

Planning Commission Meeting Date: October 16, 2014

Agenda Item 6a

**PLANNING COMMISSION AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** 185<sup>th</sup> Street Station Subarea Plan- Development Code Regulations

**DEPARTMENT:** Planning & Community Development

**PRESENTED BY:** Steve Szafran, AICP, Senior Planner, P&CD

Miranda Redinger, Senior Planner, P&CD

Paul Cohen, Planning Manager, P&CD

Rachael Markle, AICP, Director, P&CD

Public Hearing

Study Session

Recommendation Only

Discussion

Update

Other

**BACKGROUND**

This staff report is a continuation of the Development Code regulation discussions from August 7, September 4, September 18, and October 2, 2014. This staff report also serves as the last group of topics before the Planning Commission evaluates the entire group of Development Code amendments at the November 6, 2014 meeting. The current draft of the Development Code is included as **Attachment A**. Topics for this meeting will be development requirements in all or some of the Mixed-Use Residential Zones (MUR), Development Agreements for light rail transit systems/facilities, alleys, pedestrian/street front amenities, Microhousing, undergrounding utilities, and design standards for townhome development.

**DEVELOPMENT REQUIREMENTS IN THE MUR 35, 45, AND 85 ZONES**

The Planning Commission has spent the majority of two meetings discussing the requirements and components of a Development Agreement. Specifically, what should be required when a developer is asking for heights above 85 feet and what should be choices for those developments?

The Planning Commission expressed interest in discussing requirements and options for development in the MUR-85 zone without a Development Agreement. Also, the Commission should weigh in on potential requirements in the MUR-45 and MUR-35 zones.

The Commission identified affordable housing as component that should be discussed as a potential requirement in the MUR-35, -45, and -85 zones. Affordable housing is currently required in the MUR-85 if the property owner would like to develop over 85 feet. The provision reads as follows:

Approved By: Project Manager \_\_\_\_\_

Planning Director \_\_\_\_\_

C. Development Agreement Contents for Property Zoned MUR 85: Each Development Agreement approved by the City Council for property zoned MUR 85 shall contain the following:

1. 10 percent of the housing units constructed onsite shall be affordable to those earning less than 60 percent of King County area median income for a period of no less than 30 50 years\*. The number of affordable housing units may be decreased to 5 percent if the level of affordability is increased to 30 50%\*\* AMI. An in lieu of fee may be paid into the City's affordable housing program instead of constructing affordable housing units onsite. The fee-in-lieu shall be agreed upon through the Development Agreement and shall be no less than the total cost of construction for the unit as part of the entire development.

\* Note: This change is based on RCW 36.70A.540

\*\* Note: This change is in response to feedback from the Housing Development Consortium

The City can potentially require affordable housing in the MUR 35, 45 and 85 zones. However, this idea is complex and requires additional legal confirmation. The City could adopt a policy in the Subarea Plan that declares the rezoning of the R-6 property in the 185<sup>th</sup> Street Station Subarea to MUR-35, -45 and -85 as an incentive provided by the City to facilitate redevelopment in return for the provision of affordable housing at a specified rate and level. In order to achieve an incentive/inclusionary housing program in the MUR -35, -45, and -85 zones, Shoreline could provide one or more of the following cost off-sets for either a required affordability program or an optional program driven by incentives. Staff offers the following incentives for the Commission to consider for use in the MUR -35, -45 and/or -85 zones to support affordable housing goals in the 185<sup>th</sup> Street Station Subarea:

Option 1: Adoption of a 12 Year Property Tax Exemption could be recommended to the Council and available to developments of four (4) or more units where 20% of rental units or 100% of the owner-occupied units are affordable to families making 60% or less of AMI in King County (a different percentage of affordability could be specified).

Option 2: Units that are "affordable" (meaning they are spending less than 30% of their income on housing) to families making 60% of King County AMI, adjusted for family size, and provided by a not-for-profit entity may be exempt from Transportation Impact Fees per SMC 12.40.070(G) . This already exists and would be applicable in the MUR-35, -45 and -85 zones. The Commission may want to consider a recommendation to expand this exemption for units meeting the same eligibility requirement that are constructed by for-profit developers as well.

Option 3: Fees could be waived for building permits on projects that include a specified amount of affordable housing.

In meeting with the Housing Development Consortium, staff also learned about an alternative to calculating the fee in lieu based on a percentage of the net square footage

of a development versus a per unit average cost. Should the Commission direct staff to pursue the development of a fee in lieu as an option for creating affordable housing, Commission may want to also direct staff to pursue development of a per square foot fee based on actual not-for-profit affordable housing developer's costs.

