DRAFT

CITY OF SHORELINE

SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

June 2, 2016
7:00 P.M.
Shoreline City Hall
Council Chamber

Commissioners Present

Chair Craft
Vice Chair Montero
Commissioner Chang
Commissioner Maul
Commissioner Malek
Commissioner Moss-Thomas

Staff Present

Paul Cohen, Senior Planner, Planning and Community Development Steve Szafran, Senior Planner, Planning and Community Development Lisa Basher, Planning Commission Clerk

Commissioners Absent

Commissioner Mork

CALL TO ORDER

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

ROLL CALL

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

APPROVAL OF AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

The minutes of May 19, 2016 were approved.

GENERAL PUBLIC COMMENT

There were no general public comments.

STUDY ITEM: DEVELOPMENT REGULATIONS RELATED TO LIGHT RAIL STATION SUBAREAS

Staff Presentation

Mr. Szafran reviewed that, at their May 5th meeting, the Commission discussed proposed amendments that had to do with the use of Critical Area Reasonable Use Permits, station area uses, minimum density in the Mixed Use Residential (MUR-35') zone, minimum lot area in the MUR-70' zone, maximum setbacks on 145th and 185th Streets, additional height for rooftop amenities, design regulations that apply to townhomes in the MUR-45' zone, and access to development on 5th Avenue NE. At tonight's meeting, the intent is to clarify amendments, introduce a new amendment, and respond to citizen comments.

Mr. Szafran advised that the proposed amendment to Shoreline Municipal Code (SMC) 20.40.160 (Amendment 3) would allow single-family, detached units in the MUR-35' and MUR-45' zones. He explained that, on some sites, single-family, detached housing could meet all of the zoning regulations of the MUR-35' and MUR-45' zones and create more housing choices and smaller planned communities that have more open areas and landscaping. The City would not lose any density or development potential within the subarea, but the amendment would provide additional flexibility to developers. Along with this amendment, a proposed amendment to SMC 20.50.020(2) (Amendment 4) would add a minimum density requirement in the MUR-35' zone. The purpose of the two amendments is to encourage more single-family, detached housing choices in the MUR-35' and MUR-45' zones. Staff believes the attributes of this type of development are increased housing choices and the design can lead to more open space and fewer driveways onto the public rights-of-way.

Mr. Szafran provided visual examples of the type of single-family, detached residential development that could be accommodated based on the proposed amendments. He also provided an example of an attached residential development, which would be allowed in the MUR-35' and MUR-45'. He noted that traditional single-family homes would also be allowed in the MUR-35' zone. He summarized that because the MUR-35' and MUR-45' zones already allow attached residential development, staff believes it would also be appropriate to allow detached residential development. He emphasized that no density would be lost, but designers and developers would have more flexibility. He asked the Commission to provide feedback specific to whether or not detached, single-family dwellings should be allowed in the MUR-35' and MUR-45' zones and whether or not there should be a minimum density.

Commissioner Moss-Thomas said she supports the proposed amendment, which would allow single-family, detached dwellings in the MUR-35' and MUR-45' zones. This type of development would likely still have a condominium feel, but the units would not have common walls so there would be more privacy for the people who own the dwellings.

Commissioner Maul agreed that detached residential development should be allowed in the MUR-35' zone. However, the goal of the MUR-45' zone is to increase density in the second tier of the transit site. For this reason, he does not support allowing detached, single-family development in the MUR-45' zone. Chair Craft agreed that the intent is to encourage density in the MUR-45' zone, and he asked if Commissioner Maul believes that allowing detached, single-family housing would discourage more

intense development. Commissioner Maul expressed his belief that, based on market values, developers would likely want to maximize the density of properties.

Mr. Szafran reviewed that in the pre-application conferences staff has had for development in the MUR-45' zone to date, there is an even split between apartments and townhomes. Commissioner Maul pointed out that the density is different between apartments and townhomes, and the MUR-45' zone should have a minimum density requirement. However, he suggested the MUR-35' zone should be more flexible, without a minimum density requirement. The intent of the MUR-45' zone is to push for a new type and density level around the light rail stations, and the code should be clear as to what the City is trying to achieve.

