner Callahan said property sales of this type are important to understand as the City considers future opportunities for affordable housing development.

John Houghton, Shoreline, said he lives near the subject property so the amendment and rezone would directly impact him. When he purchased his home, he carefully studied the zoning map and learned that the subject parcel was an exempted zone. He assumed it would stay that way for the foreseeable future, and he probably wouldn't have purchased his home if he thought there was a chance that an apartment or condominium complex would be developed on the site. He noted that, currently, there is a band of mature trees that buffer his home from the park and ride and Aurora Avenue North. He said he was disappointed to learn that what he thought was an exempt zone was purchased from the County by a developer without any notice. He noted that a sewer easement runs through the subject parcel.

Ameer Dixit, Shoreline, said he has lived just south of the subject parcel for 11 years, and the trees and green spaces are part of the community's charm. They are already having to deal with a lot of construction, with a very large apartment complex being developed across the parking lot from his property. The trees provide a buffer between the residential homes and Aurora Avenue North, and they add a lot to their enjoyment. Allowing a higher density would result in a loss of green space and foliage. He noted that there are other locations that do not have trees where high-density residential development could occur, including the Mattress Factory property across the street. He asked the Commission to consider how the amendment would impact their neighborhood.

Janet Way, Shoreline, said she represents the Shoreline Preservation Society and presented written comments prior to the meeting. She said the society is concerned about the potential impacts of the proposed amendment. She recalled the earlier presentation by Ms. Larsen from the Washington State Department of Commerce regarding the Growth Management Act and comprehensive plans. Ms. Larsen stressed the importance of planning in order to protect good things about the community. Trees are good things, as are critical areas and open spaces. She commented that the photographs provided by staff only showed the far north section of the lot and not the area where the trees are located. She also commented that it is unclear, from the map, which lots would be impacted by the proposed change. The geotechnical report identifies the property as an erosion hazard zone so the proposal fails to meet Rezone Criteria 2.b. The rezone will affect the health, safety and general welfare of both nearby and downstream residents because the project will require the removal of dozens of significant trees. A townhome development will not provide the same level of buffer as the trees currently provide.

Ms. Way referred to Rezone Criteria 2.c and 2.d, and said the proposal represents a serious threat to the adjacent R-6 zones because the existing buffer (urban forest greenbelt) would be destroyed. As mentioned in the Critical Area Report, those homes would be severely exposed to pollution and noise from the park and ride and Aurora Avenue North. In addition to air hazard, climate change is also a significant concern. The easiest way to stop climate change is to protect existing trees, and the proposed development would remove another huge swath of trees after thousands have already been lost to accommodate light rail and other development. She summarized that the society asks the Commission to not recommend the amendment for the 2021 Docket. Above anything else, science should be considered when analyzing the proposed amendment.

Jodi Dixit, Shoreline, agreed with Ms. Way that the photographs provided in the Staff Report misrepresented the number of trees that are currently on the subject property and the impact their removal would have on the adjacent neighborhood and Shoreline in general. She encouraged the Commissioners to take a second look at the subject parcel and note how large the trees are. Many trees in the area have already been removed, and there are other parcels that could be developed. There is no reason for the rezone, and it is critical that it remain in its current state. She asked them not to include the proposed amendment on the 2021 Docket. She also referred to Ms. Larsen's presentation regarding the GMA where she emphasized that public outreach must occur early and often. However, they just found out about the proposed amendment two days ago.

There were no other public comments.

Chair Mork explained that the objective of the meeting is for the Commission to either recommend or not recommend that the proposed amendment be included on the 2021 Docket for further study. Mr. Szafran said that, if the proposed amendment is added to the docket, staff would study it further and bring back a recommendation to the Planning Commission at a later date. Following a study session and public hearing, the Planning Commission would then be asked to forward a recommendation of approval or denial to the City Council.

Commissioner Callahan asked Mr. Szafran to explain staff's rationale for recommending that the proposed Comprehensive Plan amendment be studied further. Mr. Szafran said staff felt the proposal was a worthy candidate for further study on whether the property should or should not be up zoned because of its location. He noted that there aren't a lot of parcels in the City that are designated as Public Facility, and this parcel is unique because it was sold to a private developer who wants to change the designation. The City doesn't deal with this type of land use issue often.

At the request of Chair Mork, Mr. Szafran displayed an aerial photograph and pointed out the location of the existing trees on the subject parcel. He advised that the treed portion is where the map reads "Firlands Way." Chair Mork asked about the dimension of the subject parcel, but Mr. Szafran was unable to answer that question. He said the entire portion outlined in red on the map is 23,662 square feet.

Commissioner Sager noted that, although a lot-line elimination was done on the property, it still has two land use designations. She asked how that occurred. Mr. Szafran explained that the Comprehensive Plan Land Use Map and Zoning Map are not always amended when parcels change boundaries or merge together, and it is possible to have multiple land use designations and/or zoning districts.

Chair Mork asked if the Rat City Roller Property is under the same ownership as the subject parcel, and Mr. Szafran answered no.

Mr. Szafran noted that a lot of questions have been raised about the trees. He explained that development in the R-18 zone is subject to the City's standards for tree retention and replacement, and the same standards would apply if the property were rezoned to R-48. He acknowledged that R-48 zoning would allow greater density, but lot coverage would only increase from 85% to 90% impervious surface.

Chair Mork observed that the developer would still be allowed to develop the lot that is zoned R-18 even if the Comprehensive Plan amendment and rezone are denied.

Vice Chair Malek summarized that the amendment was submitted by a developer who has a plan in mind. He asked if it is possible to up zone all of the properties adjacent to the park and ride to R-48 as part of this same process or if someone would have to request the change as a separate amendment. He noted that there is so little property in the City that is available for transit-oriented development, and these properties are in close proximity to Highway 99. Mr. Szafran said that land use map changes are usually submitted by property owners. The City Council could also initiate a Comprehensive Plan redesignation and/or rezone, but it is usually done on a larger scale, such as what occurred with the light rail station areas. He emphasized that, if the proposed amendment is added to the docket, the process of rezoning and changing the Comprehensive Plan will involve public notice and a lot of opportunities for public comment.

Because the Commission is only being asked at this point to make a recommendation on whether or not the amendment should be studied further, staff did not do a widespread notice.

Chair Mork commented that, if the Commission recommends to City Council that the amendment be added to the 2021 Docket for further study, it is important to emphasize how deeply the citizens, including the Commissioners, care about trees and critical lands in Shoreline and that the rules are followed. By recommending further study, the Commission is not suggesting they would recommend approval of the amendment.

Vice Chair Malek commented that, when the subject parcel was put up for sale in 2014 by the King County Transit Authority, Shoreline would have had the ability to purchase it. Although rare and unusual, they could also have pursued the property through imminent domain. He said the county originally thought the property would be needed for stormwater and other utilities, and it became a catch-all for years for trash. The current owner has been clearing the property little-by-little. Vice Chair Malek disclosed that a few years ago he approached several owners along that strip for a group of single-family homes, but they couldn't agree to sell all at once and the builder abandoned the project.

Commissioner Lin asked if the former Benjamin Moore Paint Store property could be developed under R-18 or R-48 zoning. Vice Chair Malek answered that the site is zoned commercial and is located along Highway 99. The current proposal is a high-rise development with a few hundred residential units. He added that the owner of the Rat City Roller property is trying to lease the building. He noted that many of the projects along Highway 99 and elsewhere were paused due to the pandemic. Mr. Szafran said that the owner previously submitted an application for a high-rise development with a large number of residential units.

The Commissioners agreed to recommend to City Council that the proposed Comprehensive Plan amendment be added to the 2021 Docket for further study.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS

Vice Chair Malek reported that the Snohomish County Hearing Examiner issued a decision on the Point Wells Project. The decision was to deny Blue Squares Real Estate the right to move the project forward. Both their vesting status and building plans were denied. Parties of record have until February 8th to either support or challenge the Hearing Examiner's decision, and Blue Square Real Estate has until February 12th to appeal the decision directly to the Snohomish County Council. He referred to an excellent article that was published in *THE EVERETT HERALD* that posts the Hearing Examiner's decision. The Hearing Examiner determined that the applicant hadn't used their opportunity to resubmit an application that was compliant. There weren't a lot of fundamental changes to the original request, and the applicant felt justified in their rationale for vesting status and a request for deviation. A good article was also published in *THE SHORELINE AREA NEWS*.

Chair Mork encouraged Commissioners to take advantage of the Short Course on Local Planning that is offered by the Washington Department of Commerce. She asked if Commissioners are required to be trained on the Open Public Meetings Act. Ms. Gierloff answered affirmatively and advised that it can be done as part of the short course or as a separate session. After completing the training, Commissioners should advise Ms. Hoekzema.

AGENDA FOR NEXT MEETING

Ms. Gierloff said the February 18th meeting agenda will include an update on the Oaks site, which is being purchased by King County to establish an enhanced homeless shelter. The property is currently zoned R-48, and in order to accommodate the commerce grant that would fund the shelter, the City adopted an interim ordinance to allow enhanced shelters in the R-48 zone. The ordinance expires in April, and a permanent ordinance must be adopted if the City wants to continue allowing that use. The City has chosen to pursue a rezone from R-48 to Mixed Business (MB) to match the surrounding properties along Aurora Avenue North. There will also be a concurrent zoning code amendment to insert enhanced shelters as a permitted use in the MB zone subject to indexed criteria. On February 18th at 6:00 p.m., prior to the Commission's next meeting, Mr. Szafran will be leading a neighborhood meeting for the rezone. The Commission will discuss the enhanced shelter code amendment at their meeting.

Ms. Gierloff advised that the draft Housing Action Plan will be presented to the Commission for a public hearing on March 4th. Some of the batch of Development Code amendments will also be presented on March 4th.

ADJOURNMENT

The meeting was adjourned at 8:35 p.m.		
Laura Mork Chair, Planning Commission	Carla Hoekzema Clerk, Planning Commission	

DRAFT

CITY OF SHORELINE

SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

(Via Zoom)

February 18, 2021 7:00 P.M.

Commissioners Present

Chair Mork
Vice Chair Malek
Commissioner Callahan
Commissioner Galuska
Commissioner Lin
Commissioner Rwamashongye
Commissioner Sager

Staff Present

Rachael Markle, Planning Director Nora Gierloff, Planning Manager Steve Szafran, Senior Planner Julie Ainsworth-Taylor, Assistant City Attorney Carla Hoekzema, Planning Commission Clerk

CALL TO ORDER

Chair Mork called the regular meeting of the Shoreline Planning Commission to order at 7:00 p.m.

ROLL CALL

Upon roll call by Ms. Hoekzema the following Commissioners were present: Chair Mork, Vice Chair Malek, and Commissioners Callahan, Galuska, Lin, Rwamashongye and Sager.

APPROVAL OF AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

The minutes of January 20, 2021 (Special Meeting) were accepted as presented.

GENERAL PUBLIC COMMENT

There were no general public comments.

STUDY ITEM: ZONING CODE AMENDMENTS TO ALLOW ENHANCED SHELTERS IN THE MIXED BUSINESS (MB) ZONE

Ms. Gierloff reviewed that, in April 2020, the City Council adopted Council Goal 5, Action Step 7, which reads,

"Begin a process of developing partnerships with the North King County cities and other key stakeholders in support of siting a 24/7 shelter/navigation center to serve homeless single adults in North King County."

In response to this goal, Ms. Gierloff advised that staff began exploring options for the siting of a shelter for homeless adults to serve the North King County area. She explained that, while there were shelters in Seattle and South King County, North King County didn't have options for homeless single adults.

Ms. Gierloff reviewed the results of the City's most recent resident survey, which helped the City identify the community's priorities. The top concerns were the City's overall response to homelessness (47%) and the overall quality of human services (48%). Respondents were asked to rate a variety of City services based on importance and satisfaction, and again, the overall response to homelessness and overall quality of human services were the top two. The polling company identified these as the two top opportunities for improvement in City services. The takeaway was that the City, County and State levels of government should prioritize how they respond to the homeless situation in the region.

Ms. Gierloff reported that funding through the Department of Commerce to expand homeless shelter capacity became available in June 2020, and the City was asked to support a grant application by King County, who partnered with Lake City Partners Ending Homelessness, a non-profit organization that provides shelter and services for people experience homelessness, for a site at N 165th Street and Aurora Avenue N. This site is currently under a rezone proposal and was the subject of a recent neighborhood meeting.

Ms. Gierloff provided a brief description of the site, which is located in the southwest corner of N 165th Street and Aurora Avenue N and is currently developed as a one-story building with a basement and an enclosed courtyard for recreation. The property is primarily zoned R-48, with a small area in the northwest corner of the site that is zoned R-18. The current proposal is for the entire parcel to be rezoned to Mixed Business (MB). She pointed out that, with the exception of one condominium building, all of the properties along Aurora Avenue N in Shoreline are zoned for regional business type uses, either MB or Town Center (TC). This property is an anomaly, and the underlying Comprehensive Plan supports regional business type uses. However, she acknowledged that the subject property backs up onto R-6 zoning, as do many of the properties along the corridor.

Mr. Gierloff advised that the City's current regulations allow homeless shelters in regional business zones in the City, but what was being proposed on the site and the conditions of the grant resulted in a slightly different model than the way homeless shelters are currently defined in the Zoning Code. Given the time limitations associated with the grant funding, staff drafted a new definition for "Enhanced Shelter," and the City Council adopted an interim zoning ordinance that allowed enhanced shelters in R-48 zones subject

to certain index criteria. The interim ordinance was adopted in October 2020 and will expire in April 2021.

Ms. Gierloff said the intent is that adoption of a permanent ordinance to allow enhanced shelters in the MB zone would occur concurrently with the proposed rezone to MB. She advised that the proposed amendment is very similar to the interim ordinance, but there has been some wordsmithing, as well as some additional new regulations.

Mr. Gierloff advised that a new definition was drafted (SMC 20.20.018.E) for "Enhanced Shelter." Traditional homeless shelters serve people at night, using cots that are set up in large rooms, and people have to leave the next morning. Enhanced shelters use a Housing First Model, where residents remain at the shelter for the entire time they are being served. The ultimate goal is to transition them into permanent housing. Enhanced shelters are low-barrier facilities, which means they accept people as they are if they can agree to abide by certain standards of conduct. While homeless shelters are already allowed in the MB, Community Business (CB) and TC zones, enhanced shelters have different operational criteria and need to be defined and regulated separately. Staff is proposing that enhanced shelters be permitted only in the MB zone subject to certain index criteria.

Ms. Gierloff advised that the proposed index criteria in SMC 20.40.355 would place the following conditions on the enhanced shelter use.

- A. It shall be operated by state, county or city government, a State of Washington registered corporation, or a federally-recognized tax exempt 501(C)(3) organization that has capacity to organize and manage an enhanced shelter.
- B. It shall permit inspections by City, Health and Fire Department inspectors at reasonable times for compliance with the City's requirements. An inspection by the Shoreline Fire Department is required prior to occupancy. The intent is to ensure that the facility meets all of the safety requirements.
- C. It shall develop and enforce a code of conduct acceptable to the City that articulates the rules and regulations of the shelter. The rules must include, at a minimum, prohibitions against criminal activities, threats, violence and consumption of drugs and alcohol.
- D. It shall be located with frontage on a principal arterial and within ¼ mile of a transit stop with frequent all-day service as defined by King County Metro Transit. Many of the residents will be transit-dependent and the shelters will need to be located in areas where residents have access to the services they need.
- E. To avoid a concentration of uses, enhanced shelters must be located at least one mile from any other enhanced or homeless shelters, calculated as a radius from the property lines of the site. This is a new criterion that doesn't occur in the interim ordinance. The interim ordinance applies to R-48 parcels that meet certain criteria, and there are only nine. In the MB zone, there are quite a few more parcels that would meet the criteria. Staff feels it is important to limit the number of enhanced shelters in any given area.

- F. The maximum number of residents in an enhanced shelter shall be determined by the general capacity of the building and the level of staffing to be provided, but shall in no case exceed 100. This is also a new criterion that doesn't occur in the interim ordinance. The maximum number would be determined by building code and operational requirements, but this criterion would establish a maximum capacity of no more than 100 residents.
- G. A solid, 6-foot-tall fence shall be provided along all property lines that abut residential zoning districts. The required fence has already been installed at the site, as it was a condition of the interim ordinance.
- H. Submittal of a parking plan acceptable to the City prior to occupancy. The intent is to make sure there is enough on-site parking to handle the demand.
- I. The primary funding organization and shelter operator shall enter into a memorandum of agreement with the City regarding operational issues that shall include:
 - 1. *Staffing plans*. The operator will need to be upfront about how many staff they intend to have on site during the day and night and how they will make sure there is enough professional staff on hand to ensure everyone is safe and making progress.
 - 2. Requirements for regular reports to the City on how the shelter is meeting performance metrics.
 - 3. An agreement that if calls for law enforcement service exceed an agreed upon threshold in any given quarter, the shelter operator will work with the City to reduce calls below the threshold level.
 - 4. A coordination plan with the Shoreline Police Department which shall include protocols for police response to the shelter and to shelter clients throughout Shoreline.
 - 5. Requiring adherence to a good neighbor plan that addresses how the shelter operator will address litter, noise, security procedures, and other issues that may be of concern to the surrounding community. The plans will be customized to the particular location and neighborhood where a shelter is located.
 - 6. Criteria to determine if/when to discontinue the shelter use if documented violations of the operational agreements are not addressed in a timely manner.
 - 7. Provisions for City approval of any proposed change in shelter operator.

Ms. Gierloff shared a map identifying potentially eligible parcels that are zoned MB and located on a primary arterial and within a ¼ mile of all-day transit service. All of the eligible parcels are located on Aurora Avenue N. However, many of them would be ineligible because they are located within a 1-mile radius of the existing enhanced shelter at N 165th Street and Aurora Avenue N (Criteria E).

Ms. Gierloff advised that a public hearing has been tentatively scheduled for March 18th. After the public hearing, the Planning Commission will be asked to make a commendation to the City Council.

Commissioner Rwamashongye asked what strategies the City has developed to reduce situations of bias when the residents of the enhanced shelters interact with neighbors. Ms. Gierloff responded that having a place to get a shower and a good night's sleep and knowing where your next meal will come from will go a long way towards making people better able to interact with their neighbors. It will also put them in a position where they can start working on the things that are contributing to their homelessness. The promise of the Housing First Model is focused on getting people out of a state of crisis and then helping them move forward.

Vice Chair Malek said he is also concerned about how the residents of the facility would interact with the neighbors. He noted there is a long-standing daycare facility immediately adjacent to the new facility at N 165th Street and Aurora Avenue N. In addition, Merlone Geier Partners and ROIC have made a very large investment in the redevelopment of the Sears/Central Market site, and he is concerned about how the facility's image and its presence on the street front of Aurora Avenue N might impact that effort.

Vice Chair Malek said he likes that the proposed amendment distinguishes between traditional shelters and enhanced shelters. Ms. Gierloff responded that, about 10 years ago, leadership in the State of Utah came together to address the homelessness problem using the Housing First Model. They have seen good results and the program has been more successful in stabilizing people and moving them into permanent housing than the older models. The model has become a best practice, and that is why the Department of Commerce wrote the grant to include certain operational requirements. With the Housing First Model, fewer homeless people wander the street with no place to go. Vice Chair Malek observed that is an important distinction to make. If it can be guaranteed, the site at N 165th Street and Aurora Avenue N will be a natural and realistic place for an enhanced shelter. If not, it could become a loitering place in an area that is considered the gateway to the City. A lot of hopes are pinned on the Community Renewal Area and how it presents the City to people passing through.

A lot of homeless people are being driven out of Seattle and they are heading north, and Vice Chair Malek said he is concerned that homeless shelters can invite a steady route of traffic coming from all over. If the enhanced shelter model can mitigate this concern, it should be clearly communicated to the community, and especially to the property owners who have invested heavily in redevelopment in the Community Renewal Area.

Commissioner Sager asked if transitional shelters and enhanced shelters are the same or different. Ms. Gierloff responded that Ronald Commons is a type of transitional shelter that provides permanent supportive housing for as long as the residents need services. Enhanced shelters are seen as short to midterm housing, with the idea that residents are working on a plan to move into more permanent housing.

Commissioner Lin referred to Criterion C, which would prohibit residents from using drugs and alcohol on the site. She asked if the rule would apply only to the shelter property, or if it would also include the properties that surround the shelter. She suggested the language should be expanded to ensure that the residents will be good neighbors. She commented that the community would likely be more accepting of

enhanced shelters, if the City can ensure the properties remain safe and orderly. Ms. Gierloff responded that the City cannot ask property owners to take responsibility for what happens on property they don't own. The expectation is that operators will run the shelters well. Again, she noted that new residents would not be required to be clean and sober when they first come to the shelter, but that would be the goal they are working on. She commented that the City will continue to have a homeless problem whether or not the shelter goes in. An enhanced shelter will provide a place for people who are ready to start working on things, but it should not be considered a solution in and of itself.

Commissioner Lin asked if the City would be required to provide an increased level of service to enhanced shelters. Ms. Gierloff said they discussed this concern with the police and fire departments, and they feel they can provide the level of service that will be needed. If service calls exceed the threshold level established by Criterion I.3, the operator would be required to work with the City to reduce the number of calls. In addition, Criterion I.4 requires a coordination plan with the police department to include protocols for police response to the shelter.

Vice Chair Malek commented that there is a lot of hope that students from Shoreline Community College will utilize the businesses located within the Community Renewal Area during the day. He asked staff to speak more about the responsibility and accountability that will be required of the operators. He observed that "the definition of frustration is to be responsible for something you are not in direct control of." He asked what tools the City would have in place if things at the facility get out of control and King County doesn't hold up its end of the bargain. Ms. Gierloff said the Memorandum of Agreement will set forth specific performance standards. If the standards are not met, the City could pull the license for the shelter use. While the City sees the need for the facilities and wants to be good partners, they also need to have some clear standards on how they are run.

Chair Mork referred to Criterion I.2, which requires regular reports to the City on how the shelter is meeting performance metrics. She asked what performance metrics the City would expect to use. Ms. Gierloff answered that, like any grant situation, operators would need to prove that they are doing effective work. A lot of record keeping will be done by operators on the types of people who are served by the shelter, how long people stay in the shelter, if people are graduating into permanent housing, etc. This information will help operators come up with plans to be more effective.

Chair Mork asked if sex offenders would be allowed to reside in the enhanced shelters, and Ms. Gierloff answered affirmatively. They will be low-barrier shelters.

Commissioner Rwamashongye asked how the City would address the quality of human services associated with the enhanced shelters. He reminded them that the survey respondents indicated that homelessness and the quality of human services were the primary things the City should focus on. While the proposed amendment would help address homelessness, it would not assign who would be responsible for human services. He asked if that should be addressed in the Memorandum of Understanding or if it should be addressed as a code provision. Ms. Gierloff said the City would continue to provide the same level of human service, but it would not take on the additional responsibility of providing service to the shelter beyond what is currently available. Having a shelter operator with experience and a track record will be important. In addition to providing food and a place to sleep, they are responsible for providing social

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work and making connections with other agencies as needed. Their plan could be part of the Memorandum of Agreement, but it would not be directly controlled by the City.

Commissioner Lin asked if an additional buffer would be required between the enhanced shelter property at N 165th Street and Aurora Avenue N and the adjacent residential properties. Ms. Gierloff answered there is an access road along the west and south edges of the building that provides additional separation between the residential properties and the shelter buildings, which are oriented towards the internal courtyard to the east. If the site were to redevelop in the future, the current transition zone requirements would apply (15-foot setback and building step back). Commissioner Lin commented that the operator of the facility at N 165th Street and Aurora Avenue N expects to use the existing buildings without any modification to the footprint. Ms. Gierloff said the current operator saw the property as a relatively turn-key facility, in that it was set up with individual rooms, as well as a kitchen, laundry, etc. The grant funding will last for several years but not in perpetuity, so the use might change over time.

Chair Mork asked if the setback requirements would have to be met if an enhanced shelter is proposed on another eligible property along the corridor. Ms. Gierloff answered that if significant modifications are required to an existing building or if a new building is constructed, all of the normal regulations would apply, as would the index criteria for the enhanced shelter use. The facility at N 165th Street and Aurora Avenue N was unique because the building was close to being what was needed and no significant modifications were required.

Chair Mork invited members of the public to comment.

Renee Dillon, Shoreline, said her home is located just west of the new enhanced shelter at N 165th Street and Aurora Avenue N. She is not opposed to the shelter, but is concerned about the required performance metrics and who at the City would be responsible for reviewing them. She is also concerned about the increase in police and fire calls to nearby neighborhoods that involve residents of the shelter. She asked if these situations would be included in the metric counts. She noted that the setback requirement for the new enhanced shelter was less than what was required for some of the other businesses on the corridor. Changing the zoning from R-48 to MB without revisiting the transition level requirements has resulted in residential homes directly abutting commercial uses.

Nancy Pfeil, Shoreline, said she represents the group, Shoreline Neighbors in Favor of Proper Placement of Shelters. She commented that Ms. Gierloff hasn't been completely forthcoming with the Commission, as a person doesn't have to be seeking help to be a resident of the shelter. Many of the residents have mental illness and drug addiction and are not required to seek help. They are allowed to just exist at the shelter. Ms. Gierloff also mentioned that having a home would help the residents get on a good path and they can be good neighbors, but it is important to recognize that many do not have the capability of reasoning and making appropriate decisions because of their mental illness. Kevin McGuire, the shelter's social worker, doesn't agree with her assessment on the ability of all of the residents to be good neighbors. In a conversation with members of the group, he provided a good expectation of what they are capable of.

Ms. Pfeil commented that the survey presenter was extremely specific that the City should not read into the survey the way Ms. Gierloff has presented it, and she recommended they watch the City Council meeting when the survey was presented. Seattle is putting in a shelter at 145th Street, which would

sandwich the Community Renewal Area and the new development in the Westminster Triangle between two public supportive housing facilities. While Ms. Gierloff said Lake City Partners has experience running enhanced shelters, that is not the case. Per their own words, they have no experience running a 24/7 shelter.

Ms. Pfeil voiced concern that there would be no transition area or buffer between the residential properties and the subject property where the enhanced shelter is located. She noted that there is a transition and buffer between most of the other MB zones, called N 165th Street and Aurora Avenue N. She noted that the subject property was likely zoned R-48 because it was originally a home. She pointed out that the existing building doesn't have a functional kitchen, unless it was added since she read the numerous emails between the County and the City. The building has also been flooded numerous times. It was built in 1953 and is barely useable for the proposed shelter.

Ms. Pfeil suggested the City is getting a little ahead of itself because the property is currently zoned R-48 and R-18. The interim ordinance can be renewed to allow the property to exist as a shelter. She said it is important to understand that the shelter will only be short term, as has been made very clear in emails between the City and King County. She has done numerous record requests and read all of the documents between the City and King County. In July 2020, the King County Housing Authority, which is a state agency and not a county agency, wanted assurances from the City that, if they were to purchase the property, it would be rezoned MB to allow for a higher density. The grant money to run the shelter will run out in 2023. A member of the Planning Commission asked the King County Housing Authority about the chance of continuing the shelter after the grant has expired and was politely told by the King County Housing Authority that it is in the business of housing and not shelters. They do not mind allowing the use of their property for a shelter in short-term, but in the long run, shelters are not what they do. Why have a shelter when you could develop more housing and the ultimate goal is housing?

Ms. Pfeil said the King County Housing Authority wants to put in public-supportive housing, and they have been clear about this in their emails. With an increased density, she estimates they could construct 200 to 250 units on the subject site. The Morrison Hotel and Clement Place are examples of public-supportive housing. In 2019, the Morrison Hotel had over 2,500 police calls made to it, an average of 7 per day. This was, in part, because the police had to accompany the EMT's because it wasn't safe for them to go into the building by themselves. She stressed that none of the criteria outlined in the proposed amendment would apply to the subject property because public-supportive housing would not be an enhanced shelter. King County and the King County Housing Authority has bought the cooperation of the City of Shoreline, and all it costs for them is to allow a shelter to be run on the site for about 2 to 2.5 years. After the grant expires, they will already own the property, and she asked what the City would do to prevent the development of another Morrison Hotel.

Ms. Pfeil said the enhanced shelter has already impacted the neighbors. An older couple living close to the property is trying to sell because they need money for medical bills, but they haven't been able to do so because of their property's proximity to the enhanced shelter. This is in a city where property is sold before it even hits the market. She noted the shelter's proximity to the Community Renewal Area and asked if the City could potentially be sued by Merlone Geier Partners and other major property owners who have invested significant time and money into redevelopment efforts if the proposed amendment is adopted and their property values are significantly impacted.

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Jennifer Lee, Shoreline, said she and her husband (Tom Bachelder) do not have all of the equipment needed to participate in the hearing, but they previously submitted a written comment to voice objection to the proposed amendments.

Renee Dillon, Shoreline, said she is not opposed to allowing enhanced shelters in Shoreline, but she doesn't believe the property at N 165th Street and Aurora Avenue N is the best location. She is concerned that the King County Housing Authority has purchased the property to construct a public-supportive housing development in the long term. She questioned how a short-term enhanced shelter would meet the City's needs. She said she supports all of the concerns that have been voiced and the points that have been made so far. As Vice Chair Malek pointed out, the new development in the Community Renewal Area just to the south of the subject parcel will draw a lot of new business, and many people in the shelter will come from other places in the county. She questioned how much they would contribute to the neighborhood.

Staci Ciez, Shoreline, said his property is located just north of the subject property, and he has operated a business there for 25 years. The front part of his business provides baseball instruction, etc. to children. It is important for the Commission to understand what the City is asking the neighbors to endure. They are already enduring the impacts associated with the methadone clinic and people defecating on their front porches and loading docks and beating in the front doors attempting to enter the buildings. They leave needles and other debris there on a weekly basis. The neighborhood has gone downhill since the methadone clinic located in the area, and it is very disheartening. He felt that the enhanced shelter would cause even more problems. He noted that the daycare on the other side of the 6-foot fence has been operating for 25 years, and the enhanced shelter will have an impact on that business, too.

There were no other public comments, and Chair Mork closed that portion of the meeting.

Chair Mork reminded the Commissioners that staff is seeking feedback from them on additional information or changes they would like staff to make to the proposed amendment before it is presented for a public hearing on March 18th. Ms. Gierloff explained that the Hearing Examiner would conduct the public hearing for the rezone application, and the Board's role is to review the proposed enhanced shelter regulations. At this time, staff is asking the Board to identify potential changes additional information that are needed prior to the public hearing. Chair Mork summarized that the Board's role is to provide a recommendation to the City Council regarding the proposed enhanced shelter definition and regulations. They are not being asked to forward a recommendation relative to the rezone application.

Commissioner Callahan said she would be interested in additional language around metrics and reporting, particularly the data that would be made public. She would also like more information about the grant requirements and whether they could be incorporated into the proposed definition for enhanced shelters. Ms. Gierloff agreed to provide this additional information and suggested the Board could also review the Memorandum of Agreement that was negotiated with Lake City Partners.

Commissioner Rwamashongye suggested additional language could be added to address some of the fears that were voiced by the neighbors and encourage good neighbor relationships between the shelters and adjacent properties. He disclosed that he has walked with people who are homeless through a church-

sponsored tent city and learned that some of the biases are not so true. Much of the bias related to alcohol and drug use is vetted during the screening process, and he feels confident that the concerns can be addressed by the proposed amendment. He said he has had enough experience working with homeless people that he understands there are ways out, and he supports giving them opportunities. Again, he suggested that additional language and matrices could be added to address the fears that have been voiced.

Vice Chair Malek suggested that notice to property owners within ¼ mile of the subject property should be required for the enhanced shelter use. It will be important to solicit feedback from nearby property owners and communicate with them on a more real-time level about the potential impacts. Commissioner Rwamashongye agreed that engaging people within the surrounding neighborhood would be a good idea. When doing tent cities, they found opportunities to have barbecues and invite the neighbors so there was transparency. People were invited to visit the sites, and this helped remove biases. The church he attended provided a daycare facility on site, and there was concern about co-locating a tent city on the property. However, when they invited people to visit the site and shared more information about it, the number of biases were reduced. He suggested that the proposed amendment should require or at least encourage interaction with surrounding property owners. The more transparent you are on how a facility will operate, the better.