Please review **Attachment B** to compare additional costs to development from proposed new Development Agreement fees.

Please review **Attachment C** in the current draft language for a Development Agreement to see if there are any additional provisions that the Commission would like to see required in the MUR-35, -45, and -85 zones.

*What, if any, of the requirements or components of a Development Agreement should be mandatory for development in the MUR zones?*

## **DEVELOPMENT AND TRANSIT WAY AGREEMENT**

Sound Transit will begin construction on a variety of projects that constitute a light rail system through the City of Shoreline. The light rail system includes track, stations, parking structures, operation equipment, power substations, surface water drainage facilities, landscaping, and other facilities and associated mitigations that go along with this project.

The proposed Development Code must include a mechanism for approving Sound Transit's construction activities in and adjacent to the City of Shoreline. In addition to the process additions, draft Development Code language includes new definitions for Light Rail Transit Facility, Light Rail Transit System, and Light Rail Transit Way.

Other entities have approved these activities and other interjurisdictional details with a combination of Transit Way Agreements and Development Agreements with Sound Transit. A Development Agreement may be the appropriate mechanism for the following reasons:

- There is one approval process for the entire system through Shoreline instead of permitting each new use or structure individually.
- The Development Agreement will identify all projects at one time and the public will get an opportunity to attend meetings and provide input for the entire project as a whole.

The required contents of a Development Agreement are found in SMC 20.30.338 (B), which is included with this staff report as **Attachment C**. The contents of a Development Agreement are stated in State Law (RCW 36.70.B.170) and mirrored in SMC 20.30.338. There are certain items in the contents of a Development Agreement that will not apply to a Development Agreement with Sound Transit. For example, Sound Transit is unlikely to construct residential units, thus making affordable housing an element that would not apply.

The most recent Transit Way Agreement completed was between Sound Transit and the City of SeaTac. The City of SeaTac's Transit Way Agreement includes definitions,

cooperation and good faith efforts, development standards, project mitigations, provisions for minor revisions to the project, financial reimbursement by Sound Transit, plan review and permitting, dispute resolution, and enforcement. The City of SeaTac included design recommendations from an ad hoc committee for traffic mitigations, budget summary for extra help to review building plans, stormwater management, emergency access, and security access (police).

Sound Transit will be meeting with City Staff the week of October 20<sup>th</sup> to discuss the lessons learned from other jurisdictions.

*Are Development Agreements the appropriate mechanism to approve Sound Transit's construction activities? Another option would be to develop a Transit Overlay Zone, which would include development standards and processes developed by the City as part of the Development Code.*

## **ALLEYS**

Access to new development in the station subarea, especially development along arterials, is an important transportation and design element. The City has required alley access in the past when new development occurs. The North City Business District (NCBD) code established an "alley zone" where all of the properties fronting 15<sup>th</sup> Avenue NE were required to provide a 20-foot easement for the creation of a future alley.

The alley concept of the NCBD is similar to that for 185<sup>th</sup> Street in that the alley system was/is envisioned to be a secondary circulation system that helps reduce congestion on the primary arterial by reducing the number of curb cuts, thereby enhancing pedestrian and bike safety and promoting the "main street" character.

The alley plan in the NCBD was abandoned when the City consolidated the commercial zones through the commercial consolidation project. The design standards of the NCBD were melded into the design standards for North City, and the alley requirement was not carried through to the consolidated code. In addition, the system was never fully built as redevelopment in North City was too slow for alleys to actually "punch through", creating incomplete dedication pathways.

The physical circumstances of the 185<sup>th</sup> Street corridor may provide advantages over the restraints of North City. The lengths of some blocks along 185th Street are shorter than those in North City, thus requiring a smaller number of property owners to provide the necessary alley easement.

The first proposed development requirement for access is located in SMC 20.50.240 (C)(1)(h). The requirement reads, "New structures on N. 185th Street shall access parking areas from a side street or alley. If new development is unable to gain access from a side street or alley, an applicant may provide alternative access through an Administrative Design Review."

The intent of this proposed requirement is to provide an alternative access point from a Local Street or alley, and not from the Arterial Street such as 185<sup>th</sup> Street. As traffic

increases on N 185<sup>th</sup> Street, reducing the number of driveways directly accessing N 185<sup>th</sup> Street will provide added safety for pedestrians, bicyclists, and transit.

The second proposed development requirement for access is located in SMC 20.50.240 (C)(1)(i). The requirement reads, “Garages and/or parking areas for new structures on N185<sup>th</sup> Street shall be rear-loaded.

