

DRAFT

CITY OF SHORELINE

SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

April 3, 2014
7:00 P.M.

Shoreline City Hall
Council Chamber

Commissioners Present

Commissioner Craft
Commissioner Malek
Commissioner Maul
Commissioner Montero
Commissioner Moss
Commissioner Scully
Commissioner Strandberg

Staff Present

Rachael Markle, Director, Planning and Community Development
George Smith, Human Services Planner, Community Services
Miranda Redinger, Associate Planner, Planning and Community Development
Lisa Basher, Planning Commission Clerk

CALL TO ORDER

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

SWEARING IN CEREMONY FOR NEWLY APPOINTED PLANNING COMMISSIONERS PERFORMED BY CITY OF SHORELINE MAYOR SHARI WINSTEAD

Mayor Winstead swore in Donna Moss as a returning Planning Commissioner and Jack Malek and Terri Strandberg as new Planning Commissioners.

ROLL CALL

Upon roll call by the Commission Clerk all Commissioners were present.

APPROVAL OF AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

Approval of the March 20, 2014 minutes was deferred until the April 17th meeting.

GENERAL PUBLIC COMMENT

Deb Marchant, said she has a Master Degree in Public Administration from Evergreen State College and was present to talk about affordable and healthy home heating that does not include wood burning.

She said she just learned about the meeting and didn't have time to prepare a formal presentation. However, she invited Commissioners to visit her Facebook site called "Citizens for a Wood Smoke Free City of Shoreline, Washington." She expressed concern that this winter has resulted in five months of continuous nuisance wood burning in Shoreline as a result of the economy and because people are used to burning wood and have taken for granted that it is okay. Many scientific studies and research have proven that wood smoke is hazardous to our health and to the environment. She loves to garden, but she has been unable to work outside this spring because the wood smoke in her neighborhood makes her ill. She conducted an informal study on the problem, which she submitted previously to the City Council and Mayor. She found that within a three-day time period almost 40 people were burning wood within a half mile radius of her home in Ridgecrest. She lives in a valley where the particulate matter tends to stay during inversions. She asked the Planning Commission to consider solar panels throughout in areas that are prone to air pollution not only from wood smoke, but from the bus barn and transit station that is also located nearby.

STUDY ITEM: HOUSING FOR ALL

Staff Presentation

Ms. Redinger advised that the purpose of the meeting is to introduce the new Commissioners to the history of housing policy in Shoreline, hear personal stories of a variety of people who could benefit from increased housing choice and affordability, learn about important differences in the dynamics of market-rate versus affordable housing development, and begin exploring tools that might be included as part of the light rail station subarea plans to promote housing choice and affordability. She noted that the discussion would build off the March 20th "Housing for All Forum" that was intended to build public awareness of the kinds of people that need affordable housing. She explained that the format of the meeting would allow for an interactive discussion between the Commissioners, staff, housing providers, service workers, and citizens.

Ms. Redinger reviewed that the City's Comprehensive Housing Strategy adopted in January of 2008 contained recommendations focused on choice and affordability. It also identified archetypes based on demographic projects, which indicated that boomers who are aging and millennials who want access to transit and good schools will drive a major housing and choice need for the City. The intent of the plan was to ensure there is housing for a variety of styles, families, and needs.

Ms. Redinger advised that, while the Comprehensive Housing Strategy provides great policy direction that was carried into the Comprehensive Plan, it was never fully implemented. She referred to a graphic that was provided in the strategy. Although the data is outdated, the graphic makes key points. First, when the Strategy was adopted, the median home price was \$415,000, which would require a person to make 160% of the median income. Second, the graphic identifies a set of tools the City can adopt (zoning incentives, regulations, etc.) to help increase affordable housing stock, particularly for those with lower incomes. While she recognized that housing for those with very low incomes is very important, these opportunities generally require subsidies which will be the topic of a separate discussion. Tonight's discussion will focus on housing opportunities for moderate income residents.

Ms. Redinger said the Comprehensive Plan that was updated in 2012 outlines progressive policy direction for housing choice and affordability. In addition to specific policies in the “housing” section of the plan, a policy in the “economic development” section calls for attracting a diverse population and targeting populations that contribute to a vibrant, multi-generational community.