Chair Mork said she is also concerned about the metrics. Not only are metrics needed to measure the success of the program, but they need to include metrics that matter to the City and neighborhood. She would like the metrics to be much more defined to include impacts to surrounding properties.

Chair Mork asked if operators of enhanced shelters would be required to meet minimum criteria. For example, would there be insurance requirements? The criteria should be sufficient to ensure that the operators have enough experience to function successfully.

Chair Mork said she appreciates the requirement that the shelters must be separated by at least 1 mile, but it would only apply within the City of Shoreline. That means the City of Seattle could locate one on 145th Street and Aurora Avenue, which is closer than one mile to the property at N 165th Street and Aurora Avenue N. Ms. Gierloff explained that the City cannot block a shelter in another jurisdiction, but it could prohibit a shelter in the City that is within 1 mile of an existing shelter shelter, whether the existing shelter is located in Shoreline or not.

Chair Mork asked if additional criteria could be added that would prohibit the siting of enhance shelters within a certain proximity to some types of uses. For example, could they be prohibited from locating close to a school? Ms. Gierloff advised that some jurisdictions have enacted spacing requirements from other types of uses, but it is not something the City Council included in the interim regulation. She cautioned that if they prohibit enhanced shelters from locating within ½ mile from every park and trail, there would be very few viable sites that would work. She said they need to strike a balance between creating a flexible set of regulations that work for a variety of situations and being too prescriptive. They need to provide certainty but also give the City some flexibility to adapt to different types of situations. Chair Mork agreed, but encouraged staff to think about other separation requirements that might be reasonably appropriate.

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Commissioner Galuska referred to Criterion D, which requires that enhanced shelters be located with frontage on a principal arterial and within ¼ mile of a transit stop. In addition to the Aurora Avenue N corridor, he noted that the BRT line will open on 145th Street in 2023, which will open the quarter mile on the south end of 15th for the use, as well. He asked if tight language in the criteria is intended to keep the use in a specific area (Aurora Avenue). He noted that the train stations won't be within ¼ miles of a principle arterial, but changes in the bus system could move the stops around a bit. Ms. Gierloff emphasized that, as currently proposed, the use would only be allowed in the MB zones, which are primarily located along Aurora Avenue N and a few in the Ballinger area. She said the idea was to start small. If the experience is positive, the City could expand the use to other zones.

Chair Mork asked if the City would require that enhanced shelters have working kitchens and laundry facilities. She also asked if there would be criteria for the rooms. Ms. Gierloff said the facilities would be required to meet life-safety requirements and be able to show the City they could, in fact, provide the needed services. However, requiring large kitchens, etc. could significantly increase the cost and limit the places that would qualify. Chair Mork said she wasn't thinking necessarily about the size, but perhaps the City could require that the necessary elements of a kitchen are in good working order. Ms. Gierloff said the shelters would be required to provide hygiene facilities, but the kitchen is more of an operational decision as to whether they will cook on site or provide meals from another source. Again, she said the City could implement more specific requirements, but it would narrow the future options.

Vice Chair Malek noted that the building at N 165th Street and Aurora Avenue N was previously a nursing home that failed, and a lot of deferred maintenance will need to be addressed. He asked who would pay for the tenant improvements to make it habitable. Ms. Gierloff said grant funding will be used to do the necessary improvements, and the City of Shoreline has not been asked and has not contributed capital funding for the project.

Once again, Chair Mork asked if having a cooking facility available to the residents would be a requirement. Ms. Gierloff answered that the City would require the operator to meet certain performance standards that ensure they are providing hygiene, food, and other basic needs. However, the City would not dictate specifically how these basic services must be provided.

Commissioner Rwamashongye commented that the City needs to have regulations that ensure that enhanced shelters provide livable conditions. Ms. Gierloff noted that one of the criteria would require life-safety inspections by the Department of Health and the Fire Department to make sure that all building and residential code requirements are being met.

Vice Chair Malek also felt that kitchen facilities should be required. Absence of this opportunity, he questioned how the residents would become ready to go out on their own. If enhanced shelters are intended to offer full-time occupancy, the facility should be required to provide a functioning kitchen.

Commissioner Callahan observed that there is an urgency associated with the proposed amendments, and a number of communities are working on different solutions. She noted that the King County Growth Plan identifies Shoreline as a high-transit community. She would be interested in knowing if other communities that are designated as high-transit communities allow enhanced shelters. She said she

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supports the new criteria that requires the shelters to be located near good transit, but perhaps the City could learn from other communities as they try to figure out the best locations.

Ms. Gierloff said the City Council placed the proposed amendment as high priority because there isn't another 24/7 shelter in North King County. The City of Bellevue has been trying to site a men's shelter for a number of years, and they are also in a position of getting light rail. The City of Seattle has multiple shelters, but they aren't evenly distributed.

UNFINISHED BUSINESS

Chair Mork thanked Ms. Gierloff for directing the Commissioners to the presentation on February 4th to the City Council. It was very interesting to see how the City fits in with the county, the region and the state and to learn about the new rules that are coming out.

NEW BUSINESS

There was no new business.

REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS

Regarding Point Wells, Assistant City Attorney Ainsworth-Taylor reported that BSRE appealed the Hearing Examiner's latest dismissal of their resubmitted application to the Snohomish County Council.

AGENDA FOR NEXT MEETING

Ms. Gierloff advised that a public hearing on the Housing Action Plan is scheduled for the March 4th meeting. The draft document will be available to the Commissioners a few days earlier than normal. Mr. Szafran advised that the first batch of Development Code amendments will also be presented to the Commission on March 4th. The first batch includes time sensitives items that could shape future development in the near term.

ADJOURNMENT

The meeting was adjourned at 8:30 p.m.	
Laura Mork Chair, Planning Commission	Carla Hoekzema Clerk, Planning Commission

Planning Commission Meeting Date: March 4, 2021 Agenda Item 6a.

PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Housing Action Plan Hearing and Recommendation Staff Report					
DEPARTMENT: PRESENTED BY:	Planning & Community Development Nora Gierloff, Planning Manag				
✓ Public Hearin✓ Discussion	g Study Session Update	☐ Recommendation On☐ Other			
INTRODUCTION					
Choices Project to ex	nd Community Development wor pand the types of housing in Sho ns including cottages, tiny house				
In 2019 the Washington State Department of Commerce offered Growth Management Services Grants to fund creation of Housing Action Plans. Shoreline applied for grant funds to hire a consultant to develop a Housing Action Plan (HAP) that would expand the scope of the Housing Choices Project. This includes a deeper analysis of existing housing conditions (Housing Needs Assessment), evaluation of the effectiveness of the current incentives (Regulatory Review), identifying additional housing tools and types (Housing Toolkit), supporting public outreach efforts, and developing a prioritized schedule of strategies to address community housing needs. This work will also set the stage for an update to the Housing Element of the Comprehensive Plan, which is due by June 2024. This Plan will focus on permanent housing, not shelters or other services for those experiencing homelessness.					
 Understand ho Understand wh Understand wh Understand wh Review existing gaps, and find 	hat housing types the market what households are experiencing here and how additional housing housing strategies to see house opportunities for improvement; aleas to meet Shoreline's specific	re housing is needed in Shoreline rill provide; housing challenges; g can fit in Shoreline; ow well they are working, identify and			
The Planning Commission was briefed on the scope and schedule of this work and the draft Housing Needs Assessment on July 16, 2020. On November 5, 2020 the PC					
Approved By:	Project Manager	Planning Director			

discussed the draft Housing Toolkit and on December 17th staff provided additional information to follow up on PC questions about the toolkit. On January 21st the PC prioritized the toolkit actions and reviewed consistency with the existing Comprehensive Plan Housing Element. Tonight's hearing will focus on two items:

- 1) Review of the complete Housing Action Plan in Attachment A, and
- 2) PC recommendation to the City Council.

BACKGROUND

Development of a Housing Action Plan will help to implement City Council Goal 1: Strengthen Shoreline's economic climate and opportunities. The Council goals include an action step of:

"Encourage affordable housing development in Shoreline and engage the community to determine which additional housing types and policies may be appropriate for Shoreline and codify standards for selected styles."

The Action Plan evaluates the effectiveness of current incentives and regulations and makes recommendations for fine tuning or adding additional tools. The Plan will also recommend actions to prevent the current rapid growth in the City's housing stock from leaving out our cost-burdened residents, including those in the middle earning 80% to 120% of area median income (AMI). By developing options for additional housing types for densities between single family and mid-rise apartments Shoreline could diversify its housing stock and promote infill in lower density residential zones.

PROPOSAL & ANALYSIS

Following is a more detailed discussion of the Plan components.

Housing Needs Assessment

Community Attributes (CAI), our consultants, have completed an analysis of Shoreline's existing housing stock, population demographic trends, housing affordability and forecasted housing needs and is available on the Housing Action Plan website: https://www.shorelinewa.gov/government/departments/planning-community-development/long-range-planning/housing-action-plan . A summary of this information is included in the Housing Action Plan.

Outreach

CAI developed an "online open house" website for the project. This website summarized key findings on Shoreline's housing needs and provided an opportunity for feedback by embedding survey questions alongside this information. Some of the key findings of the survey are:

- **Representation:** Renters provided 28% of responses which is lower than their numbers in the community but a higher response rate than is typical in Shoreline.
- Affordability: 75% of renters reported always or sometimes having difficulty paying for their housing, while only 20% of homeowners reported similar challenges.

- **Housing Toolkit:** Participants were asked to identify which of four "missing middle" housing types they would most like to see in Shoreline:
 - 36% of responses selected cottage housing
 - 21% of responses identified ADUs without ownership restrictions
 - 14% provided open responses, including:
 - 7% referenced condominiums
 - 7% referenced small homes and low-density multifamily types like duplexes
- Action Plan Priorities: Participants were asked to select up to three (out
 of 11) housing priorities as most important for the Housing Action Plan. Each of
 the following priorities were selected as a top priority by at least 30% of
 responses:
 - Maintaining housing quality and preventing blight
 - More affordable rental housing
 - Preventing displacement of low-income residents
 - Expanding access to home ownership
 - Creating more environmentally sustainable housing

Housing Toolkit

The purpose of the Housing Toolkit is to provide a range of options to address Shoreline's housing needs including both new tools and potential revisions to existing tools. These tools were refined and prioritized based on feedback from the Planning Commission, community, housing and human services stakeholders, and City leadership.

First there is an analysis of Shoreline's existing housing policies and incentives such as density bonuses, fee waivers etc. to determine their effectiveness in creating quality, affordable housing. Then there is an evaluation of new approaches and best practices that may be relevant to Shoreline's particular housing needs. This includes options for the "missing middle" housing types. Based on feedback from the Planning Commission an additional policy action, regulating short term rentals, was added for consideration. Finally, there are recommendations to minimize displacement of existing low-income residents as Shoreline experiences redevelopment.

At the January 21st meeting the PC reviewed and prioritized the Toolkit actions. A summary of this information is included in the Housing Action Plan in Attachment A.

Comprehensive Plan Housing Element

Shoreline's Housing Element goals in the current Comprehensive Plan have been evaluated in light of the analysis in the Housing Action Plan. There is a strong alignment between the existing language and the analysis performed and issues identified in the Housing Action Plan.

All jurisdictions in King County are required to update their Comprehensive Plans by June of 2024. The Countywide Planning Policies are currently being updated by the Growth Management Planning Council which expects to recommend new language as

well as updated growth targets to the King County Council by mid-2021. At that time Shoreline will perform a consistency review of our Comprehensive Plan with these overarching policies and bring a Housing Element with updated language through the annual Comprehensive Plan amendment process in 2022. The Housing Action Plan will act as a background report for that action.

TIMING AND SCHEDULE

The draft Housing Action Plan will be presented to the Planning Commission for a recommendation at a public hearing on March 4th. Council review will follow later in March. Under the grant terms the final Plan will need to be adopted by the City Council no later than June 30, 2021.

RECOMMENDATION

Review the complete Housing Action Plan and make a recommendation to the City Council.

<u>ATTACHMENT</u>

Attachment A – Draft Housing Action Plan







City of Shoreline

Housing Action Plan

March 2021









Acknowledgements

The City of Shoreline wishes to thank the following participants and stakeholders in the Shoreline Housing Action Plan process for their valuable guidance, support, and technical contributions to this important document.

Shoreline City Council

Mayor Will Hall
Deputy Mayor Keith Scully
Doris McConnell
Keith McGlashan
Betsy Robertson
Chris Roberts
Susan Chang

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Introduction

Background and Purpose

The City of Shoreline developed this Housing Action Plan (HAP) with support from the Washington State Department of Commerce. Washington State House Bill 1923 enacted one-time planning grants for cities to complete specific actions to support housing affordability. Shoreline's grant specifically funds the creation of a HAP.

The HAP provides an array of City-led initiatives that encourage the provision of housing at prices affordable to all of Shoreline's residents, now and in the future. This plan identifies the City of Shoreline's greatest housing needs and associated housing tools to address these needs.

Housing Action Plan Objectives

The HAP is meant to provide City-led actions and initiatives to encourage the production of sufficient affordable and market rate housing. The Plan's content is informed by two products - the Housing Needs Assessment and the Housing Toolkit, which are summarized in this document. The Housing Needs Assessment provides the quantitative data and analysis required to understand Shoreline's housing needs, while the Housing Toolkit will identify appropriate options to address those needs and form the basis of an action plan.

Broadly, the HAP intends to:

INTRODUCTION

- Increase the supply of housing in Shoreline;
- Increase the variety of housing types available in Shoreline;
- Provide more affordable housing Citywide;
- Serve low-income households and minimize displacement; and
- Preserve existing housing units in Shoreline, where appropriate.

Relationship to Other Plans

The HAP complements several of Shoreline's adopted plans and policies. The 2008 Comprehensive Housing Strategy lays out the increasing affordability concerns in Shoreline and the specific populations most affected. This HAP builds on the ideas from that plan while providing more detailed policy recommendations. The HAP also helps to implement the Shoreline Comprehensive Plan Housing Element. The 148th and 185th Street station area plans include designs for new walkable urban neighborhoods, including new rental and for sale housing. The HAP will help the City to encourage housing development in the station areas to meets the needs of local residents.

The Planning Process

The City of Shoreline identified the priorities presented in this Action Plan through data analysis and stakeholder outreach. The analysis in the Housing Needs Assessment relies on both primary data and secondary data collection. Primary data includes findings from interviews and data provided from local housing experts and Shoreline's community. Secondary data analysis leverages data published by federal, state and local government resources, as well as proprietary real estate data, such as from CoStar and regional market reports from real estate brokerages. This analysis also leverages internal City of Shoreline data sources, including its buildable lands analysis and permit database.

Stakeholder outreach took place throughout 2020 and included technical experts, local leadership, and the broader community impacted by housing policy. A website dedicated to this project provided the community with project updates, draft reports and opportunities to comment on the process and work products. The website facilitated a virtual open house to ensure broad public participation despite public health-related limits on in-person gatherings. To support broad participation, the open house website offered on-demand translation into multiple languages.

3

Organization of This Report

This Housing Action Plan is organized into the following sections.

Housing Needs Assessment. This section presents a summary of data and analysis to identify Shoreline's housing needs, including for a variety of housing types and for housing at various price levels. The full report is available in the appendix.

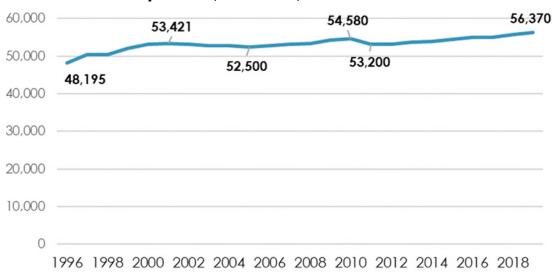
Regulatory Review. This section assesses the relationship between the objectives of the HAP and the goals and policies of the Comprehensive Plan's Housing Element. It also presents an analysis of the effectiveness of various regulatory tools that Shoreline already uses to stimulate housing production. The full report is available in the appendix.

Housing Toolkit and Action Plan. This section presents an initial list of potential interventions or "tools" to address Shoreline's identified housing needs, as well as an action plan based on the tools that stakeholders and policymakers have identified as priorities for implementation.

Housing Needs Assessment

The City of Shoreline is a predominantly residential community immediately north of Seattle. The City has grown from about 48,200 residents in 1995 to about 56,400 residents in 2019 (**Exhibit 1**), largely due to a transition from a community predominantly characterized by low-density single family neighborhoods, to a dynamic community with several dense transit-oriented and mixed-use centers. While single family housing units still comprise the majority of all housing units in Shoreline, recent housing development has provided thousands of multifamily units and townhouses. Large new multifamily developments have been concentrated along Shoreline's east-west arterials and the north/south Highway 99/Aurora Avenue corridor.

Exhibit 1. Total Population, Shoreline, 1995-2019



Source: Washington Office of Financial Management, 2020

Shoreline's residential character is reflected in the ratio of local jobs to housing units. Shoreline has a jobs-tohousing units ratio of 0.7, lower than the regional ratio of 1.3, and similar to neighboring Edmonds (Exhibit 2). Cities with high jobs-to-housing unit ratios are employment centers, while cities with very low ratios are predominantly residential or "bedroom communities". Many Shoreline residents commute to jobs in other places, including Seattle.

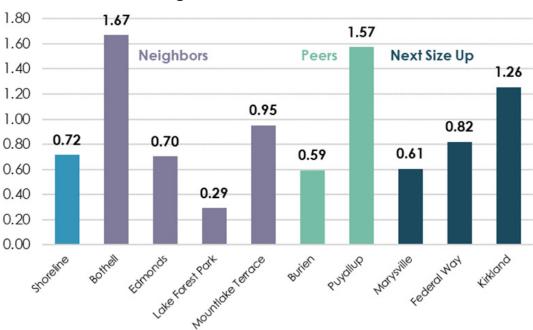


Exhibit 2. Jobs-Housing Ratios, Shoreline and Peer Communities

Sources: Puget Sound Regional Council, 2018; Washington Office of Financial Management, 2018

Age composition data indicates that the City has a large workforce-age population, with recent growth for adults age 25-34 and a small increase in children under 5 (**Exhibit 3**). At the same time, the City may be drawing an increasing number of retirees or retaining a population that is aging in place, as evidence by the increase in Shoreline's population aged 65-74. Generally, families with children prefer larger, detached homes, while young adults without children and older adults and empty nesters prefer smaller housing units with lesser maintenance requirements and higher walkability. In this way, age becomes a key consideration in ensuring a balanced housing stock.

7

Population 20% 2010 2018 17% 18% 16% 4% 14% 12% 12% 10% 10% 7%8% 8% 6%_{5%} 5%_{4%} 5% 5% 6% 4%5% 3%3% 4% 2% 0% Under 5 to 9 10 to 15 to 20 to 25 to 35 to 45 to 55 to 60 to 54 14 19 24 34 44 59 64 74 84

Exhibit 3. Distribution of Residents by Age, Shoreline, 2010 & 2018

Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Most of Shoreline's households consist of only one or two people, renters and homeowners included. The number of Shoreline households with children has declined since 2010, despite the increase in children under five years of age (**Exhibit 4**). Households with an individual over 65 increased significantly from 2010 to 2018.

Exhibit 4. Shoreline Select Household Characteristics, 2010-2018

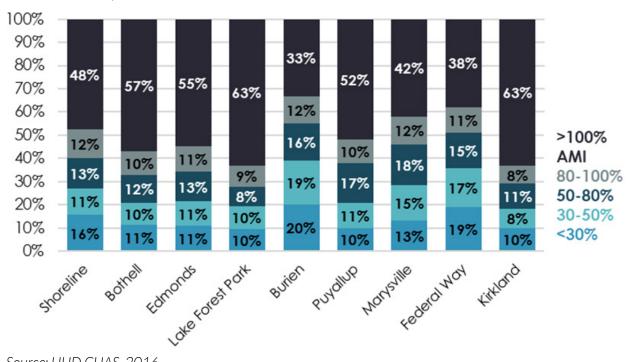
			Change
	2010	2018	2010-2018
Total Households	21,152	22,160	1,008
Households with Children	6,048	5,924	(124)
Single-Person Households	6,195	6,401	206
Household with an Individual	4,717	6,661	1,944
Over 65			
Disabled Civilian Population*	6,608	7,093	485

Source: US Census Bureau, American Community Survey 5-Year

Estimates, 2006-2010; 2008-2012; 2014-2018

About 52% of Shoreline's households make less than the area median income (AMI) (**Exhibit 5**). Households with incomes below 50% area median income are the most likely to face affordability challenges in Shoreline, as is the case throughout King County, and more than one-quarter of Shoreline's household fall into this category. As housing costs rise regionally, even households earning more 50% of AMI may become cost burdened.

Exhibit 5. Household Income Composition, Shoreline and Peer Communities, 2018



Source: HUD CHAS, 2016

Demand for housing is high, and the City has not had more than three or four months' worth of supply for sale at any point since 2012 (**Exhibit 6**). Home prices have appreciated more rapidly in recent years compared to similar Puget Sound cities. The median-priced home (\$620,000) may be out of reach of the median family household in Shoreline (\$100,756 annual income). Rents have also been climbing, though at a similar rate to the region. Today a household must earn at least \$82,000 per year to affordably pay the median rent of \$2,055, compared to \$57,700 a year to afford the 2010 median rent of \$1,444.

Exhibit 6. Median Sale Price and Residential Market Months of Supply, City of Shoreline, 2012-2019

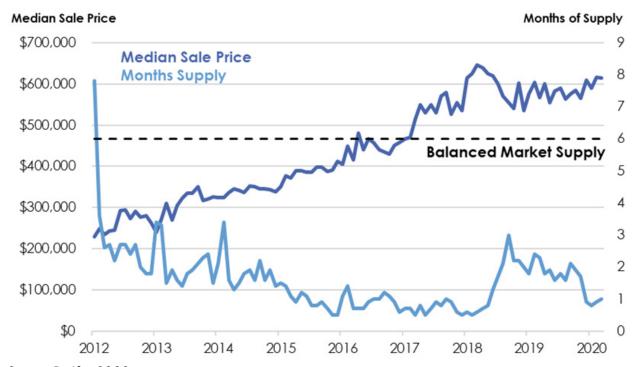
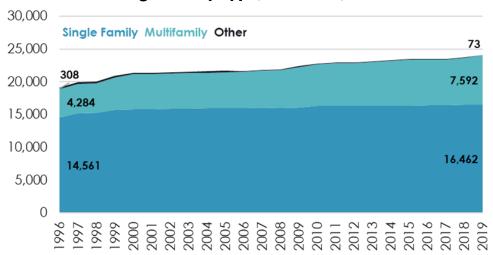


Exhibit 7 illustrates the growth in total housing units in Shoreline, as well as the distribution of housing units by type. The data indicate that, while single family homes still predominate, most of the growth in Shoreline since 1995 is due to new multifamily housing. Approximately 31.5% of all housing units in Shoreline are multifamily today, compared to about 22.4% in 1995.

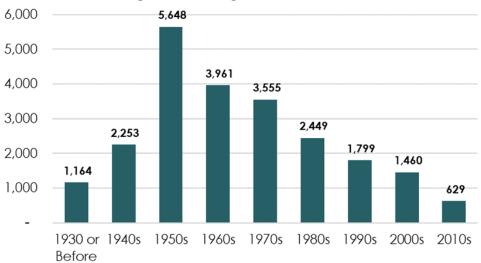
Exhibit 7. Housing Units by Type, Shoreline, 1995 - 2020



Source: VVashington State Office of Financial Management, 2019

Much of Shoreline's single family housing stock was built in response to the post-World War II housing boom and is now aging (**Exhibit 8**). When the City's two new light rail stations open in 2024, it may begin to capture a higher share of regional growth, which could fuel more rapid changes to the built environment. As housing prices increase, redevelopment will be feasible for more of the City's older homes. This could bring the potential for displacement and substantial neighborhood change.





Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Key Findings

- > The households most likely to be cost burdened in Shoreline are **renters below 50% AMI**. Shoreline needs more dedicated affordable units serving renters in this income segment. This is best accomplished in partnership with nonprofit and public housing providers.
- > Shoreline has an **overall housing shortage** that is part of a regional lack of supply. This has created upward pressure on prices, particularly in for-sale units. The current median home price may now be unaffordable for the typical Shoreline family.
- > Rents have risen so that **renters between 50% and 80% AMI will now struggle to find affordable housing in Shoreline.** Renters above 80% AMI will now struggle to build sufficient savings to buy a home.
- > Most of Shoreline's households consist of one or two people. Among these households there are two potential subgroups to consider for housing planning purposes **seniors and young adults**. There is strong demonstrated demand for townhouses, which may be of interest to this demographic. There may be untapped demand for additional smaller housing types, such as cottage housing and small-lot single family development.
- > Shoreline's midcentury single family homes will be attractive for redevelopment as prices rise. This will bring a shift toward more multifamily development in multifamily zones, and more high value, large homes in single family zones. As prices rise, Shoreline will likely attract more high-income households.



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Regulatory Review

This regulatory review provides an overview and assessment of Shoreline's current policies and programs intended to support the City's housing goals. This summary presents high level findings from the Regulatory Review Report, which is a standalone document that is included as an appendix to this HAP. Some findings and recommendations from this section are also included as tools in the Housing Toolkit.

Exhibit 9 illustrates how the objectives of the HAP are aligned with the goals and policies of the City of Shoreline's Comprehensive Plan Housing Element.

Exhibit 9. Shoreline Housing Element Alignment Goals and Objectives

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Increase Housing Supply	Goal H I: Provide sufficient development capacity to accommodate the 20 year growth forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.	H3: Encourage infill development on vacant or underutilized sites.
		H4: Consider housing cost and supply implications of proposed regulations and procedures. H2: Provide incentives to encourage residential development in commercial zones, especially those within proximity to transit, to support local businesses
Increase Variety of Housing Types	Goal H II: Encourage development of an appropriate mix of housing choices through innovative land use and well- crafted regulations.	H1: Encourage a variety of residential design alternatives that increase housing choice.
	and the second of ₩ of the second of the se	H5: Promote working partnerships with public and private groups to plan and develop a range of housing choices. H6: Consider regulations that would allow cottage housing in residential areas, and revise the Development Code to allow and create standards for a wider variety of housing styles.

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
	Goal H VI: Encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities.	H24: Explore the feasibility of implementing alternative neighborhood design concepts into the City's regulations. H26: Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs, such as those fleeing domestic violence, throughout the city and region. H27: Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use.
Increase Supply of Housing Affordable to All Income Levels	Goal H III: Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of Area Median Income.	H7: Create meaningful incentives to facilitate development of affordable housing in both residential and commercial zones, including consideration of exemptions from certain development standards in instances where strict application would make incentives infeasible. H8: Explore a variety and combination of incentives to encourage market rate and non-profit developers to build more units with deeper levels of affordability. H9: Explore the feasibility of creating a City housing trust fund for development of low-income housing. H10: Explore all available options for financing affordable housing, including private foundations and federal, state, and local programs, and assist local organizations with obtaining funding when appropriate H11: Encourage affordable housing availability in all neighborhoods throughout the city, particularly in proximity to transit, employment, and educational opportunities. H13: Consider revising the Property Tax Exemption (PTE) incentive to include an affordability requirement in areas of Shoreline where it is not currently required, and incorporate tiered levels

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
		would be required if they were affordable to lower income households.
		H15: Identify and promote use of surplus public and quasi-publicly owned land for housing affordable to low- and moderate-income households H16: Educate the public about community benefits of affordable housing in order to promote acceptance of local proposals. H17: Advocate for regional and state initiatives to increase funding for housing affordability. H18: Consider mandating an affordability component in Light Rail Station Areas or other Transit-Oriented Communities. H19: Encourage, assist, and support non-profit agencies that construct, manage, and provide services for affordable housing and homelessness programs within the city. H25: Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations. H29: Support the development of public and private, shart-term and long-term housing and services for Shoreline's population of people who are homeless.
Increase Supply of Housing Affordable to All Income Levels (cont.)	Goal H VII: Collaborate with other jurisdictions and organizations to meet housing needs and address solutions that cross jurisdictional boundaries.	H28: Improve coordination among the County and other jurisdictions, housing and service providers, and funders to identify, promote, and implement local and regional strategies that increase housing opportunities. H30: Collaborate with King and Snohomish Counties, other neighboring jurisdictions, and the King County Housing Authority and Housing Development Consortium to assess housing needs, create affordable housing opportunities, and coordinate funding.

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Minimize Displacement of Low-Income Residents Resulting from Redevelopment		H31: Partner with private and not-for- profit developers, social and health service agencies, funding institutions, and all levels of government to identify and address regional housing needs. H32: Work to increase the availability of public and private resources on a regional level for affordable housing and prevention of homelessness, including factors related to cost- burdened households, like availability of transit, food, health services, employment, and education. H33: Support and encourage legislation at the county, state, and federal levels that would promote the City's housing goals and policies. H14: Provide updated information to residents on affordable housing opportunities and first-time home ownership programs.
Support Preservation of Existing Housing	Goal H IV: "Protect and connect" residential neighborhoods so they retain identity and character, yet provide amenities that enhance quality of life.	H12: Encourage that any affordable housing funded in the city with public funds remains affordable for the longest possible term, with a minimum of 50 years. H20: Pursue public-private partnerships to preserve existing affordable housing stock and develop additional units. H21: Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image. H22: Continue to provide financial assistance to low-income residents for maintaining or repairing health and safety features of their homes through a housing rehabilitation program.
Additional Local Priorities	Goal H IX: Develop and employ strategies specifically intended to attract families with young children in order to support the school system.	

Housing Action Plan	Associated Shoreline Housing	Associated Shoreline Housing Element
Objective	Element Goals	Policies
	Goal H V: Integrate new development with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.	H23: Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.

While the Comprehensive Plan is generally well-aligned with the goals of the HAP, the Regulatory Review Report identifies two potential additions to the Comprehensive Plan to further enhance alignment.

- > Add goal(s) and policies on minimizing displacement of low-income residents.
- > Describe the connection of other Comprehensive Plan elements to housing goals (infrastructure investments, parks plans, and more, for example).

Regulatory Effectiveness

The City has employed several highly effective strategies to increase its housing supply, including a multifamily tax exemption (MFTE) program and several planned actions intended to lower the regulatory barriers to redevelopment. It also has several promising programs to increase affordable housing for low- and moderate-income renters, including inclusionary zoning in its station areas.

Several current programs are either underutilized or have the potential to be more effective with adjustments. The City's density bonus and parking reduction programs have not been well utilized. This may be explained by how specific programs are designed and/or a lack of awareness among the development community about all the incentives Shoreline offers. Clear marketing materials compiling all local incentives and demonstrating how they can benefit typical projects could bolster the effectiveness of multiple programs.

There are several opportunities to increase housing variety. These include revising requirements for ADUs, permitting cottage housing, and regulating residential areas based on form to afford more flexibility in the density and intensity of development.

In general, the most significant issues to address with new housing tools are serving very low-income households and minimizing displacement. Partnerships with local affordable housing and related service providers will be important in advancing these goals.

The matrix in **Exhibit 10** illustrates the relationship between the objectives of the HAP and Shoreline's current housing programs and policies. Current policies that could be improved are candidates for inclusion in the Housing Toolkit, and each of these areas are explored in detail in the following sections.