The intent of this requirement is to reduce curb-cuts along N 185<sup>th</sup> Street when parcels redevelop, provide the necessary through access when adjacent parcels redevelop, discourage “4-pack” townhomes that convey a “parking-canyon” effect, and foster development that puts “eyes on the street” instead of parking lots and garages.

*Does the Commission support the concept of limiting curb-cuts along 185<sup>th</sup> Street? If yes, are the staff recommended standards to achieve this outcome adequate?*

## **PEDESTRIAN/STREET FRONT AMENITIES**

The community, through the public meetings and comment, has identified 185<sup>th</sup> Street, 10<sup>th</sup> Avenue NE, and NE 180<sup>th</sup> Street as the main street connectors between Town Center, the station, and North City. In an effort to further the community’s vision, the proposed regulations in SMC 20.50.240 (F)(6)(f) seek to require those pedestrian scaled, street-front amenities that foster an aesthetically pleasing pedestrian environment. In support of these amenities, staff has proposed language for MUR-85 building facades along Arterial Streets to have step-backs at 45 feet to lessen the “canyon” effect of entire facades abutting sidewalks in SMC 20.50.240.C.b. These are primary tools staff envisions to create a sense of place and a signature boulevard in the station subarea.

*Are the items in the proposed SMC 20.50.240 (C)(b) and(F)(6)(f) appropriate for new development along the Arterial Streets in the Subarea?*

## **MICROHOUSING**

Microhousing is a relatively new form of housing that can have various configurations where individual bedrooms in a suite share some combination of common space, kitchen or bathroom facilities, so that no bedroom is a complete unit. The City has allowed and refined this type of housing per Administrative Order, but has not explicitly defined it in the Development Code. Because Microhousing relies mainly on small unit size to control price, rather than subsidy or incentive, there would be no monitoring requirement to ensure continued affordability. Microhousing, also called “Apodments” or residential suites, is still an emerging and controversial concept in the Puget Sound area.

Microhousing has not been identified as a type of housing to be promoted in the Station Subarea. Microhousing is a development style that can be constructed throughout the city in zones that allow multi-family development. This is an emerging housing style and represents an area that is not yet well defined in Shoreline’s Development Code. Therefore, staff is recommending that this topic be discussed in 2015 for possible amendments to the Development Code to address this issue citywide.

The Commission can address Microhousing in the following ways:

- Include Microhousing as a use in 20.40 and permit within the MUR zones.
- Include Microhousing as a use in 20.40 and restrict within the MUR zones.
- Do not include Microhousing as a use in 20.40, allow them as apartments and rely on the City's existing development regulations to regulate microhousing
- Add index criteria in 20.40 to "Apartment" in the use table. Apartments are proposed to be allowed in MUR-45 and -85. The index criteria could state that Microhousing is not allowed in MUR-45 and/or -85 under the "Apartment" use.
- Include Microhousing as a use in 20.40 and restrict in all zoning districts.

*How should Microhousing be regulated within the city? If the Commission would like to consider allowing Microhousing with more detailed standards, then staff recommends the use be prohibited for now in the 185<sup>th</sup> Street Station Subarea until additional work can be done to develop specific design controls for this use in 2015.*

## **UNDERGROUNDING UTILITIES**

The topic of undergrounding utilities was discussed by the Commission at the September 18 meeting as part of the Development Agreement component list. Seattle City Light maintains regional power lines behind the North City Mower Shop on NE 185th Street and down 8<sup>th</sup> Ave NE. The community considers these "eyesores"; however, undergrounding these transmission lines would be extremely expensive, and therefore unlikely to open up these corridors to development or public improvements other than what is currently allowed, such as trails like the Interurban. Seattle City Light, as a policy, has not allowed any development that may impede their access or use of their Right-of-Way.

In addition to the large regional power lines in the Subarea, there are smaller, local overhead utility lines along the streets.

Currently, the City does not require individual developments to underground the power lines along frontage. However, when the City improved Aurora Avenue N and North City, power lines were buried in order to enhance the streetscape. SMC 13.20 of the Shoreline Municipal Code regulates undergrounding of overhead facilities, requiring that undergrounding take place upon the following events:

1. The City engages in a capital improvement or public works project that will disturb existing facilities or will facilitate the installation of a trench for undergrounding facilities; or
2. An entity engages in a joint trenching project that could reasonably serve to replace existing overhead facilities.