Chair Craft asked if there would be more for-rent product if there were a minimum density and detached units were not allowed in the MUR-45' zone, or would there likely be a mix of for-rent and for sale. Commissioner Maul answered that it would likely be split based on the proposed level of density. He explained that developing townhomes as for-rent products is more difficult based on the rent levels the market will support.

Commissioner Moss-Thomas asked if it would be difficult to achieve a minimum density in the MUR-45' zone with detached structures. Commissioner Maul said it would be more difficult because the building code requires a certain amount of area between walls and building openings. Chair Craft asked if it would be possible to meet the minimum density requirement in the MUR-45' zone with detached units, and Mr. Szafran answered affirmatively. Chair Craft said he believes that detached units would be attractive in the market place.

Yoshiko Saheki, Shoreline, said she supports the proposed amendment that would allow detached, single-family homes in the MUR-45' zone. She referred to the proposed zoning map for the 145th Street Station Subarea, noting that all of the areas slated to be MUR-45' are currently zoned and developed as Residential (R-6). Neighborhoods will not transform right away, and attached homes will look out of place in a sea of R-6 homes. Allowing new detached, single-family homes would be a nice transition for the existing neighborhoods.

Commissioner Maul reminded the Commission that, as currently proposed, MUR-45' zoning would be surrounded by MUR-35' zoning. The MUR-35' zone is intended to be a transition between the R-6 and MUR-45' zones, and the MUR-45' zone is intended to be a transition between the MUR-35' zone and the MUR-70' zone. While he agreed that development at the density allowed, whether it is attached or detached, would look out of place for a time, the intent is to plan for the future.

Amy Walgamot, Shoreline, said she lives within the subarea boundaries. She voiced support for the proposed amendment that would allow detached, single-family development in both the MUR-35' and MUR-45' zones. She pointed out that for property that is currently developed with a single-family home and a number of trees, a detached plan would allow a developer to build around the trees, and an attached plan would require that the trees be removed. The proposed amendment would give developers more options.

Commissioner Malek asked if Sound Transit has identified what the functional number, in terms of density, should be. Mr. Szafran said Sound Transit has not provided much direction relative to zoning and uses within the subareas. Sound Transit did conduct a market study as part of their planning efforts, which identified relatively low numbers, with the majority of development being townhomes and denser single-family homes. Mr. Cohen added that Sound Transit's numbers focused on a smaller area, and the City is looking further along. Mr. Szafran said the City's market studies suggest that future development will be mostly townhomes, and this is consistent with what is occurring now.

Mr. Cohen clarified that the minimum density in the MUR-45' zone is already established at 18 units per acre, and staff is proposing a minimum density of 12 units per acre in the MUR-35' zone.

Commissioner Chang said she likes the idea of allowing flexibility. Variety in housing makes the streetscape more interesting, and it seems like the market would lead towards the densest development possible. Commissioner Moss-Thomas sensed that the intent is to promote options, and the proposed amendments would provide options. Whether developers choose to pursue the greater densities or not is the downside to allowing options. Mr. Szafran said that, as long there is a minimum density requirement, he does not believe the City would lose out on future development potential if detached, single-family development is allowed in the MUR-45' zone. It would simply allow more housing options. Mr. Cohen pointed out that accommodating a range of housing options in the MUR-35' and MUR-45' zones would allow people to use smaller parcels that become isolated when adjacent properties are aggregated for development.

Chair Craft said he likes the idea of allowing detached, single-family development in both the MUR-35' and MUR-45' zones, with the understanding that there would also be a minimum density requirement. Mr. Szafran said a minimum density of 12 units per acre in the MUR-35' zone would ensure that the properties surrounding the light rail stations will develop at a greater density. Chair Craft asked if staff believes it is likely that a parcel in the MUR-35' and MUR-45' zones would be redeveloped as one, single-family home, given the properties close proximity to the station. Mr. Szafran said the MUR-35' zone does extend into areas where it is likely that new single-family development would occur if there were no minimum density requirement. Mr. Cohen noted that, even outside the station area, the trend is to develop larger single-family homes with smaller yards. The R-6 zoning that surrounds the MUR-35' zone allows a maximum of six units per acre, and many of the existing R-6 lots could accommodate more than one unit. Establishing a minimum density of 12 units per acre in the MUR-35' zone and 18 units per acre in the MUR-45' zone would result in a good transition that still allows a mix of housing types.