Exhibit 10. Shoreline Housing Tools Assessment Matrix

	Increase Housing Supply	Increase Housing Variety	Increase Affordable Housing Supply	Minimize Displacement	Preserve Existing Housing
Funding and Related Resources					
Multifamily Tax Exemption	• ↑	• ↑	$\bullet \leftrightarrow$		$\circ \leftrightarrow$
Permit Fee Waivers for Affordable Housing			$\circ \leftrightarrow$		
Sales and Use Tax Credit			$\circ \leftrightarrow$	$\bullet \leftrightarrow$	$\bullet \leftrightarrow$
Zoning Strategies					
Accessory Dwelling Units	$\circ \leftrightarrow$	$\bullet \leftrightarrow$	$\circ \leftrightarrow$	$\circ \leftrightarrow$	$\circ \leftrightarrow$
Deep Green Incentive Program					
Density Bonuses	$\bullet \leftrightarrow$		$\circ \leftrightarrow$		
Inclusionary Zoning			• ↑		
Parking Reductions	$\circ \leftrightarrow$		$\circ \leftrightarrow$		
Planned Action EIS	• ↑	○↑			

Tool Potential Score

- Can be highly effective to serve this objective
- Can benefit this objective, but is not likely to have a major impact

Shoreline Application Score

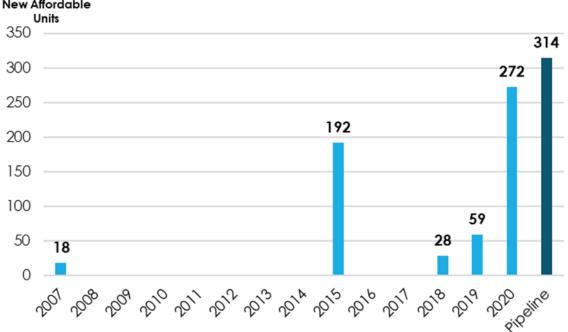
- Program is appropriately designed to achieve its potential, opportunities for improvement may boost impact
- ← Improvements are required to achieve potential

Increasing the Supply of Market Rate and Affordable Housing

Shoreline completed a significant upzone for its light rail station areas five years ago and saw an increase in townhouse development as a result. The first multifamily projects in the station areas are currently in the permitting and construction phases. The City also offers several incentives that allow developments to exceed standard densities through the provision of affordable housing units. **Exhibit 11** indicates that the MFTE program can be effective in encouraging development, as it has provided hundreds of affordable units in Shoreline in recent years, though program adjustments may be warranted to maximize the program's effectiveness in Shoreline.

Exhibit 11. Affordable MFTE Units by Year Built, Shoreline, 2007 - 2020

New Affordable



Source: City of Shoreline, 2020

Density bonuses and parking reductions are tools to support this objective but have not been well-utilized in Shoreline. Adjustments to these programs could support development, particularly in station areas.

Because Accessory Dwelling Units (ADUs) are built one unit at a time and are limited to yards or homes with sufficient space and homeowner interest, they are not likely to have add a significant number of housing units Citywide. However, they are beneficial insofar as they provide housing options that fit the needs of certain demographic segments of the population. There are several clear opportunities to encourage ADU development, which are detailed in following section on housing variety.

The above tools may suffer from a lack of awareness among developers, so comprehensive marketing efforts may benefit multiple housing objectives.

Increasing the Variety of Housing Types

The MFTE program is highly effective in encouraging denser multifamily development, particularly in areas with strong housing markets. Participation is uneven across target areas, and modifying the program to allow an 8-year exemption without an affordability requirement may be helpful to encourage development in areas where it has not occurred. Though waiving the affordability requirement would allow developers to benefit from the property tax exemption without providing affordable units, an 8-year option would still add to the City's housing stock and diversify its housing supply.

ADUs can add housing units in existing neighborhoods without adversely affecting neighborhood character. Reevaluating owner-occupancy requirements and parking requirements for ADUs are two opportunities for Shoreline to further encourage ADU development.

There are also opportunities to encourage "missing middle" housing types, including permitting cottage housing. The City should consider opportunities for both rental and home ownership, particularly smaller for-sale units that are of interest to demographic segments such as young adults and seniors, both of which are less likely to live with children. The City may also benefit from considering zoning adjustments to residential zones that regulate based on form and bulk, allowing greater flexibility for unit density.

Increasing Supply of Housing Affordable to All Income Levels

Shoreline has employed several effective tools to encourage housing that is affordable to households earning 70-80% of area median income (AMI). There is an opportunity to expand the inclusionary zoning program to include home ownership. There may also be an opportunity to enhance these tools to achieve a slightly deeper subsidy, though these tools are never sufficient on their own to serve households below 50% AMI. Households earning less than 50% AMI are also the most likely to face affordability challenges and the most vulnerable to housing insecurity.

Preserve Existing Housing

Preservation goals should be balanced with goals to increase the housing supply to avoid market imbalances. Specific preservation goals which may be appropriate for the housing toolkit include identifying strategies to maintain the affordability of dedicated affordable housing as it reaches the end of its compliance period. Another consideration is targeted preservation where the risk of displacement is high.



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Housing Toolkit & Action Plan

This section presents an initial Housing Toolkit, which is broad and includes policy options for consideration and potential implementation by the City of Shoreline. This section also includes an Action Plan based on a preliminary prioritization of certain Toolkit options. Toolkit options not currently selected for prioritization offer options for the City to consider in the future.

Toolkit At-A-Glance

The following list offers a high-level summary the Housing Toolkit and includes specific actions aligned with the HAP objectives. The list is based on opportunities for Shoreline that were identified in the regulatory review, as well as other housing tools available to Washington cities.

Increasing Housing Supply & Variety

- > Action 1.1 "Missing Middle"-Friendly Zoning
- > Action 1.2 Cottage Housing
- > Action 1.3 Small Lot Single Family
- > Action 1.4 Accessory Dwelling Units
- > Action 1.5 Multifamily Tax Exemption
- > Action 1.6 Parking Reductions
- > Action 1.7 Planned Action EIS
- > Action 1.8 Deep Green Incentive Program

Increasing Affordable Housing Supply

- > 2.1 Moderate Income Housing Supply
 - Action 2.1.1 Development Agreements
 - Action 2.1.2 Density Bonuses
 - Action 2.1.3 Inclusionary Zoning
 - Action 2.1.4 Surplus Land and Property for Affordable Housing
 - Action 2.1.5 Density Bonus on Large Single-Family Lots
 - Action 2.1.6 Tiny Houses
- > 2.2 Low Income Housing Supply
 - Action 2.2.1 Local Affordable Housing Levy
 - Action 2.2.2 Real Estate Excise Tax 2 (REET 2)
 - Action 2.2.3 Partner with Affordable Housing Providers
 - Action 2.2.4 Permit Fee Waivers for Affordable Housing
 - Action 2.2.5 Sales and Use Tax Credit

Affordable Home Ownership

- > Action 3.1 Down Payment Assistance
- > Action 3.2 Support Community Land Trusts
- > Action 2.1.3 Inclusionary Zoning

Homeowner Stability & Minimizing Displacement

- > Action 4.1 Homeowner Stability Program
- > Action 4.2 Housing Incentive Marketing Program
- > Action 4.3 Develop Short Term Rental Regulations for Houses, ADUs and/or Condos

Section 1:

Tools to Increase Housing Supply & Variety

Increasing housing supply is a critical need for Shoreline if it is to continue housing the people and their children who have historically called it home. New housing also can also support new retail and amenities for the city. Increasing housing variety is both necessary due to limited buildable land and desirable, because it allows the housing stock to naturally support people of different ages and incomes.

Action 1.1: Missing-Middle Friendly Zoning

Missing Middle-friendly zoning would modify current zones or create new ones that are more permissive of housing types that are denser than single family detached housing but smaller than 4 story apartment buildings. These types are generally 1 to 2.5 stories high, ranging up to 3 stories in some cases. Missing middle is invaluable housing due to its relative affordability, variable unit sizes appropriate for young people, seniors, and small families, enough density to encourage new retail development, and its ability to blend in within single family neighborhoods while adding potentially significant new housing supply. Missing middle housing is arguably the most powerful market-based tool the city has to encourage its housing supply and variety goals.



Grandfathered multifamily homes in Portland (Photo Credit: Sightline Institute)



Anacortes duplex (Photo Credit: Sightline Institute)

Implementation Considerations

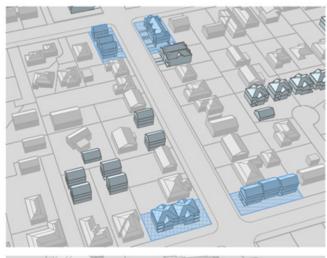
Important implementation considerations for this action, including the entity responsible for each action, the general timeframe for implementation and general level of public investment required.

The City's Department of Planning and Community Development would need to lead the design and implementation of missing middle-friendly zoning. Significant zoning changes require substantial political effort and coordination and would potentially take years to complete, depending on the scale of the changes. Public participation would need to be thorough, with special considerations taken to include the full breadth of the community in the process. Rezoning is a relatively affordable option as there is no continuing expense associated with it after the districts are revised/established, although rezones that significantly affect development capacity will need to be coordinated with the City's capital facilities plan to ensure adequate infrastructure and service provision.

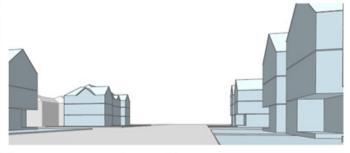
Att. A - Draft Housing Action Plan

Exhibit 12 presents a representation of how missing-middle housing units could fit with existing development patterns in Shoreline. **Exhibit 13** presents the regulatory provisions used to generate the illustration, which could be considered at implementation.

Exhibit 12. Missing-Middle Infill Representation







RESIDENTIAL ZONE	CURRENT	OPTION 1	MISSING MIDDLE" AT CORNERS AND BLOCK ENDS
STANDARDS	R=6		
Base Density: Dwelling Units/Acre	6	none	Unit size 600sf min/2500sf max
Min, Density	4	4	
Min. Lot Width	50 ft.	50 ft	
Min. Lot Area	7200	7200	
Min. Front Yard Setback	20 ft	20 ft	
Min. Rear Yard Setback	15 ft	15 ft	
Min. Side Yard Setback	5 ft min.	5 ft min.	
	30 ft.	30 ft	
Height	(35 ft with pitched roof)	(35 ft with pitched roof)	
Distance between units		n/a	Units can be attached or detached
Max. Building Coverage	35%	35%	
Max Building Coverage	2520	2520	
Max Unit Count on Min Lot	1	12 studios/3 houses	
FAR (no. stories x lot coverage/lot size)	1.05	1	
Max. Hardscape	50%	50%	
Parking		1/.75/.5 per unit	

Exhibit 13. Missing Middle Regulatory Provisions

RESIDENTIAL ZONE	CURRENT	OPTION 1	MISSING MIDDLE' AT CORNERS AND BLOCK ENDS
STANDARDS	R-6		
Base Density: Dwelling Units/Acre	6	none	Unit size 600sf min/2500sf max
Min. Density	4	4	
Min. Lot Width	50 ft	50 ft	
Min. Lot Area	7200	7200	
Min. Front Yard Setback	20 ft	20 ft	
Min. Rear Yard Setback	15 ft	15 ft	
Min. Side Yard Setback	5 ft min.	5 ft min.	
	30 ft	30 ft	
Height	(35 ft with pitched roof)	(35 ft with pitched roof)	
Distance between units		n/a	Units can be attached or detached
Max. Building Coverage	35%	35%	
Max Building Coverage	2520	2520	
Max Unit Count on Min Lot	1	12 studios/3 houses	
FAR (no. stories x lot coverage/lot size)	1.05	1	
Max. Hardscape	50%	50%	
Parking		1/.75/.5 per unit	

Performance Measures

Some major efficacy metrics the City should track include the number of raw and net units built in newly legal missing middle housing types, number of lots redeveloped, mean new unit square footage (by housing type if possible), and average new unit price (by housing type if possible). Some other revealing metrics would include the size of property assemblages for new development in lots or acres and new units produced by type. The former is useful, because smaller assemblages signify economic competitiveness at smaller scales, which facilitates small developer participation, promotes visual variety in the new housing stock, and reduces the development's visual impact in any one location. New units by type allows the city to determine whether one middle type is dominant so a response (or lack thereof) could be considered.

Action 1.2: Cottage Housing

Cottage Housing is a type of missing middle housing that generally allows for small 1 or 2 story houses that may be attached or detached that may not have a backyard but instead are arranged around a common interior courtyard. Houses are small, generally 700-1,200sf. Those dimensions may allow for naturally moderate-income housing that is well suited to seniors and small families. They blend easily in single family neighborhoods, appearing similarly to two single family houses from the street, and they fit well into large lots or assemblages of 2-3 small lots. Those characteristics mean that Cottage Housing meets housing supply and variety goals.



Cottage cluster. (Photo Credit: Sightline Institute)

Implementation Considerations

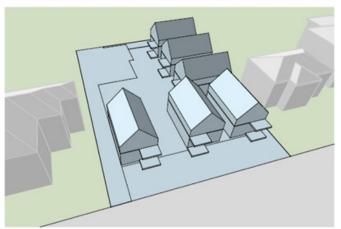
Implementation considerations would be the same as in for Missing Middle-Friendly Zoning, but possibly easier due to the smaller zoning change.

Exhibit 14 presents a representation of how cottage housing units could fit with existing development patterns in Shoreline. **Exhibit 15** presents the regulatory provisions used to generate the illustration, which could be considered at implementation.

Exhibit 14. Cottage Housing Design Representation







RESIDENTIAL ZONE	CURRENT	OPTION 3	COTTAGE CLUSTERS *Info from past ordinance and other model codes
STANDARDS	Red		model codes
Base Density: Dwelling Units/Acre	6	18	Zening by Dwelling Units per Acre reduces opportunity for smaller, more affordable units. Maximum unit size 1500 af
Min. Density	4	4	
Min. Let Width	50 ft	100"	
Min. Lot Area	7200	14400	Density limit 1:2400sf of lot area
Min. Front Yard Setback	20 ft	20'	
			Street fronting units shall have a covered front porch or entry of a minimum 60 sq ft, minimum dimension of T in any direction. Can encreach into front yard setback 5'
Min. Bear Yard Setback	15 ft	10"	
Min. Side Yard Setback	5 ft min.	5 ft min.	
	30 ft	18"	
Height	(35 ft with pitched roof)	25' with a pitched roof	Reduced height
Distance between units		7 for detached units.	Reduced distance between cottages can be put toward larger common areas. Duploxes allowed
Max. Building Coverage	35%	45%	
Max Building Coverage	2520	6480	
Max Unit Count on Min Lot	1	6	
FAR (no. stories x lot coverage/lot size)	1.05	0.5	Substantial downzone of total building bulk.
Max, Hardecape	50%	60%	
Open Space		250sf per unit	Can be in common area. Common area, minium dimension 15'
Parking		1 per unit	

Exhibit 15. Cottage Housing Regulatory Provisions

RESIDENTIAL ZONE	CURRENT	OPTION 3	COTTAGE CLUSTERS *info from past ordinance and other model codes
STANDARDS	R-6		
Base Density: Dwelling Units/Acre	6	18	Zoning by Dwelling Units per Acre reduces opportunity for smaller, more affordable units. Maximum unit size 1500 sf
Min. Density	4	4	
Min. Lot Width	50 ft	100'	
Min. Lot Area	7200	14400	Density limit 1:2400sf of lot area
Min. Front Yard Setback	20 ft	20'	
			Street fronting units shall have a covered front porch or entry of a minimum 60 sq ft, minimum dimension of 7' in any direction. Can encroach into front yard setback 5'
Min. Rear Yard Setback	15 ft	10'	
Min. Side Yard Setback	5 ft min.	5 ft min.	
	30 ft	18'	
Height	(35 ft with pitched roof)	25' with a pitched roof	Reduced height
Distance between units		7' for detached units.	Reduced distance between cottages can be put toward larger common areas. Duplexes allowed
Max. Building Coverage	35%	45%	
Max Building Coverage	2520	6480	
Max Unit Count on Min Lot	1	6	
FAR (no. stories x lot coverage/lot size)	1.05	0.5	Substantial downzone of total building bulk.
Max. Hardscape	50%	60%	
Open Space		250sf per unit	Can be in common area. Common area, minium dimension 15'
Parking		1 per unit	

Performance Measures

Performance measures would be similar to those prescribed for Missing Middle Housing.

Action 1.3: Small-Lot Single Family

Small Lot Single Family is a type of missing middle housing that is essentially a compact version of a single family detached home. They use smaller lot sizes and building footprints and are generally a middle ground between single family detached and townhouses. They would be regulated similarly to traditional single family homes but would have smaller setbacks and higher lot coverage and floor area ratio. These houses would blend in easily with established neighborhoods while boosting housing supply and variety.



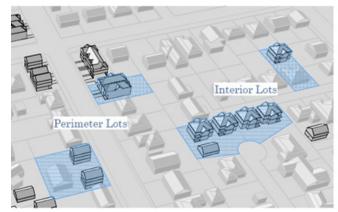
Four of eight small lot single family homes in Seattle. (Photo Credit: Google Street View)

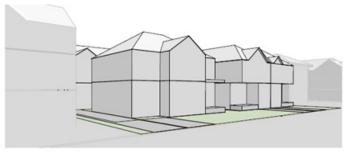
Implementation Considerations

Implementation considerations would be the same as in for Missing Middle-Friendly Zoning, but likely politically easier than other middle types and specifically cottage housing due to the smaller zoning change. There will be upfront costs in changing the regulations but no long-term costs.

Exhibit 16 presents a representation of how small lot single family housing units could fit with existing development patterns in Shoreline. **Exhibit 17** presents the regulatory provisions used to generate the illustration, which could be considered at implementation.

Exhibit 16. Small Lot Single Family Design Representation







RESIDENTIAL ZONE	CURRENT	OPTION 2	SMALL LOT DETACHED HOUSES AND TWO/THREE UNIT HOUSES
STANDARDS	R=6		
Base Density: Dwelling Units/Acre	6	12	Zoning by Dwelling Units per Acre reduces opportunity for smaller, more affordable units
Min. Density	4	4	
Min. Lot Width	50 ft	50 ft	
Min. Lot Area	7200	7200	Density limit 1:3600sf of lot area
Min. Front Yard Setback	20 ft	20'	
Min. Rear Yard Setback	15 ft	10'	
Min. Side Yard Setback	5 ft min.	5 ft min.	
	30 ft	30 ft	
Height	(35 ft with pitched roof)	(35 ft with pitched roof)	
Distance between units			Units can be attached. If detached, minimum is 10' wall to wall
Max. Building Coverage	35%	40%	Increasing building coverage, reduces need to build 3rd stories, and to demolish existing on story houses.
Max Building Coverage	2520	2880	
Max Unit Count on Min Lot	1	2	
FAR (no. stories x lot coverageflot size)	1.05	0.8	Slight downzone of total building bulk.
Max. Hardscape	50%	55%	
Parking			

Exhibit 17. Small Lot Single Family Regulatory Provisions

residential zone	CURRENT	OPTION 2	SMALL LOT DETACHED HOUSES AND TWO/THREE UNIT HOUSES
STANDARDS	R-6		
Base Density: Dwelling Units/Acre	6	12	Zoning by Dwelling Units per Acre reduces opportunity for smaller, more affordable units.
Min. Density	4	4	
Min. Lot Width	50 ft	50 ft	
Min. Lot Area	7200	7200	Density limit 1:3600sf of lot area
Min. Front Yard Setback	20 ft	20'	
Min. Rear Yard Setback	15 ft	10'	
Min. Side Yard Setback	5 ft min.	5 ft min.	
	30 ft	30 ft	
Height	(35 ft with pitched roof)	(35 ft with pitched roof)	
Distance between units			Units can be attached. If detached, minimum is 10' wall to wall
Max. Building Coverage	35%	40%	Increasing building coverage, reduces need to build 3rd stories, and to demolish existing one story houses.
Max Building Coverage	2520	2880	
Max Unit Count on Min Lot	1	2	
FAR (no. stories x lot coverage/lot size)	1.05	0.8	Slight downzone of total building bulk.
Max. Hardscape	50%	55%	
Parking			

Performance Measures

Performance measures would be similar to those prescribed for Missing Middle Housing.

Action 1.4: Accessory Dwelling Units

Accessory Dwelling Units (ADUs) are housing units that share a lot with another housing structure, typically a single family detached home. Structures are smaller than the main housing unit and can be attached or detached from the main structure. They expand housing supply and promote affordability and variety through their smaller sizes. Potential options to increase ADU housing production would be to ease parking requirements, eliminate the owner-occupancy requirement, create pre-approved ADU designs, expand homeowner awareness, and allow two units instead of one per lot.



Seattle backyard detached ADU. (Photo Credit: Sightline Institute)

Implementation Considerations

The City's Department of Planning & Community Development would need to drive any changes to ADU regulations. This effort may require less effort to plan and execute than actions 1.1-1.3 but could still require 1-2 years of effort to enact. There will be upfront costs in changing the regulations but no long term costs.

Performance Measures

Performance measures could include annual units built before and after regulatory reforms and their average size and price.

Action 1.5: Multifamily Tax Exemption

The Multifamily Tax Exemption (MFTE) is a current policy that gives developers a 12-year property tax break for projects that rent at least 20% of their units to income-qualified households for 12 years or in perpetuity within the station areas. The city may want to consider deepening the affordability required in areas where the program is currently most heavily utilized while raising the income cap to 100% of area median income (AMI) in locations that have seen little development from the program. The deeper affordability may be worth considering, because rent for 80% of King County's AMI is close to market rent in Shoreline, so the current policy may be bringing subsidized units online that are renting for close to the unsubsidized rate. This policy boosts the number of rental units provided while also ensuring a supply of moderate-income housing.

Implementation Considerations

The City's Department of Planning & Community Development would study market trends and revise the regulations. The timeframe for implementation could be 6 months to a year. There are few direct costs from the program, but there are opportunity costs associated with a tax break.

Performance Measures

Key metrics include number of units delivered, average unit size, and average affordable unit price as compared to Shoreline's mean rent.

Action 1.6: Parking Reductions

Shoreline currently offers parking reductions for developers when affordable housing is provided, if the project is multifamily within a quarter mile of a future light rail station, or providing other public benefits. Parking, especially underground and structured parking, is expensive, and so reducing it stimulates housing construction and can increase the affordable housing stock. The program could be potentially improved by establishing clear criteria for estimating a potential parking reduction, completing a parking demand study to evaluate whether current parking requirements could be lowered, and unbundling parking from rent so that tenants without cars do not subsidize tenants that have them.

Implementation Considerations

The City's Department of Planning & Community Development and possible the Department of Public Works would study parking demand and revise the regulations. The timeframe for implementation could be 6 months to a year. The program carries little public cost aside from the initial study and public parking enforcement in the future.

Performance Measures

The City should study the parking utilization rate across the city and specifically in affordable and transitoriented developments. They should also record it whenever a developer builds more than the allowed amount of parking.

Action 1.7: Planned Action EIS

Planned Action EIS allows the city to complete an environmental impact statement for an entire subarea before development takes place. All development in that area is then exempted for SEPA provided that it complies with the area plan. This streamlines development, encouraging new housing supply and potentially housing variety. Shoreline used the policy for transit-oriented development along its upcoming light rail line. It can build on its successes by revisiting plans regularly and revising as needed and evaluating opportunities for new subareas over time.

Implementation Considerations

The City's Department of Planning & Community Development would lead the EIS process. The timeframe would be 6 months to a year for a new Planned Action EIS, possibly shorter to revise a current one. There will be up front administration costs but no long term burdens.

Performance Measures

The City should measure average time to development approval, including lawsuit resolution, of projects within its Planned EIS against others in the city.

Action 1.8: Deep Green Incentive Program

The Deep Green Incentive Program (DGIP) is a program designed to encourage green building projects by offering fee waivers, density bonuses, and lower parking requirements. It is more of an environmental program than a housing one, but it could still do more to promote new housing with smaller minimum lot sizes, and further lowering parking requirements.

Implementation Considerations

The City's Department of Planning & Community Development would lead any changes to the program.

Performance Measures

Units created and average square footage and price are useful indicators of the amount and kind of housing this proposal creates.

Section 2.1:

Tools to Increase Moderate Income Housing Supply

Twelve percent of Shoreline's households earn 80-100% of AMI and another 12.59% of households earn between 50% and 80% of AMI. The former group should require no subsidy in a balanced market, while most of the latter (60-80% of AMI) require mild subsidy to house. These moderate-income groups benefit from different policies than low-income residents. Pure housing supply and variety additions mentioned in the first strategy can serve some of the 80% to 100% population, especially in the for-sale market. The lower range of the 80% to 100% group and all the 60% to 80% population benefit from policy specifically targeted to deliver "workforce housing". These policies typically involve tradeoffs between the city and private sector that provide mildly subsidized units with no ongoing funding commitment from the city. The policies are not sufficient to house everyone in Shoreline, but they are a significant portion of a balanced housing strategy.

Action 2.1.1: Developement Agreements

Development agreements are voluntary, negotiated contracts between the City and developer establishing standards and public benefits the development will provide. The City requires development agreements for density bonuses in the MUR-70' zone. The current policy is a valuable tool for securing new workforce housing, but the city could possibly get more affordable housing (30%-50% of AMI) and get developers to offer something like a right of first refusal to current residents to mitigate displacement.

Implementation Considerations

The City Manager's Office may be the natural leader in a city negotiation, but the Department of Planning & Community Development could inform negotiations. Negotiations may last one to six months per project. Costs would be low, and none would be ongoing.

Performance Measures

Unit count and number of new units at different levels of affordability should be tracked.

Action 2.1.2: Density Bonuses

The city currently offers a bonus of up to 50% over base zoning if additional units are dedicated as affordable to households earning less than 80% of Area Median Income (AMI). It does not apply to single family projects on lots that can only accommodate one unit and is only relevant in residential zones where density limits apply. This could be improved by conducting a pro forma analysis to test if the program offers sufficient incentive to offset the costs of affordable development and if more affordability could be required without overly disincentivizing developers. The city should also clarify that bonus awards supersede other constraints such as minimum lot and height requirements and not just FAR. Finally, the city should permit density bonuses to be combined with the MFTE.

Implementation Considerations

The Department of Planning & Community Development should lead or commission the proforma study and write the regulatory changes. Implementation time may be roughly a year, although allowing density bonuses to be combined with the MFTE could be done faster. Costs and public input required would be low.

Performance Measures

Bonus-granted unit count and number of new units at different levels of affordability should be tracked.

Action 2.1.3: Inclusionary Zoning

Inclusionary zoning programs require developers to either provide affordable units within a development or provide an in-lieu fee. Shoreline already uses this in some of its zones, and all projects with inclusionary requirements benefit from not having density limits, the 12-year MFTE, reduced permit fees, and reduced impact fees. The policy directly creates affordable housing in a semi-standardized manner. The program could be improved by tracking participation over time and adjusting incentives as needed. Finally, the requirements could be revised so that developers could offer fewer units in exchange for more 2- and 3-bedroom ones suitable for families.

Inclusionary zoning programs can also be tailored to target for-sale housing, requiring affordable for-sale units in larger developments. Affordable units provided through inclusionary zoning are deed restricted in perpetuity to preserve affordability.

Implementation Considerations

The Department of Planning & Community Development should track and review construction in IZ areas and write any needed regulatory changes. Implementation time may be roughly a year. Costs and public input required would be low.

Performance Measures

Affordable units created broken out by number of bedrooms would be a key metric to track. The City should also monitor number of projects built in IZ areas against the rest of the city to see if developers view the regulatory and incentives package as a net gain or loss to them.

Action 2.1.4: Surplus Land and Property for Affordable Housing

The City is allowed to lease or sell underutilized land it already owns to developers for affordable housing. Under RCW 39.33.015, public agencies may sell land at a discount if it is to be used for housing people at or below 80% of AMI. Selling surplus land is an excellent opportunity for the city to develop low- or mixed-income housing, as its ability to sell below market rate makes projects possible that could not be done under ordinary circumstances. The city could ensure it's using this powerful tool more effectively by inventorying potentially available land across all city departments and ranking for potential future development. It should consider adaptive reuse possibilities and not just empty lots. When it finds a build site, the city should partner with a third party such as a nonprofit developer to build out the site as efficiently as possible. The city should also look for deep affordability in surplus land projects, because it offers perhaps the clearest path towards producing significant numbers of deeply affordable units of any policy listed here.

Implementation Considerations

The Department of Planning & Community Development should lead in conducting the inventory but should coordinate with other departments to find city-owned lots, potentially with the help of the city manager's office. Implementation time for the inventory could be 1-3 months and 2-3 years to unit delivery. Costs and public input required would be low.

Performance Measures

Affordable units created broken out by number of bedrooms would be a key metric to track.

Action 2.1.5: Density Bonus on Large Single-Family Lots

A density bonus amendment has been proposed that would permit adding an additional, separate living unit (not an ADU) to qualifying lots in residential zones R-4 through R-48. The new unit would need to be smaller and less intrusive than the existing one. Height would be limited to 20 feet at the rooftop and two parking spots would be required per house. Houses within a half-mile of transit or that offer at least two level 2 electric vehicle chargers per new unit would qualify for a 50% parking reduction. The proposal could potentially be improved by removing parking requirements in station areas and making setbacks more flexible when concerning a second ADU. This proposal could support increased housing supply and variety.



ADU approximating the proposed new houses. (Photo Credit: Sightline Institute)

Implementation Considerations

The Department of Planning & Community Development would lead policy implementation, which may require roughly a year. Costs would be low, but the policy would require public input similar to a zoning change.

Performance Measures

Bonus-granted unit count and number of new units at different levels of affordability should be tracked

Action 2.1.6: Tiny Houses

Tiny houses are very small houses, typically ranging from 100 to 800 square feet. They are single detached units that may be built as permanent structures or integrated into trailers. Construction costs are lower than traditional housing, and their small size may be attractive to seniors looking to downsize. They can be either rented or sold. Tiny houses can be accessory dwellings or developed as clusters. In this manner, they are related to ADUs and cottage housing. They add to housing supply and variety, and their small size means that they will be naturally relatively affordable and potentially a good fit for young singles or downsizing seniors.



Tiny house cluster. (Photo Credit: Sightline Institute)

Implementation Considerations

The City's Department of Planning & Community Development would need to lead the design and implementation of creating or revising zones to accommodate tiny houses. If the City chose to allow them to be built on trailers, it would need to distinguish them from RVs and determine if permanent water and sewer hookups would be required. Public participation for zoning code changes would need to be thorough, with special considerations taken to include the full breadth of the community in the process. That could take 1-2 years of sustained effort. A smaller tweak such as allowing tiny homes to be ADUs could be done with much less public outreach and time. That change could likely be made in less than a year.

Performance Measures

The number of units delivered, price, and whether they came as ADUs or fully independent houses would be the most useful evaluation metrics.

Section 2.2:

Tools to Increase Low Income Housing Supply

Twenty seven percent of Shoreline's residents earn less than or equal to 50% or AMI, and 16% of all residents earn less than or equal to 30% of AMI. This substantial subsection of the population is nearly impossible to serve with the above policies targeted towards moderate income households. The distinct needs of this group require direct subsidies, creative use of land, and/or development partnerships to serve adequately. The below actions show ways it can be done.

Action 2.2.1: Local Affordable Housing Levy

Voters can authorize a levy of up to \$.50 per \$1,000 of assessed value for 10 years to finance affordable housing households at or under 50% AMI. Financing can cover construction, owner-occupied home repair, and foreclosure prevention programs. Although it is listed here as a low-income supporting policy, the tax has significant flexibility and could just as easily be a homeowner stability policy. Regardless of how the city would choose to use it, levy funds should be paired with other programs such as MFTE or the Homeowner Stability Program and potentially third parties in the public and private sectors to maximize the funds' impact.

Implementation Considerations

The City Council is best positioned to lead the process for passing a new levy. Unlike a zoning change, the levy would require relatively little public funding or official outreach before the levy's passage, but it would have at least a decade of sustained costs to city residents.

Performance Measures

Units created, mean price, and mean size would be the most important metrics if the funds were used to build housing. Housing stability efficacy would be more difficult to measure, but number of households that received funds and the average disbursement may be useful.

Action 2.2.2: Real Estate Excise Tax 2 (REET 2)

Real Estate Excise Tax 2 (REET 2) is an additional .25% tax that Shoreline could impose on home sales. Funds can be used for capital projects identified in the city's facilities plan element. A quarter of that money may go towards affordable housing until January 1st, 2026. The city could use money from this tax to incentivize MFTE developers to deepen affordability from workforce housing to low income (30%-50% of AMI). The city could also use the money to assist nonprofit developers.

Implementation Considerations

The City Council is best positioned to lead the process for passing a new levy. Unlike a zoning change, the levy would require relatively little public funding or official outreach before the levy's passage, but it would impose sustained costs to city residents.

Performance Measures

Units created, mean price, and mean size would be the most important metrics.

Action 2.2.3: Partner with Affordable Housing Providers

The City may establish relationships with local affordable housing providers, including King County Housing Authority, Compass Housing Alliance, and Catholic Housing Services. These providers have additional knowledge and resources not available to the City. They are the best positioned to serve extremely low-income households, including people experiencing homelessness and people with disabilities. Nonprofit developers represent a valuable knowledge source to supplement institutional knowledge in how to best create and maintain affordable housing.

Implementation Considerations

The Department of Planning & Community Development and Recreation, Culture and Community Services Department would be responsible for most interactions with affordable housing developers. There would be little to no direct costs in money or time and no need for public engagement.