Staff believes that the current policy of undergrounding overhead utilities is reasonable and should apply to facilities in the Subarea. Staff will include a policy in the 185<sup>th</sup> Street Light Rail Station Subarea Plan that will encourage undergrounding of overhead utilities when a corridor wide project is identified in the City's Capital Improvement Plan.

## **DESIGN SOLUTIONS FOR ACHIEVING ATTRACTIVE TOWNHOME, ROW HOUSE DEVELOPMENT**

The existing multifamily design standards apply to the MUR-35 zone and the commercial design standards apply to the MUR-45 and MUR-85 zones. Most of the multifamily design standards address issues of driveways, parking, fences, and entries; however, existing and proposed regulations will lead to the development of more attractive townhomes and row houses:

1. Require better drive access and parking areas to soften the “canyon” effect of “4-Pack” developments with walkways and landscaping next to these areas in SMC 20.50.140.D of Attachment B.

### **RECAP OF OCTOBER 2 MEETING**

The Planning Commission discussed a number of topics at the October 2 meeting. Those topics included phased zoning, transitions, minimum densities, and allowing detached single family homes as a permitted use in the MUR zones. Each topic is discussed in more detail below:

#### **PHASED ZONING**

The Planning Commission generally agreed that a phased zoning approach should be considered. Some Commissioners believed that the boundaries of the proposed Phase 1 should expand slightly, while some Commissioners believed that phasing should not be considered at all. Also, the Commission as a whole believed that the only trigger for unlocking Phase 2 should be a date certain. For example, 10 or 20 years after the station opens.

The proposed Phase 1 zoning map is included as **Attachment D**.

#### **TRANSITION AREA STANDARDS**

Staff proposed different transition scenarios to the Commission. The options included transitions between Phase 1 and the rest of the Subarea, transitions between the different MUR zones, and transitions between the MUR zones and the current single family use on the property.

The Commission agreed that transitions in the form of zoning designations are appropriate and requiring additional transition standards between MUR zones and single family could lead to very strange and unnecessary building form in the long-term.

#### **DETACHED SFR IN THE MUR-35, MUR-45 AND MUR-85**

This topic generated most of the public comment at the meeting. Should detached single family homes be permitted outright in the MUR zones? The Commission agreed that detached single family homes should be allowed by right in the MUR-35 and MUR-45 zones. It was unclear if this standard should be applied to MUR-85.

Since the Commission's preference is to allow detached SFR in the MUR-35 and MUR-45, staff requests further clarification with regard to what development regulations should be applied to detached SFR in the MUR-35 and MUR-45 zones.

Staff is proposing to add detached single family residential as a permitted use in the MUR-35 and MUR-45 zones with supplemental criteria. The proposed criteria will allow new construction, rebuilding, or remodeling of existing single family homes and accessory structures using the R-6 development standards in SMC 20.50.020. The added criteria will also require that no additional single family homes be added to a parcel. For example, a property owner has a single family home on a 15,000 square foot lot. That property owner may demolish the old home and build a brand-new home using the development regulations for an R-6 parcel. That home owner may not demolish the old home and build two new homes.

### **MINIMUM DENSITIES**

The Commission did not support the use of minimum densities in the MUR-35 and MUR-45 zones. The reasoning for this decision was based on the presentation by the City's Economic Development Manager, which encouraged quality townhouse and rowhouse design over an arbitrary density minimum.

### **NEXT STEPS**

November 6- Will be reserved as a wrap-up meeting where the Commission will go through the proposed Development Code page-by-page to make sure staff captured all the issues and amendments the Commission has recommended.

November 20- Review Final Environmental Impact Statement (EIS) and discuss how this could impact potential zoning to be adopted as part of 185SSSP. Potentially discuss policies to be included in Subarea Plan or other components.

December 4- Discuss Subarea Plan and Planned Action Ordinance.

December 18- Any unresolved topics or possible study session leading up to public hearing.

January 1- This meeting will be cancelled because of the New Year holiday.

January 15- Public Hearing on full 185SSSP package, which will consist of Subarea Plan (including policies, prioritized capital projects, Comprehensive Plan Land Use and zoning designations), Development Code regulations, Final EIS, and Planned Action Ordinance.

If the Commission is able to make a final recommendation to Council following the public hearing, the full 185SSSP package will be forwarded for final revisions and adoption. If not, the public hearing will be continued to the next regular meeting (February 5) or possibly the 5<sup>th</sup> Thursday in January (29).



**ATTACHMENTS**

- Attachment A: Draft Development Regulations
- Attachment B: Additional Costs of Development Agreement Fees
- Attachment C: Development Agreement Language
- Attachment D: Phase 1 Zoning Map