

# CITY OF SHORELINE

## SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

December 18, 2014  
7:00 P.M.

Shoreline City Hall  
Council Chamber

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### Commissioners Present

Chair Scully  
Vice Chair Craft  
Commissioner Montero  
Commissioner Mork

### Commissioners Absent

Commissioner Malek  
Commissioner Maul  
Commissioner Moss

### Staff Present

Rachael Markle, Director, Planning and Community Development  
Steve Szafran, Senior Planner, Planning and Community Development  
Paul Cohen, Planning Manager, Planning and Community Development  
Miranda Redinger, Senior Planner, Planning and Community Development  
Dan Eernisse, Economic Development Manager  
Lisa Basher, Planning Commission Clerk

### Others Present

Kirk Smith, KPG  
Michael Lapham, KPG  
Lisa Grueter, BERK  
Nick Bratton, Forterra  
Erik Rundell, ECONorthwest

### CALL TO ORDER

Chair Scully called the regular meeting of the Shoreline Planning Commission to order at 7:03 p.m.

### ROLL CALL

Upon roll call by the Commission Clerk the following Commissioners were present: Chair Scully, Vice Chair Craft and Commissioner Montero and Mork. Commissioners Malek, Maul and Moss were absent.

### GENERAL PUBLIC COMMENT

There were no general public comments.

### STUDY ITEM: INTRODUCTION TO THE DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS) FOR THE AURORA SQUARE COMMUNITY RENEWAL AREA (CRA)

Mr. Eernisse reviewed that Aurora Square was designated as a Community Renewal Area (CRA) in 2012. By designating the CRA, Council established that economic renewal would be in the public's interest and that City resources could be justifiably utilized to encourage renewal. The Council adopted





the CRA Renewal Plan in 2013 to guide the City's renewal efforts. One of the projects the CRA Renewal Plan identified to spur private development was the adoption of a Planned Action Ordinance (PAO), which provides more detailed environmental analysis during formulation of planning proposals rather than at the project permit review stage. The Draft Environmental Impact Statement (DEIS) for the PAO was published on December 12<sup>th</sup>, and the public comment period is 30 days. A Final Environmental Impact Statement (FEIS) will be prepared and published based on the comments provided during the public comment period, and the FEIS will be followed by a PAO that will, hopefully, be adopted next spring. Once adopted, future development that is compliant with the PAO will not be required to go through the State Environmental Policy Act (SEPA) process. This will save developers time, provide more predictability, and make projects more profitable.

Mr. Eernisse provided a concept map that was produced for the CRA to illustrate the types of projects and actions the City could take to encourage development. The Concept Map implies that growth will happen, and three growth alternatives are currently being studied in the DEIS. All three anticipate that Aurora Square's current zoning designation as Mixed Business (MB) will remain unchanged. He reviewed each of the growth alternatives as follows:

1. **No Action.** This is a SEPA-required alternative that assumes Aurora Square would continue with a similar commercial retail and office character and the same square footage of buildings and parking as presently located on the site.
  2. **Phased Growth.** This alternative assumes a moderate level of development that introduces 500 dwelling units and adds up to 250,000 square feet of retail and office space beyond present developed space.
  3. **Planned Growth.** This alternative represents a maximum level of growth studied, adding 1,000 dwelling units and 500,000 square feet of retail and office space beyond present development space.
1. No growth.
  2. 500 units and 250,000 square feet of commercial space
  3. 1,000 units and 500,000 square feet of commercial space.

Mr. Eernisse emphasized that the current zoning would allow quite a bit more density than what is shown in the Concept Plan, and none of the proposals would come close to maximizing the site's capacity. Rather than maximizing density on the property, the City's goal is to encourage renewal and get redevelopment moving forward. He reviewed the findings in the DEIS as follows:

#### Transportation

- Based on current Level of Service (LOS) standards, the road network would not be broken by growth. However, if frontage improvements around the center were customized and focus given to certain high-value projects, the City could encourage renewal, increase safety and provide better connections for bicycles and pedestrians.
- Westminster Way North needs to be "pedestrianized" between North 155<sup>th</sup> Street (entrance to the Central Market) and Aurora Avenue North. In addition, the entry from Aurora Avenue North needs

to be replaced with something that slows down traffic and provides a better pedestrian experience. Lastly, the intersection at North 155<sup>th</sup> Street could be improved for safety and pedestrian crossing.

- North 160<sup>th</sup> Street could be reduced to three lanes rather than the current four. This would allow the City to provide bicycle facilities and create a better pedestrian environment. The City obtained a grant that will allow them to restripe North 160<sup>th</sup> Street in 2015 from four to three lanes and provide a 5-foot bicycle lane from Aurora Avenue North to Shoreline Community College. The City's vision includes a designated cycle track along the Aurora Square site.

#### Light, Glare and Noise

- The signage along Aurora Avenue North for businesses at Aurora Square is lacking. This is partly due to the City's code that does not allow off-premise signs. Because of multiplicity of ownership, the corner property is the only one that can have signage. A cohesive master sign package is needed that allows everyone at Aurora Square to advertise on the street front.
- The City should support entertainment, as envisioned in Vision 2029. Aurora Square is an ideal place for outdoor entertainment, movie theaters, etc. For example, large banners could be allowed and the noise standards could be relaxed somewhat.
- Consider using frontage "catchall" signs on Aurora Avenue North and Westminster at North 155<sup>th</sup> Street and North 160<sup>th</sup> Street. For example, a potential movie theater would want the ability to advertise the movies that are currently playing.