Performance Measures

Quantitative metrics are unsuitable for measuring this action's impact.

Action 2.2.4: Permit Fee Waivers for Affordable Housing

Developers currently may apply to have permitting fees waived for projects serving renters at or below 60% AMI anywhere in Shoreline. Savings vary depending on the project, and the planning director has discretion over the exact amount. The program is rarely used though, and so the city should conduct a proforma analysis to test if the program offers sufficient incentive. The affordability requirement may need to be adjusted in terms of depth of affordability and number of units.

Implementation Considerations

The Department of Planning & Community Development would conduct or contract out the pro forma. The costs would be low and require less than a year to complete.

Performance Measures

Any additional units created after adjusting the affordability requirements would show some level of efficacy.

Action 2.2.5: Sales and use Tax Credit

Shoreline passed an ordinance to impose a .0073% sales and use tax credited against the state sales tax to be used for housing investments in late 2019. (SMC 3.17) The fund is estimated to provide up to \$85,929 per year for up to 20 years. 2020 revenues will be reduced due to COVID-19 impacts. The City should now establish priorities for the funds' use. It should consider pooling funds with other jurisdictions or public housing authorities.

Implementation Considerations

The Recreation, Culture and Community Services Department should have input on how the money will be spent.

Performance Measures

The City should track where exactly the money was spent.

Section 3:

Tools to Promote Affordable Home Ownership

Homeownership is a well-established means for residents to build wealth and provide housing stability. While it is too expensive for some to afford to own, there are people who could afford to buy with some assistance. Others are at risk of losing their home but could have their precarious position stabilized with some support. The policies below are ways to extend homeownership to as much of the population as possible and support those who already own homes.

Action 3.1: Down Payment Assistance

The Washington State Housing Finance Commission offers down payment assistance for income qualified people. The assistance typically involves a loan covering a portion of the down payment that is repaid when the house is next sold. Recipients are required to take a homebuyer education class in addition to meeting income requirements to qualify. The City can provide information on these programs to potential homeowners, especially low-income residents, and potential first-time homebuyers.

Implementation Considerations

The Department of Planning & Community Development could create flyers to be brought to meetings and distributed to community centers or mailed to residents and add web content explaining the policy. Implementation costs, time, and need for public involvement are all low.

Action 3.2: Support Community Land Trusts

Community Land Trust (CLTs) offer a form of affordable home ownership. The land trust buys land, builds or renovates housing, and then sells the structures while leasing the land. The houses are sold with deed restrictions, which combined with the commonly held land allow for residents to build equity while keeping costs affordable. CLTs are a way of offering homeownership to low and lower-middle income people and can offer long term stability and the opportunity to use equity to move up the housing ladder. The City should consider eliminating permit fees or allowing other subsidies like reduced parking requirements or density bonuses to promote CLT growth. CLT's could also be a viable partner or candidate to develop surplus public land.

Implementation Considerations

The Department of Planning & Community Development could advertise willingness to work with CLTs and take steps to ensure existing or potential new CLTs are aware of any public land sales the city may execute. This action requires few resources or public participation to execute.

Performance Measures

If a CLT ultimately develops city owned land, then units developed, average unit size and price are important metrics to measure. If possible, it would be beneficial to know how many CLT homeowners were Shoreline residents before a development's construction.

Section 4:

Tools to Promote Homeowner Stability and Minimize Displacement

Action 4.1: Homeowner Stability Program

The city could minimize displacement with a series of homeowner-directed policies including:

Foreclosure intervention counseling- Foreclosure intervention counselors serve as intermediaries between struggling homeowners and financial institutions to facilitate refinanced loans, budgeting assistance, or repairing credit scores. Affordable housing funds can support these efforts, and community land trusts could buy foreclosed properties to keep residents in place.

Home rehabilitation assistance – City money, such as funds from the Sales and Use Tax, would be provided to low-income homeowners for critical repairs and potentially efficiency upgrades to keep homes habitable.

Mobile Home Relocation Assistance- The state Department of Commerce offers a program that provides financial resources to assist displaced residents, particularly low-income persons.

Implementation Considerations

The Recreation, Culture and Community Services Department should determine the costs of creating the above programs and administer them. Each carries ongoing costs that are variable with the city's level of commitment. It would require several months to 2 years of preparation to establish the programs but little public involvement.

Action 4.2: Housing Incentive Marketing Program

The Housing Incentive Market Program is unique among the actions in that it supports multiple priorities relatively equally. Shoreline already has numerous housing programs and adopting the above actions would grow that number. Any housing program can only be effective if it is used, and some may remain obscure if nothing is done to market them. Shoreline could create a website where developers and residents could easily view and understand the city's affordable housing policy landscape and how it effects different areas. The website can both help people understand policy and present a positive vision for what the programs are meant to achieve. This should include practical, simple demonstrations of how multiple programs can layer to benefit a typical development.

Implementation Considerations

The Department of Planning & Community Development would create the website's content and either a consultant or the Administrative Service Department would create the website itself. There would be little need for public involvement, but there could be considerable upfront costs in creating the site.

Performance Measures

Webpage hits could measure the program's usage.

Action 4.3: Short-Term Rental Regulations

Short-term rentals are sometimes perceived to have a negative impact on the availability of housing for full-time residents, as investors may purchase properties to rent them to visitors and others will short-term needs. This could create displacement pressure, and is also related to issues of housing supply. Some jurisdictions, particularly in places with higher levels of tourism and visitation, have taken steps to regulate or even ban short-term rentals in an effort to maintain existing housing stock to meet the needs of their residents. Shoreline could consider such regulations if it determined that short-term rentals are negatively impacting housing availability for full-time residents.

Implementation Considerations

Shoreline should analyze the impact of short-term rentals on housing availability and housing price before determining whether such regulations are necessary. Short-term rentals can have positive economic impacts by increasing visitation and visitor spending at local businesses. If such regulations are deemed necessary and appropriate for Shoreline, the City may consider tailoring the regulations to apply only in places that are at a higher risk of displacement or that are not equipped to handle high levels of visitation.

Near Term Action Plan

General Tools

Tool and Description	Funding Required	Level of Effort	Туре	PC Priority
Update Deep Green Incentive Program - streamline, expand eligibility, innovative construction materials like CLT	No	*	Incentive	Highly Recommended
Promote and Market Shoreline's Housing Incentives to Developers	No	*	Outreach	Recommended
Promote Down Payment Assistance Program from Washington State Housing Finance Comm.	No	*	Outreach	Recommended
Homeowner Stability Program - Interventions and Financial Assistance	Yes	**	City Program	Recommended

New Development Types

Tool and Description	Funding Required	Level of Effort	Туре	PC Priority
Develop Cottage Housing Regulations	Yes	***	Regulation	Highly Recommended
Develop Standards for Small Lot Single Family Development	Yes	**	Regulation	Highly Recommended
Update Residential Zone Density Bonus Regulations	No	*	Incentive	Recommended
Density Bonus for Additional Houses on Single Family Lots	Yes	**	Incentive	Recommended
Develop "Missing Middle"-Friendly Zoning	Yes	***	Regulation	Not Currently Prioritized
Develop Regulations to Allow Tiny Houses in SF Zones	No	**	Regulation	Not Currently Prioritized

Support for Affordable Housing Developers

Tool and Description	Funding Required	Level of Effort	Туре	PC Priority
Partner with Affordable Housing Providers	No	*	City Program	Highly Recommended
Support Community Land Trusts through incentives or partnerships	No	*	City Program	Highly Recommended
Identify Surplus City Property for Development of Affordable Housing	No	*	Incentive	Highly Recommended
Update Parking Reduction Regulations - review and streamline	No	**	Incentive	Recommended
Update Multifamily Tax Exemption (MFTE) - lower rents, longer term	No	**	Incentive/ City Program	Not Currently Prioritized
Update Permit Fee Waivers for Affordable Housing	No	*	Incentive	Not Currently Prioritized
Expand use of Development Agreements for Affordable Housing	No	*	Incentive	Not Currently Prioritized

Other Regulations

Tool and Description	Funding Req'd?	Level of Effort	Туре	PC Priority
Modify Accessory Dwelling Unit Regulations - ownership, parking, etc.	No	**	Regulation	Recommended
Update Inclusionary Zoning (required affordability) to include ownership condos and townhouses	Yes	***	City Program	Recommended
Maintain Planned Action EIS environmental analysis	Yes	**	Incentive	Not Currently Prioritized
Update Inclusionary Zoning (required affordability) to include Incentives for affordable family sized units	No	*	Incentive	Not Currently Prioritized
Develop Short Term Rental Regulations for houses, ADUs and/or Condos	Yes	***	Regulation/ City Program	Not Currently Prioritized

Funding Tools

Tool and Description	Funding Req'd?	Level of Effort	Туре	PC Priority
Prioritize funds raised from Sales and Use Tax Credit	No	*	Revenue	Not Currently Prioritized
Develop and Campaign for a Local Affordable Housing Levy ballot measure	Yes	***	Revenue	Not Currently Prioritized
Impose an additional Real Estate Excise Tax 2 (REET 2) on home sales	Yes	*	Revenue	Not Recommended
Density Bonus for Additional Houses on Single Family Lots	Yes	**	Incentive	Recommended
Develop "Missing Middle"-Friendly Zoning	Yes	***	Regulation	Not Currently Prioritized
Develop Regulations to Allow Tiny Houses in SF Zones	No	**	Regulation	Not Currently Prioritized

Note: Level of Effort: * = Low ** = Medium *** = High

Funding Required: This refers to the need for funding to be allocated to hire consultants to implement this tool. Note that while funding for outside assistance may not be required for all of the high priority actions, staff time will be required for implementation. In some cases, funding may need to be allocated to amplify staff capacity or provide technical expertise.

High Implementation Priorities

At this point in time, the following are identified as high priorities for near-term implementation:

- > Update the Deep Green Incentive Program
- > Develop Cottage Housing Regulations
- > Develop Standards for Small Lot Single Family Development
- > Partner with Affordable Housing Providers
- > Support Community Land Trusts through Incentives or Partnerships
- > Identify Surplus City Property for Development of Affordable Housing

Appendices

Reconciliation with Comprehensive Plan

The Comprehensive Plan and the Housing Toolkit are broadly in alignment, with nearly all tools either supporting or not directly contradicting each goal. Any identified points of tension or conflict are identified in the table below.

Goal H I	Provide sufficient development capacity to accommodate the 20 year growth forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.	Consistent with Housing Toolkit.
Goal H II	Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations.	Consistent with Housing Toolkit.
Goal H III	Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of Area Median Income.	Consistent with Housing Toolkit. Some Toolkit options, such as an affordable housing levy, homeowner stability program and partnering with affordable housing providers, are well-aligned. Additional strategies may be necessary to provide housing for the homeless and very low-income (<30% AMI) populations.
Goal H IV	"Protect and connect" residential neighborhoods so they retain identity and character, yet provide amenities that enhance quality of life.	Reducing parking requirements could lead to street parking overflow and decrease the availability of street parking spaces for existing residents. Incorporating smaller units, such as cottage and tiny houses, into existing single family neighborhoods could affect the predominant character of the neighborhood, though these impacts may be mitigated with strong design guidelines.
Goal H V	Integrate new development with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.	Consistent with Housing Toolkit.

Goal H VI	Encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities.	Though not specifically addressed in the Toolkit, several Toolkit options, such as tiny homes, missing middle housing, accessory dwelling units and development agreements, either provide housing types potentially appropriate for these populations, or give the City leverage to require appropriate amenities.
Goal H VII	Collaborate with other jurisdictions and organizations to meet housing needs and address solutions that cross jurisdictional boundaries	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
Goal H VIII	Implement recommendations outlined in the Comprehensive Housing Strategy.	Consistent with Housing Toolkit.
Goal H IX	Develop and employ strategies specifically intended to attract families with young children in order to support the school system.	The intent of the Toolkit is to provide a broad range of housing types, including those suitable for families with young children.
H1	Encourage a variety of residential design alternatives that increase housing choice.	Consistent with Housing Toolkit.
H2	Provide incentives to encourage residential development in commercial zones, especially those within proximity to transit, to support local businesses.	Many of the options in the Housing Toolkit can be targeted for specific areas within the City, including for commercial zones. Some options, such as MFTE, inclusionary zoning and parking requirement reductions, are often used in commercial and mixed-use areas.
H3	Encourage infill development on vacant or underutilized sites.	Consistent with Housing Toolkit.
H4	Consider housing cost and supply implications of proposed regulations and procedures.	None of the options in the Toolkit are incompatible with H4, however, there are options that may require technical analysis to ensure full consideration of cost and supply implications. As an example, inclusionary zoning, if improperly calibrated, could stifle development and lead to the development of fewer housing units.
H5	Promote working partnerships with public and private groups to plan and develop a range of housing choices.	Consistent with Housing Toolkit.

Н6	Consider regulations that would allow cottage housing in residential areas, and revise the Development Code to allow and create standards for a wider variety of housing styles.	Consistent with Housing Toolkit.
H7	Create meaningful incentives to facilitate development of affordable housing in both residential and commercial zones, including consideration of exemptions from certain development standards in instances where strict application would make incentives infeasible.	Consistent with Housing Toolkit.
Н8	Explore a variety and combination of incentives to encourage market rate and non-profit developers to build more units with deeper levels of affordability.	Consistent with Housing Toolkit.
Н9	Explore the feasibility of creating a City housing trust fund for development of low income housing.	Consistent with Housing Toolkit.
H10	Explore all available options for financing affordable housing, including private foundations and federal, state, and local programs, and assist local organizations with obtaining funding when appropriate.	Consistent with Housing Toolkit.
H11	Encourage affordable housing availability in all neighborhoods throughout the city, particularly in proximity to transit, employment, and/or educational opportunities.	Consistent with Housing Toolkit.
H12	Encourage that any affordable housing funded in the city with public funds remains affordable for the longest possible term, with a minimum of 50 years.	Consistent with Housing Toolkit. Ordinances adoption certain programs, such as MFTE, would need to specify such requirements.
H13	Consider revising the Property Tax Exemption (PTE) incentive to include an affordability requirement in areas of Shoreline where it is not currently required, and incorporate tiered levels so that a smaller percentage of units would be required if they were affordable to lower income households.	Consistent with Housing Toolkit.
H14	Provide updated information to residents on affordable housing opportunities and first-time home ownership programs.	Consistent with Housing Toolkit.

H15	Identify and promote use of surplus public and quasi-publicly owned land for housing affordable to low and moderate income households.	Consistent with Housing Toolkit.
H16	Educate the public about community benefits of affordable housing in order to promote acceptance of local proposals.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than engaging the community, though nothing in the Toolkit precludes implementation of this policy.
H17	Advocate for regional and state initiatives to increase funding for housing affordability.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than broader advocacy efforts, though nothing in the Toolkit precludes implementation of this policy.
H18	Consider mandating an affordability component in Light Rail Station Areas or other Transit-Oriented Communities.	Consistent with Housing Toolkit.
H19	Encourage, assist, and support non-profit agencies that construct, manage, and provide services for affordable housing and homelessness programs within the city.	Consistent with Housing Toolkit.
H20	Pursue public-private partnerships to preserve existing affordable housing stock and develop additional units.	Consistent with Housing Toolkit.
H21	Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than engaging the community, though nothing in the Toolkit precludes implementation of this policy.
H22	Continue to provide financial assistance to low-income residents for maintaining or repairing health and safety features of their homes through a housing rehabilitation program.	Consistent with Housing Toolkit.
H23	Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.	Consistent with Housing Toolkit. Site design would need to be addressed when regulations are adopted.
H24	Explore the feasibility of implementing alternative neighborhood design concepts into the City's regulations.	Consistent with Housing Toolkit.

H25	Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations.	Consistent with Housing Toolkit.
H26	Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs, such as those fleeing domestic violence, throughout the city and region.	Consistent with Housing Toolkit. The Housing Action plan is focused on permanent housing. There are other ongoing efforts around emergency shelters and transitional housing.
H27	Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use.	Consistent with Housing Toolkit.
H28	Improve coordination among the County and other jurisdictions, housing and service providers, and funders to identify, promote, and implement local and regional strategies that increase housing opportunities.	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
H29	Support the development of public and private, short-term and long term housing and services for Shoreline's population of people who are homeless.	Consistent with Housing Toolkit. The options in the Toolkit may be insufficient to meet the demands of this policy.
H30	Collaborate with King and Snohomish Counties, other neighboring jurisdictions, and the King County Housing Authority and Housing Development Consortium to assess housing needs, create affordable housing opportunities, and coordinate funding.	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
H31	Partner with private and not-for-profit developers, social and health service agencies, funding institutions, and all levels of government to identify and address regional housing needs.	Consistent with Housing Toolkit.

H32	Work to increase the availability of public and private resources on a regional level for affordable housing and prevention of homelessness, including factors related to cost-burdened households, like availability of transit, food, health services, employment, and education.	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
H33	Support and encourage legislation at the county, state, and federal levels that would promote the City's housing goals and policies.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than broader advocacy efforts, though nothing in the Toolkit precludes implementation of this policy.

Shoreline Housing Needs Assessment

Draft

June 23, 2020

Prepared by:



Prepared for:





Community Attributes Inc. tells data-rich stories about communities that are important to decision makers.

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INTRODUCTION

Background and Purpose

The City of Shoreline is developing a Housing Action Plan with support from the Washington State Department of Commerce. Washington State House Bill 1923 enacted one-time planning grants for cities to complete specific actions to support housing affordability. Shoreline received a grant to develop a Housing Action Plan, one of the eligible options under the grant program.

The Housing Action Plan will provide city-led actions and initiatives to encourage sufficient affordable and market rate housing at prices accessible to all of Shoreline's households, now and in the future. The Plan's content will be informed by two products – the Housing Needs Assessment and the Housing Toolkit. This Housing Needs Assessment provides the quantitative data and analysis required to understand Shoreline's housing needs. The Toolkit will identify appropriate options to address those needs.

In addition to this Needs Assessment, the Plan and Toolkit will be informed by stakeholder input. This will include input from technical experts, such as developers and affordable housing providers, as well as the broader public. Broader public outreach will emphasize engaging stakeholders most impacted by housing challenges in Shoreline.

Methods

The analysis in this report relies on secondary data analysis. The analysis leverages data published by federal, state and local government resources, as well as private real estate data vendors, such as CoStar and Zillow. This report also leverages internal City of Shoreline data sources, including its buildable lands analysis and permit database.

Organization of this Report

The remainder of this report is organized as follows:

- Executive Summary presents key findings from the report
- Shoreline Housing Affordability Overview provides general context on Shoreline and its planning context
- **Historic Trends and Current Conditions** describes Shoreline's population, employment, and housing stock, historic and current
- **Forecasts and Housing Needs** identifies the City's growth trends and how they relate to housing needs
- Housing Needs Assessment provides strategic guidance for the Housing Action Plan

EXECUTIVE SUMMARY

Growth Trends

The City of Shoreline is transforming from a single-family residential community to a mixed-use community featuring several dense transit-oriented centers. While the housing stock is still predominantly single-family, in 2020 recent housing production has favored multifamily units and townhouses. Large new multifamily developments have been concentrated along Shoreline's east-west corridors and Aurora. There is an east-west split within the City, with more multifamily and rental housing east of Aurora, and more high value single family development west of Aurora. The number of renter households increased by 21% from 2000 to 2018 while home ownership remained flat.

Much of Shoreline's single family housing stock was built in response to the post-World War II housing boom, and is now aging. Since 2000, Shoreline's population growth has been slow and steady while the rest of the region has been growing rapidly. When the City's two new light rail stations open in 2024, it may begin to capture a higher share of regional growth and more rapid changes to the built environment. As housing prices increase, redevelopment will be feasible for more of the City's older homes. This could bring the potential for displacement and substantial neighborhood change.

Employment

Shoreline has a jobs-housing ratio of 0.7, which compared to a regional ratio of 1.3 indicates Shoreline exports more workers than it brings in or retains. Seattle is both the most common destination for Shoreline's employed residents and the most common place of residence for its workers. The largest share of jobs in Shoreline are in the services sector, and the number of jobs in this sector has been steadily increasing over time. Job growth in other sectors has been relatively flat.

Demographics

Most of Shoreline's households consist of only one or two people, renters and homeowners included. As most homes are three bedrooms or larger, this suggests that young families may move to Shoreline with plans to grow. Age composition data supports this observation. The City has a large workforceage population, with recent growth for adults age 25-34 and a small increase in children under 5. At the same time, the City may be drawing an increasing number of retirees, and experienced a small bump in its population age 65-74.

Shoreline has a more balanced income distribution compared to many of its peers around the region, which tend to have either more high-income or more

low-income households. As home prices rise, the City could see a shift toward more high-income households. There is a split market for rental housing, with large concentrations of renter households with incomes above the median and also below 30% of the median.

Housing Market

Demand for housing is high, and the City has not had more than three or four months' worth of supply for sale at any point since 2012. Home prices have appreciated more rapidly in recent years compared to similar Puget Sound cities. The median-priced home (\$620,000) might be out of reach of the median family household in Shoreline (\$100,756 annual income). Rents have also been climbing, though at a similar rate to the region. Today a household must earn at least \$82,000 per year to afford the median rent of \$2,055, compared to \$57,700 to afford the 2010 median, \$1,444.

Households with incomes below 50% area median income (AMI) are the most likely to face affordability challenges in Shoreline, as is the case throughout King County. Cost burden may expand for higher income households as costs rise.

SHORELINE HOUSING AFFORDABILITY OVERVIEW

Current Snapshot

Shoreline is a city of 56,400 people in 2019 with 17,000 jobs locally. The City incorporated in 1995 as part of the Growth Management Act's requirements for all unincorporated areas in King County's Urban Growth Area to incorporate or annex into a city.

The area that became Shoreline was heavily developed following World War II as housing to accommodate new families. Today, most of the City's housing stock is single family, and a large share remains that was built in the 1950s. Despite its more suburban heritage, the City has experienced a strong shift toward multifamily housing production in recent years.

Shoreline has a strong workforce population, with a high concentration of adults between the ages of 25 and 55. The city's employment base consists of services and retail that serve local residents and surrounding areas. Shoreline's commercial areas are concentrated along major arterials and state highways. Nearly half of Shoreline's resident labor force works in Seattle, as well as in King County Eastside and Snohomish County cities. Shoreline Community College is both a major employer for the city and a major attraction for surrounding areas.

While the workforce-age population is still significant, the City is experiencing a shift toward more younger and older adults. The middle-aged population dropped significantly from 2010 to 2018. While there has been an increase in very young children, the overall number of households with children dropped during this period.

Over the past ten years, housing costs have risen in Shoreline along with the region. Today, the median-priced home is out of reach to the median income Shoreline family. Shoreline is diverse in terms of income distribution, and housing cost increases could push out many of its established residents. The City recognizes the benefits of a more diverse housing stock in support of a variety of households and lifestyles, including its current and long-time residents as they age and downsize.

Shoreline's proximity to Seattle and major transportation corridors, particularly two forthcoming light rail stations, creates interest in multifamily housing with regional transit access. Shoreline's public schools are well respected and attract families to its single-family zoned areas. The City desires to grow in a manner that fosters environmentally sustainable development patterns. Regional housing needs create a market and environment for Shoreline to consider new housing policies to respond to regional needs.

Planning and Policy Context

Existing Citywide Plans

The City adopted a Comprehensive Housing Strategy in January 2008. At that time, the community experienced increasing housing cost pressure for single family homes but had not yet experienced significant new multifamily development. The goals in this strategy focused on "expanding housing choice, increasing the number of affordable housing options and maintaining desirable neighborhood character". The Strategy identified a lack of affordable housing and a lack of developable land. It anticipated increased demand for more rental housing and more diverse housing types, including to support existing homeowners as they age and downsize.

In advance of its 2012 Comprehensive Plan update, the City conducted a community visioning process from 2008 to 2009. In 2009 it adopted a 2029 vision for Shoreline based on this process, including 18 Framework Goals. Framework goals directly related to housing include:

- FG 3: Support the provision of human services to meet community needs
- FG 8: Apply innovative and environmentally sensitive development practices
- FG 9: Promote quality building, functionality, and walkability through good design and development that is compatible with the surrounding area.
- FG 10: Respect neighborhood character and engage the community in decisions that affect them.
- FG 12: Support diverse and affordable housing choices that provide for Shoreline's population growth, including options accessible for the aging and/or developmentally disabled.
- FG 14: Designate specific areas for high density development, especially along major transportation corridors.
- FG 18: Encourage Master Planning at Firerest School that protects residents and encourages energy and design innovation for sustainable future development.

Shoreline's existing Comprehensive Plan Housing Element was adopted in 2012. The Element and its supporting analysis identify similar issues to those raised in the Comprehensive Housing Strategy. The Element's policies are organized under the following themes:

- Facilitate Provision of a Variety of Housing Choices
- Promote Affordable Housing Opportunities

- Address Special Housing Needs
- Participate in Regional Housing Initiatives

At the time of the last Comprehensive Plan update, the final alignment for the Sound Transit Lynnwood Link Light Rail Extension had not yet been established. In 2015, Shoreline updated its Comprehensive Plan Land Use Element to incorporate Light Rail Station Area Planning Framework Goals for transit-supportive development in its future light rail station areas. This included establishing new land use designations to accommodate high densities in station areas and develop transitions to adjacent single family neighborhoods. The City also adopted subarea plans for the station areas.

Subarea Plans

Shoreline has developed subarea plans for several neighborhoods – Point Wells, Southeast Neighborhoods, Town Center, and 145th and 185th Station Areas.

Point Wells

Point Wells is located immediately north of Shoreline along the Puget Sound. While located in unincorporated Snohomish County, its only current road access is through Shoreline's Richmond Beach neighborhood. Point Wells is currently zoned as "urban village" under Snohomish County's zoning. This is consistent with a "neighborhood scale node with a mix of retail and office uses, public and community facilities, and high density residential dwelling units". Both Woodway and Shoreline have identified Point Wells for future annexation. Woodway and Shoreline have an agreement to coordinate planning for Point Wells.

Southeast Neighborhoods

The Southeast Neighborhoods are located in Shoreline's far southeast corner. The Plan preserves single family character while encouraging small-scale infill development, such accessory dwelling units and small-lot single family. The Plan identifies several mixed-use nodes with potential for high density residential development.

Town Center

Town Center is located in Shoreline's core, along Aurora Avenue between 175th and 185th. The Plan envisions that Town Center will serve as Shoreline's most significant urban center. It will serve as a focal point for Shoreline's identity and sense of place.

145th and 185th Station Areas

The 145th and 185th Station Areas are Shoreline's future light rail stations. The 185th Station Area is physically larger, but both station areas are planned to accommodate heights up to 70 feet. Both station areas are

envisioned to become "vibrant transit-oriented villages", with a full range of housing choices and services.

Zoning and Land Use

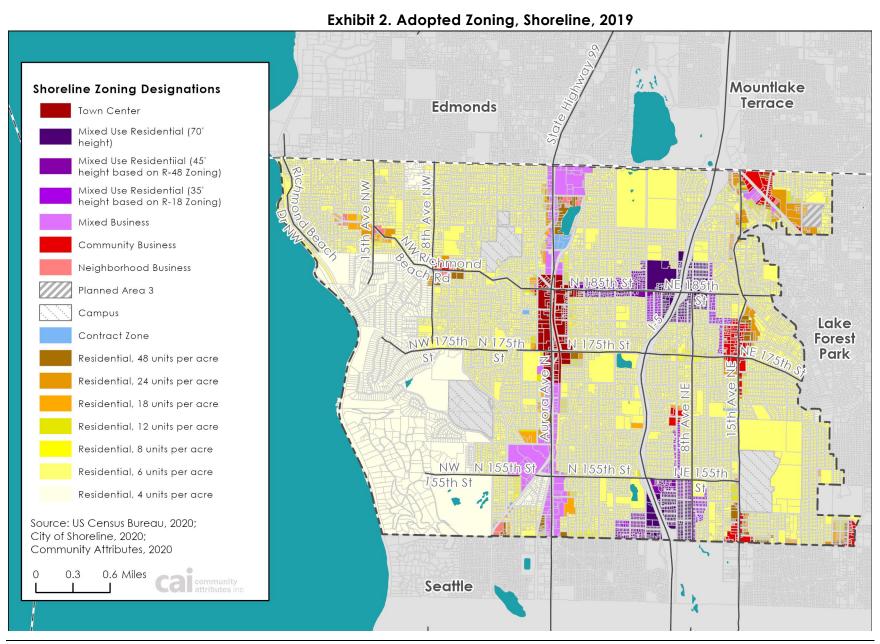
Most of Shoreline's acreage is currently zoned for single family development. The R6 and R4 zones accommodate a base density of six and four units per acre, respectively, and represent about 66% of Shoreline's area. (Exhibit 1)

Exhibit 1. Land Allocation by Zone, Shoreline

		Share of Tota	ıl	Share of Total
Zone	Parcels	Parcels	Acreage	Acreage
R6	14,791	71.1%	4,692	51.4%
R4	1,117	5.4%	1,340	14.7%
С	44	0.2%	698	7.6%
MB	330	1.6%	367	4.0%
R12	588	2.8%	296	3.2%
MUR-70	580	2.8%	233	2.6%
R24	387	1.9%	217	2.4%
TC	263	1.3%	203	2.2%
СВ	372	1.8%	198	2.2%
R18	353	1.7%	193	2.1%
R48	399	1.9%	190	2.1%
NB	153	0.7%	121	1.3%
MUR-45	537	2.6%	114	1.2%
MUR-35	458	2.2%	99	1.1%
R8	365	1.8%	97	1.1%
CZ	35	0.2%	48	0.5%
PA 3	21	0.1%	26	0.3%
Total	20,793	100%	9,133	100%

Source: City of Shoreline, 2020; CAI, 2020

R4 zones are concentrated in Shoreline's higher income coastal neighborhoods, including Innis Arden and The Highlands. Mixed use and commercial zones are concentrated along major arterials, particularly Aurora Avenue. In the future, Town Center may compete for development with the light rail station areas located near I-5. (Exhibits 2-3)



SHORELINE HOUSING NEEDS ASSESSMENT

DRAFT MAY 19, 2020

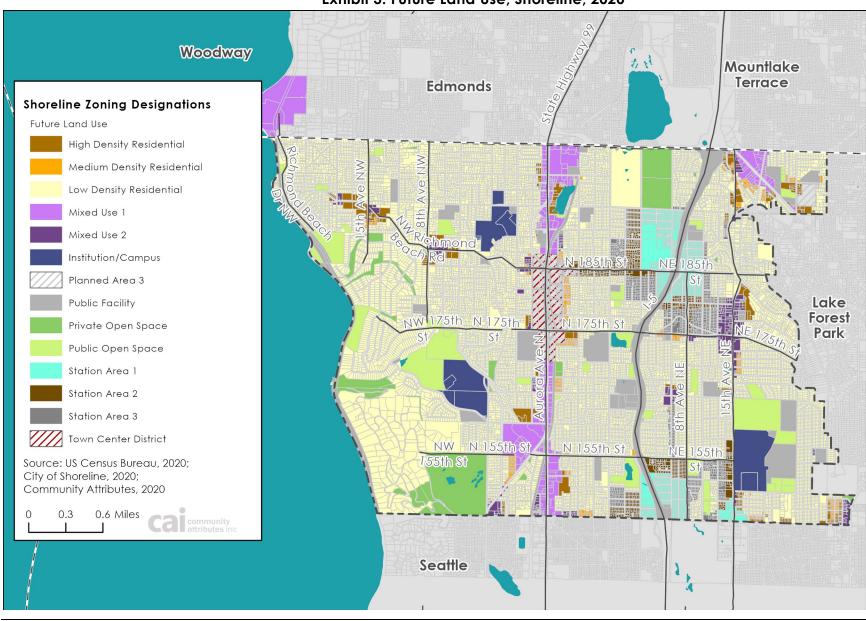


Exhibit 3. Future Land Use, Shoreline, 2020

Affordability Metrics

Affordable housing programs use US Housing and Urban Development (HUD) definitions for area median income (AMI) to explain household income levels. HUD establishes unique limits for households between one and eight people in size. They are only established for certain metropolitan areas, however. Shoreline is included in the Seattle-Bellevue area, which extends over all of King and Snohomish counties. (Exhibit 4)

Exhibit 4. HUD Household Income Limits, Seattle-Bellevue HUD Metro FMR, 2020

	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low Income (30% AMI)	\$25,100	\$28,650	\$32,250	\$35,800	\$38,700	\$41,550	\$44,400	\$47,300
Very Low Income (50% AMI)	\$41,800	\$47,800	\$53,750	\$59,700	\$64,500	\$69,300	\$74,050	\$78,850
Low Income (80% AMI)	\$66,700	\$76,200	\$85,750	\$95,250	\$102,900	\$110,500	\$118,150	\$125,750
Median Income	\$83,600	\$95,600	\$107,500	\$119,400	\$129,000	\$138,600	\$148,100	\$157,700

Source: HUD, 2020

There is significant market and income diversity within King and Snohomish counties. The HUD median family income for this region is \$113,300, across all household sizes. For housing planning purposes, it is important to consider these limits with local circumstances in mind. In an area where incomes are higher than average for the region, an "affordable" rent could be close to the market rate in a lower cost area. Reviewing the share of renters and homeowners who are cost-burdened (Spending more than 30% of their income on housing costs) by income can help illuminate the income levels in greatest need for a specific city.