Ms. Redinger advised that for those who are not familiar with affordable housing, understanding the terminology can be tricky. In the interest of providing clarity, she referred to a chart illustrating the Average Median Income (AMI) for King County by household size and a chart to illustrate what the calculated percentages of AMI would be for a 3-person household. As an example, she noted that a household of three that makes 50% of the AMI should not pay more than 30% of their income (\$39,015) for housing. Those who pay more than that are considered “cost burdened,” and have difficulty paying for other necessities such as heat, food, and medical. She also provided a graph showing sample wages in King County for 2011. She summarized that one quarter of Shoreline households have incomes under \$35,000 per year, and almost half of the residents who pay rent pay more than 50% of their income. The Shoreline School District currently serves approximately 200 homeless children, and only one third of the district’s teachers live in the City.

Ms. Redinger explained that one reason it is so difficult to create awareness about affordable housing is that most people have homes to live in and they don’t know a lot of people who are struggling with housing and/or food security. To illustrate her point, she shared the following stories:

- John and Heather broke up and had to move out of their single-family rental home, which had a studio in the back where John blew glass. He ended up moving into a cheap apartment in Columbia City so that he could pay \$600 to rent a glass blowing studio. His car and home were broken into and he lost \$5,000 of glass supplies. He is currently trying to find somewhere else to live. Live/work housing would be an excellent option for him, but there are few units of this type and they are tricky to build.
- Tim and Kim purchased a 3-story condominium at the height of the housing bubble, just before Kim was diagnosed with Multiple Sclerosis. For a long time, her illness required her to take shots that made her immobile for 36 hours, and she was trapped on the third floor of her house. Her husband has blown out his knees, back and shoulder and has a hard time going up and down stairs. They are currently trapped in a condominium that no longer meets their needs.

In an effort to ground the discussion on fact-based reality, Mr. Smith discussed the following common myths about affordable housing and its perceived impacts:

- **Affordable housing will drive down property values.** The vast majority of studies have shown that affordable housing does not depress neighboring property values, and neighbors have little to fear from the modestly-sized structures that are currently being built in the greater Seattle/King County area. Most affordable housing properties are well under 100 units.
- **Affordable housing is cheap, and it won’t fit in my neighborhood.** That may have been true a long time ago, but it is no longer the case. The design and appearance of affordable housing is equal to or better than most market-rate housing.

- **Affordable housing residents won't fit into my neighborhood.** People who need affordable housing already live in neighborhoods, as one quarter of all households in Shoreline have incomes under \$35,000. Retail clerks, nurse's aids, food service workers, bank tellers, social service workers, teachers, and others need affordable housing.
- **Affordable housing will increase crime.** There has been no credible local or national evidence that affordable housing is associated with higher crime. A recent study of people using housing vouchers in 10 cities, including Seattle, found no evidence of increased crime.
- **Affordable housing will increase traffic.** On average, poor families have one car, and non-poor have two. Nonprofit developers do a great job of siting affordable housing near public transit, and properties serving the elderly and disabled have even lower rates of car ownership.

Mr. Smith shared a video montage that was created for the March 20th "Housing for All" Forum. The video relates common circumstances of people who end up needing more affordable housing options than what the market provides. He explained that the video was intended to give voice to people who are unlikely to attend public meetings because they work hard and often odd hours. He reminded the Commission of the goal of Vision 2029, which is to provide a wide diversity of housing that meets everybody's needs.

Paula McCutcheon, Pastor at Ronald United Methodist Church, reminded the Commission that for more than three years, their faith community has been involved in a collaborative partnership with Compass Housing Alliance and Hopelink to develop the Ronald Commons Project, which will include 60 units of affordable housing, a food bank, and a social service center on the property located behind the church between Linden Avenue and Aurora Avenue North. In addition, Ronald United Methodist Church will use the funds from the sale of the land to remodel its building so it can be of even more use to the community as a service center.