#### Stormwater Management

- The 1967 version of stormwater management is primarily non-existent on the site. Currently, there is a large, sloped parking lot on the site with no catch basins. Water flows off into ditches and/or pipes and flows down Boeing Creek. Typically, in a shopping center environment, underground stormwater vaults are used to detain water during major storm events, but this is a costly solution given the size of the subject properties.
- There are other techniques that can be used to address this situation, and the City has done preliminary studies on a regional detention system option that would involve a "supersized" open pond on Shoreline Community College's Greenwood Parking Lot. This lot currently drains to the same drainage basin as Aurora Square (Boeing Creek). It is anticipated that this large facility could manage stormwater runoff not only from Shoreline Community College and Aurora Square, but also another 50 acres of development potential in the drainage basin. The City believes this is a very responsible approach and a great use of City planning.

Mr. Eernisse announced that the draft PAO is scheduled for a public hearing before the Commission on January 29<sup>th</sup>. After the hearing, the Commission will be asked to forward a recommendation to the City Council regarding the DEIS, specifically focusing on the prioritized high-value transportation improvements, amendments to the sign code, and further study of the regional storm facility. He advised that staff will incorporate comments from the public and Planning Commission into the DEIS,

and the FEIS will be published in February. It is anticipated that the PAO will be presented to the City Council in March.

Mr. Eernisse introduced other members of the consulting team: Michael Lapham, KPG, whose focus is on transportation; Kirk Smith, KPG, whose focus is on stormwater; and Lisa Grueter, BERK, whose focus is on the PAO.

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

Chair Scully said he likes the concept of a regional stormwater facility, but he noted that Boeing Creek used to be a natural watercourse. Typically, they talk about removing dams, and daylighting and restoring waterways to their natural state. He expressed concern about further burdening Boeing Creek, and he encouraged staff to think of other alternatives.

**Kirk Smith, KPG**, said two alternatives were considered for this location. One was actually in the creek basin, and the other was off to the side. Moving forward they would continue to consider both options. He explained that one of the first steps in the process is vetting the environmental hurdles. He acknowledged that Boeing Creek is designated as a stream, but there is already a regional detention facility in that area. He clarified that a regional facility would not involve raising the dam, but it would put more water behind it. If a facility is done to the side of Boeing Creek, there would be enough capacity to handle Aurora Square, but not other properties in the area.

Commissioner Mork asked if the consultants would talk with State officials regarding the stormwater requirements before the FEIS is prepared. Mr. Eernisse said these discussions would come after the FEIS is done. He emphasized that several steps would be required before the City would be ready to move forward with a regional facility. The ultimate plan would be for the stormwater utility to purchase the land from the college and then own and operate the facility. He pointed out that drainage from all the properties already flows through the facility. If the Council agrees to move forward with a regional facility, the City can start allowing development to happen without on-sight detention, mindful of the coming regional facility.

**STUDY ITEM: LANDSCAPE CONSERVATION AND LOCAL INFRASTRUCTURE PROGRAM (LCLIP)**

Mr. Cohen announced that the City recently received a grant from the State to study the feasibility of applying LCLIP in the 145<sup>th</sup> and 185<sup>th</sup> Street Light Rail Station Subareas, Town Center and the Community Renewal Area. He introduced Erik Rundell from ECONorthwest and Nick Bratton from Forterra, who were present to explain the program and provide their preliminary findings to the Planning Commission. It is anticipated the feasibility study will be completed in July 2015. Staff's intent is to present the findings to date before the Commission conducts a public hearing and makes a recommendation to the Council relevant to the issues of development potential and development agreements in the 185<sup>th</sup> Street Light Rail Station Subarea. If the Commission is interested in applying this concept in the 185<sup>th</sup> Street Light Rail Station Subarea, staff has prepared draft language that would incorporate LCLIP into the Development Code (Attachment A).

**Nick Bratton, Policy Director, Forterra,** provided aerial pictures to illustrate how urban and suburban development in the region might look in the future based on the current growth pattern versus a more compact growth pattern. He advised that there are different outcomes for future land-use patterns in the Central Puget Sound Region, and growth management and the opportunities that LCLIP presents can create advantages for the region, as well as the City of Shoreline.

Mr. Bratton said the Transfer of Development Rights (TDR) tool is one ingredient of LCLIP and has been used in Washington State and King County for quite some time. It has been proven effective as a voluntary, market-based tool to allow developers to achieve higher densities in areas where growth is desired, while using market funding to permanently protect important resources lands (farms and forests) that are essential to the economy, ecology, and identity. In their work with cities over the years, many have expressed an appreciation for why it is important to encourage growth in areas where infrastructure and services are already available. However, the common theme is that cities are having a difficult time providing the services and public improvements for their existing populations and anticipated growth. Adding growth beyond that with tools such as TDR would place an additional burden upon the existing services and infrastructure. To address this concern, Forterra has worked to develop an approach that gives cities an incentive to pursue using the tool in a way that would support their growth and infrastructure objectives.

Mr. Bratton advised that State infrastructure funding is complex and competition is steep. One of the objectives of LCLIP is to devolve fundraising power to cities to give them some of their own control and opportunity to pay for public improvements. This approach can lead to increased conservation of the working landscape in the rural areas and opportunities to invest in the local communities, which results in a more sustainable future for both the rural areas and the urban environment. He explained that in its simplest form, LCLIP is a combination of TDRs and a form of tax-increment financing.