Exhibit 5 shows how median wages in Shoreline's largest industries compare to HUD AMI benchmarks for single people. As shown, the median retail, education, accommodation, or food service worker in Shoreline earns less than 50% AMI and is considered very low income. Conversely, workers in professional and manufacturing fields are likely to earn more than 80% AMI.

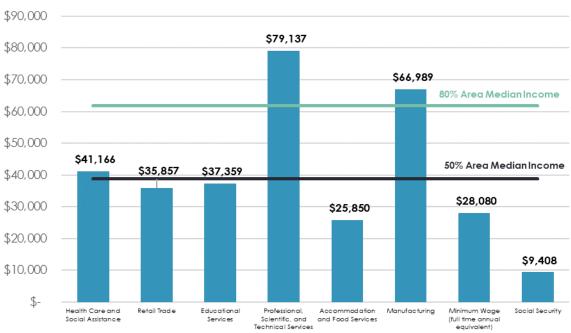


Exhibit 5. Median Income by Industry and HUD Income Limits, 2018

Source: HUD, 2019; US Census Bureau 5-Year Estimates ACS, 2018; LEHD, 2020; Social Security Administration 2020; Washington State Department of Labor & Industries, 2020

HISTORIC TRENDS AND CURRENT CONDITIONS

Neighborhoods

Shoreline has 16 established neighborhoods which vary in terms of character and housing types. Neighborhoods west of Aurora feature more high value, lower density single family development, particularly along the coast. East of Aurora, there is more multifamily and denser single family development.

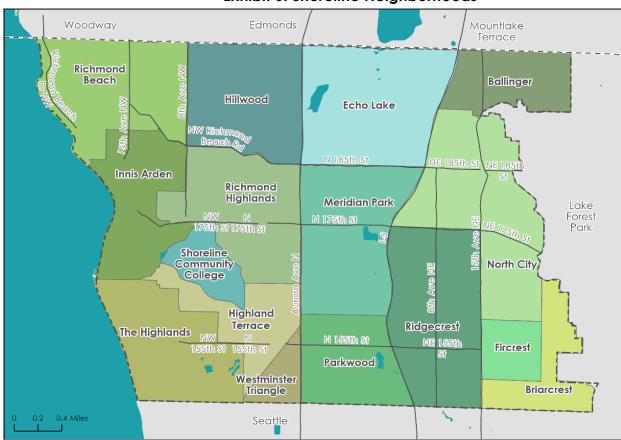


Exhibit 6. Shoreline Neighborhoods

Population & Demographics

Shoreline was incorporated in 1995, and experienced strong population growth through 2001. Aside from brief periods of decline in 2000 and 2010, growth stabilized after the initial growth surge. Since 2005, Shoreline's population has grown by 0.5% per year on average. (**Exhibit 7**)

Exhibit 7. Total Population, Shoreline, 1995-2019

Source: Washington State Office of Financial Management, 2020

While Shoreline's recent growth patterns are similar to neighbors like Edmonds and Mountlake Terrace, other areas in the region have been experiencing much more rapid growth. King County as a whole grew five times faster than Shoreline from 2000 to 2019. (**Exhibit 8**)

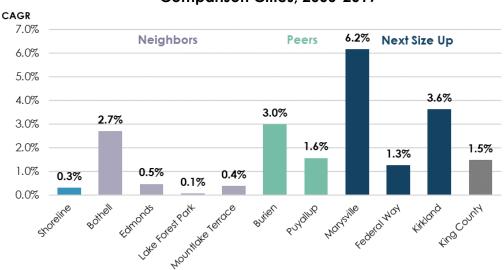


Exhibit 8. Compound Annual Population Growth, Shoreline and Comparison Cities, 2000-2019

Source: Washington Office of Financial Management, 2020

Most of Shoreline's households, both homeowner and renter, are small. Oneand two-person households represent 63% of the total. This could include young families moving to Shoreline with plans to grow – the City's largest age group is adults age 25 to 34. Small households are also characteristic of retiree households, and Shoreline has also experienced a large increase in adults age 65 to 74. (Exhibit 9 and Exhibit 11)

Households 6,000 5.299 Owner Households Renter Households 5,000 4,000 3,213 3,188 3,000 2,647 2,167 1,882 2,000 1,197 1,110 778 1,000 2 1 3 5+ 4

Exhibit 9. Households by Persons per Household and Tenure, 2018

Source: US Census Bureau, ACS 5-Year Estimates, 2014-2018

Most of Shoreline's households own their homes, though the number of homeowner households was relatively static from 2000 to 2018. The number of renter households increased by 21% in this same period. While the total number of vacant homes increased from 2000 to 2018, the vacancy rate is still only 3%. A "healthy" vacancy rate is around 5%, which suggests that the City needs more housing units overall to meet demand. (**Exhibit 10**)

Exhibit 10. Housing	, Tenure and	Vacancy	Trends, Shorelin	e, 2000-2018
---------------------	--------------	---------	------------------	--------------

Category	2000	2018	Change, 2018 - 2000
Occupied Housing Units	20,720	22,160	1,440
Owner-Occupied Units	14,100	14,150	50
Renter-Occupied Units	6,620	8,010	1,390
Vacant Units	620	760	140
Total Housing Units	21,340	22,920	1,580

Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018; 2000 Census

Shoreline has a strong workforce-age population, with a large concentration of adults age 25 to 54. While the general concentration has been relatively constant between 2010 and 2018, there were larger increases in young adults age 25 to 34 as well as older adults age 65 to 74. This suggests that Shoreline is attractive to both young families looking to grow as well as retirees. (Exhibit 9) The local population with disabilities is also increasing, consistent with the rise in older adults. (Exhibit 10)

Population 20% 2010 2018 17% 18% 16% 14% 14% 12% 10% 10% 7%8% 8% 6%_{5%} 5% 6% 5% 4%5% 3%3% 4% 2% 0% 20 to 25 to 65 to Under 5 to 9 10 to 15 to 35 to 45 to 55 to 60 to 75 to 5 19 24 34 54 59 64 74 44

Exhibit 11. Distribution of Residents by Age, Shoreline, 2010 & 2018

Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Despite the high share of young adults and increase in children under 5, Shoreline experienced an absolute decrease in households with children between 2010 and 2018. (**Exhibit 12**) There was a large decrease in adults age 45 to 54, which suggests that some more established families with children are moving away from Shoreline while young families and single people are moving in.

Exhibit 12. Shoreline Select Household Characteristics, 2010-2018

	2010	2018	Change 2010-2018
Total Households	21,152	22,160	1,008
Households with Children	6,048	5,924	(124)
Single-Person Households	6,195	6,401	206
Household with an Individual	4,717	6,661	1,944
Over 65			
Disabled Civilian Population*	6,608	7,093	485

Source: US Census Bureau, American Community Survey 5-Year Estimates, 2006-2010; 2008-2012; 2014-2018.

Shoreline is more diverse than many of its neighbors and peers, but not as diverse as the most diverse cities in the region. In Federal Way and Burien no individual race has a majority. Shoreline is slowly becoming more diverse, however. The share of the population that are people of color rose from 32% in 2010 to 34% in 2018. Most of this increase came from Shoreline's Latino population and population identifying as two or more races. (**Exhibit 13**)

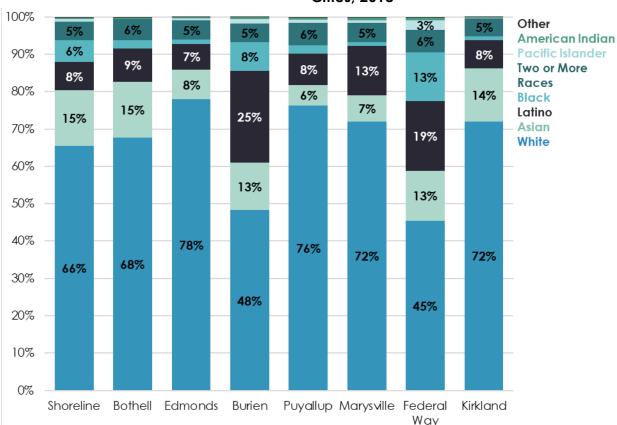


Exhibit 13. Households by Race or Ethnicity, Shoreline and Comparison Cities, 2018

Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Shoreline is a middle-income community relative to the region. It contains only three census block groups with a median income below \$40,000 and no block group with a median household income above \$160,000. Shoreline's waterfront neighborhoods have higher incomes relative to the City, but the difference is not as stark as in coastal areas to the north and south. (**Exhibit 14**)

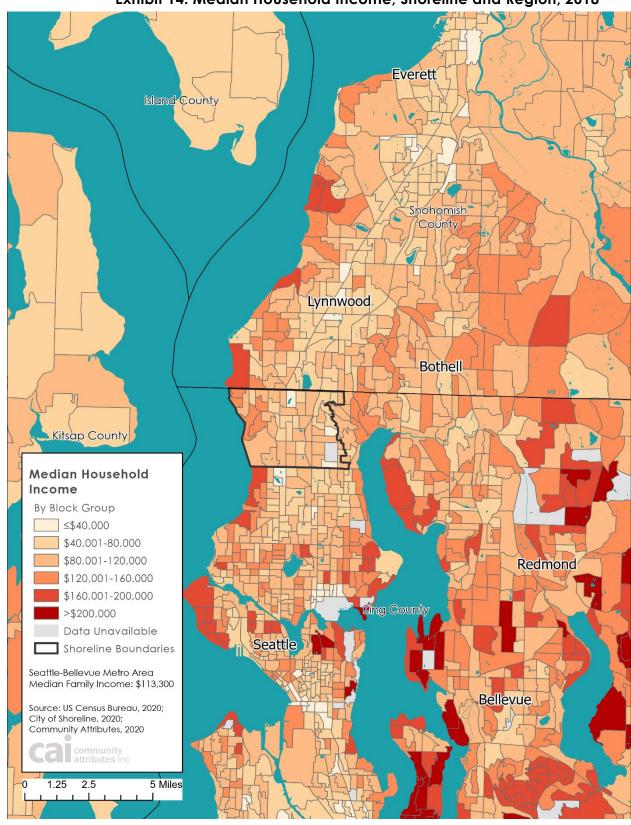


Exhibit 14. Median Household Income, Shoreline and Region, 2018

Typical to most communities, Shoreline's homeowners are more likely to have higher incomes compared to its renters. The households most likely to struggle to find affordable market rate housing in any community are those with incomes below 50% AMI. Low income households are more likely to need to sacrifice spending on other essentials to afford housing and are more vulnerable to homelessness. Shoreline has around 3,500 renter households and 2,400 homeowner households with incomes below 50% AMI. Altogether they represent around 27% of Shoreline's households. (Exhibit 15)

Households 16,000 14,000 12,000 10,000 >100% AMI 37.2%, 8,085 8,000 10.3%, 2,240 6,000 80-100% 4.2%, 910 8.0%, 1,745 50-80% 6.1%, 1,330 4,000 7.0%, 1,520 30-50% 6.4%, 1.395 2,000 5.1%, 1,100 9.5%, 2.060 <30% 6.1%, 1,330

Renters

Exhibit 15. Household Income by HUD AMI and Housing Tenure, Shoreline, 2016

Source: HUD CHAS, 2012-2016

Owners

Relative to its neighbors and peers around the region, Shoreline is a relatively balanced community in terms of income composition. Just under half of its households earn more than the median income, and households are distributed nearly evenly within the income segments below the median. Kirkland and Lake Forest Park have a high concentration of higher income households, while Burien and Federal Way have more lower income households. Because Shoreline is income-diverse, its residents are likely to have more varied housing needs. (Exhibit 16)

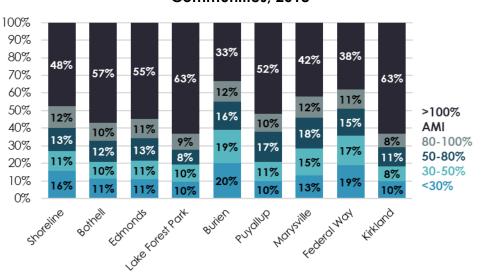


Exhibit 16. Household Income Composition, Shoreline and Peer Communities, 2018

 $Source: HUD\ CHAS,\ 2016$

King County's 2019 Point-In-Time Count of Persons Experiencing Homelessness found that the North County Subregion (including Shoreline, Bothell, Kenmore, Lake Forest Park, Woodinville, and some unincorporated areas) hosted 2% of unsheltered and 3% of sheltered persons experiencing homelessness Countywide. While North King County experienced a significant drop from 2018 to 2019, largely in unsheltered people, there are inherent challenges in properly counting this population. Point-in-time counts do not account for the population experiencing homelessness throughout the year, and they do not capture individuals who are couch surfing or in similar precarious housing arrangements. North King County significantly increased its shelter capacity from 2017 to 2018, but there was a slight drop from 2018 to 2019. (Exhibit 17) In 2018, a much larger share of the North County unsheltered population was living in cars and RVs compared to 2019. (Exhibit 18)

2019

500 466 450 Unsheltered 400 Sheltered 350 277 300 250 200 124 150 100 50 0

Exhibit 17. North King County Point-in-Time Count of Persons Experiencing Homelessness, 2017-2019

Sources: Seattle/King County Point-In-Time Count of Persons Experiencing Homelessness, 2019

2018

2017

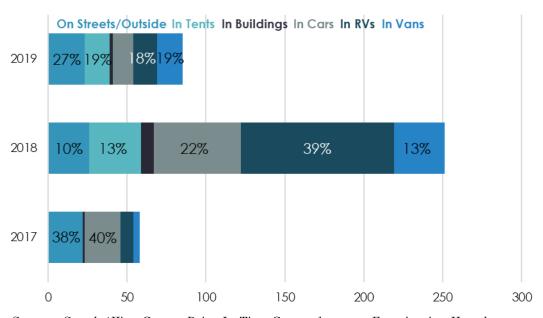


Exhibit 18. North King County Unsheltered Population Detail, 2017-2019

Sources: Seattle/King County Point-In-Time Count of persons Experiencing Homelessness, 2019

Employment and Commuters

With a jobs-housing ratio of 0.71, Shoreline is neither a bedroom community nor a major employment center. (**Exhibit 19**) While nearly half of the City's employed residents commute to Seattle, the next largest group live and work in Shoreline. The remainder are spread across a large number of destinations, particularly the region's major professional employment hubs. Seattle and Shoreline are also the most common places of residents for people who work in Shoreline. Most other Shoreline workers live nearby, in places like Edmonds, Everett, Lynnwood, and Mountlake Terrace. (**Exhibit 18**)

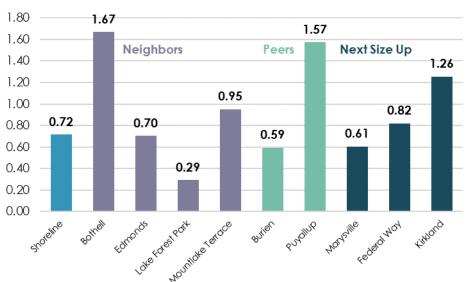


Exhibit 19. Jobs-Housing Ratios, Shoreline and Peer Communities

Sources: Puget Sound Regional Council, 2018; Washington Office of Financial Management, 2018

Exhibit 20. Commoter himows and Comows, Shoreline, 2017							
Where Shoreline Workers Live			Where Shore	Where Shoreline Residents Work			
Place	Number	Share	Place	Number	Share		
Seattle	3,220	18%	Seattle	14,040	48%		
Shoreline	2,500	14%	Shoreline	2,490	9%		
Edmonds	940	5%	Bellevue	1,710	6%		
Everett	680	4%	Everett	1,100	4%		
Lynnwood	620	3%	Lynnwood	780	3%		
Mountlake Terrace	430	2%	Redmond	720	2%		
Lake Forest Park	370	2%	Kirkland	710	2%		
Bothell	350	2%	Bothell	710	2%		
North Lynnwood CDP	330	2%	Edmonds	620	2%		
Kirkland	320	2%	Renton	360	1%		
Other	8,290	46%	Other	5,760	20%		
Total	18,050	100%	Total	29,000	100%		

Exhibit 20. Commuter Inflows and Outflows, Shoreline, 2017

 $Source:\ US\ Census\ Bureau,\ LEHD\ Origin-Destination\ Employment\ Statistics,\ 2017$

The Services sector is Shoreline's largest employer, and it has experienced the most significant growth since 1995. Retail, Government, and Education are also significant, though they have not experienced significant growth. (Exhibit 21)

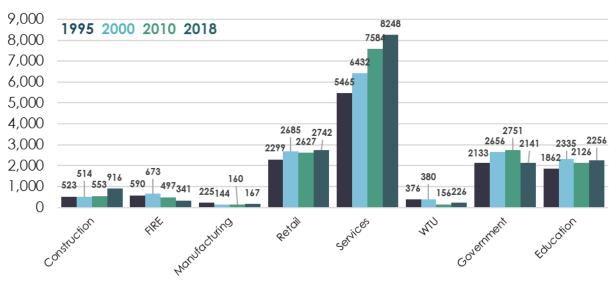


Exhibit 21. Covered Employment by Sector, Shoreline, 1995-2018

Source: Puget Sound Regional Council, 2018

Note: "WTU" stands for Wholesale Trade and Utilities and "FIRE" stands for Finance, Insurance, and Real Estate.

Housing Stock

Shoreline experienced a building boom after World War II, when developers began producing a high volume of affordable suburban family housing. This is still evident in the City's housing stock, as a quarter of its homes were built in the 1950s. Many of these homes could be considered redevelopable, particularly as land value rises. This brings challenges and opportunities. Shoreline can accommodate more growth in its higher density zones through redevelopment, but there is also potential to displace lower-income residents.

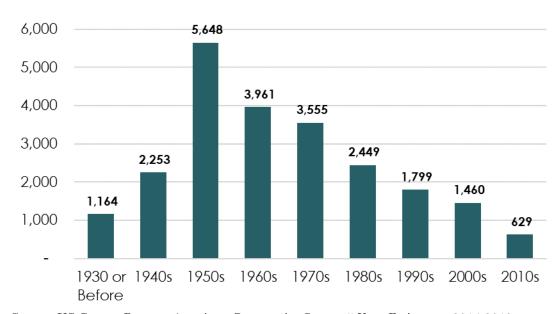


Exhibit 22. Housing Units by Age, Shoreline, 2018

Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Over time, most of Shoreline's housing growth has come from new multifamily housing units. While the City has never had a significant share of other types of units, it has lost most of its stock of other units. Typically these are manufactured homes. (**Exhibit 23**)

Shoreline's shift toward multifamily residential development has been the most evident over the past decade. Multifamily production has generally outpaced single family production in most years since 2010. (Exhibit 24)

Exhibit 23. Housing Units by Type, Shoreline, 1995 – 2020

Source: Washington State Office of Financial Management, 2019

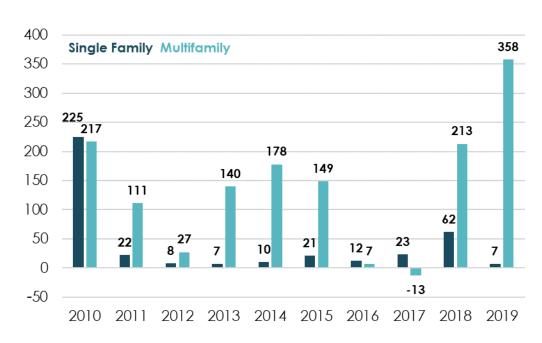
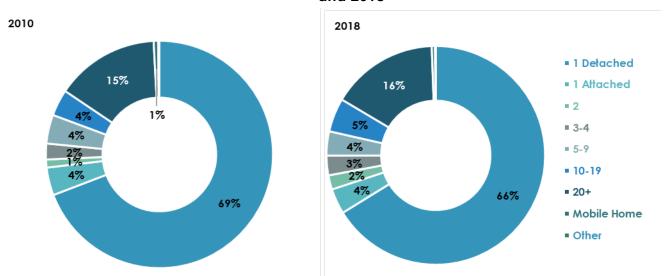


Exhibit 24. Annual Housing Unit Change, Shoreline, 2010-2019

 $Sources: Washington\ State\ Office\ of\ Financial\ Management,\ 2019.$

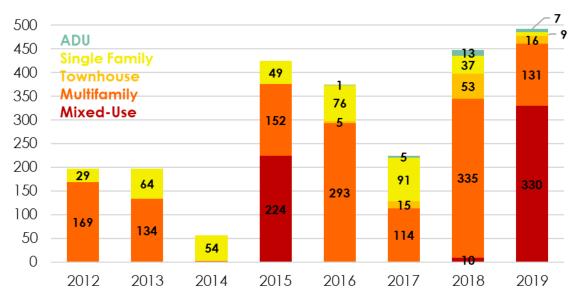
This shift toward multifamily development has been significant enough that, from 2010 to 2018, the City's overall single family detached housing share dropped by 3%. Residential buildings are permitted in higher intensity commercial districts without density limits. Combined with proximity to bus rapid transit this has led to a rise in apartment development. While the largest portion of Shoreline's multifamily units are in complexes with more than 20 units, the City is also seeing growth in smaller scale multifamily. (Exhibit 25)

Exhibit 25. Housing Units by Number of Units in Structure, Shoreline, 2010 and 2018



Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Exhibit 26. Permitted Units by Type, Shoreline, 2012-2019



Source: City of Shoreline, 2020

Recent permit data also reflects a heavy shift toward multifamily development and increased townhouse development. Much of this recent surge in multi-family development has been related to the 2015 rezoning of single family areas adjacent to the new 145th and 185th Link Light Rail Stations to allow higher density townhouses and apartments. Accessory Dwelling Unit (ADU) permitting increased significantly in 2018, though ADUs currently only represent a small share of permitted units per year. (Exhibit 26)

It is possible that the rise in multifamily housing is influencing transience. The share of residents who moved into their home in the past year has increased from 14% in 2010 to 16% in 2018, but it is difficult to say whether these people moved in with the intention to remain long term or not or if they moved between different dwellings in the same area.

The largest share of Shoreline's homes by size are three bedroom units. This is consistent with a city that is predominantly single family housing. Today, Shoreline's households are mostly one or two people, and there is likely demand for more smaller units. Stakeholder engagement will test preferences with regard to smaller units and unit types. (Exhibit 27)

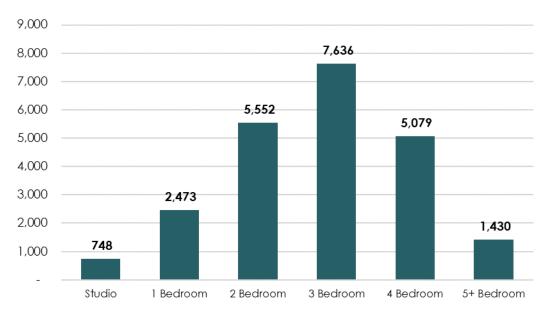


Exhibit 27. Housing Units by Number of Bedrooms, Shoreline, 2018

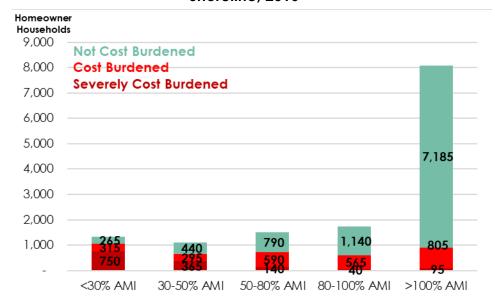
Source: US Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

Housing Affordability

Shoreline has a distinct renter household income distribution. There is a large group of renters with the lowest incomes, then the number of renters decreases as income rises. This trend does not continue above median

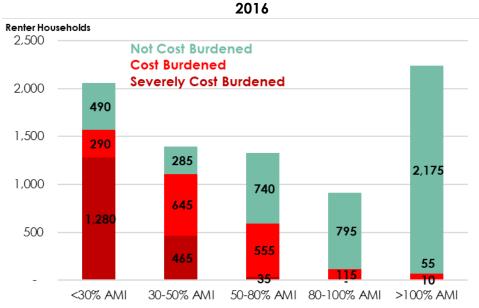
income, and the City has a large concentration of higher-income renters. While most of the City's lowest income renters are severely cost burdened and devote more than 50% of their income to rent, only a fraction of its highest income renters are cost burdened. In general, Shoreline's renters earning less than 50% AMI have the most serious housing affordability issues. Cost burden is still significant for renters between 50 and 80% AMI, but more than half of this group is not cost burdened.

Exhibit 28. Cost Burden by Income Level, Homeowner Households, Shoreline, 2016



Source: HUD CHAS, 2012-2016

Exhibit 29. Cost Burden by Income Level, Renter Households, Shoreline,



Source: HUD CHAS, 2012-2016

Shoreline's sale housing market has been consistently tight since January 2012. Housing markets are considered balanced when six months' supply is available for sale. Since 2012, Shoreline has typically had less than three months' supply available at any given time, and supply has fallen as low as 15 days on several occasions. There is a regional housing shortage, however, and Shoreline's market is similar to its neighbors and peers. This has driven price increases, which will likely continue while the current regional lack of supply persists. (Exhibit 33)

Median Sale Price Months of Supply \$700,000 9 Median Sale Price Months Supply \$600,000 \$500,000 **Balanced Market Supply** \$400,000 5 4 \$300,000 3 \$200,000 2 \$100,000 \$0 0 2012 2013 2014 2015 2016 2017 2018 2019 2020

Exhibit 30. Median Sale Price and Residential Market Months' Supply, City of Shoreline, 2012-2019

Source: Redfin, 2020

Assisted Housing

Nursing Homes

Shoreline currently has 490 nursing home and rehabilitation facility beds across four facilities. This translates to roughly 49 beds per 1,000 residents age 65 and above. Across the western US, there are 46 nursing home and residential care beds per 1,000 people in this age group¹, which suggests that Shoreline's supply is typical for the region. Projecting future needs is complex. Today, more seniors are choosing to continue living independently instead of living in nursing homes, which has reduced demand for certain

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¹ US Department of Health and Human Services, "Long-term Care Providers and Service Users in the United States, 2015-2016", 2019

facilities. Demand will continue for facilities that serve individuals living with specific ongoing care needs, such as those with Alzheimer's. (**Exhibit 28**)

Exhibit 31. Nursing Homes and Rehabilitation Facilities, Shoreline, 2020

Facility	Beds
The Oaks at Forest Bay	90
Fircrest School	92
Total Nursing Home Beds	182
CRISTA Rehab & Skilled Care Richmond Beach Rehab Total Rehabilitation Beds	168 140 308
All Beds	490

Source: US Department of Health & Human Services, Medicare.gov Nursing Home Compare, 2010

Financially Assisted Affordable Housing

Shoreline currently has four properties with 493 income-restricted units, all funded by low income housing tax credits (LIHTC).

Affordable LIHTC units have maximum rents based on income limits and can only be occupied by households earning less than the upper income limit. However, affordable rents are based on the upper income limit, so households with much lower incomes can still be cost-burdened while living in a LIHTC unit. There are other affordable housing funding sources which provide an ongoing subsidy so that a household never pays more than 30% of their income. Most of these are federal, notably the Section 8 Housing Choice Voucher Program.

There are two types of tax credits: one which subsidizes 30% of the units in a project and one which subsidizes 70% of the units. The 70% program is highly competitive and projects must typically meet deeper affordability goals to be successful. These projects often combine multiple funding sources to offer deep subsidies and supportive services to residents.

Shoreline has one 70% project which is owned and operated by Compass housing. Compass at Ronald Commons offers units to households earning up to 30% AMI and up to 50% AMI, though its 30% AMI units are only available by referral through the King County 2-1-1 Coordinated Entry process. Shoreline's three 30% projects have income-restricted units for households earning less than 60% AMI. (Exhibit 32)

Exhibit 32. Income-Restricted Multifamily Housing, Shoreline, 2020

Facility Name	Year Built	Credit Type	Income- Restricted Units
Colonial Gardens	1999	30%	71
Blakely at Echo Lake	2009	30%	199
Polaris Apartments	2014	30%	164
Compass at Ronald Commons	2017	70%	59
		Total	493

Source: HUD, 2020

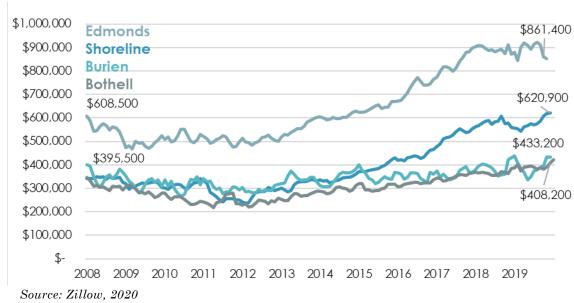
LIHTC units must remain affordable for 30 years, though credits can only be "recaptured" when properties fail to comply within the first 15 years. As a result there are few options for enforcement after 15 years. Of the four properties, only Colonial Gardens is more than 15 years old. Colonial Gardens is also owned and operated by King County Housing Authority, so these units will remain affordable throughout the compliance period and possibly beyond.

Housing Market

Prices

In the immediate post-recession years, Shoreline's housing market appeared to be similar to Burien and Bothell. While Burien and Bothell have remained similar over time, Shoreline sale prices pulled away and began climbing rapidly after 2015. (Exhibit 33)

Exhibit 33. Median Home Sale Price, Shoreline, Peers and Neighbors, 2008-2020



SHORELINE HOUSING NEEDS ASSESSMENT DRAFT JUNE 23, 2020 A home costing \$620,900, the most recent monthly median price in Shoreline, would require an estimated minimum income of \$117,000 to afford the monthly cost of loan principal, interest, property tax and insurance. This takes 30% of household income as a benchmark for affordability. By comparison, the median Shoreline family earns \$100,756. The median income for all types of households is \$80,489.

From 2010 to 2018, Shoreline's median rent has climbed at a similar rate to Edmonds and Bothell. The 2010 median rent of \$1,444 would require an annual income of around \$57,700. This is between 50 and 80% AMI for single people and couples according to 2020 HUD limits. The most recent median rent of \$2,055, by contrast, requires at least \$82,000 for affordability. This is nearly 100% AMI for single people and couples. As rents rise, fewer higher-income renters will be able to build sufficient savings to purchase homes. (Exhibit 34)

\$2,500

Edmonds
Shoreline
\$1,500

\$1,000

\$500

\$0
2,055

2,055

80

\$1,000

\$0
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

Exhibit 34. Median Rent, Shoreline and Peer Cities, 2008-2020

Source: Zillow, 2020

FORECASTS AND HOUSING NEEDS

Growth targets from Shoreline's last comprehensive plan update projected the City to add 5,000 net new housing units from 2006 to 2031. As of 2019, the City has added nearly half of that total. Since 2019 is also roughly halfway between 2006 and 2031, the City has been growing consistent with projections. However, this period has featured periods of more rapid and more slow growth. If one of these extremes is sustained, the growth trajectory could change.

Shoreline's population and employment projections will be updated in 2021. Once available, the Housing Action Plan will use projections to assess how many units the City will require by type and income level to serve future growth.

For interim planning purposes, **Exhibit 35** details several potential growth scenarios for Shoreline, based on trends the City has experienced in the past in terms of unit production per year. While these scenarios may differ from growth targets adopted in the future, they provide a general sense of the scale of Shoreline's housing needs.