As already stated, Pastor McCutcheon said there is a need for more affordable housing in Shoreline to serve a variety of individuals and households, including those who are newly homeless, chronically living without shelter, staying with relatives, and living in cars. She shared the stories of Maya and Laura, who are both veterans. Maya was a nurse before a terrible car accident left her very disabled. She struggles to find affordable housing that is accessible for the disability she lives with, and the rent continues to rise. Laura lives with a disability and worries about the modest increase in her rent. Both women have been homeless and they fear being homeless again. She summarized that many people are living on the edge of a cliff, and something small could send them back into a state of not having warm, safe, affordable housing. The two women love living in Shoreline and participating in the community. They use public transportation and feel that the City is a safe place for them to be well.

Pastor McCutcheon said Ronald United Methodist Church also hosts the summer free lunch program, and 10 to 30 children attend every day. From the stories they hear, it is clear that their parents are trying to work and provide food and affordable housing for their children. Some have housing and some do not. People in Shoreline are hungry and often without adequate shelter or the things they need for sustainable and abundant living.

Pastor McCutcheon expressed appreciation for the support offered by City staff and elected officials throughout the process of creating the Ronald Commons Project. She also thanked the Compass Housing Alliance and the Housing Development Consortium for their help and support. She summarized that while the Ronald Commons Project will provide some affordable housing, it is not enough. She expressed hope that the work will continue as they move towards policies, codes, regulations and incentives that will encourage the development of more affordable housing units.

Beth Borum, Compass Housing Alliance, explained that the Alliance has been in place for almost 100 years and works to provide permanent, transitional and shelter housing for people that are low-income and homeless in King County. She provided an illustration to demonstrate the differences between nonprofit affordable housing and market-rate housing, specifically noting that:

- Nonprofit affordable housing is financed based on the priorities of local funders. Transit-oriented development and housing for people with the highest needs are the projects that receive the highest priorities for funding. Market feasibility drives market-rate housing.
- Nonprofit developers must compete to receive funding for projects by showing that they are putting forth projects that meet the highest needs of the funders. It is a competitive environment because funding is limited.
- Nonprofit developers receive loans from public funding sources that are deferred for 20, 40 and 50 years, allowing them to keep the rents low. Market-rate developers must pay off the debt similar to a mortgage, so they must charge market rate for the units. Nonprofit developers try to maintain rent levels that are no more than 30% of a person's income.
- Nonprofit developers promise public funders, through regulatory agreements, to keep the housing for a long period of time. That means the properties cannot be sold and converted to market-rate housing. In the private market, developers can sell buildings after they are developed.
- Nonprofit developers use high-quality materials that will last a long time because they do not have the capital resources for extensive improvements 20 or 30 years down the road.
- Nonprofit developers are required by funders to incorporate good neighbor practices. They must notify the community of a proposed development and maintain communication throughout the development process. Market-rate developers have to go through the land use process, but do not have the same funding requirements.

Ms. Redinger pointed out that in order to be competitive for funding, affordable housing projects must be located within certain proximity of public transit, grocery stores, etc. In addition, the design standards are so high that the units are often more aesthetically pleasing than market-rate development. People who live in affordable housing can also benefit the most from energy savings associated with green housing. As they plan for the light rail station areas, they should consider how they can integrate what often seems to be two opposing goals of affordable housing and green building.

Ms. Borum explained that properties that are the most desirable are usually not within the reach of nonprofit housing organizations because they do not have ready funding for property acquisition. The timeline for obtaining funding ranges from 8 months to 3 years. In addition, their funding sources are

only available once per year. Given the timeline, she concluded that it takes quite some time to develop an affordable housing project.

At the request of Chair Moss, Ms. Borum reviewed the various opportunities for local, state and federal funding for nonprofit affordable housing development.

Commissioner Craft said some people have expressed concern that developers would use affordable housing as a gateway to enter into a market under favorable conditions, whether it be zoning or regulatory. They could use tax credits to facilitate the construction and development, but then change the development to market-rate units after a short period of time. He asked Ms. Borum to address this concern. Ms. Borum said the IRS requires a 15-year extended-use agreement for tax credit funding. However, in order to be competitive for funding, a developer must add on additional 22 years. In addition, lowest income and nonprofit developments are priorities for tax-credit income.