Mr. Bratton explained that tax increment financing is new to Washington State (2011), and LCLIP is the first form of it being available. To begin the program, a base assessed value of the district in which it is being used is done. After the program has been established and new growth occurs over time in that district, participating cities will receive a portion of the county's property tax associated with that growth. This revenue source can be used to service debt for city-issued bonds to pay for infrastructure or the City can collect money as it comes in over time to pay from infrastructure. He emphasized that the tool is only available to large cities in King, Pierce and Snohomish County, which are defined by the Puget Sound Regional Council as having a combined population and employment of more than 22,500.

Mr. Bratton explained that to initiate the program, each of the counties (Pierce, King and Snohomish) conducted an inventory of working lands of long-term commercial significance they wanted to prioritize for protection and counted up how many development rights were available for possible protection. About 24,000 credits were identified, which represents well over a half million acres of farm and forest land that could be protected under TDR transactions through LCLIP. He briefly described the steps of LCLIP as follows:

1. **Commit and Plan.** Cities must conduct feasibility studies and agree to TDR goals. The City is currently working on a feasibility study of potential areas where the LCLIP program might work. To get the program started the City would adopt an ordinance that creates an improvement district,

articulates what the public improvements would be, and then agrees to some level of participation in using TDR. Because the City would be collecting revenues from the County, the County will want a say in what the conservation picture looks like, what the projected growth is, and how many credits the City is taking. Rather than a directive, this would be more a collaboration between the City and the County. Should the City choose to pursue the program, the county prefers to articulate what the terms are through an interlocal agreement.

2. **Infrastructure Investment.** The intent is that cities will finance using future tax revenue and begin to make infrastructure improvements. There is a very expansive definition of what infrastructure includes. In addition to sidewalks, streetscapes, and utilities, it can also include maintenance and security and operating costs. The legislation was intended to have a very broad definition so cities can use the funding for a diverse range of needs.
3. **Market-Led Development.** Following the investment for infrastructure improvements, market-led redevelopment would occur. Having infrastructure in place lowers the cost of entry for developers and makes redevelopment more attractive.
4. **Farm and Forest Conservation.** Over time, as cities meet their TDR goals, farms and forest lands would be conserved and protected.

Mr. Bratton said each city in the region that is eligible to participate has been given an allocation of TDR credits it can choose to accept. The number is different for each city and is scaled to the particular city's growth targets. For example, the City of Seattle has about 3,500 credits, and Shoreline's allocation is 231. Within that range, the City could choose to accept between 20% and 100%. Because the County wants some form of safeguard in place so they are not just giving away their portion of property tax revenue without a commensurate benefit, participating cities will be required to meet the following performance milestones:

- After 10 years of participation, a city would need to absorb half of their chosen level of participation. At that point, the program would be renewed for another five years and the tax revenues would continue.
- Between years 10 and 15, a city would need to absorb an additional quarter of the credit in order to extend the program for an additional five years.
- All of the credits a city committed to at the onset of the program must be absorbed within 20 years to allow for an additional five years of revenue. There would be no further credit obligation.

Mr. Bratton said the feasibility study will address the following questions:

- Will LCLIP work in the City and under what conditions? The program does not necessarily fit all cities, as a number of factors need to align to make it viable.
- How much money will LCLIP generate for the City?
- When should the City begin to use LCLIP? Maybe the market for growth is not present now, but with the adoption of subarea plans around the station areas, the City may be poised to utilize the program.



- What are the risks of LCLIP? The City is obligated to reach the milestones or the revenue faucet gets turned off. If they do not meet the 10-year milestone, the City will need to put a plan in place to ensure the obligations are met.

Mr. Bratton summarized his presentation by saying that there are multiple ways the City can pursue funding to finance improvements, and LCLIP is just one of them. The feasibility study will study whether LCLIP can work to pay for improvements in the station areas, Town Center and Aurora Square. LCLIP provides a financial incentive to use TDR, which is supported by City policy. Revenues associated with the program will depend on the amount of growth the City experiences during the program timeframe, the timing of the program, and the City's commitment level. Challenges include the amount of growth realized and TDR credit placement.

**Erik Rundell, Forterra**, provided an overview of how revenues would be generated, noting that revenues will depend on how much of a commitment the City wants to make (between 20% and 100%) and how much growth actually occurs. For example, less growth and a higher commitment would result in less revenue for the City. He explained the City has different options, both public and private, for setting up a program for placing the TDR credits, including incentive zoning, impact fee-in-lieu, developer agreements, new citywide fee/tax, requiring private participation, and the City purchasing TDRs. He further explained that the options have different costs, both political and financial. Those options that require private action have the least cost to the City. Those that require public action have the most cost to the City but also result in the most certainty because the City would have control over where the credits are placed.

Mr. Rundell said that in addition to the various options for placing TDR credits, there are different locations throughout the City where the TDR program could be implemented. The feasibility study is looking at four different areas (185<sup>th</sup> Street Light Rail Station Subarea, 145<sup>th</sup> Street Light Rail Station Subarea, Town Center, and Community Renewal Area). Each of the options could be used differently in the four areas. The consulting team is currently working to develop and test various scenarios for TDR options and locations. They will assess the feasibility of each scenario and the expected revenue potential, as well as the risks. The results of the feasibility study will be presented to the City Council in March of 2015, and then the City Council will need to make decisions on some very basic policy questions if they want to pursue the concept further.