Chair Craft asked if there is a downside to establishing a minimum density requirement. Mr. Cohen said if there is not a market for higher-density housing, redevelopment may be slow until the market arrives. Staff believes the proposed zoning is close to what the market will bear, but he acknowledged that a minimum density requirement could cause redevelopment to take a little longer.

Commissioner Moss-Thomas commented that requiring a minimum density in the MUR-35' and MUR-45' zones would not lend itself well to property owners of single lots. Mr. Szafran responded that properties in the MUR-35' zone could be redeveloped with another single-family home based on the R-6 standards or they could be redeveloped based on the MUR-35' standards, which include a minimum

density requirement. Applying a minimum density of 12 units per acre to a typical MUR-35' lot would result in approximately three units. Commissioner Maul said he does not see a need to establish a minimum density in the MUR-35' zone since it is likely that most future redevelopment will be done at the maximum density allowed, but a property owner could still redevelop the lot with one, single-family home based on the R-6 standards.

Commissioner Malek commented that establishing a minimum density in the MUR-35' zone could disenfranchise an owner-occupied property. He felt property owners should be allowed to redevelop their properties and/or develop additional units to make their properties more sustainable for them to stay long term in the neighborhood they love. Not forcing a minimum density would result in more development variety, and allowing the market to control density would likely encourage development to proceed at a faster pace.

Vice Chair Montero recalled that the subject of minimum density came up as part of the public process for the 185th Street Station Subarea, and the City Council voiced opposition to establishing minimum density requirements for the MUR-35' zone.

Mr. Szafran said the amendment to SMC 20.50.020(2) (Amendment 5) would provide a minimum density in the MUR-70' zone. He explained that the City Council is still concerned about how redevelopment will occur over time in the MUR-70' zone. In the interim between now and full redevelopment there will be existing single-family development next to new multi-family and mixed-use buildings in the MUR-70' zone. Staff has wrestled with the question of how the City can encourage quality redevelopment that will come together cohesively over time. Ideas include:

- Imposing a minimum lot area, which may lead to fewer isolated parcels of single-family residential development surrounding tall buildings.
- Requiring maximum building development such as only allowing projects that maximize the development potential of the MUR-70' zone.
- Establishing transition area requirements. The City could amend the code to apply the existing transition area requirements for setback and step back to the MUR-70' zone to mitigate the impacts of development on adjoining neighbors. However, the existing code applies to adjoining single-family zoning and not single-family development. In discussions pertaining to the 185th Street Station Subarea, the City Council found that the transition area requirements within the MUR zones would run counter to reaching full redevelopment potential.

Mr. Szafran said staff is recommending that a minimum lot area of 20,000 square feet be imposed in the MUR-70' zone based on examples of existing multi-story projects in the City. He provided examples of the types of development that could occur in the MUR-70' zone based on a minimum 20,000 square foot lot area. He also provided examples of the types of development that could occur on single-lots in the MUR-70 zone if there were no minimum lot area requirement.

Chair Craft voiced concern that establishing a 20,000 minimum lot area requirement for the MUR-70' zone could result in a horseshoe of MUR-35' and MUR-45' development around the MUR-70 zone. A minimum lot area requirement would make development more difficult because it would take a long time for a developer to aggregate enough property to create a 20,000 square foot lot. Commissioner

Maul said he has already heard about developers who are aggregating lots in the MUR-70' zone, and it would only take approximately three lots to meet the minimum lot area requirement. He said he supports a 20,000 square foot minimum lot area requirement. He reminded them that the requirement would only apply to the properties that are located with the half mile walkshed of the station.