If Shoreline's current household income distribution remains constant, the City will require between 50 and 150 new units *per year* serving households earning less than 50% AMI. This does not include the number of affordable units required to serve existing cost-burdened low-income households. (Exhibit 35)

Exhibit 35. Shoreline Housing Needs Analysis

Citywide Housing Units	Total Units	Annual Crowth
Citywide Housing Units	-	Annual Growth
Housing Units, 1996	19,153	F 4.7
Housing Units, 2000	21,338	546
Housing Units, 2010	22,787	145
Housing Units, 2019	24,127	134
Assumed Multifamily Share of New Units	75%	
Assumed 2050 Household Size		
Single Family	2.2	
Multifamily	1.8	
Household Growth Scenarios, 2020 to 2050		
High Growth (1996-2000 Growth Trend)	16,500	550
Current Trend (2015-2019 Growth Trend)	12,000	400
Previous Plan Housing Target	6,000	200
Low Growth (2010-2015 Growth Trend)	4,500	150
Total Housing Units Required w/Vacancy of	5.0%	
High Growth Scenario	17,300	578
Current Trend Scenario	12,600	420
Previous Plan Scenario	6,300	210
Low Growth Scenario	4,700	158
Housing Units Paguired to Sarva Households Polow 5007 AAA	27.1%	
Housing Units Required to Serve Households Below 50% AMI		1.50
High Growth Scenario	4,700	150
Current Trend Scenario	3,400	100
Previous Plan Scenario	1,700	50
Low Growth Scenario	1,250	50

Sources: City of Shoreline, 2020; US Census Bureau, American Community Survey 2018 5-Year Estimates; Washington Office of Financial Management, 2019; CAI, 2020

HOUSING NEEDS ASSESSMENT

- The households most likely to be cost burdened in Shoreline are renters below 50% AMI. Shoreline needs more dedicated affordable units serving renters in this income segment. This is best accomplished in partnership with nonprofit and public housing providers.
- Shoreline has an overall housing shortage that is part of a regional lack of supply. This has had upward pressure on prices, particularly home sale prices. The current median home is now out of reach of the typical Shoreline family.
- Rents have risen so that renters between 50% and 80% AMI will now struggle to find affordable housing in Shoreline. Renters above 80% AMI will now struggle to build sufficient savings to buy a home.
- Most of Shoreline's households consist of one or two people. Among
 these households there are two potential subgroups to consider for
 housing planning purposes seniors and young adults. There is strong
 demonstrated demand for townhouses, consistent with this
 demographic. There may be untapped demand for additional small
 housing types, such as cottage housing and small-lot single family
 development.
- Shoreline's midcentury single family homes will be attractive for redevelopment as prices rise. This will bring a shift toward more multifamily development in multifamily zones, and more high value, large homes in single family zones. As prices rise, Shoreline will likely attract more high-income households.

Shoreline Housing Toolkit Regulatory Review

Draft

July 31, 2020

Prepared by:



Prepared for:



Att. A - Draft Housing Action Plan



Community Attributes Inc. tells data-rich stories about communities that are important to decision makers.

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Att. A - Draft Housing Action Plan

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EXECUTIVE SUMMARY

This regulatory review presents Shoreline's policies and programs to support desired housing goals in the city, and provides an assessment of performance. This summary presents high level findings from the report, and includes discussion of opportunities for Shoreline to better achieve its housing goals. The City can use this list to inform potential actions for the Housing Action Plan.

In general, Shoreline's housing policies and programs intend to achieve the following goals:

- Increase supply of housing in the city
- Increase the variety of housing (specifically multifamily and cottage housing developments)
- Provide more affordable housing citywide
- Serve low income households and minimize displacement

Assessment

The City has employed several highly effective strategies to increase its housing supply, including a multifamily tax exemption (MFTE) and several planned actions. It also has several highly effective programs to increase affordable housing for low-moderate renters, including inclusionary zoning in its station areas. The MFTE program may be able to encourage development of more affordable housing units, particularly in combination with the City's other tools, though this should be tested with market analyses.

Several programs are either underutilized or have the potential to be more effective with adjustments. The City's density bonus and parking reduction programs have not been well utilized. This may be explained by aspects of the programs themselves, along with a lack of awareness among the development community about all the incentives Shoreline offers. Clear marketing materials compiling all local incentives and demonstrating how they can benefit typical projects could bolster multiple programs.

There are several strong opportunities to increase housing variety. These include revising requirements for ADUs, permitting cottage housing, and regulating more residential areas based on form to accommodate more flexibility in density.

In general, the most significant gap areas to prioritize for new strategies are serving very low-income households and minimizing displacement.

Partnerships with local affordable housing and service providers will be important in advancing these goals.

Potential Actions for Consideration

Comprehensive Plan

- Add goal(s) and policies on minimizing displacement of low-income residents.
- Describe the connection of comprehensive plan elements to housing goals (infrastructure investments, parks plans, and more, for example).

Funding and Related Resources

Multifamily Tax Exemption

- Complete a market analysis to determine if the market can support a lower income limit in target areas where the program is well-utilized. This analysis should incorporate the City's other incentives, including fee waivers and parking reductions.
- Complete a pro forma analysis to evaluate if there are cases where the rehabilitation program can improve the prospects of new development of affordable housing.
- Assess potential barriers to development in the target areas where MFTE has not been used, and consider the benefit of an 8-year exemption without affordability requirements.

Permit Waivers for Affordable Housing

- Develop a public framework for estimating the value of fee waivers for typical projects under a set of typical scenarios.
- Prepare marketing materials, such as a dedicated website, that compile all the City's affordable housing incentives and demonstrate how they can be combined.

Sales and Use Tax Credit

- Develop priorities for use of funds that are appropriate for Shoreline's priorities and the level of funding available.
- Evaluate opportunities to pool funds with other jurisdictions for greater impact.

Zoning and Regulatory Strategies

Accessory Dwelling Units (ADUs)

• Eliminate or ease parking requirements, particularly in areas with access to transit.

- Eliminate owner-occupancy requirements.
- Allow more than one ADU per lot, such as by allowing both an attached and detached unit or granting greater flexibility for large lots.
- Develop "pre-approved" ADU plans, providing the community with the opportunity to provide input on designs.
- Develop educational materials for homeowners portraying the full range of possibilities for ADUs, including converting basements and garages.

Deep Green Incentive Program

- Periodically analyze the program to ensure incentives remain sufficient to not impede development in mandatory zones.
- Reduce or eliminate the minimum lot size.
- Expand eligibility to more zones.

Density Bonuses

- Clarify if additional code departures are possible to accommodate the bonus, such as lot coverage and height limits.
- Conduct a developer's forum to identify opportunities to make the program more attractive.
- Model the potential benefit to the developer of providing additional affordable units, and consider alternate scenarios that achieve a deeper affordability level on fewer units.
- Assess whether the bonus can be combined with an MFTE, and market this opportunity along with the MFTE program if it is feasible.

Inclusionary Zoning

- Monitor program participation over time.
- Develop requirements for home ownership units.
- Study and weigh impacts of a fee per square foot instead of fee per unit.

Parking Reductions

- Establish clear criteria to achieve the maximum parking reduction
- Complete a parking demand study to evaluate if parking requirements can be reduced in light rail station areas.

Planned Action EIS

- Periodically review and refresh as needed
- Identify any long-range priority areas that may benefit from a new planned action

INTRODUCTION

Background and Purpose

The City of Shoreline is developing a Housing Action Plan with support from the Washington State Department of Commerce. Washington State House Bill 1923 enacted one-time planning grants for cities to complete specific actions to support housing affordability. Shoreline received a grant to develop a Housing Action Plan, one of the eligible options under the grant program.

The Housing Action Plan will provide city-led actions and initiatives to encourage sufficient affordable and market rate housing at prices accessible to all of Shoreline's households, now and in the future. The Plan's content will be informed by two products – the Housing Needs Assessment and the Housing Toolkit. The Housing Needs Assessment provides the quantitative data and analysis required to understand Shoreline's housing needs. The Housing Toolkit will assess Shoreline's existing strategies relative to its needs, and identify appropriate options to address those needs.

The purpose of this regulatory review is to identify Shoreline's existing housing efforts and assess their performance and alignment with Housing Action Plan objectives. This assessment will help inform priorities for the Housing Toolkit.

Methods

Analysis in this report uses internal City of Shoreline data to assess existing housing program outcomes.

Organization of this Report

The remainder of this report is organized as follows:

- **Housing Policy Framework** explains high-level objectives for the Housing Action Plan, and how the City's existing plans connect to these objectives
- Existing Housing Tools summarizes existing housing strategies, their purposes, recent performance, and actions to consider for improvement
- Assessment summarizes how existing tools align with housing objectives, both in terms of potential and as currently applied, and identifies gap areas for the Housing Toolkit

HOUSING POLICY FRAMEWORK

Housing Action Plan Objectives

State law identifies a set of broad objectives for Housing Action Plans to address. (*RCW 36.70A.600*) Different cities have different needs, and Shoreline's Housing Action Plan will address these objectives based on its specific context. This report will assess Shoreline's existing housing strategies and tools for alignment with the following objectives:

- Increasing housing supply
- Increasing variety of housing types
- Increasing supply of housing affordable to all income levels
- Minimize displacement of low-income residents resulting from redevelopment
- Support preservation of existing housing (Recommended but not required for the Action Plan, required for Housing Element per RCW 36.70A.070(2))

Comprehensive Plan

Growth Targets

Shoreline's 2012 comprehensive plan incorporates a housing growth target of 5,000 units between 2006 and 2031, or approximately 200 net new units per year. Since 2006, Shoreline's housing supply has grown by 0.8% per year on average, compared to a target of 0.9%. The strongest growth occurred from 2008 to 2010 and 2017 to 2019, while the weakest growth occurred from 2011 to 2012 and 2015 to 2017. Production has been strong in recent years, growing by 1.2% per year since 2017. If this recent production rate continues, Shoreline's housing stock will surpass the growth target by 2022. (Exhibit 1)

Shoreline's growth targets will be updated early in 2021. Once available, the Housing Action Plan will assess how many units will be required to serve different income levels, and whether there is sufficient land available.

25,000

20,000

21,656

Actual Housing Unit Growth
Compound Annual Growth, 2006-2020: 0.8%

Growth Target
Compound Annual Growth, 2006-2020: 0.9%

5,000

0

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Exhibit 1. Actual and Planned Housing Unit Growth, Shoreline, 2006-2020

Sources: Washington State Office of Financial Management, 2020; King County, 2016

Housing Element

Exhibit 2 organizes Shoreline's Housing Element goals and policies in alignment with the Housing Action Plan objectives. Shoreline's previous plan has identified policies that are relevant to each objective, though it lacks direct goals or policies on minimizing displacement.

Exhibit 2. Shoreline Housing Element Alignment with Housing Action Plan Objectives

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Increase Housing Supply	Goal H I: Provide sufficient development capacity to accommodate the 20 year growth forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.	H3: Encourage infill development on vacant or underutilized sites. H4: Consider housing cost and supply implications of proposed regulations and procedures.

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Increase Housing Supply (cont.)		H2: Provide incentives to encourage residential development in commercial zones, especially those within proximity to transit, to support local businesses
Increase Variety of Housing Types	Goal H II: Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations.	H1: Encourage a variety of residential design alternatives that increase housing choice.
	Goal H VI: Encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities.	H5: Promote working partnerships with public and private groups to plan and develop a range of housing choices. H6: Consider regulations that would allow cottage housing in residential areas, and revise the Development Code to allow and create standards for a wider variety of housing styles. H24: Explore the feasibility of implementing alternative neighborhood design concepts into the City's regulations. H26: Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs, such as those fleeing domestic violence, throughout the city and region. H27: Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use.
Increase Supply of Housing Affordable to All Income Levels	Goal H III: Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of Area Median Income.	H7: Create meaningful incentives to facilitate development of affordable housing in both residential and commercial zones, including consideration of exemptions from certain development standards in instances where strict application would make incentives infeasible.
		H8: Explore a variety and combination of incentives to encourage market rate and non-profit developers to build more units with deeper levels of affordability. H9: Explore the feasibility of creating a City housing trust fund for development of low income housing.

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Increase Supply of Housing Affordable to All Income Levels (cont.)		H10: Explore all available options for financing affordable housing, including private foundations and federal, state, and local programs, and assist local organizations with obtaining funding when appropriate H11: Encourage affordable housing availability in all neighborhoods throughout the city, particularly in proximity to transit, employment, and educational opportunities. H13: Consider revising the Property Tax Exemption (PTE) incentive to include an affordability requirement in areas of Shoreline where it is not currently required, and incorporate tiered levels so that a smaller percentage of units would be required if they were affordable to lower income households. H15: Identify and promote use of surplus public and quasi-publicly owned land for housing affordable to low and moderate income households H16: Educate the public about community benefits of affordable housing in order to promote acceptance of local proposals. H17: Advocate for regional and state initiatives to increase funding for housing affordability. H18: Consider mandating an affordability component in Light Rail Station Areas or other Transit-Oriented Communities. H19: Encourage, assist, and support nonprofit agencies that construct, manage, and provide services for affordable housing and homelessness programs within the city. H25: Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations. H29: Support the development of public and private, short-term and longterm housing and services for Shoreline's population of people who are homeless.

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Increase Supply of Housing Affordable to All Income Levels (cont.) Minimize Displacement of	Goal H VII: Collaborate with other jurisdictions and organizations to meet housing needs and address solutions that cross jurisdictional boundaries.	H28: Improve coordination among the County and other jurisdictions, housing and service providers, and funders to identify, promote, and implement local and regional strategies that increase housing opportunities. H30: Collaborate with King and Snohomish Counties, other neighboring jurisdictions, and the King County Housing Authority and Housing Development Consortium to assess housing needs, create affordable housing opportunities, and coordinate funding. H31: Partner with private and not-forprofit developers, social and health service agencies, funding institutions, and all levels of government to identify and address regional housing needs. H32: Work to increase the availability of public and private resources on a regional level for affordable housing and prevention of homelessness, including factors related to cost-burdened households, like availability of transit, food, health services, employment, and education. H33: Support and encourage legislation at the county, state, and federal levels that would promote the City's housing goals and policies. H14: Provide updated information to residents on affordable housing
Low-Income Residents Resulting from Redevelopment		opportunities and first-time home ownership programs.
Support Preservation of Existing Housing		 H12: Encourage that any affordable housing funded in the city with public funds remains affordable for the longest possible term, with a minimum of 50 years. H20: Pursue public-private partnerships to preserve existing affordable housing stock and develop additional units.

Housing Action Plan Objective	Associated Shoreline Housing Element Goals	Associated Shoreline Housing Element Policies
Support Preservation of Existing Housing (cont.)	Goal H IV: "Protect and connect" residential neighborhoods so they retain identity and character, yet provide amenities that enhance quality of life.	H21: Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image.
		H22: Continue to provide financial assistance to low-income residents for maintaining or repairing health and safety features of their homes through a housing rehabilitation program.
Additional Local Priorities	strategies specifically intended to attract families with young children in order to support the school system. Goal H V: Integrate new development with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.	H23: Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.

EXISTING HOUSING TOOLS

Funding and Related Resources

Multifamily Tax Exemption (MFTE)

The Multifamily Tax Exemption (MFTE) program was established under state law in 1995. Under this legislation, cities in Washington with a population of more than 15,000 and certain cities specified under RCW 84.14.010(3) may establish a property tax exemption program to incentivize the construction of new, rehabilitated or converted multifamily housing within designated centers. The exemption may extend for 8 or 12 years, with a minimum affordable housing requirement for any 12-year exemption. Cities may establish additional requirements for either exemption beyond these minimum standards.

Shoreline offers a 12-year MFTE for developments with four or more units. The program is only available for rented units, but applies to both new construction and rehabilitated properties. To be eligible, applicants must

rent 20% of the project's units to income-qualified households through the 12-year exemption period. The mix of affordable units by size and type must be comparable to the project overall. The income limits are as follows:

- Studio and One Bedroom Units: 70% AMI
- Two Bedroom and Larger Units: 80% AMI

Rehabilitation projects must add at least four additional residential units to be eligible for the program, unless the project has been vacant for at least 12 consecutive months. The property must also fail to comply with one or more standards of state or local building or housing codes. The property tax exemption only applies to value added through rehabilitation. If the property is not vacant prior to rehabilitation, the applicant must provide each tenant housing of comparable size, quality, and price.

The City has defined nine target areas where the program is available. (SMC 3.27.030) These areas are as follows:

- Aurora Avenue North Corridor
- Ballinger Way NE Commercial Area
- Hillwood Commercial Area
- Richmond Beach Commercial Area
- Southeast Neighborhood Commercial Area
- North City Business District
- Ridgecrest Commercial Area
- 145th Street Station Subarea
- 185th Street Station Subarea

Associated Housing Objectives

- Increase Housing Supply: MFTEs are effective in generating more multifamily development than may otherwise occur.
- Increase Variety of Housing Types: MFTEs can be effective in encouraging denser development and increasing multifamily housing supply.
- Increase Supply of Housing Affordable to All Income Levels: Units serve renters earning 70-80% AMI. These units will not be affordable to households earning less than 50% AMI, but they may reduce these renters' cost burden level.
- Support Preservation of Existing Housing: Rehabilitation projects are also eligible for Shoreline's program.

Outcomes

Shoreline's MFTE program has produced 568 affordable units since 2007. Eighteen of these units are no longer subject to affordability requirements, with another 192 set to graduate the program in 2027. (**Exhibit 3**)

New Affordable Units
350

314
300
272
250
200
192
150
100
59
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Exhibit 3. Affordable MFTE Units by Year Built, Shoreline, 2007 - 2020

Source: City of Shoreline, 2020

Interest in the program is likely increasing as Shoreline's light rail service opening draws closer, and the City anticipates another 314 affordable units from projects currently under construction. Five of the eight MFTE projects in the pipeline are located in station areas and also subject to the inclusionary housing program. (**Exhibit 4**)

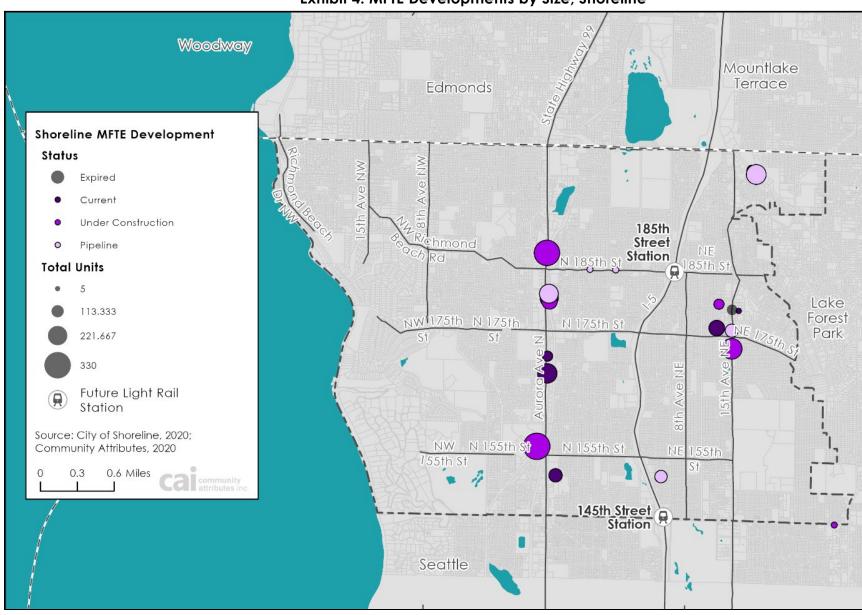


Exhibit 4. MFTE Developments by Size, Shoreline

All of Shoreline's MFTE projects have been new construction projects, rather than rehabilitation or conversion projects. MFTE development is concentrated along Aurora and in North City. Three target areas have no past or planned MFTE projects: Hillwood, Richmond Beach, and Ridgecrest. While the Aurora Avenue North target area has attracted more development than any other area, it is also much larger than the other target areas.

Exhibit 5. Shoreline MFTE Development by Target Area and Development Status

	Existing De	evelopment	Under Cor	nstruction	Pipeline P	rojects	Total	
Target Areas	Projects	Total Units	Projects	Total Units	Projects	Total Units	Projects	Total Units
Aurora Avenue North	3	430	4	1,011	1	210	8	1,651
Ballinger Way NE	2	132	-	-	1	227	3	359
Hillwood	-	-	-	-	-	-	-	_
North City	2	93	1	243	1	124	4	460
Richmond Beach	-	-	-	-	-	-	-	-
Ridgecrest	-	-	-	-	-	-	-	-
Southeast Neighborhood	-	-	1	16	-	-	1	16
145th Street Station	-	-	-	-	2	150	2	150
185th Street Station	1	165	1	81	3	59	5	305
							-	-
	8	820	7	1,351	8	770	23	2,941

Source: City of Shoreline, 2020

Actions for Consideration

MFTE programs are most effective in encouraging more multifamily development overall. They can help make a marginal project feasible, and help mitigate uncertainty for feasible projects, but the benefit is insufficient to make an infeasible project work without additional funding. When market rents are very high, the benefit of the property tax exemption can be smaller than the foregone revenue under affordability requirements. While the following opportunities for improvement may help increase program participation and affordability, an MFTE is never likely to serve households below 50% AMI without additional subsidy.

Per state law, Shoreline uses the area median income for King County established by HUD for its income limits, adjusting for household size. These limits may be high compared to Shoreline's income distribution. As a result, many of this policy's beneficiaries might not be the target population the city envisioned when creating the policy. For example, the Shoreline MFTE rent for a two bedroom apartment at 80% AMI would be \$2,039 per month, or \$1,893 if the tenant pays all utilities. By comparison, the average market asking rent for a Shoreline two bedroom apartment built in 2015 or later was \$2,055 in Q2 2020, according to CoStar data. As a result, 80% income limits based on the King County standard are likely producing units that are close to market rate in Shoreline. In the same survey, the average one bedroom rent was \$1,591, compared to a 70% AMI rent of \$1,586, or \$1,466 without utilities.

To encourage more below-market rent units, Shoreline may complete an analysis to determine if there is a deeper income target that is still feasible in the local market. This analysis should combine the MFTE benefit with other applicable benefits, such as permit waivers and reduced parking requirements. It should also consider alternate scenarios, such as retaining the existing income limits but increasing the share of affordable units.

The City may also consider analyzing barriers to MFTE development in the three target areas which have not yet attracted development. Once the land capacity analysis is updated, the City may assess whether there are appropriate buildable sites in these target areas to accommodate MFTE development. Program requirements may be adjusted for different target areas. If the market is not strong enough to support development with affordable units in certain areas, the City may also consider offering an 8-year MFTE without the affordability requirement.

To date, no projects have used the rehabilitation MFTE program. Shoreline's program is consistent with the minimum restrictions established by state law. Under current state limits, the program is unlikely to be useful beyond isolated cases. Potential issues include:

- Code compliance. Rehabilitation projects must fail to comply with at least one standard of the building or housing code. It is a common strategy for certain commercial real estate investors to acquire older properties, complete cosmetic improvements, and then command a significantly higher rent. These properties may not have code compliance issues, but have a dated appearance and naturally lower market rents. This program will not be effective in preserving affordability in these cases.
- Adding units. Rehabilitation projects must add units, unless the property has been vacant. If zoning and site characteristics do not support adding density, and the City is unaware of any code issues, there is no incentive for rehab and units may continue to be rented in a substandard condition.
- Value of exemption and affordability requirements. Because the MFTE only applies to the value added through rehab, the impact of affordability requirements may outweigh the benefit of the tax exemption.

The City may perform a pro forma analysis to evaluate situations when the rehabilitation program is economically beneficial. If the affordability requirement is not feasible, it may consider an 8-year exemption without an affordability requirement for rehabilitation projects. If the City is experiencing issues with substandard multifamily properties not being

rehabilitated and not being redeveloped, the 8-year exemption may be desirable.

Permit Waivers for Affordable Housing

Affordable housing developers may apply to have permitting fees waived for projects serving renters at or below 60% of AMI. This opportunity applies citywide. The amount of money saved by the waived fees varies based on individual project specifics, and the director has discretion over the exact amount of the reduction. (*SMC 20.40.230 (H)*)

Associated Housing Objectives

• Increase Supply of Housing Affordable to All Income Levels: This policy serves projects for renters earning no more than 60% of AMI.

Outcomes

While the program has been in the code since 2015, to date only one project has applied for an affordable housing fee waiver. It is currently in permitting. This 227-unit project has accumulated \$246,500 in fees with more anticipated during project review. The director has yet to determine the share that will be waived.

Actions for Consideration

The City's other affordable housing strategies use a 70% or 80% AMI limit, and the fee waiver may not provide enough incentive for private developers to pursue the required deeper income level.

There may be a lack of awareness that the City offers this opportunity. The City may consider developing marketing materials for this and other affordable housing incentives, including a dedicated website clearly demonstrating the benefits to a typical project. This could include a publicly available framework showing a range of expected fee reduction outcomes for projects with a given set of attributes.

Sales and Use Tax Credit

In 2019, Washington House Bill 1406 established a revenue sharing program that allows cities like Shoreline to impose a 0.0073% sales and use tax, credited against the state sales tax for housing investments. These funds can be used for acquiring, rehabilitating, or constructing affordable or supportive housing; toward operation and maintenance costs for new affordable or supportive housing; or for direct tenant rental assistance.

Shoreline passed an ordinance to participate in this program in late 2019. (SMC 3.17)

Associated Housing Objectives

- Increase Supply of Housing Affordable to All Income Levels: Per state law, the funding must serve households with incomes at or below 60% AMI.
- Minimize Displacement of Low-Income Residents Resulting from Redevelopment: Funds can be used to provide direct tenant rental assistance.
- Support Preservation of Existing Housing: Funds can be used to help rehabilitate or acquire affordable housing units at risk of market-rate conversion.

Outcomes

As of June 2020, Shoreline has collected \$14,600 in revenue from the sales and use tax credit. The City estimates that the sales tax credit can provide up to \$85,929 per year for up to 20 years. These revenues will fluctuate with local economic activity and may be lower in recessionary years. The City estimates 2020 revenues could be reduced by 20% due to COVID-19 impacts.

Opportunities for Improvement

The City should establish priorities for the Fund's use and procedures for how funding will be distributed. The City may enter into an interlocal agreement to pool its funds with other local governments or public housing authorities. It may also use tax credit revenue to issue or repay bonds for authorized projects.

Zoning and Regulatory Strategies

Accessory Dwelling Units (ADUs)

An Accessory Dwelling Unit (ADU) is a smaller, independent dwelling unit located on the same lot as a single-family home. It may be enclosed within the home, as with a "mother-in-law suite", or be a fully detached unit. ADUs are permitted outright in all of Shoreline's residential zones, per SMC 20.40.120, subject to the following limitations:

- One ADU per single-family dwelling
- The ADU may be located in the primary residence or detached
- The property owner or an immediate family member must occupy one of the two units
- ADUs must not be larger than 50% of the primary residence's living area
- One off-street parking space required per ADU
- ADU cannot be subdivided in ownership

 Development applicant must record a document establishing the owner and committing to owner occupancy and informing any prospective buyers of the requirements

ADUs are market-rate units but are likely to be more affordable to rent compared with traditional single family homes. They also represent an opportunity to increase density and housing supply in single family neighborhoods without substantially changing neighborhood character.

Associated Housing Objectives

- Increase Housing Supply: ADUs provide an opportunity to add units on lots that would otherwise not be part of the buildable land supply
- Increase Variety of Housing Types: ADUs provide an alternative to larger single family homes and apartments which may be particularly attractive to both seniors and young adults. They also work well for multigenerational families occupying both units.
- Increase Supply of Housing Affordable to All Income Levels: ADUs are more likely to be affordable compared to larger homes
- Minimize Displacement of Low Income Residents: Ongoing rental income may support housing stability for existing lower-income homeowners as property taxes increase
- Support Preservation of Existing Housing: The increased value an ADU provides may make the lot less likely to be redeveloped. Rental revenue can also help offset maintenance costs for homeowners.

Outcomes

Shoreline's ADU code was established in 2000. The most significant adjustment to the requirements was in 2010, when the City removed a requirement only permitting ADUs on lots larger than 10,000 square feet. ADU permitting only increased significantly in 2017. From 2012 to 2019, 26 new ADUs were permitted (**Exhibit 6**). Of this total:

- 18 (69%) were detached
- 12 (46%) were conversions of existing structures, such as basements and garages, including one illegal duplex conversion
- 2 (8%) benefited from expedited permitting through the Deep Green Incentive Program

Exhibit 6. Permitted Units by Type, Shoreline, 2012-2019

	2012	2013	2014	2015	2016	2017	2018	2019
Mixed-Use	0	0	0	224	0	0	10	330
Multi-Family	169	134	3	152	293	114	335	131
Townhouse	0	0	0	0	5	15	53	16
Single Family	29	64	54	49	76	91	37	9
ADU	0	0	0	0	1	5	13	7
Total	198	198	57	425	374	220	435	486

Source: City of Shoreline, 2020

Opportunities for Improvement

Shoreline's ADU policy may produce more units if parking requirements were eased, particularly in areas with access to transit. Eliminating parking requirements would represent a significant reduction in barriers to development. Besides elimination, some other policies to reduce parking development burden include allowing ADUs to share parking with adjacent uses, including underutilized neighboring residential parking. In this case, neighbors could combine proposals to achieve the lower parking ratio.

The City may consider removing owner-occupancy requirements for properties with ADUs. The requirement may prevent a homeowner from obtaining a construction loan, as the lender may not consider the additional rental income. If the property is foreclosed, the bank cannot rent out both units. Shoreline's code also requires ADU builders to record a document committing to owner occupancy, including a statement that they will inform future buyers of the requirements and remove the unit if requirements are violated. This is not encouraging, and homeowners may have concerns about future resale value under these requirements. There is also an equity case for removing this requirement, as owner-occupancy is not required for other types of housing units. Individual single family homes are available to renters, so ADUs should be treated similarly.

The City may evaluate permitting more ADUs per single family dwelling. This could include allowing both one attached and one detached ADU on a lot, or allowing more flexibility for larger lots.

Even though they are small, ADUs can still be prohibitively expensive to build. To encourage ADUs further, the City can work with architects to develop "permit ready" ADU plans and make them available to property owners for free. The community can be engaged to provide input on design considerations. This can help both reduce cost and increase the property owner's confidence in their project.

There have been relatively few new attached ADUs compared to detached in Shoreline. The City may also consider developing additional educational materials for homeowners to understand the full range of possibilities for ADUs, including converting basements and existing garages.

Deep Green Incentive Program

Shoreline's Deep Green Incentive Program (DGIP) offers a set of tiered incentives for projects that achieve requirements for one of several established green building programs. Incentives include density bonuses, parking reductions, and fee waivers (*SMC 20.50.630*). All MUR zones are eligible, but Tier 4 DGIP is required in station areas.

The following density bonuses are available:

- Up to 100% bonus when meeting full Living Building Challenge or Living Community Challenge Criteria
- Up to 75% bonus when meeting Emerald Star or Living Building Petal Certification Criteria
- Up to 50% bonus when meeting LEED platinum, 5-Star, PHIUS+ SourceZero/Salmon Safe or ZE/Salmon Safe Certification Criteria
- Up to 25% bonus when meeting PHIUS+ or 4-Star Criteria

There is a minimum lot size of 10,000 square feet for eligibility. Bonuses are not permitted in R-4 and R-6 zones.

Projects can apply for parking reductions from 5-50% based on participation tiers within the Deep Green Incentive Program. These cannot be combined with reductions for other purposes. (SMC 20.50.400 (B))

Outcomes

One detached accessory dwelling unit has been completed, and two apartment projects with a combined 533 units are in development. One of these projects received a parking reduction and 25% fee reduction, while the other received a height increase and 50% fee reduction.

Associated Housing Objectives

 This program advances community health and environmental quality, but does not directly serve any of the five Housing Action Plan objectives

Opportunities for Consideration

If the City wishes to encourage more widespread use of green building programs, it can consider expanding the program to include more zones and reducing the minimum lot size.

Tier 4 DGIP is required in Shoreline's station areas. The goals of the DGIP should be weighed against their impact to development costs and affordability. The City offers a range of incentives to help offset the cost, but it should regularly analyze the value over time to ensure that the program is not limiting the City's ability to accommodate growth.