Chair Scully clarified that the action item before the Commission is whether or not they want to include LCLIP as a study item within the station area regulations.

Commissioner Montero asked for more information about the success of the LCLIP program since it was adopted by the Legislature in 2011. Mr. Bratton said the City of Seattle has adopted the program, and committed to use 24% of its allocated credits. They did a similar feasibility study for the City of Seattle, which is projected to generate about \$27 million in funding over the course of the program. The program is in its second year and there are already several projects underway using TDR.

Chair Scully cautioned against losing site of the purpose of LCLIP, which is to preserve forests and farmland. While the program can generate money for the City, it also protects a significant amount of rural lands.

There were no public comments regarding the LCLIP or TDR Programs.

**STUDY ITEM: 185<sup>TH</sup> STREET STATION LIGHT RAIL SUBAREA PLAN MISCELLANEOUS TOPICS AND FINAL REVIEW**

Mr. Szafran reviewed that the Planning Commission has met six times previously to discuss the Development Code, which to this point has been an evolving document that will eventually culminate into a public hearing on January 15<sup>th</sup>. The purpose of tonight's meeting is to wrap up the discussion and address the outstanding issues. He presented the outstanding issues, and the Commission discussed each one and invited public comment as follows:

- **Height limits in the MUR-85'+ Zone.** A maximum height for the MUR-85'+ Zone was never established in the Development Code. However, as part of the Environmental Impact Statement (EIS) process, modeling was done on certain sites that anticipated 140-foot height limits, which is consistent with the Planning Commission Subcommittee's recommendation. He referred to Page 60 of the proposed code language (Attachment A), which would establish a 140-foot maximum height for development agreements in the MUR-85 zone.
- **Adding parks as a mandatory element of a development agreement.** The Final Environmental Impact Statement (FEIS) identified the need for one new neighborhood park, and the Planned Action Ordinance (PAO) also lists one new neighborhood park as a mitigation measure in the next 20 years. Therefore, staff is recommending that park space be added as a component of a development agreement in the MUR-85'+ Zone (Page 40 of Attachment A).
- **Adding the choice between TDR and affordable housing.** Staff is proposing (Page 39 of Attachment A) that Transfer of Development Rights (TDR) be a mandatory requirement as part of a development agreement in the MUR-85'+ Zone.

**Hope Morgan, Shoreline,** said she lives directly across the street from the 185<sup>th</sup> Street Light Rail Station Subarea. She said she and her husband purchased their home in 1971 and subsequently purchased other properties in the area. They currently have an approved subdivision plan, which has been put on hold as they have decided to sell their property. While residents who do not live on her block have requested that her block have a height restriction much less than 140 feet, she and the neighbors on her block do not support a height restriction. They would like the developers to have an incentive to be generous with them.

**Sarah Janes, Shoreline,** said she lives in the Meridian Park Neighborhood. She expressed her belief that the current preferred alternative is too extreme and inappropriate for the neighborhood. It is poorly thought out and not at all a product based on the public's feedback or desire. She is against it and would favor a more moderate approach. She also is concerned that the station area plans are not taking a holistic view, and it appears that planning in Shoreline is being done in a piecemeal approach. The impacts are not being looked at as a conglomerate but as individual cases. Shoreline is not that large, and she questioned what would happen to schools, utilities, infrastructure, etc. when growth gets out of control and the City cannot keep up. She said she grew up in Issaquah and has some idea of the end

result of the proposed changes. The classrooms will get overcrowded, children will be moved to overflow trailers and traffic will become horrendous. Growth in Issaquah was not controlled and the citizens of the city suffered. She recently saw that Ballard's urban village residential growth already exceeds the 2024 growth target by 317%, including issued permits. With the units already built, the growth target has been exceeded by 206%. She questioned what will happen if the numbers the City is using to plan are as off as they were for Ballard. What if the 125-year plan is actually a 30-year plan? How will Shoreline maintain a similar quality of life and services to its citizens?

**Dan Dale, Shoreline**, acknowledged that those living on 8<sup>th</sup> Avenue and in the staging area for the station are in favor of the proposed plan from the standpoint of their economic return, and this is likely where the City will see the first opportunities for additional height. However, most other people are concerned about the potential height of development within the MUR-85'+ Zone. He noted that the FEIS does not address the possibility that the entire MUR-85'+ could be developed at the maximum height of 140 feet. While this is not likely to occur, the numbers assume that only 25% will be developed at a height greater than 85 feet. He questioned how the City could have a good representation of the total long-vision impact without figures for full build out. He cautioned that allowing a 140-foot height limit adjacent to the MUR-35' Zone on 10<sup>th</sup> Avenue without increasing setback and step back requirements seems inappropriate. He suggested the Commission consider limiting the height in the MUR-85'+ zone, particularly in key areas.

Commissioner Mork referred to the proposal to add parks as a mandatory element of a development agreement and asked if the amount of park space required would be based on the size of the proposed development. Mr. Szafran answered that the City's definition of "neighborhood park" is 1 to 5 acres, and, as proposed, at least one acre of park space would be required regardless of a development's size. Director Markle said the intent of the 1-acre requirement was to avoid having small pieces of parkland spread throughout the subarea that result in little impact but create a number of maintenance issues. She reminded the Commission that development agreements, along with greater development potential, would only be allowed if the City and community gets something it wants in return for the new growth. She suggested they leave the requirement at one acre or even increase the requirement. She emphasized that the concept is to get something substantial in exchange for the additional development potential. She said she does not anticipate a significant number of requests for development agreements in the MUR-85'+ Zone.