Mr. Szafran recalled that a citizen previously pointed out that in implementing a minimum lot area requirement there is a chance for isolated parcels that cannot be developed because they fail to meet the minimum lot size. Commissioner Chang said she does not see the need for a minimum lot area requirement since the market would dictate the lot size. She suggested that the example provided of micro-housing in the University District is not very common, and the City's requirement for parking would likely render a project of this type on a single lot in the MUR-70 zone unfeasible. Commissioner Maul pointed out that there are options for providing the required parking for a project of this type on a single lot in the MUR-70 zone.

Mr. Cohen reminded the Commission that the intent is to have larger, more long-term development in the MUR-70 zone that will set the template for the area and provide for consistency in development. The question for the Commission to decide is whether or not a minimum lot area requirement would help accomplish this goal.

Mr. Cohen said staff believes that a minimum lot area requirement would minimize but not eliminate the issue of isolated lots. If the Commission wants to move forward with a minimum lot area requirement, staff suggests they keep it simple. Changes can be made in the future, if needed, to allow more flexibility to redevelop the remaining isolated lots.

Commissioner Moss-Thomas asked if the minimum density of 48 units per acre could be accommodated on just two lots in the MUR-70' zone, and Commissioner Maul answered affirmatively. However, it is important to keep in mind that the MUR-70' zone would only apply to the properties that surround the stations. Requiring a minimum lot size would discourage the development of tall, skinny buildings and encourage the development of commercial space on the ground floor. Mr. Szafran said that experience shows that, on a typical lot, it is very difficult to meet all the zoning standards to build in the MUR-70 zone. Mr. Cohen added that meeting the parking standard on a small lot would greatly stunt the amount of growth potential in the MUR-70' zone.

Commissioner Malek said it appears that 20,000 is the minimum lot size necessary in order for a development to meet all of the zoning requirements and maximize the density. Mr. Szafran said a parking reduction is allowed for development of property that is within close proximity of the station. Unfortunately, the project currently being proposed could not take advantage of the reduction because the station has not been developed yet. Therefore, they cannot provide enough parking to fill the building with units.

Commissioner Malek explained that the maximum wood structure you can build is five stories, and developers often provide a basement level and ground floor of concrete. It is difficult to provide commercial space and keep it occupied in this type of 5 over 2 podium development. Mr. Cohen said the City's current code allows for residential uses in the commercial sized-spaces. The intent is that the ground floor should be constructed of an appropriate size that allows conversion as the market changes

as the area is redeveloped further. Commissioner Malek said he supports maintaining higher density in the MUR-70' zone.

Ken Jensen, Architect, Seattle, said he has designed a number of projects. He suggested it would help the subarea if the City were to incentivize grocery-anchored, mixed-use development. As a first development, it would generate more enthusiasm for subsequent development. He noted that Seattle allows additional height for grocery stores in the base of a mixed-use development. However, simply allowing a greater height for the ground floor is not enough. Allowing one or two additional stories would generate a lot of people bussing to the neighborhood, along with people in the development being able to walk to the store rather than driving.

Mr. Szafran said staff is proposing a new Amendment 13 that clarifies how minimum density is calculated. Currently, when a maximum density calculation results in a fraction, the code allows fractions of .50 and above to be rounded up and fractions below .50 are to be rounded down. The problem with using this current method in the MUR zones is that when a fraction is rounded down the minimum density requirement would not be met if the minimum density is calculated to be, for example, 12.1 units. Since 12 units cannot be built, then 13 units would have to be built to meet the minimum density requirement.

Mr. Szafran recalled that, at the May 5th meeting, a citizen raised the concern about the conversion of existing single-family structures to commercial uses in the MUR-45' and MUR-70' zones. Specifically, the question was when would the thresholds for site improvements be triggered for these types of conversions (i.e. signs, parking, lighting, and landscaping). The current code requires site improvements up to current standards if a conversion/remodel exceeds 50% of the assessed property value. The issue is that the conversion of a single-family residence to a commercial use would most likely not trigger site improvements, and the public has voiced concern that the conversions will not be designed and operated in a way that enhances the neighborhood and fits in with both existing and new development. He explained that even if the thresholds are not met, a change of use would minimally require updated parking and updated signage if a sign is proposed. The two site improvements that would not be met on projects below the threshold are site lighting and landscaping.