Density Bonuses

Shoreline offers up to a 50% bonus over base density if the additional units are dedicated as affordable to households earning less than 80% Area Median Income. The program applies to rental and for-purchase housing units. It does not apply to the construction of one single family home on a lot that can only accommodate one unit, or if providing accessory dwelling units. The program is only relevant to residential zones, as mixed-use and commercial zones do not have density limits. (*SMC 20.40.230*)

Associated Housing Objectives

- **Increase Housing Supply:** Density bonuses increase the number of units a site can otherwise produce
- Increase Supply of Housing Affordable to All Income Levels: ADUs are more likely to be affordable compared to larger homes

Outcomes

This policy has not been used yet.

Opportunities for Consideration

It is not clear if developers are eligible for other departures from the code such as height limits or lot coverage along with the affordable housing density bonus. Without these departures, there may be barriers to physically accommodating the density bonus.

Because all additional units must be affordable, the developer may not be gaining enough from the density increase to justify the cost. This is likely especially true for home ownership units. The City may conduct pro forma analysis to a test this question. The City may also model the impact of allowing market rate units as part of the bonus, provided the developer meets a deeper affordability level on a fewer number of units. One scenario where the bonus could be attractive would be if the bonus could be combined with an MFTE, and the bonus affordable units could count toward MFTE requirements. The City may be able to leverage this combination to require a deeper affordability level.

Conducting a "developer's forum" to discuss this and other housing tools can be helpful to identify additional practical barriers to development. Similar to the permit waiver program, the density bonus program would benefit from clear, dedicated marketing demonstrating its potential value, particularly in combination with other incentives.

Inclusionary Zoning

Inclusionary zoning is a method to incorporate affordable housing units into private, for-profit development. Shoreline has developed an inclusionary zoning program for its light rail station areas. The program is voluntary in the MUR-35 zone and mandatory in MUR-45 and MUR-70 zones. Developers can provide affordable units following the requirements listed in **Exhibit 7**, or they can provide an in-lieu fee or comparable offsite in-lieu units. The inlieu fee has been established as a flat amount per unit by zone. Currently, the program only includes rental units.

Exhibit 7. Shoreline Inclusionary Zoning Requirements and Incentives

	MUR-35	MUR-45	MUR-70	MUR-70+	
Participation	Voluntary	Mandatory	Mandatory	Mandatory	
Affordability Requirements	· · · · · · · · · · · · · · · · · · ·				
	affordable to h	Rental Units: 20 ouseholds makin units affordable MI or less	ng 80% AMI or	households making 60% AMI or less; or 10% of units affordable to households making 50% AMI or less	
				2+ Bedroom Rental Units: 20% of units affordable to households making 70% AMI or less; or 10% of units affordable to households making 60% AMI or less	
Incentives	No density limits	Same as MUR-35, plus 45 foot height entitlement	Same as MUR-35, plus 70-foot height entitlement	Same as MUR-35, and height may be increased about 70 feet with	

MUR-35	MUR-45	MUR-70	MUR-70+
Eligible for 12-year MFTE			development agreement
Permit fees reduced			
Impact fees reduced			

Source: Shoreline Municipal Code, 2020 (SMC 20.40.235 (B)(1))

Associated Housing Objectives

• Increase Supply of Housing Affordable to All Income Levels: This program provides dedicated affordable units to households earning between 50 and 70% AMI

Outcomes

There are currently five multifamily projects in the pipeline subject to mandatory affordability in the MUR-45 and MUR-70 zones. A sixth large project was proposed for the 145th station area but may have been withdrawn. **Exhibit 8** compares permit activity in the station areas from 2015-2019 with the 2020 multifamily pipeline in these areas, including the uncertain multifamily project and townhouses not subject to inclusionary zoning. (The pipeline does not include single family or ADU permits.) As shown, multifamily development interest has increased significantly, but townhouse development remains very strong. Currently, inclusionary zoning does not apply to townhouses intended for ownership.

Exhibit 8. Station Area Permit Activity and Multifamily Pipeline, Shoreline, 2015-2020

	2015	2016	2017	2018	2019	Multifamily Pipeline	Total
Single Family	3	1	3	-	-		7
Multifamily	-	-	-	8	-	496	504
Townhouse	-	5	4	37	12	241	299
ADU	-	-	-	3	-		3
_	3	6	7	48	12	737	813

Source: City of Shoreline, 2020; CAI, 2020

Actions for Consideration

The inclusionary zoning policy targets low- to moderate-income households and has the potential to significantly lower cost of living by combining affordable rents and high-quality transit access. Based on recent permit activity, local demand appears sufficient to support the mandatory program. The City should track participation over time to determine if adjustments are required as market conditions change.

The City should complete a market analysis to extend its mandatory affordable housing requirements to include housing for ownership as well as rental housing. It may be helpful to test an in-lieu fee charged per square foot, similar to Seattle's MHA program, instead of per unit to ensure the fee is not skewing the size or type of units provided.

Parking Reductions

Shoreline provides the opportunity to apply for parking reductions in several cases. Affordable housing projects serving households earning 60% of AMI or less may apply for parking reductions of up to 50 percent. (*SMC 20.50.400* (*E*))

Multifamily developments within one-quarter mile of a light rail station are eligible to apply for a 25% reduction to minimum parking. This cannot be combined with other parking reductions. (*SMC 20.50.400 (F)*)

Projects may also apply for a reduced minimum parking requirement up to 25% if fulfilling a combination of certain criteria. These include credits for on-street parking, shared parking agreements, a developer-paid residential parking zone, public access easements, traffic calming facilities, tree retention or replacement of trees removed from an MUR-70 site. (SMC 20.50.400~(A))

Associated Housing Objectives

- **Increasing Housing Supply:** Physically accommodating required parking can put an upward limit on the number of units on a site, regardless of zoning
- Increasing Supply of Housing Affordable to All Income Levels: Parking, particularly structured parking, is a significant development cost driver

Outcomes

Since 2015, Shoreline has granted parking reductions to eight residential developments. Reductions ranged from 2% to 23%, with an average reduction of 12%. The greatest reduction was for a project in a light rail station area.

Actions for Consideration

Shoreline currently applies the same minimum parking requirements for residential uses Citywide, with the potential for reductions in specific cases.

Approved parking reductions are mostly far lower than the maximum potential deduction under code. It is unclear if this is because developers still wish to provide this much parking, or if requests for higher deductions have been rejected. Establishing clearer criteria to achieve the maximum parking deduction may be helpful.

Parking demand may decrease in light rail station areas when service arrives. The City may wish to complete a parking demand study to evaluate whether its requirements should be reduced outright or eliminated, particularly in the immediate station areas and for affordable housing projects.

Planned Action EIS

Planned actions complete an Environmental Impact Statement (EIS) for a subarea in advance of development. Once complete, future projects in planned action areas do not require SEPA determinations provided they are consistent with the development types, traffic assumptions and mitigation measures identified in the planned action. This reduces uncertainty for developers and helps streamline the review process.

Planned actions are intensive processes. Shoreline has completed planned actions for the following areas:

- Town Center
- Aurora Square (Shoreline Place)
- 185th Street Station Subarea
- 145th Street Station Subarea

Associated Housing Objectives

- **Increase Housing Supply:** Shoreline's planned actions help encourage development in its most urban subareas
- **Increasing variety of housing types:** Encourages multifamily development in areas with access to transit and services
- Increasing supply of housing affordable to all income levels:

 Does not directly produce more affordable housing, but may reduce development costs and reduce review timelines which impact feasibility

Outcomes

It is difficult to assess the impact of Shoreline's planned actions from permit data alone, as other incentives, requirements, and market conditions impact these areas. The largest project permitted from 2015-2019 is located in Aurora Square, and there have been several larger projects in Town Center. (Exhibit 9) While there was a lack of larger multifamily permits in the station areas during this time, there are several apartment buildings in the pipeline for the station areas, identified in "Inclusionary Zoning". Pro forma analysis and developers forums, as discussed with previous tools, can be useful to isolate and weigh the impact of specific incentives and requirements.

Actions for Consideration

Shoreline has completed planned actions for its subareas envisioned to receive the most future growth. Over time, the City should revisit these documents and evaluate whether revisions are required.

In the future, the City may consider if there are additional subareas which could benefit from a planned action. This may boost opportunities for any publicly-owned surplus sites outside existing planned action subareas.

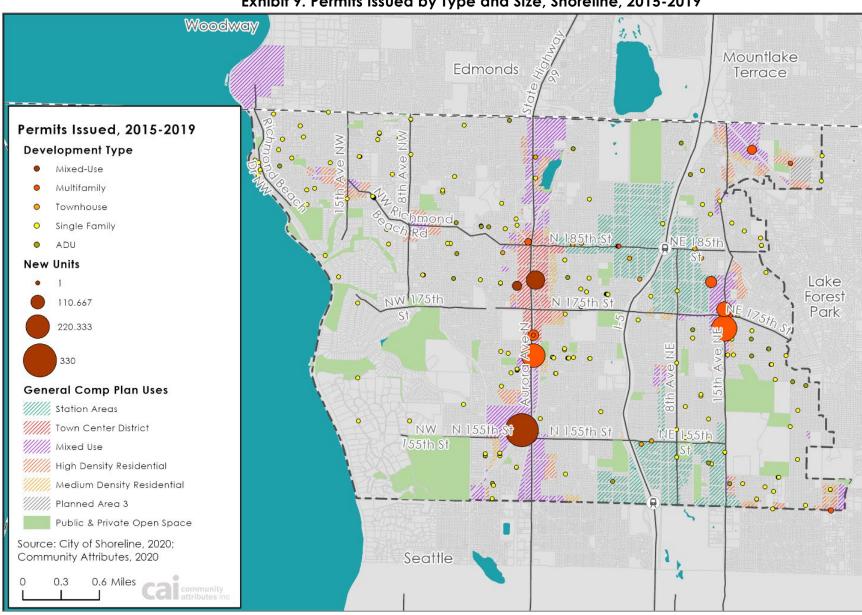


Exhibit 9. Permits Issued by Type and Size, Shoreline, 2015-2019

ASSESSMENT

The purpose of this report is to identify high-priority opportunities for improvement, and gap areas to be addressed with new tools and strategies. **Exhibit 10** summarizes how impactful each tool can be to advance each goal, in ideal conditions. It also considers their current application in Shoreline, and whether adjustments may be required for these tools to achieve their potential benefit. The following pages summarize key considerations for each housing objective. While the housing toolkit should include strategies for each objective, some objectives may be a higher priority for Shoreline's needs.

Exhibit 10. Shoreline Housing Tools Assessment Matrix

	Increase Housing Supply	Increase Housing Variety	Increase Affordable Housing Supply	Minimize Displacement	Preserve Existing Housing
Funding and Related Resources					
Multifamily Tax Exemption	• ↑	• ↑	$\bullet \leftrightarrow$		$\circ \leftrightarrow$
Permit Waivers for Affordable Housing			$\circ \leftrightarrow$		
Sales and Use Tax Credit			$\circ \leftrightarrow$	$\bullet \leftrightarrow$	ullet
Zoning Strategies					
Accessory Dwelling Units	$\circ \leftrightarrow$	$\bullet \leftrightarrow$	$\circ \leftrightarrow$	$\circ \leftrightarrow$	$\circ \leftrightarrow$
Deep Green Incentive Program					
Density Bonuses	$\bullet \leftrightarrow$		$\circ \leftrightarrow$		
Inclusionary Zoning			• ↑		
Parking Reductions	$\circ \leftrightarrow$		$\circ \leftrightarrow$		
Planned Action EIS	• ↑	○↑			

Tool Potential Score

- Can be highly effective to serve this objective
- Can benefit this objective, but is not likely to have a major impact

Shoreline Application Score

- Program is appropriately designed to achieve its potential, opportunities for improvement may boost impact
- Improvements are required to achieve potential

Increasing Housing Supply

Shoreline recently completed a significant upzone for its light rail station areas, and development activity has increased in response. The City also offers several incentives that can increase the number of units in a given development. The MFTE program is effective in encouraging development, though program adjustments may be required if the City wishes to encourage more multifamily development in certain target areas.

Density bonuses and parking reductions are good tools to support this objective, but have not been well-utilized in Shoreline. Adjustments to these programs could support development, particularly in station areas. Accessory Dwelling Units (ADUs) are not likely to have a significant impact on the overall housing stock, but they are beneficial. There are several clear opportunities to boost ADU development, detailed in "Increasing Variety of Housing Types".

These tools may suffer from a lack of awareness among developers, so comprehensive marketing efforts may benefit multiple housing objectives.

Increasing Variety of Housing Types

The MFTE program is highly effective in encouraging denser multifamily development, particularly in areas with strong markets. Participation is uneven across target areas, and an 8-year exemption without an affordability requirement may be helpful to encourage development in areas where it has not occurred.

ADUs are an excellent alternative housing type. Reevaluating owner-occupancy requirements and parking requirements for ADUs have strong potential to increase ADU development.

There are more opportunities to encourage "missing middle" housing types, including permitting cottage housing. The City should consider opportunities for both rental and home ownership, particularly smaller home ownership units that support young adults and seniors. The City may also benefit from considering zoning adjustments to residential zones that regulate based on form and bulk, allowing greater flexibility for unit density.

Increasing Supply of Housing Affordable to All Income Levels

Shoreline has employed several effective tools to encourage more housing affordable to households earning 70-80% AMI. There is an opportunity to expand the inclusionary zoning program to include home ownership. There may also be an opportunity to enhance these tools to achieve a slightly deeper subsidy, though these tools are never sufficient on their own to serve

households below 50% AMI. Households earning less than 50% AMI are also the most likely to face affordability challenges and the most vulnerable to housing insecurity. The housing toolkit will explore opportunities for the City to partner with and support housing providers serving households with the lowest incomes.

Minimize Displacement of Low-Income Residents Resulting from Redevelopment

Shoreline currently lacks strategies to directly minimize displacement. The housing toolkit will outline appropriate new options based on Shoreline's specific displacement risks.

Support Preservation of Existing Housing

This objective is optional, but recommended, for the Housing Action Plan. Preservation goals should be balanced with goals to increase the housing supply to avoid market imbalances. Specific preservation goals which may be appropriate for the housing toolkit include identifying strategies to maintain the affordability of dedicated affordable housing as it reaches the end of its compliance period.

Other

Planning Commis	Agenda Item: 7a.	
	PLANNING COMMISSION AGENDA ITEM	
	CITY OF SHORELINE, WASHINGTON	
AGENDA TITLE: DEPARTMENT:	2021 Development Code Amendments – Pa Planning & Community Development	rt 1
PRESENTED BY:	Nora Gierloff, Planning Manager Steven Szafran, AICP, Senior Planner	
Public Hearii	ng 🛛 Study Session 🔲 Re	ecommendation Only

Introduction

Discussion

The purpose of this study session is to:

 Review the first batch of 2021 Development Code Amendments – Part 1 ("2021 Batch Part 1").

Update

- Provide information for issues identified by staff.
- Respond to questions regarding the proposed development regulations; and
- Gather public comment.

The 2021 Batch Part 1 (**Attachment A**) includes administrative, clarifying, and policy amendments. The amendments being discussed tonight address issues that are time sensitive related to: changes in State law; unclear Code language; omissions caused by recent amendments to the Code; and may directly result in projects either being developed or not. Staff will bring another batch of amendments forward to the Planning Commission later this year that also address important issues such as tree protection, tree retention, and tree replacement, the Deep Green Incentive Program, SEPA, nonconforming structures, and Conditional Use Permits.

Amendments to Shoreline Municipal Code (SMC) Title 20 (Development Code) are processed as legislative decisions. Legislative decisions are non-project decisions made by the City Council under its authority to establish policies and regulations. The Planning Commission is the reviewing authority for legislative decisions and is responsible for holding an open record Public Hearing on the proposed Development Code amendments and making a recommendation to the City Council on each amendment.

Background

SMC 20.30.350 states, "An amendment to the Development Code is a mechanism by which the City may bring its land use and development regulations into conformity with the Comprehensive Plan or respond to changing conditions or needs of the City". Development Code amendments may also be necessary to reduce confusion and clarify existing language, respond to regional and local policy changes, update references to

7a. Staff Report - 2021 Development Code Amendments - Part 1

other codes, eliminate redundant and inconsistent language, and codify Administrative Orders previously approved by the Director. Regardless of their purpose, all amendments are to implement and be consistent with the Comprehensive Plan.

The decision criteria for a Development Code amendment in SMC 20.30.350 (B) states the City Council may approve or approve with modifications a proposal for a change to the text of the land use code when all of the following are satisfied:

- 1. The amendment is in accordance with the Comprehensive Plan; and
- 2. The amendment will not adversely affect the public health, safety, or general welfare; and
- 3. The amendment is not contrary to the best interest of the citizens and property owners of the City of Shoreline.

The 2021 Batch Part 1 consists of 12 Director-initiated amendments and two (2) privately initiated amendments. The privately initiated amendments include:

 Calculating Density when one parcel has multiple zoning categories (Attachment B); and

The 2021 Batch Part 1 is organized by the Development Code chapter: 20.20 – Definitions, 20.30 – Procedures and Administration, 20.40 – Zoning and Use Provisions, and 20.50 – General Development Standards.

Attachment A includes all the proposed 2021 Batch Part 1 amendments. Each amendment includes a justification for the amendment, the entire amendment in legislative format, and staff's recommendation. Because this meeting is a discussion of the amendments, staff has not made any recommendations at this time.

The proposed 2021 Batch Part 1 includes administrative changes (re-organization and minor corrections), clarifications, and policy amendments that have the potential to substantively change development patterns throughout the city. The last column of the Table of Contents in **Attachment A** indicates if the proposed amendment was submitted by staff or was privately initiated. All the amendments are listed in order of SMC Chapter. The proposed changes are generally as follows:

20.20 – Definitions

- 20.20.010 A Definitions Changes Adult Family Home from 6 to 8 Residents
- 20.20.012 B Definitions Updates the definition of Best Available Science

20.30 - Procedures and Administration

- 20.30.100 Application Authorizes a Public Agency to Apply for Permits Before Property Acquisition
- 20.30.297 Administrative Design Review (Type A) Allows an applicant to apply for an ADR for Single Family Attached design standards, Landscaping, and Sign Design in the Community Renewal Area

7a. Staff Report - 2021 Development Code Amendments - Part 1

20.40 - Uses

- 20.40.140 Other Uses Clarifies that Parking Areas are an Accessory Use
- 20.40.467 Parking Areas (New Section) Parking Areas Indexed Criteria

20.50 - General Development Standards

- 20.50.020(1) Dimensional Requirements Rounding Density on Parcels with Multiple Zone Boundaries
- 20.50.020(2) Dimensional Requirements Front Setback in the MUR-70' Zone on Nonarterial Streets
- 20.50.020(B) Dimensional Requirements Rounding Density When Parcels Contain Multiple Zone Boundaries
- 20.50.390 Minimum off-street parking requirements Parking requirements for Unlisted Land Uses
- 20.50.400 Reductions to Minimum Parking Requirements Parking Reduction for Multifamily Dwelling Units within ¼ Mile of Light Rail and Other Clarifications
- 20.50.410 Parking Design Standards Assigned Parking Spaces in New Multifamily Buildings
- 20.50.457 Administrative Design Review Allow ADRs for Landscaping
- 20.50.630 Deep Green Incentive Program Clarifies that Expedited Permitting is Limited to Higher Levels of Green Building

Shoreline Municipal Code Amendments

13.12.500 – Add Floodplain Protection Standards in all Zones

Next Steps

The schedule for the 2021 Development Code (Part 1) amendments is as follows:

March 4	Planning Commission meeting: Discuss 2021 Batch Part 1 of Development Code Amendments (part 1)		
April 1	Planning Commission Public Hearing on the 2021 Batch Part 1 of Development Code Amendments (Can be another discussion if needed)		
May/June	City Council Study Session and Adoption of 2021 Batch Part 1 of Development Code Amendments		

Attachments

Attachment A – Proposed 2021 Batch Part 1 of Development Code Amendments Attachment B – Dawson Application

2021 DEVELOPMENT CODE AMENDMENT PART 1

TABLE OF CONTENTS

Number	Section	Topic	Submitted	
20.20 – Definitions				
		20.20 - Definitions		
1	20.20.010	Adult Family Home – 6 to 8 Residents	Staff	
2	20.20.012	Best Available Science	Staff	
20.30 – Procedures and Administration				
	20.30	- Frocedures and Administration		
3	20.30.100	Authorize Public Agencies to Apply for Permits Before Property Acquisition	Staff	
4	20.30.297	ADR for SFR Attached, Landscaping, and Sign Design	Staff	
		20.40 – Uses		
5	20.40.140	Parking Areas as Accessory	Staff	
6	20.40.467	Parking Areas Indexed Criteria	Staff	
20.50 – General Development Standards				
7	20.50.020(1)	Rounding Density on Parcels with Multiple Zone Boundaries	Dawson	
8	20.50.020(2)	MUR-70' Front Setback on Nonarterial Streets	Staff	
9	20.50.020(B)	Base Density Calculation When Parcels Contain Multiple Zone Boundaries	Dawson	
10	SMC 20.50.390	Minimum off-street parking requirement not specified	Staff	
11	20.50.400	Parking Reduction for Multifamily within ¼ Mile of Light Rail	Staff	
12	20.50.410	Individual Parking Spaces in New Multifamily Buildings	Staff	
13	20.50.457	Administrative Design Review for Landscaping	Staff	
14	20.50.630	Free Expedited Review under DGIP limited to Tiers 1-3	Staff	
	13.12.500	SMC Amendments Flood protection standards in all zones	Staff/Ecology	
	13.12.300	i loou protection standards in all 2011es	Stan/LCOlogy	

DEVELOPMENT CODE AMENDMENTS

20.20 Amendments

Amendment #1 (Staff) 20.20.010 – Adult family home

Justification – Washington State now allows up to 8 unrelated adults to reside in an Adult Family Home pursuant to RCW 70.128. This amendment will increase the allowed number of individuals in an Adult Family Home in Shoreline to be consistent with the State.

Adult A residential home in which a person or persons provide personal care, special care, room, and board to more than one but not more than eight six-adults who are not related by blood or marriage to the person or persons providing the services and licensed by the State pursuant to Chapter 70.128 RCW, as amended.

Staff Recommendation – None at this time.

Amendment #2 (Staff) 20.20.012 - B definitions

Justification – This amendment is a housekeeping amendment to update the definition of Best Available Science to be consistent with WAC 365-195 which is the section in the Growth Management Act that lists the background, purpose, and criteria for establishing Best Available Science.

Best Current scientific information used in the process to designate, protect, mitigate impacts to, or restore critical areas, that is derived from a valid scientific process as defined by and consistent with the criteria established in WAC 365-1956-900 through 365-196-925.

Staff recommendation - None at this time.

20.30 Amendments

Amendment #3 (Staff) 20.30.100 - Application

Justification – This amendment will allow public agencies like Sound Transit to apply for land use permits without the requirement of the property owners signature for property they do not currently own, but are in the process of acquiring, for public projects within the City of Shoreline.

A. Who may apply:

- 1. The property owner, <u>a public agency</u>, or an agent of the owner with authorized proof of agency may apply for a Type A, B, or C action, or for a site-specific Comprehensive Plan amendment.
- 2. Prior to purchase, acquisition, or owner authorization, a regional transit authority may apply for a Type A, B, or C action, or for a site-specific Comprehensive Plan amendment in order to develop any light rail transit facility or any portion of a light rail transit system for property that has been duly authorized by the public agency for acquisition or use. No work shall commence in accordance with issued permits or approvals until all of the necessary property interests are secured and/or access to the property for such work has been otherwise approved by the owner of the property.
- 3. Nothing in this subsection shall prohibit the regional transit authority and City from entering into an agreement to the extent permitted by the Code or other applicable law.
- 4. The City Council or the Director may apply for a project-specific or site-specific rezone or for an area-wide rezone.
- 5. Any person may propose an amendment to the Comprehensive Plan. The amendment(s) shall be considered by the City during the annual review of the Comprehensive Plan.
- 6. Any person may request that the City Council, Planning Commission, or Director initiate amendments to the text of the Development Code.

Staff Recommendation – None at this time.

Amendment #4 (Staff)

20.30.297 – Administrative Design Review (Type A)

Justification – This amendment will clarify that single-family attached developments are eligible for design departures. The amendment also clarifies that landscaping regulations are also

eligible for design departures. Ordinance No. 850, adopted in January 2019, added Subsection 20.50.122 which allowed ADRs for certain standards within the Multifamily and Single-Family Attached Design Standards. Then Ordinance No. 871, the townhouse design standards, which was adopted in January 2020, renumbered Subsection 20.50.122 to 20.50.130 and allowed design departures from all Single Family Attached design standards. But SMC 20.30.297 was never correspondingly updated to reflect the change in Ordinance No. 850 or 871. This proposed amendment corrects that omission and makes the code internally consistent.

This amendment also makes it possible for applicants to submit alternative landscape designs that meet the purpose and intent of the City's landscaping code. Many new developments, especially those in the station areas, are having a difficult time meeting the landscaping requirements in the landscaping code because of lack of space in the setbacks, vegetation that will not grow next to large buildings, and requirements for pedestrian circulation on and through the site. This amendment will not forgive the landscaping requirements required, it will allow staff and the applicant to be flexible with landscape design to choose the best landscape designs for a particular project.

The last amendment in this section clarifies that signs in the Community Renewal Area (Shoreline Place) are eligible for design departures.

- A. Administrative Design Review approval of departures from the design standards in SMC 20.50.160 through 190, 20.50.220 through 20.50.250, 20.50.450 through 20.50.510 and SMC 20.50.530 through 20.50.6240 shall be granted by the Director upon their finding that the departure is:
 - 1. Consistent with the purposes or intent of the applicable subsections; or
 - 2. Justified due to unusual site constraints so that meeting the design standards represents a hardship to achieving full development potential.
- B. Projects applying for the Deep Green Incentive Program by certifying through the Living Building or Community Challenge, Petal Recognition, Emerald Star, LEED-Platinum, 5-Star, 4-Star, PHIUS+, PHIUS+ Source Zero/Salmon Safe, or Zero Energy/Salmon Safe programs may receive departures from development standards under Chapters 20.40, 20.50, 20.60, and/or 20.70 SMC upon the Director's finding that the departures meet subsection (A)(1) and/or (2) of this section, and as further described under SMC 20.50.630. Submittal documents shall include proof of enrollment in the programs listed above.

Staff recommendation - None at this time.

20.40 Amendments

Amendment #5 (Staff) 20.40.140 – Other uses

Justification – This amendment clarifies that parking areas are considered an accessory use to those primary uses allowed in each zone. The City does not allow standalone parking areas

when not associated with an approved use such as a residential dwelling unit, commercial business, or transit park and ride.

Table 20.40.140 Other Uses

NAICS #	SPECIFIC USE			R18- R48	TC- 4	NB	СВ	MB	TC- 1, 2 & 3
EDUCA ⁻	TION, ENTERTAINMENT, CULTURE, AND RECRE	EATI	ON						
	Adult Use Facilities						P-i	P-i	
71312	Amusement Arcade							Р	Р
71395	Bowling Center					С	Р	Р	Р
6113	College and University					S	Р	Р	Р
56192	Conference Center	C- i	C-i	C-i	C-i	P-i	P-i	P-i	P-i
6111	Elementary School, Middle/Junior High School	С	С	С	С				
	Gambling Uses (expansion or intensification of existing nonconforming use only)					S-i	S-i	S-i	S-i
71391	Golf Facility	P-i	P-i	P-i	P-i				
514120	Library	С	С	С	С	Р	Р	Р	Р
71211	Museum	С	С	С	С	Р	Р	Р	Р
	Nightclubs (excludes Adult Use Facilities)						С	Р	Р
7111	Outdoor Performance Center							S	Р
	Parking Area	<u>P-</u>	<u>P-i</u>	<u>P-i</u>	<u>P-i</u>	<u>P-i</u>	<u>P-i</u>	<u>P-i</u>	<u>P-i</u>
	Parks and Trails	Р	Р	Р	Р	Р	Р	Р	Р
	Performing Arts Companies/Theater (excludes Adult Use Facilities)						P-i	P-i	P-i

P = Permitted Use C = Conditional Use	S = Special Use -i = Indexed Supplemental Criteria
	Ontena

Staff recommendation – None at this time.

Amendment #6 (Staff) 20.40.467 – Parking Areas Justification – This section is new and is related to Amendment #5 which adds the parking area use to SMC Table 20.40.140 – Other uses. The City is receiving questions about stand-alone pay parking lots and opportunities to lease existing parking areas in multifamily buildings where there may be excess parking for the residential units in the building. This is becoming a common question in the light rail station areas where they may be opportunities to locate pay parking areas near the light rail stations. Staff believes this use and the accompanying indexed criteria should be added to the Development Code to clarify that parking areas should be associated with uses allowed in the zone such as residential dwelling units, offices, restaurants, and other commercial uses that support a mixed-use, pedestrian oriented neighborhood. The land around the light rail stations and rapid transit corridors, especially the areas zoned MUR-70', should be reserved for development of high-density residential dwellings and commercial businesses to support the light-rail stations and not large parking areas.

Parking areas are allowed as an accessory use to the primary use allowed in that zone. Parking areas are not allowed as a primary use.

Staff recommendation – None at this time.

20.50 Amendments

<u>Amendment #7 (Dawson)</u> Table 20.50.020(1) – Dimensional requirements

Justification – This proposed amendment is privately-initiated. This amendment seeks to clarify how density is calculated when one parcel has multiple zoning categories and is related to Amendment #9. Please refer to Amendment #9 for the explanation of the amendment.

Note: Exceptions to the numerical standards in this table are noted in parentheses and described below.

Residential Zones										
STANDARDS	R-4	R-6	R-8	R-12	R-18	R-24	R-48	TC-4		
Base Density: Dwelling Units/Acre	4 du/ac	6 du/ac (7)	8 du/ac	12 du/ac	18 du/ac	24 du/ac	48 du/ac	Based on bldg. bulk limits		
Min. Density	4 du/ac	4 du/ac	4 du/ac	6 du/ac	8 du/ac	10 du/ac	12 du/ac	Based on bldg. bulk limits		

Residential Zones										
STANDARDS	R-4	R-6	R-8	R-12	R-18	R-24	R-48	TC-4		
Min. Lot Width (2)	50 ft	50 ft	50 ft	30 ft	30 ft	30 ft	30 ft	N/A		
Min. Lot Area (2) (13)	7,200 sq ft	7,200 sq ft	5,000 sq ft	2,500 sq ft	2,500 sq ft	2,500 sq ft	2,500 sq ft	N/A		
Min. Front Yard Setback (2) (3) (14)	20 ft	20 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft		
Min. Rear Yard Setback (2) (4) (5)	15 ft	15 ft	5 ft	5 ft	5 ft	5 ft	5 ft	5 ft		
Min. Side Yard Setback (2) (4) (5)	5 ft min.	5 ft min.	5 ft	5 ft	5 ft	5 ft	5 ft	5 ft		
Base Height (9)	30 ft (35 ft with pitched roof)	30 ft (35 ft with pitched roof)	35 ft	35 ft	35 ft (40 ft with pitched roof)	35 ft (40 ft with pitched roof) (16)	35 ft (40 ft with pitched roof) (8) (16)	35 ft (16)		
Max. Building Coverage (2) (6)	35%	35%	45%	55%	60%	70%	70%	N/A		
Max. Hardscape (2) (6)	45%	50%	65%	75%	85%	85%	90%	90%		

Exceptions to Table 20.50.020(1) and Table 20.50.020(2):

- (1) Repealed by Ord. 462.
- (2) These standards may be modified to allow unit lot developments, mixed single-family attached developments and zero lot line developments. Setback variations apply to internal lot lines only. Overall site must comply with setbacks, building coverage and hardscape limitations; limitations for individual lots may be modified.

- (3) For single-family detached development exceptions to front yard setback requirements, please see SMC 20.50.070.
- (4) For single-family detached development exceptions to rear and side yard setbacks, please see SMC 20.50.080.
- (5) For developments consisting of three or more dwellings located on a single parcel, the building setback shall be 15 feet along any property line abutting R-4 or R-6 zones. Please see SMC 20.50.160.
- (6) The maximum building coverage shall be 35 percent and the maximum hardscape area shall be 50 percent for single-family detached development located in the R-12 zone.
- (7) The base density for single-family detached dwellings on a single lot that is less than 14,400 square feet shall be calculated using a whole number, without rounding up, except when lot is divided by a zone boundary. Refer to 20.50.020(D)(2)(a) for calculation of density when a lot is divided by a zone boundary.