Commissioner Mork questioned why the park space requirement would not apply to all development in the MUR-85'+ Zone. Chair Scully noted that applying the requirement throughout the entire zone would significantly impact the development potential. Mr. Szafran reminded the Commission that the Development Regulations require open space for all development.

Commissioner Montero asked if the required park space must be located within the subarea or if it could be located anywhere in Shoreline. Director Markle answered that the space must be located within the subarea.

Chair Scully reminded the Commission that development agreements will not be automatically approved. He agreed with Mr. Dale that there are only a few sites in the MUR-85'+ zone where 140-foot development would be appropriate without creating massive impacts. He expressed his belief that a

140-foot cap seems reasonable, and he cannot imagine a taller building given current conditions. He felt it was appropriate to include a maximum height limit to provide certainty to both the neighborhood and the developers. Again, he said it is important to understand that development agreements and the 140-foot maximum height would not be guaranteed entitlements.

Vice Chair Craft said he appreciates the arguments from both sides. However, he supports the proposed 140-foot height limit because development agreements require a very deliberate review process, with certain mandatory criteria that must be achieved. He said he also supports the mandatory requirement for park space. Consistent with Ms. Janes comment, he suggested it would be appropriate for the Commission to consider the possibility that growth will occur much faster than anticipated.

Chair Scully said he does not support making the TDR requirement an equivalent to affordable housing. While he supports the concept of LCLIP, the City has placed a high emphasis on affordable housing and it has been a significant concern from those living within and adjacent to the subarea. If TDR is an option, it would be simple for a developer to pay money to avoid the affordable housing requirement. The goal is to enable current residents to continue to live in the neighborhood, including purchasing a new property within the subarea. Director Markle said the concept of a catalyst program using TDRs or some other incentive to get development started in the area actually came from housing advocates and other housing ordinances. The idea is to build the community so it can attract more development and get more affordable housing as a result. The intent of the catalyst program is to allow the City to sell its TDR credits quickly. The TDR option would be less costly than affordable housing, but it could enable the City to sell its TDR credits quickly to meet its quota. This would result in additional tax revenue for the subarea over the next 25 years, which could be used to build infrastructure that benefits affordable housing and development in general. She cautioned that without having some way to sell the credits fast, LCLIP is a much riskier program to consider.

Commissioner Montero asked how much revenue the TDR credits will generate for the City for infrastructure improvements. Director Markle said this is one of the questions the feasibility study will answer. She emphasized that the feasibility study will help the City decide whether or not a TDR Program is a good financial decision. As written, the TDR program would not be available until authorized by the City Council through a separate ordinance. If it is determined to be unfeasible, the language would be removed from the Development Code. However, a placeholder is needed in the code at this time in order to preserve TDR as an option in the near future.

Chair Scully said he appreciates the hypothetical argument about the indirect benefits to affordable housing down the road if tax revenue is available to build infrastructure. However, the Commission's previous discussions have placed an emphasis on the need for guaranteed affordable housing, particularly if development is allowed to exceed 85 feet.

Vice Chair Craft asked if the City would have a limited number of TDR credits. Mr. Szafran said the maximum number of credits allocated to Shoreline is 231, but the City could choose to accept a lower amount. Vice Chair Craft asked about the process for determining the number of credits allowed per development. Director Markle said that, as currently proposed, a developer would be allowed to purchase a maximum of one TDR credit per four units in the MUR-85'+ Zone. This could be an option to the affordable housing requirement for the first 300 units. As an example, she advised that a 200-unit

development would be required to either purchase 50 TDR credits at \$23,000 per credit, or construct 20 affordable units at \$116,000 per unit.

- **Adjusting affordable housing requirements.** The tables in Shoreline Municipal Code (SMC) 20.30.235 have been adjusted (see Pages 50 through 53 of Attachment A) to require affordable housing in each of the zones. For example, on Page 50, the required percentage was increased from 15% to 20% of the rental units. In some cases, the level of affordable housing was decreased, as well.

**Kayla Schott Bresler, Policy Manager, Housing Development Consortium (HDC) of King County** reviewed that the HDC is dedicated to the vision that all people, regardless of how much money they make, should have a roof over their heads and a place to call home. While this is a goal many support, it is far from reality for many of the City's families. In the last eight years, the number of homeless school children in the district has almost tripled to nearly 190. She commented that the Commission has the power to reverse this trend, and they are considering a number of policies that could really help. She referred to the affordable housing provisions in the draft subarea plan and commented that development incentives and affordable housing requirements are effective tools for creating safe, healthy, affordable homes for individuals and families who are struggling to afford their housing. Light rail will bring many benefits to the City, but it will also make housing more expensive. Tying affordable housing to growth, as the proposed policies do, the City can leverage the power of the private market to create affordable homes as the need increases. She urged the City to capture some of the benefits of growth for those who need it most.

Ms. Schott Bresler said she was present to hear more about the proposed program, and she is not ready to comment on the details. However, as a general rule, the HDC strongly supports and encourages cities to adopt mandatory programs that require developers to contribute to solving affordable housing needs. She expressed appreciation for the Commission's commitment to affordable housing, and the HDC looks forward to working with them as the details are ironed out in the coming weeks.