Ms. Redinger said the City has a property tax exemption program, and the terms are set based on geography. For example, in Ridgecrest and North City, developers who take advantage of the exemption must keep the units affordable at a certain level for 12 years. She noted that the City adopted a broader property tax exemption program for many of its commercial areas to encourage economic development. The Commission will revisit this program as part of its discussion and consider opportunities to incorporate an affordability component.

Commissioner Scully recalled that the Commission supported the recent Comprehensive Plan Update, which included aspirational goals and policies for affordable housing. The Commission also made recommendations to the Council regarding Development Code regulations related to housing, but most of these were aimed at encouraging developers of market-rate housing to include some affordable units. He asked what nonprofit housing organizations need from the City to enable them to move forward with projects in Shoreline.

Ms. Borum suggested that the City consider reducing the parking requirement. She reminded the Commission that housing for people with very lower incomes requires less parking than market-rate housing because tenants have fewer cars and the units are usually located closer to public transit. She also said that financing is a real challenge for creating affordable housing in North King County, and the City's support would always be welcome.

Poppy Handy, Principle, Third Place Design Cooperative, spoke about the importance and impact that providing zoning incentives that incorporate mixed-use, multi-income developments within the station overlay area and future transit rich areas can have on the region. She explained that having a diversity of income levels strengthens communities and allows people to live in the neighborhoods in which they work. Work force housing is an integral part of that framework. By providing affordable housing incentives within the structure of the station overlay plan, the City can ensure there will be affordable places for people to live. She further explained that when people live close to transit, services and housing that is affordable, they spend less of their income on housing, vehicles, gas, maintenance, and transportation costs. This frees up money to spend in the communities in which they live.

Ms. Handy advised that revitalization and development efforts provide a framework that supports positive community infrastructure and encourages families at all income levels to live there. They provide a multitude of housing options from dense, mid-rise, mixed-use housing to multi-plex townhomes and are based on the idea that all people deserve vibrant, stable communities in which to live, work and play.

As architects, developers and owners of affordable housing and community-based services, Ms. Handy said the Cooperative is faced with a unique set of funding challenges. One outcome of the challenges relates specifically to architecture and the way they approach building design, construction and long-term operating costs. She pointed out that it is of paramount importance to implement techniques that create stable communities, minimize water intrusion, increase the longevity of the building structure, and decrease long-term maintenance costs. For example:

- Creating spaces where residents will feel proud to live will help ensure that buildings remain assets to the community.
- Minimizing areas of water intrusion on decks and exterior walls and simplifying roof areas will allow buildings to be maintained more efficiently.
- Incorporating sustainable features can help support reductions in maintenance and long-term operating costs. Efficient mechanical systems can reduce electric and gas bills, and highly durable exterior surfaces can reduce long-term maintenance costs. In addition, highly-efficient plumbing systems can reduce water costs.
- Incorporating low-impact development techniques into the site design, utilizing features such as bioswales and rain gardens, can minimize the development's impacts to the broader community.

Ms. Handy concluded by stating that she sees this discussion as an opportunity to develop standards that can set the bar high for the North King County Region. Incorporating sustainability and social equity into the station area plans will provide an innovative framework for future development that will encourage economic growth, stability and success in the region. She provided examples of where this concept has successfully been applied in neighborhoods throughout the Puget Sound Region:

- Green Bridge is located in White Center (South Seattle), and is a mixed-use community that was pioneered by the King County Housing Authority. It incorporates a number of community amenities and sustainable features.
- High Point is located in West Seattle and was pioneered by the Seattle Housing Authority. It is a mixed-use development that provides housing for a broad range of income levels.
- Issaquah Highlands is located on the Plateau above Issaquah. This very diverse community is a master-developed project by the Fort Blakely communities. It provides a wide range of housing opportunities from very high income to transitional homeless units. There is also retail present within the community, which allows people to live within walking distance of work.