Amendment #8 (Staff)

Table 20.50.020(2) – Dimensional requirements

Justification – This amendment makes the front yard setback in MUR-70' zero feet (0') regardless of street classification, like the front yard setback for all Commercial Zones (Neighborhood Business (NB), Community Business (CB), Mixed Business (MB) and Town Center (TC) 1,2 & 3). During the creation of the Station Subarea Plans, there was a concern about a "canyon effect" for buildings in the MUR-70' zone. These concerns are already addressed through footnote (13), which requires buildings to be stepped back a minimum of 10 feet for that portion of the building above 45 feet in height. Alternatively, a building in the MUR-70' zone may be set back 10 feet at ground level instead of providing a 10-foot step-back at 45 feet in height. It should be noted that this proposed amendment would eliminate footnote (18) which allows a reduction in front setback from 10 feet to 5 feet if 20% of onsite trees are retained. The value of this incentive is questionable. The incentive has never been used and it is unlikely that a change from a 10 foot setback to a 5 foot setback would result in a greater ability to retain trees in MUR-70' since structured parking, which is needed on most multifamily projects, virtually eliminates all tree retention potential.

Now that development proposals in the MUR-70' zone are coming forward, especially proposed projects adjacent to the 148th Street Station, it has become evident that the required 10 foot front yard setback on nonarterial streets does not lend itself to the creation of transit oriented development (TOD). TOD generally includes compact development that places buildings at the back of the sidewalk creating direct connections to adjacent sidewalks, trails and the station.

Note: Exceptions to the numerical standards in this table are noted in parentheses and described below.

STANDARDS	MUR-35'	MUR-45'	MUR-70' (10)
Base Density: Dwelling Units/Acre	N/A	N/A	N/A
Min. Density	12 du/ac (17)	18 du/ac	48 du/ac
Min. Lot Width (2)	N/A	N/A	N/A
Min. Lot Area (2)	N/A	N/A	N/A
Min. Front Yard Setback (2) (3)	0 ft if located on an arterial street	15 ft if located on 185th Street (15)	15 ft if located on 185th Street (15)
	10 ft on nonarterial street	0 ft if located on an arterial street	22 ft if located on 145th Street (15)
	22 ft if located on 145th Street (15)	10 ft on nonarterial street 22 ft if located on	0 ft if located on <u>all</u> other streets an arterial street
		145th Street (15)	10 ft on nonarterial street (18)
Min. Rear Yard Setback (2) (4) (5)	5 ft	5 ft	5 ft (20)
Min. Side Yard Setback (2) (4) (5)	5 ft	5 ft	5 ft (20)
Base Height (9) (16)	35 ft	45 ft	70 ft (11) (12) (13)
Max. Building Coverage (2) (6)	N/A	N/A	N/A
Max. Hardscape (2) (6)	85%	90%	90%

Exceptions to Table 20.50.020(1) and Table 20.50.020(2):

- (1) Repealed by Ord. 462.
- (2) These standards may be modified to allow zero lot line and unit lot developments. Setback variations apply to internal lot lines only. Overall site must comply with setbacks, building coverage and hardscape limitations; limitations for individual lots may be modified.

- (3) For single-family detached development exceptions to front yard setback requirements, please see SMC 20.50.070.
- (4) For single-family detached development exceptions to rear and side yard setbacks, please see SMC 20.50.080.
- (5) For developments consisting of three or more dwellings located on a single parcel, the building setback shall be 15 feet along any property line abutting R-4 or R-6 zones. Please see SMC 20.50.160.
- (6) The maximum building coverage shall be 35 percent and the maximum hardscape area shall be 50 percent for single-family detached development located in the R-12 zone.
- (7) The base density for single-family detached dwellings on a single lot that is less than 14,400 square feet shall be calculated using a whole number, without rounding up.
- (8) For development on R-48 lots abutting R-12, R-18, R-24, R-48, NB, CB, MB, CZ and TC-1, 2 and 3 zoned lots, the maximum height allowed is 50 feet and may be increased to a maximum of 60 feet with the approval of a conditional use permit.
- (9) Base height for public and private K through 12 schools in all zoning districts except R-4 is 50 feet. Base height may be exceeded by gymnasiums to 55 feet and by theater fly spaces to 72 feet.
- (10) Dimensional standards in the MUR-70' zone may be modified with an approved development agreement.
- (11) The maximum allowable height in the MUR-70' zone is 140 feet with an approved development agreement.
- (12) Base height in the MUR-70' zone may be increased up to 80 feet when at least 10 percent of the significant trees on site are retained and up to 90 feet when at least 20 percent of the significant trees on site are retained.
- (13) All building facades in the MUR-70' zone fronting on any street shall be stepped back a minimum of 10 feet for that portion of the building above 45 feet in height. Alternatively, a building in the MUR-70' zone may be set back 10 feet at ground level instead of providing a 10-foot step-back at 45 feet in height. MUR-70' fronting on 185th Street shall be set back an additional 10 feet to use this alternative because the current 15-foot setback is planned for street dedication and widening of 185th Street.
- (14) The minimum lot area may be reduced proportional to the amount of land needed for dedication of facilities to the City as defined in Chapter 20.70 SMC.
- (15) The exact setback along 145th Street (Lake City Way to Fremont Avenue) and 185th Street (Fremont Avenue to 10th Avenue NE), up to the maximum described in Table 20.50.020(2), will be determined by the Public Works Department through a development application.
- (16) Base height may be exceeded by 15 feet for rooftop structures such as elevators, arbors, shelters, barbeque enclosures and other structures that provide open space amenities.
- (17) Single-family detached dwellings that do not meet the minimum density are permitted in the MUR-35' zone subject to the R-6 development standards.

(18) The minimum front yard setback in the MUR-70' zone may be reduced to five feet on a nonarterial street if 20 percent of the significant trees on site are retained.

(18)(19) The maximum hardscape for public and private kindergarten through grade 12 schools is 75 percent.

(19)(20) Setback may be reduced to zero feet when a direct pedestrian connection is provided to adjacent light rail transit stations, light rail transit parking garages, transit park and ride lots, or transit access facilities.

Staff Recommendation – None at this time.

Amendment #9 (Dawson) 20.50.020(B) – Base density calculation

Justification – This is a privately initiated amendment that is related to Amendment #7. This amendment clarifies how density is calculated when one parcel has multiple zoning categories. Currently, parcels with zones of varying residential densities allow the transfer of density from the lower zoning district to the higher zoning district. The density is first calculated for one zoning district then calculated for the next zoning district. When the density is calculated for the first zoning district, the number, if a decimal, is rounded either up or down. The density for the second portion of the parcel is then calculated the same way. After the rounding is done separately, the two number are then added together to get the final density on the parcel. For example, a parcel with both R-6 and R-12 zoning The Development Code gives examples of how the density is calculated.

This amendment clarifies that the density for a parcel with multiple zoning districts will be rounded after the density of each zone is calculated. The current and proposed examples of density rounding is shown below:

Current: A parcel with an R-6 and R-8 zone; R-6 portion of the site: 0.55 acres; R-8 portion of the site: 0.90 acres.

Calculation $(0.55 \times 6 = 3.3 \text{ rounding down} = 3) + (0.9 \times 8 = 7.2 \text{ rounding down} = 7) = 10.$

Conclusion: The base density for this site would be 10 dwelling units.

Proposed: A parcel with an R-6 and R-8 zone; R-6 portion of the site: 0.55 acres; R-8 portion of the site: 0.90 acres.

Calculation $(0.55 \times 6 = 3.3) + (0.9 \times 8 = 7.2) = 10.5$, which rounds up to 11.

Conclusion: The base density for this site would be 11 dwelling units.

B. **Base Density Calculation.** The base density for an individual site shall be calculated by multiplying the site area (in acres) by the applicable number of dwelling units. When calculation results in a fraction, the fraction shall be rounded to the nearest whole number as follows:

- 1. Fractions of 0.50 and above shall be rounded up except for lots less than 14,400 square feet in R-6 zones. See Exception (7) to Table 20.50.020(1).
- 2. Fractions below 0.50 shall be rounded down.

Example #1 – R-6 zone, 2.3-acre site: $2.3 \times 6 = 13.8$ The base density for this site would be 14 dwelling units.

Example #2 – R-24 zone, 2.3-acre site: $2.3 \times 24 = 55.2$ The base density for the site would be 55 dwelling units.

Example #3 – R-6 zone, 13,999-square-foot site: (13,999/43,560 = .3214 acres) so .3214 X 6 = 1.92. The base density for single-family detached dwellings on this site would be one unit.

Example #4 – R-6 zone, 14,400-square-foot site (14,400/43,560 = .331 acres) so $.331 \times 6 = 1.986$. The base density for the site would be two units.

- 3. For development in the MUR zones: minimum density calculations resulting in a fraction shall be rounded up to the next whole number.
- C. All areas of a site may be used in the calculation of base density (prior to any dedication for City facilities as required in Chapter 20.70 SMC), except that submerged lands shall not be credited toward base density calculations.
- D. When a lot is divided by a zone boundary, the following rules shall apply:
 - 1. When a lot contains both residential and nonresidential zoning, the zone boundary between the zones shall be considered a lot line for determining permitted building height and required setbacks on the site.
 - 2. When a lot contains residential zones of varying density, the following shall apply:
 - a. Any residential density transfer within the lot shall be allowed from the portion with the lesser residential density to that of the greater residential density. The calculation of the transfer from the lesser residential density to the greater residential density shall be rounded as an aggregate number as demonstrated in the following examples.

Example #1 – R-6 zone and R-8 zone; R-6 portion of the site: 0.55 acres; R-8 portion of the site: 0.90 acres.

Calculation $(0.55 \times 6 = 3.3) + (0.9 \times 8 = 7.2) = 10.5$, which rounds up to 11.

Conclusion: The base density for this site would be 11 dwelling units.

Example #2 – R-8 zone and R-24 zone; R-8 portion of the site: 1.1 acres; R-24 zone portion of the site: 0.70 acres.

Calculation: $(1.1 \times 8 = 8.8) + (0.70 \times 24 = 16.8) = 25.6$ which rounds up to 26.

Conclusion: The base density for this site would be 26 dwelling units.

- b. Residential density transfer from the higher density zone to the lower density zone may be allowed only when:
 - The transfer enhances the efficient use of needed infrastructure;
 - The transfer contributes to preservation of critical areas, or other natural features; and
 - The transfer does not result in significant adverse impacts to adjoining lower-density properties.

Example: A development site is 3.8 acres. 1.5 acres is zoned R-12 and 2.3 acres is zoned R-24. The base density for the R-12 portion: $1.5 \times 12 = 18$ dwelling units, for the R-24 portion: $2.3 \times 24 = 55.2$ rounded to 55 dwelling units. The overall base density for the site is 18 + 55 = 73 dwelling units.

Staff Recommendation – None at this time.

Amendment #10 (Staff)

20.50.390 Minimum off-street parking requirements – Standards

Justification – This amendment allows the Director to determine parking requirements for uses that are unlisted in the City's Development Code. Currently, when an application is submitted for development for a use not listed in Chapter 20.40, staff tries to find the closest match in the use tables. This amendment will allow an applicant to submit a parking demand study for a proposed use that is not listed in the code. This will prevent parking areas that may be too large for a specific use, saving the applicant development costs. This will also reduce the amount of impervious surface in the City which will lessen the amount of stormwater flowing into the City's system.

A. Off-street parking areas shall contain at a minimum the number of parking spaces stipulated in Tables 20.50.390A through 20.50.390D.

. . .

E. If this chapter does not specify a parking requirement for a land use, the Director shall establish the minimum requirement based on a study of anticipated parking demand.

Transportation demand management actions taken at the site shall be considered in determining anticipated parking demand. The study shall provide sufficient information to demonstrate the parking demand for a specific land use will be satisfied. The study shall be prepared by a professional engineer with expertise in traffic and parking analyses, or a qualified professional as authorized by the Director.

Staff Recommendation - None at this time.

Amendment #11 (Staff)

20.50.400 Reductions to minimum parking requirements.

Justification – This amendment clarifies when staff can approve a 25% parking reduction when a new development is proposed with a ¼ mile of either the 148th or 185th light rail stations. Staff believes it is necessary to have the flexibility to approve the parking reduction before light rail is fully operational to the public. Buildings constructed a year or two before the opening of the stations should still qualify for the parking reduction so that developers do not have to construct excess parking and incur unnecessary expenses.

Because this amendment may allow a parking reduction before the light rail is open to the public, the developer must submit a parking management plan that addresses how parking will be managed between the time the building is built and when the station opens for regular service.

In cases where a developer or tenant believes that the parking requirement is unnecessarily high, they may provide a study to support a request for a parking reduction due to site or operational conditions. Traffic calming is removed as a justification for parking reductions as it does not directly impact parking demand.

- A. Reductions of up to 25 percent may be approved by the Director when subsection (A)(1) of this section is met, or when or when a combination of two or more of the following subsections (A)(2) through (9) of this section is met:
 - 1. A high-capacity transit service stop (e.g. bus rapid transit, light rail) is within one-quarter mile of the development's property line with a complete pedestrian route from the development to the transit stop that includes City-approved curbs, sidewalks, and street crossings. For developments seeking reductions prior to revenue service at new stops, a parking management plan shall be prepared that at a minimum shall address how parking demand will be managed between occupancy and the start of revenue service to the new stop. The parking management plan shall be filed with the application(s) for land use approval or building permit, as applicable to the development.
 - 2. A parking demand analysis prepared by a qualified professional demonstrates that parking demand can be satisfied with a reduced parking requirement.
 - 3. <u>There is a shared parking agreement with nearby parcels within reasonable proximity where land uses do not have conflicting parking demands.</u> A record on title with King County is required.

- 4. <u>A parking management plan is prepared by the applicant</u> according to criteria established by the Director.
- 5. A City-approved residential parking zone (RPZ) is established for the surrounding neighborhood within a one-quarter mile radius of the development's property line. The management cost for the RPZ must be paid by the applicant and/or property owner on an annual basis.
- 6. A public access easement that is a minimum of eight feet wide, safely lit, and connects through a parcel between at least two different rights-of-way. The access easement shall be developed with a sidewalk or shared use path that complies with the Engineering Design Manual. This easement may include other pedestrian facilities such as plazas and bike facilities.
- 7. City-approved traffic calming or traffic diverting facilities to protect the surrounding single-family neighborhoods within a one-quarter mile radius of the development's property line.
- 8. Retention of at least 20 percent of the significant trees on a site zoned MUR-70'.
- 9. Replacement of all significant trees removed on a site zoned MUR-70' as follows:
 - a. One existing significant tree of eight inches in diameter at breast height for conifers or 12 inches in diameter at breast height for all others equals one new tree.
 - b. Each additional three inches in diameter at breast height equals one additional new tree, up to three trees per significant tree removed.
 - c. Minimum Size Requirements for Replacement Trees Under this Subsection. Deciduous trees shall be at least one and one-half inches in caliper and evergreens at least six feet in height.
- 10. On-site dedicated parking spaces for a car-sharing service with an agreement with the provider(s).
- B. Parking reductions for Deep Green Incentive Program projects are set forth in SMC 20.50.630.
- C. A request for a parking reduction shall be processed as <u>a Type A action</u>, <u>as set forth in SMC 20.30</u>, <u>Subchapter 2</u> an interpretation of the Development Code.
- D. When granting a parking reduction, the Director may impose performance standards and conditions of approval on a project, including a financial guarantee.
- E. Reductions of up to 50 percent may be approved by the Director for the portion of housing providing low-income housing units that are 60 percent of AMI or less as defined by the U.S. Department of Housing and Urban Development. This parking reduction may be combined with parking reductions identified in subsection A of this section.
- F. A parking reduction of 25 percent may be approved by the Director for multifamily development within one-quarter mile of the light rail stations. This parking reduction may not be combined with parking reductions identified in subsections A and E of this section.
- G. Parking reductions for affordable housing or the Deep Green Incentive Program may not be combined with parking reductions identified in subsection A of this section.

Staff Recommendation – None at this time.

Amendment #12 (Staff) 20.50.410 - Parking design standards

Justification – SMC 20.50.390 Minimum off-street parking requirements – Standards. Table 20.50.390A – General Residential Parking Standards has been amended over time. As a result, the minimum spaces required has been reduced. The minimum required parking spaces

for studio and one-bedroom units has been reduced to .75 spaces per dwelling unit. This reduction no longer translates into each unit having its own parking space. Therefore, staff is recommending that SMC 20.50.410(B) be amended to delete the last sentence, "Parking for residential units shall be assigned a specific stall until a parking management plan is submitted and approved by the Director". To approve a new development, the applicant must provide a parking plan that shows how parking impacts will be addressed. In some cases, the development may include car-sharing and proximity to high-capacity transit. In other cases, a development may provide more affordable units which can reduce the parking requirements of the entire building.

- A. All vehicle parking and storage for single-family detached dwellings and duplexes must be in a garage, carport or on an approved impervious surface or pervious concrete or pavers. Any surface used for vehicle parking or storage must have direct and unobstructed driveway access.
- B. All vehicle parking and storage for multifamily and commercial uses must be on a paved surface, pervious concrete or pavers. All vehicle parking shall be located on the same parcel or same development area that parking is required to serve. Parking for residential units shall be assigned a specific stall until a parking management plan is submitted and approved by the Director.
- C. Parking for residential units must be included in the rental or sale price of the unit. Parking spaces cannot be rented, leased, sold, or otherwise be separate from the rental or sales price of a residential unit.

Staff recommendation - None at this time.

Amendment #13 (Staff)

20.50.457 - Administrative design review (New Section)

Justification – This amendment is related to Amendment #4 and makes it possible for an applicant to submit alternative landscape designs that meet the purpose and intent of the City's landscaping code. Many new developments, especially those in the station areas, are having a difficult time meeting the landscaping requirements in the landscaping code because of lack of space in the setbacks, vegetation that will not grow next to large buildings, and requirements for pedestrian circulation on and through the site. This amendment will not waive the landscaping requirements, it will allow staff and the applicant to be flexible with landscape design to choose the best landscape designs for a particular project.

Administrative design review approval under SMC 20.30.297 is required for all development applications that propose departures from the landscape standards in this subchapter.

Staff Recommendation – None at this time.

Amendment #14 (Staff)

20.50.630 - Deep Green Incentive Program (DGIP).

Justification – Expedited review is a major incentive for developers and can come at a significant cost to the City if projects need to be sent out for consultant review. The City has limited capacity to offer this incentive when there are high levels of development activity. Therefore, this level of incentive should be reserved for projects with a higher level of environmental achievement.

- D. **Incentives.** A project qualifying for the Shoreline Deep Green Incentive Program will be granted the following tiered incentive packages, based on the certification program for which they are applying:
 - 1. A project qualifying for Tier 1 Living Building Challenge or Living Community
 Challenge may be granted a waiver of up to 100 percent City-imposed preapplication and permit application fees. A project qualifying for Tier 2 Emerald Star or Petal Recognition may be granted a waiver of up to 75 percent of City-imposed application fees. A project qualifying for Tier 3 LEED Platinum, 5-Star, PHIUS+ Source Zero/Salmon Safe, or ZE/Salmon Safe may be granted a waiver of up to 50 percent of City-imposed application fees. A project qualifying for Tier 4 PHIUS+ or 4-Star may be granted a waiver of up to 25 percent of City-imposed application fees.
 - 2. Projects qualifying for the DGIP may be granted a reduced Transportation Impact Fee based on a project-level Transportation Impact Analysis.
 - 3. Departures from Development Code requirements when in compliance with subsection E of this section.
 - 4. Expedited permit review without additional fees provided in Chapter 3.01 SMC for Tier 1, 2 and 3 projects.

Staff Recommendation – None at this time.

Title 13

13.12.500(B) – General Flood Protection Standards

Justification – Recommended amendment to clarify that areas below the lowest floor can only be used for parking, storage, or building access. This amendment is being recommended by the State Department of Ecology as a requirement of continued membership in the National Flood Insurance Program (NFIP).

A. In the special flood hazard area, all new structures and substantial improvements shall be protected from flood damage below the flood protection elevation, including:

- 1. Construction or placement of a new structure.
- 2. Reconstruction, rehabilitation, or other improvement that will result in a substantially improved building.
- 3. Repairs to an existing building that has been substantially damaged.
- 4. Placing a manufactured home on a site.
- 5. Placing a recreational vehicle or travel trailer on a site for more than 180 days.

B. General Flood Protection Standards.

- 1. The structure shall be aligned parallel with the direction of flood flows where practicable.
- 2. The structure shall be anchored to prevent flotation, collapse, or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads including the effects of buoyancy.
- 3. All materials below the FPE shall be resistant to flood damage and firmly anchored to prevent flotation. Materials harmful to aquatic wildlife, such as creosote, are prohibited below the FPE.
- 4. Electrical, heating, ventilation, ductwork, plumbing, and air conditioning equipment and other service facilities shall be elevated above the FPE. Water, sewage, electrical, and other utility lines below the FPE shall be constructed to prevent water from entering or accumulating within them during conditions of flooding.
- 5. Fully enclosed areas below the lowest floor that are subject to flooding are prohibited, or shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement shall meet or exceed the following minimum criteria:
 - Include a minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided;
 - b. The bottom of all openings shall be no higher than one foot above grade;
 - c. Openings may be equipped with screens, louvers, or other coverings or devices; provided, that they permit the automatic entry and exit of floodwater; and
 - d. A garage attached to a residential structure, constructed with the garage floor slab below the base flood elevation, must be designed to allow for the automatic entry and exist of floodwaters.
- 6. <u>If buildings or manufactured homes are constructed or substantially improved with fully enclosed areas below the lowest floor, the areas shall be used solely for parking of vehicles, building access, or storage.</u>



City of Shoreline Planning & Community Development

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DEVELOPMENT CODE AMENDMENT APPLICATION

Please note: Amendment proposals may be submitted at any time.

Purpose: An amendment to the Development Code (and where applicable amendment of the zoning map) is a mechanism by which the City may bring its land use and development regulations into conformity with the Comprehensive Plan or respond to changing conditions or needs of the City.

Decision Criteria: The City Council may approve or approve with modifications a proposal for the text of the Land Use Code if:

- 1. The amendment is in accordance with the Comprehensive Plan;
- 2. The amendment will not adversely affect the public health, safety or general welfare; and
- 3. The amendment is not contrary to the best interest of the citizens and property owners of the City of Shoreline.

Please complete the following:

Applicant for Amendment Stephen Dawson	
Address 14419 Greenwood Ave N STE-A205	City Seattle State WA Zip 98133
Phone 206/793-6000	Email mytanllc@comcast.net
PLEASE SPECIFY: Shoreline Development Code	Chapter 20.50.020 Section (A)(7)/(D)(2)

AMENDMENT PROPOSAL: Please describe your amendment proposal.

Amendment 1&2

Amendment 1 please see page 1-3 of added pages

Amendment 2 please see page 4-5 of added pages

REASON FOR AMENDMENT: Please describe your amendment proposal.

I have two properties (see attached) that I am trying to build some affordable housing. I have R-6 and R-12 zoning. I would like to take a few feet of the R-6 and include it to the R-12 so I have three building lots in R-12 and one existing home (home to remain and in compliance to the R-6 zoning) After many meetings with house staff in the building and development dept. I felt we were all in agreement that the density plan was to encourage in fill and that This Amendment would allow and encourage such.

DECISION CRITERIA EXPLANATION:

Please describe how the amendment is in accordance with the Comprehensive Plan.
The comprehensive plan show a greater density and we hope to provide three smaller cost affective homes. The project is within walking distance to 145th and Greenwood which is a major bus hub.
Please describe how the amendment will not adversely affect the public health, safety and general welfare.
my plan takes a poorly used, unlevel, under-developed lot with two shed type buildings and cleans up the corner of 148th and Greenwood. This part of Greenwood does not have sidewalks
Please describe how the amendment is not contrary to the best interest of the citizens and property owners of the City of Shoreline.
This proposal is in the best interest of the folks of shoreline. My proposal would add sidewalks to a part of Greenwood that does not currently have them if mandated. It would add cost effective, affordable housing in the area. We would add to that section of 148th with sidewalks and trees. Making the connection between Westminster and greenwood a safer and walker friendly street.
Please attach additional later of

Please attach additional sheets if necessary.

Please submit your request to the City of Shoreline, Planning & Community Development.

Proposed Amendments to 20.50.020(A)(7) and 20.50.020(D)(2):

Amendment 1

20.50.020 Dimensional requirements.

A. Table 20.50.020(1) – Densities and Dimensions in Residential Zones.

Residential Zor	nes		* #		-	Photo in the second sec		
STANDARDS	R-4	R-6	R-8	R-12	R-18	R-24	R-48	TC-4
Base Density: Dwelling Units/Acre	4 du/ac	6 du/ac (7)	8 du/ac	12 du/ac	18 du/ac	24 du/ac	48 du/ac	Based on bldg. bulk limits
Min. Density	4 du/ac	4 du/ac	4 du/ac	6 du/ac	8 du/ac	10 du/ac	12 du/ac	Based on bldg. bulk limits
Min. Lot Width (2)	50 ft	50 ft	50 ft	30 ft	30 ft	30 ft	30 ft	N/A
Min. Lot Area (2) (13)	7,200 sq ft	7,200 sq ft	5,000 sq ft	2,500 sq ft	2,500 sq ft	2,500 sq	2,500 sq	N/A
Min. Front Yard Setback (2) (3) (14)	20 ft	20 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft
Min. Rear Yard Setback (2) (4) (5)	15 ft	15 ft	5 ft	5 ft	5 ft	5 ft	5 ft	5 ft
Min. Side Yard Setback (2) (4) (5)	5 ft min.	5 ft min.	5 ft	5 ft	5 ft	5 ft	5 ft	5 ft
Base Height (9)	30 ft	30 ft	35 ft	35 ft	35 ft	35 ft	35 ft	35 ft (16)

STANDARDS	R-4	R-6	R-8	R-12	R-18	R-24	R-48	TC-4
	(35 ft with pitched roof)	(35 ft with pitched roof)			(40 ft with pitched roof)	(40 ft with pitched roof) (16)	(40 ft with pitched roof) (8) (16)	
Max. Building Coverage (2) (6)	35%	35%	45%	55%	60%	70%	70%	N/A
Max. Hardscape (2) (6)	45%	50%	65%	75%	85%	85%	90%	90%

Exceptions to Table 20.50.020(1) and Table 20.50.020(2):

- (1) Repealed by Ord. 462.
- (2) These standards may be modified to allow unit lot developments, mixed single-family attached developments and zero lot line developments. Setback variations apply to internal lot lines only. Overall site must comply with setbacks, building coverage and hardscape limitations; limitations for individual lots may be modified.
- (3) For single-family detached development exceptions to front yard setback requirements, please see SMC 20.50.070.
- (4) For single-family detached development exceptions to rear and side yard setbacks, please see SMC 20.50.080.
- (5) For developments consisting of three or more dwellings located on a single parcel, the building setback shall be 15 feet along any property line abutting R-4 or R-6 zones. Please see SMC 20.50.160.
- (6) The maximum building coverage shall be 35 percent and the maximum hardscape area shall be 50 percent for single-family detached development located in the R-12 zone.
- (7) The base density for single-family detached dwellings on a single lot that is less than 14,400 square feet shall be calculated using a whole number, without rounding up-, except when lot is divided by a zone boundary. Refer to 20.50.020(D)(2)(a) for calculation of density when a lot is divided by a zone boundary.
- (8) For development on R-48 lots abutting R-12, R-18, R-24, R-48, NB, CB, MB, CZ and TC-1, 2 and 3 zoned lots, the maximum height allowed is 50 feet and may be increased to a maximum of 60 feet with the approval of a conditional use permit.

- (9) Base height for public and private K through 12 schools in all zoning districts except R-4 is 50 feet. Base height may be exceeded by gymnasiums to 55 feet and by theater fly spaces to 72 feet.
- (10) Dimensional standards in the MUR-70' zone may be modified with an approved development agreement.
- (11) The maximum allowable height in the MUR-70' zone is 140 feet with an approved development agreement.
- (12) Base height in the MUR-70' zone may be increased up to 80 feet when at least 10 percent of the significant trees on site are retained and up to 90 feet when at least 20 percent of the significant trees on site are retained.
- (13) All building facades in the MUR-70' zone fronting on any street shall be stepped back a minimum of 10 feet for that portion of the building above 45 feet in height. Alternatively, a building in the MUR-70' zone may be set back 10 feet at ground level instead of providing a 10-foot step-back at 45 feet in height. MUR-70' fronting on 185th Street shall be set back an additional 10 feet to use this alternative because the current 15-foot setback is planned for street dedication and widening of 185th Street.
- (14) The minimum lot area may be reduced proportional to the amount of land needed for dedication of facilities to the City as defined in Chapter 20.70 SMC.
- (15) The exact setback along 145th Street (Lake City Way to Fremont Avenue) and 185th Street (Fremont Avenue to 10th Avenue NE), up to the maximum described in Table 20.50.020(2), will be determined by the Public Works Department through a development application.
- (16) Base height may be exceeded by 15 feet for rooftop structures such as elevators, arbors, shelters, barbeque enclosures and other structures that provide open space amenities.
- (17) Single-family detached dwellings that do not meet the minimum density are permitted in the MUR-35' zone subject to the R-6 development standards.
- (18) The minimum front yard setback in the MUR-70' zone may be reduced to five feet on a nonarterial street if 20 percent of the significant trees on site are retained.

Amendment 2

- B. **Base Density Calculation.** The base density for an individual site shall be calculated by multiplying the site area (in acres) by the applicable number of dwelling units. When calculation results in a fraction, the fraction shall be rounded to the nearest whole number as follows:
 - 1. Fractions of 0.50 and above shall be rounded up except for lots less than 14,400 square feet in R-6 zones. See Exception (7) to Table 20.50.020(1).
 - 2. Fractions below 0.50 shall be rounded down.

Example #1 – R-6 zone, 2.3-acre site: $2.3 \times 6 = 13.8$ The base density for this site would be 14 dwelling units.

Example #2 – R-24 zone, 2.3-acre site: $2.3 \times 24 = 55.2$ The base density for the site would be 55 dwelling units.

Example #3 – R-6 zone, 13,999-square-foot site: (13,999/43,560 = .3214 acres) so .3214 X 6 = 1.92. The base density for single-family detached dwellings on this site would be one unit.

Example #4 – R-6 zone, 14,400-square-foot site (14,400/43,560 = .331 acres) so .331 X 6 = 1.986. The base density for the site would be two units.

- 3. For development in the MUR zones: minimum density calculations resulting in a fraction shall be rounded up to the next whole number.
- C. All areas of a site may be used in the calculation of base density (prior to any dedication for City facilities as required in Chapter 20.70 SMC), except that submerged lands shall not be credited toward base density calculations.
- D. When a lot is divided by a zone boundary, the following rules shall apply:
 - 1. When a lot contains both residential and nonresidential zoning, the zone boundary between the zones shall be considered a lot line for determining permitted building height and required setbacks on the site.
 - 2. When a lot contains residential zones of varying density, the following shall apply:

a. Any residential density transfer within the lot shall be allowed from the portion with the lesser residential density to that of the greater residential density. The calculation of the transfer from the lesser residential density to the greater residential density shall be rounded as an aggregate number as demonstrated in the following examples.

Example #1 – R-6 zone and R-8 zone; R-6 zone portion of site: 0.55-acres; R-8 portion of site: 0.90-acres.

Calculation: $(0.55 \times 6 = 3.3) + (0.9 \times 8 = 7.2) = 10.5$, which rounds up to 11. Conclusion: The base density for this site would be 11 dwelling units.

Example #2 – R-8 zone and R-24 zone; R-8 zone portion of site: 1.1-acres; R-24 zone portion of site: 0.70-acres.

Calculation: $(1.1 \times 8 = 8.8) + (0.70 \times 24 = 16.8) = 25.6$, which rounds up to 26.

Conclusion: The base density for this site would be 26 dwelling units.

- b. Residential density transfer from the higher density zone to the lower density zone may be allowed only when:
 - The transfer enhances the efficient use of needed infrastructure.
 - The transfer contributes to preservation of critical areas, or other natural features; and
 - The transfer does not result in significant adverse impacts to adjoining lowerdensity properties.

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