Commissioner Montero asked how many units are projected within the subarea. Ms. Redinger said the current number of households is about 8,000, and the number is expected to increase to about 13,000 in 20 years. Commissioner Montero asked if 20% of the new units would be low-income housing based on the proposed 20% requirement. Ms. Redinger reminded the Commission that low-income housing would only be mandatory in the MUR-85' and MUR-85'+ Zones. Most of the zoning in the subarea is MUR-35' and MUR-45', which provide incentives to encourage affordable housing.

Chair Scully said he supports a mandatory affordable housing requirement in the MUR-35' and MUR-45' Zones. While it may not be economically feasible for a developer of a small project to provide 20% affordable housing, the City offers a fee-in-lieu option. He observed that the City envisions a New York style, walk up development where a person can purchase space from floor to roof, with an attached garage. These units will not likely be priced at something most households who are currently residing in the neighborhood can afford. He reminded the Commission of their stated desire that the people who currently live in the subarea be able to afford to remain. He does not see the City accomplishing this goal with voluntary programs. If the City wants this area to be affordable, it must be mandatory.

Commissioner Montero pointed out that making the requirement mandatory throughout the entire subarea could result in up to 1,000 new affordable units, which may be too many. If affordable housing is mandatory for the entire subarea, he suggested the requirement be reduced to something less than 20% for the MUR-35' and MUR-45' Zones. Chair Scully emphasized that the requirement is that the units be affordable at 80% Average Median Income (AMI), which does not represent the poorest individuals in the community. Vice Chair Craft expressed concern that applying the 20% mandatory requirement across the board may make smaller developments in the MUR-35' and MUR-45' Zones unfeasible. While he supports a mandatory requirement, 20% may be too high for the lower-density zones. He suggested that either the percentage could be lower for these zones, or the AMI could be adjusted.

Chair Scully said he is not advocating for a 20% requirement across the board, but he does support a mandatory affordable housing component or fee-in-lieu option for all zones in the subarea. Commissioner Montero stressed the importance of providing enough incentive to get development in the subarea started and cautioned against making the affordable housing requirement too onerous. Chair Scully agreed that it must be economically feasible for projects to go forward. However, the statistics provided regarding the rapid growth rate in Ballard are quite compelling. In addition, if the requirement is mandatory and no development occurs, a future Planning Commission could revisit the issue. He pointed out that development around the future station at 65<sup>th</sup> in Seattle has been booming.

Vice Chair Craft expressed his belief that a mandatory requirement in the MUR-45' Zone could be feasible, but he is not sure that would be true for the MUR-35' Zone. He stressed the importance of being consistent with the goals the Commission has set out over the past few years. Maintaining some form of mandatory housing within a large component of the subarea is important to him.

Director Markle said staff consulted with the HDC when researching to create the current language. The HDC has cautioned that while the City should not damage its ability to serve more people, it is also important to be competitive. She encouraged the Commissioners to revisit the comparison chart of what other cities are doing, which was used to develop the current language. She said the proposed 20% requirement is based on the fact that 20% of the units must be affordable to be eligible for a property tax exemption for multi-family development. Staff is also proposing a home ownership style program, using the 8-year property tax exemption, which does not have an affordability component. However, this would only be offered in the MUR-35' and MUR-45' Zones, with the ability to incentivize bringing down the cost to own a home.

Ms. Redinger explained that inclusionary zoning is not the only mechanism in the proposal to obtain affordable housing. The language also encourage partnership opportunities with Sound Transit, surplus property, working with non-profit organizations, etc. The goal is to address affordability through a variety of mechanisms.

Ms. Redinger reported that the Commission's Light Rail Subcommittee met on December 10<sup>th</sup> to discuss several items in greater detail before making a recommendation the full Commission. They specifically discussed the following:

- **Phasing.** The subcommittee did not have any new points to discuss about the phasing option, and will instead defer to public comment by those in impacted areas before making a recommendation.

- **Point Wells.** The subcommittee noted that traffic modeling from the Point Wells Transportation Corridor Study was used in traffic modeling for the Subarea Plan FEIS. While it was acknowledged that full redevelopment of Point Wells could impact other Shoreline systems and services, the subcommittee believes that performing additional analysis would be beyond the scope of the subarea plan. However, agencies that could be impacted by demands of increased density overall (police and fire) should examine all pertinent plans and propose mitigation measures as part of the Snohomish County DEIS process.
- **Transition Standards.** The subcommittee felt that the draft transition standards, which require step backs at 45 feet on a building façade facing an arterial in the MUR-85' Zone, were the most effective way to create a pedestrian-friendly street level. They also recommended adding this standard to any façade in an MUR-85' Zone adjacent to an MUR-35' Zone. There are only two areas in the Preferred Alternative in which this provision would apply that aren't already covered based on the arterial transition standard.

The Commission indicated support for the subcommittee's recommendation to add the transition standard to any façade in the MUR-85' Zone that is adjacent to MUR-35' zoning.