- Rainier Vista is located on Martin Luther King Boulevard in South Seattle and was developed by the Seattle Housing Authority. It is a mixed-income, mixed-density project that is located specifically on the light rail line.

Kelly Ryder, Policy Director, Housing Development Consortium (HDC), explained that the HDC is a nonprofit, membership organization that represents nonprofit organizations, government agencies, and private developers. She advised that the HDC relies on a number of different funding sources, and they are involved closely with banks that are required to contribute to affordable housing as per the Community Reinvestment Act (CRA). They also work with architects, construction companies, etc. The HDC's purpose is to bring the whole team together to talk about issues developers are facing and find ways to make development more cost effective. They also advocate for more affordable housing on behalf of the community.

Ms. Ryder said the HDC's vision is that all people should have a safe, healthy, affordable home. With all the growth the region is facing, communities must address a lot of difficult questions about housing affordability and how to diversify. As the Commission moves forward with its discussion, she suggested they think about the City's vision for the community, the types of families they want to provide housing for, and the types of households they want to attract to Shoreline. In particular, they should keep in mind the types of households that are most dependent on the light rail to make sure the families who need it the most have easy access to public transit.

As discussed earlier, Ms. Ryder pointed out that providing housing for those with very low incomes requires a lot of funding because the difference between market rate rent and what these people can pay is significant. At the same time, there are many modest wage working families that are also struggling to afford housing. She noted that about 17% of Shoreline residents are paying more than half their income for housing, and the federal standard is 30%. Any type of crisis will push these people over the edge.

Ms. Ryder referred to a list that was prepared by the HDC of tools that can help the City accomplish its housing goals. She advised that any zoning changes and incentives that make land more cost effective and efficient will drive market rate developers to provide more affordable housing and help nonprofit housing organizations be more competitive for public funding sources. She suggested that development incentives will be the most important tools for the City to consider as part of its light rail station area planning. These incentives can include density bonuses, fee waivers, permit expediting, reduced parking requirements, etc. Rather than offering incentives to developers without getting anything in return, the City could require affordability in exchange for the incentives. She expressed her belief that incentives will be particularly important to encourage housing diversity in the light rail station areas to create sustainable communities that reduce congestion and encourage economic development.

Ms. Redinger reviewed potential tools that could be implemented to help the City accomplish its housing goals, noting that many would benefit both nonprofit and market-rate development. For example:

- Making significant capital infrastructure investments in the station areas would benefit all developers.

- The Planned Action Environmental Impact Statement (EIS) that will be done for each of the station areas will save developers from having to do a lengthy environmental review.
- The property tax exemption program could set specific thresholds, limits and timing.
- The City offers a reduction in the parking requirement in commercial zones, and adjustments could be made to improve this incentive.
- The concept of “no maximum density” was discussed at a light rail station area design dialogue workshop. It was specifically discussed that maximum density is a real detriment to the creation of housing for certain populations for which small units are acceptable.
- City staff has discussed the concept of “surplus property agreements” with Sound Transit. In some locations they have partnered with nonprofit developers to create more affordable housing.
- There are models of prefabricated housing that reduce construction waste and can be installed quickly.

Public Comment

No one in the audience indicated a desire to address the Commission.

Chair Moss thanked those who shared their thoughts and provided additional information for the Commission to consider. Ms. Redinger agreed to forward the Commissioners a copy of the PowerPoint presentation. Director Markle also thanked the presenters for the information they provided to help the City promote affordable housing needs in the future, and particularly during the light rail station area planning process.

DIRECTOR’S REPORT

Director Markle reported that the Point Wells Transportation Corridor Study continues. The final meeting is scheduled for April 16th at City Hall, where staff’s recommended alternatives for mitigation and design will be presented and the public will be invited to provide feedback.

Director Markle announced that consultant candidates for the 145th Street Station Area Plan were interviewed on April 22nd. Staff is working to finalize the scope of the project, which will be presented to the City Council for approval. They anticipate the first event related to the project will be in late May or early June. Opportunities for public involvement will begin in the summer.

Director Markle reported that the Shoreline Community College’s Master Plan Permit will go before the Hearing Examiner on April 28th. The Staff Report will be available to the public next week. The City is recommending approval of the master plan with many conditions.