- **Single-family as permitted use in MUR-85' Zone.** This has been a topic of significant concern throughout the subarea process. At a recent meeting with the tax assessor, rumors that people would be unable to sell their existing single-family homes were addressed. It was emphasized that a legal, non-conforming use would remain a legal use and there would be no threat to existing single-family homes. The remaining question is whether or not new single-family homes should be allowed. In the draft regulations (Attachment A), the Commission decided to include single-family as a permitted use in MUR-45' and MUR-35' Zones, but not in the MUR-85' Zone. The subcommittee discussed that they did not want the area to be redeveloped with single-family units that would maximize allowable footprints, creating expensive low-density homes where more transit-supportive, mixed-use styles were envisioned. On the other hand, if single-family were simply a grandfathered use, there was concern that homeowners who wished to modify or expand their more modest homes or add structures in the future may not be able to do so. For example, if a 20-foot tall rambler burned down, the owners could rebuild in the same footprint, with a 10% expansion, but that would not equal the existing allowances of the R-6 zone. In addition, a new garage, deck, etc. that was more than 10% of the square footage of the existing home would not be allowed. The subcommittee expressed a desire to support owners who want to stay and invest in their homes and did not want to create a scenario that would unintentionally penalize these households.

The subcommittee is recommending that single-family homes be allowed as a permitted use in the MUR-85' Zone, but for the provision to sunset five years from adoption (2020). This time period would allow for greater public awareness of zoning and/or other potential changes in the neighborhood and allow homeowners to make informed decisions about whether or what improvements to make to their properties. At the same time, it would prevent a significant influx of larger, more expensive, single-family homes on land better suited to transit-oriented development in the long term.

Commissioner Montero asked for more information about why the subcommittee is recommending a sunset of five years. Commissioner Mork explained that five years is enough time for people to think about the change and take action, as well as enough time before the station opens. Chair Scully said he does not see the need to specifically prohibit single-family residential in the MUR-85' Zone because he does not anticipate anyone will want to construct a mega mansion right next to the light rail station. He voiced opposition to unnecessarily handicapping current property owners. He said he lives in a 1,000 square foot house with four kids; and at some point, he plans to add a second story or move. Adding 10% would not work for him, and it would not likely work for someone with a similar situation living in the subarea. He summarized that for a few unique people, the proposed restriction would be significant.

Chair Scully asked staff to share data to support the restriction. Ms. Redinger said they considered anecdotal information from the City of Bellevue, where large, expensive, single-family houses are being constructed within close proximity to the light rail station. She agreed to forward the information to the Commissioners. She also reminded the Commissioners that the MUR-85' Zone was envisioned for higher density than single-family. She said she anticipates people will be interested in purchasing single-family homes near the station; and these existing homes could be remodeled or replaced with large, expensive homes. She reminded the Commission that they could revisit the restriction at some point in the future.

Chair Scully said he has been contacted by numerous people who are angry about the proposal to prohibit single-family uses in the MUR-85' Zone. If staff can provide evidence that this would be a real problem, he would support the subcommittee's recommendation. If not, perhaps this is one area where they could give in to the neighborhood's concerns. Commissioner Montero disagreed and expressed his belief that single-family residential uses would be inconsistent with the City's goal of creating a transit-oriented area. Commissioner Mork reiterated that the subcommittee's recommendation was intended to address the public's concern by giving them more time to make decisions.

Mr. Szafran said members of the City Council have raised specific questions about the uses that would be prohibited within the Subarea. He referred to Page 57 of Attachment A, which lists the uses that are proposed to be prohibited including adult uses, liquor sales, tobacco sales, marijuana sales, firearm sales, pawn shops, and massage establishments. The Commission requested more information about the basis for the list of prohibited uses. Mr. Szafran answered that, typically, general retail trade/services are allowed uses in all commercial zones. The proposed language for the subarea is more specific about uses that would be prohibited and was created based on public comment.

**Tom Poitras, Shoreline**, suggested that the list of prohibited uses does not need to be so specific. However, he supports prohibiting certain uses, such as those related to pornography.

Chair Scully pointed out that alcohol and tobacco sales are highly regulated retail uses. Vice Chair Craft clarified that they are regulated from a permitting standpoint, but not from a use standpoint. He cautioned against curtailing opportunities for small, retail establishments that fit in with the neighborhood. The remainder of the Commission concurred. They discussed the best approach for allowing uses that are acceptable for the neighborhood, while curtailing those that are not. Director



Markle reminded the Commission that the proposed new zoning in the subarea would mix residential and commercial uses. She suggested there could be problems in the future if they do not have at least some restrictions in place related to the types of uses allowed. The Commission acknowledged the community's legitimate concerns about certain uses being allowed in the subarea. However, they agreed that more study is needed to determine the best approach.

Mr. Cohen advised that Council Member Roberts asked if the design standards would adequately address parking structures in the subarea. He referred to code language from the City of SeaTac that applies to parking structures. Mr. Cohen explained that although the current design standards do not specifically address parking structures, additional language could be added to address parking structures that are integrated into mixed-use buildings. However, design standards for stand-alone parking structures would be more difficult to incorporate. He expressed his belief that the design standards from SeaTac are extensive and very similar to the City's design standards for commercial and multi-family uses. If that is the City's goal, the SeaTac standards could be modified to be more reasonable to implement, including requirements for cornices, windows, vertical and horizontal features, and commercial space on the first floor. He referred to the new parking structures that were constructed at University Village, which provide a good example of appropriate façade treatment and commercial space on the ground floor. However, he cautioned against including design standards that require step backs and façade modulation. These two concepts work well for residential and commercial spaces where there is more flexibility, but when you change the floor plate three or four feet in a parking structure, it can become difficult to park cars and still provide adequate drive aisles and ramps. Modulation would have a ripple effect throughout the entire parking structure. He concluded that requiring design standards that dress up the façade by changing materials, colors, and textures would not be too difficult, but requiring step backs and modulation would be excessive.

**Dan Dale, Shoreline**, stressed the importance of getting the best garage built as possible, using the University Village example of design standards, plantings, façade, etc. Anything the City can do with its own code to influence what Sound Transit does with their garages will be significant. The parking structures will be some of the first structures, and they will be permanent. He referred to development near the Roosevelt station, noting that much of the property is owned by a single person, which is different than the City's subarea where single-owned properties will be aggregated. There are already a number of restaurants, wine shops and other desirable businesses surrounding the Roosevelt station, which supports the up zones that occurred. However, that is not the case at the 185<sup>th</sup> station.

**Yoshiko Saheki, Shoreline**, said she lives close to what will be the light rail station at 145<sup>th</sup> Street. From the beginning she has been concerned about the huge size of the proposed parking garage, which will dominate the area. Anything that can be done by the City to lower the number of parking spaces in the garage or make the structure more attractive and more suited to the neighborhood would be much appreciated.

The Commission expressed support for design standards that are applicable to parking structures, and they requested a more concrete proposal from staff.

Chair Scully said Councilmember Eggen asked him to raise the possibility of allowing micro housing on arterials within the MUR-85'+ and MUR-45' Zones. He agreed that micro housing is an option worth

considering at some point, but he is not sure it should be considered at this stage of the current process. The Commission agreed with the current draft language that would prohibit micro housing within the subarea for the time being.

Ms. Redinger reminded the Commission that a public hearing on the 185<sup>th</sup> Street Subarea Plan package is scheduled for January 15<sup>th</sup>. Written public comments will be collected and distributed to the Commissioners prior to the hearing. If appropriate, the Commission can move forward with a recommendation to the City Council at the conclusion of the public hearing. The topic is scheduled for discussion on the City Council's February 9<sup>th</sup> agenda, and potential adoption could take place as early as February 23<sup>rd</sup>.

Chair Scully asked if the subarea package would come back to the Commission for additional consideration if major changes are proposed by the City Council; or would the City Council make the necessary amendments and adjustments prior to final approval. Ms. Redinger agreed the City Council could send the package back to the Commission if major changes are proposed that were not the subject of the public hearing. This decision would be based on counsel from the City Attorney.

It was emphasized that although public comment is welcome up until the time the City Council adopts the 185<sup>th</sup> Street Light Rail Station Subarea Plan, the only formal public hearing on the package will be on January 15<sup>th</sup>. It was noted that the City Council may also invite the public to comment as they review the package.

Ms. Redinger announced that the DEIS for the 145<sup>th</sup> Street Light Rail Station Subarea Plan would be published in mid January. The 145<sup>th</sup> Street Station Citizen Committee will meet on January 22<sup>nd</sup> at the Bethel Lutheran Church from 7:00 to 9:00 p.m. At that time, staff will present materials and information about the content of the DEIS and provide direction about how citizens can comment. The Planning Commission will conduct an open house, directly followed by a public hearing on the DEIS on February 5<sup>th</sup>. At the conclusion of the February 5<sup>th</sup> hearing, the Commission will forward a recommendation to the City Council regarding a preferred alternative, which will be presented to the City Council on February 23<sup>rd</sup>.

Ms. Redinger reported that Sound Transit plans to release the FEIS for the 185<sup>th</sup> Street Light Rail Station this spring. They will also continue their design process for the station and parking structure, and there will be other opportunities for the City and public to weigh in on the specific design options.

### **DIRECTOR'S REPORT**

Director Markle did not have any items to report.

### **UNFINISHED BUSINESS**

Commissioner Montero disclosed that one of the companies he is a principle in has had a contract with Sound Transit for about eight years, and the contract will continue for approximately seven more years for doing station signage and wayfinding systems.

Chair Scully suggested the Commissioners over share any potential conflicts at the public hearing. For example, he will explain where he lives and how the traffic will impact him.

**NEW BUSINESS**

No new business was scheduled on the agenda.

**REPORTS OF COMMITTEES AND COMMISSIONERS/ANNOUNCEMENTS**


There were no reports from Committees or Commissioners.

**AGENDA FOR NEXT MEETING**

There was no additional discussion about the next meeting agenda.

**ADJOURNMENT**

The meeting was adjourned at 9:05 p.m.



Keith Scully  
Chair, Planning Commission



Lisa Basher  
Clerk, Planning Commission

**TIME STAMP**  
**December 18, 2014**

**CALL TO ORDER:**

**ROLL CALL:**

**APPROVAL OF AGENDA:**

**APPROVAL OF MINUTES:**

**GENERAL PUBLIC COMMENT:**

**STUDY ITEM: INTRODUCTION TO THE DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS) FOR THE AURORA SQUARE COMMUNITY RENEWAL AREA: 4:50**

**STUDY ITEM: LCLIP STAFF REPORT: 21:30**

**STUDY ITEM: 185<sup>TH</sup> STREET STATION LIGHT RAIL SUBAREA PLAN MISCELLANEOUS TOPICS AND FINAL REVIEW: 45:07**

**DIRECTOR'S REPORT:**

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**REPORTS OF COMMITTEES AND COMMISSIONERS/ANNOUNCEMENTS:**

**AGENDA FOR NEXT MEETING:**

**ADJOURNMENT:**