UNFINISHED BUSINESS

Annual Report to the City Council

Chair Moss referred to the draft letter (annual report) from the Commission to the City Council, and acknowledged that some typographical changes are needed. She invited the Commissioners to review

the letter and forward additional comments to her by April 8th. She said she hopes to submit the letter to Council as soon as possible.

NEW BUSINESS

Election of Chair and Vice Chair

Ms. Basher explained the procedure for electing officers and then opened the floor for nominations for Planning Commission Chair.

COMMISSIONER MAUL NOMINATED COMMISSIONER SCULLY TO SERVE AS PLANNING COMMISSION CHAIR. THERE WERE NO OTHER NOMINATIONS AND NOMINATIONS WERE CLOSED. THE COMMISSION UNANIMOUSLY ELECTED COMMISSIONER SCULLY AS CHAIR OF THE PLANNING COMMISSION.

Chair Scully thanked Commissioners Moss and Esselman for their leadership over the last two years.

Chair Scully opened the floor for nominations for Vice Chair of the Planning Commission.

COMMISSIONER MONTERO NOMINATED COMMISSIONER CRAFT TO SERVE AS PLANNING COMMISSION VICE CHAIR. THERE WERE NO OTHER NOMINATIONS AND NOMINATIONS WERE CLOSED. THE COMMISSION UNANIMOUSLY ELECTED COMMISSIONER CRAFT AS VICE CHAIR OF THE PLANNING COMMISSION.

Rescheduling the July 3rd Meeting

Ms. Redinger asked that the Commission to consider rescheduling the July 3rd meeting to July 10th. It is important that the Commission meet between the time the comment period for the 145th Street Station Area Plan is closed and the plan is presented to the City Council. The Commissioners agreed to notify staff of potential conflicts with that date.

REPORTS OF COMMITTEES AND COMMISSIONERS/ANNOUNCEMENTS

Light Rail Station Area Planning Committee

Chair Scully reported that the Light Rail Station Area Planning Committee has discussed and agreed that the Commission will want to take a position on which of the three alternatives the City Council should adopt. He noted that the committee has not made a recommendation on the preferred alternative. The Commission discussed changing the membership of the committee, given that Commissioners Scully and Craft were elected to lead the Commission. Commissioner Moss indicated a desire to participate on the committee. The Commission agreed to review the three alternatives for the 185th Street Station Plan at their next meeting. After their review, they could discuss and make a final decision about the makeup of the committee.

AGENDA FOR NEXT MEETING

Chair Scully reviewed that the April 17th agenda will include a discussion of the final draft of the Commission's annual report to the Council, as well as an update on light rail station area planning. Director Markle said other potential topics of discussion could include a presentation of the Historic Preservation Inventory that was recently completed, an update on new goals that came out of the City Council's Retreat, an update on the Point Wells Transportation Corridor Study, or a work session on some of the Development Code amendments.

Vice Chair Craft said that, at some point, he would like staff to report on the comments and discussions that have taken place as part of the Point Wells Transportation Corridor Study, as well as provide an overview of the information that will be presented at the final meeting on April 16th. Director Markle reported that staff is working to identify a process for moving the study forward to the City Council.

Ms. Redinger described the anticipated schedule for the two light rail station area plans (145th and 185th), which is anticipated to start in late May or early June. She advised that she will also schedule monthly dates for walking tours of the two station areas. She suggested that, at some point in the future, the Commission might want to have a discussion with Alicia McIntyre because the 145th Station Area Plan will be closely intertwined with the 145th Street Corridor Study, Transit Integration Plan, and potential annexation.

The Commission agreed that, in addition to a discussion of the final draft of the Commission's annual report to the Council and an update on light rail station area planning, the April 17th agenda should include a presentation of the Historic Preservation Inventory. Some of the other issues identified by Director Markle could be topics of discussion at a future Commission retreat.

ADJOURNMENT

The meeting was adjourned at 9:01 p.m.

Donna Moss
Chair, Planning Commission

Lisa Basher
Clerk, Planning Commission