Mr. Szafran said he believes that conversions should meet the site lighting and landscaping standards for commercial zones at a minimum. However, the thresholds sections in the code were not developed with minor adaptions from residential to commercial use in mind. He asked the Commission to provide feedback on whether or not full site improvements should be required as single-family homes convert to other uses. If not, what should be the minimum improvements to the parcel? He also requested feedback on whether or not frontage improvements should be required when uses change.

Chair Craft said the examples from Austin, Texas, that were provided by staff are nice for situations where commercial uses are part of the residential area because it allows a greater interaction within the community overall. However, he voiced concern about encouraging the concept in the subarea because properties that do not quite measure up could become an eyesore. If you want to develop standards around allowing single-family residential homes to convert to commercial, the City should take extra care to encourage the types of things they want such as access, up-to-date signage, etc. Mr. Szafran

explained that, under the current code, any single-family home on 185th Street would be allowed to convert to a business.

Vice Chair Montero said 145th Street in Seattle is a perfect example of what happens when single-family homes are converted to businesses. While the area looks funky, it is also trashy; and he does not think that is the City's intent for the station subareas. He recommended that changes in use should require properties to be brought up to current standards. Mr. Cohen explained that parking and signage would be addressed when there is a change in use, regardless of whether the conversion meets the threshold or not; but landscaping and lighting would not. If the Commission believes that lighting and landscaping are important elements, they may want to add some unique standards. Chair Craft agreed that unique standards for the subarea would be appropriate to encourage the type of landscaping, signage and lighting the City is looking for in the subarea.

Mr. Cohen said that parking is required on all commercial development in the City. However, as currently written, conversions would be an exception. This is a particular concern in the subarea where there is no on-street parking on 145th Street. If the Commission wants to require changes in use to meet all current standards, it should apply only to conversions in the MUR (on arterials) and commercial zones.

Chair Craft pointed out that often, the trashy appearance is a result of people trying to park on site. He felt the front yard space of conversions would be better suited to landscaping rather than parking. He said he supports requiring changes of use to meet the commercial design standards. Mr. Szafran said that is not part of the current code, but the Commission could make this recommendation.

Commissioner Malek said it would be nice to create a cohesive look on the exterior, but they must also allow people the opportunity to develop and grow their businesses. One of the problems in south Lake Union is that they do not have enough affordable places for start-up companies to locate. These companies are coming north, and he cautioned against the City making it cost prohibitive for them to locate in Shoreline because of the requirements.

Commissioner Chang asked if having specific regulations in place for conversions would lead to a more attractive appearance. She noted that, sometimes, the conversions are used for marginal businesses. Mr. Cohen clarified that as long as no changes are made to the outside physical appearance, conversions would not be required to meet the design standards as long as they meet the requirements for parking, etc. However, the design standards would be applicable if changes are made to alter the outside appearance.

Amy Walgamot, Shoreline, asked if there are already restrictions in place as to the types of businesses that can be located in the subarea. Mr. Szafran answered that there is a specific list of allowed uses. Ms. Walgamot asked if street parking is being considered along 145th Street or 5th Avenue for people using the businesses. Mr. Cohen said the City is trying to encourage on-street parking when frontage improvements are required in commercial zones. However, there would be no restrictions on who could use them. The City sees this as a way to separate pedestrians on the sidewalk from the traffic on the street, as well as provide additional parking. Chair Craft observed that although the City would not restrict who could use the on-street parking, they could place a time limit on the spaces. Mr. Szafran

advised that the 185th Street Corridor Study will identify streets within the subarea where on-street parking should be encouraged.

Commissioner Moss-Thomas asked how the City would know if there has been a change of use. Mr. Cohen answered that property owners must apply for a permit whenever there is a change of use. However, changes in use are not currently required to meet the commercial design standards unless the building improvements exceed the threshold for change. Mr. Szafran added that even if the City did not catch the change through the permit requirement, it would be addressed when a business license application is submitted.

Commissioner Chang asked if requiring conversions to meet the design standards would discourage property owners from making changes and/or improvements. Chair Craft explained that, under the current code, site improvements would not be required when uses change. The proposal before the Commission is to alter the code so that changes in use would trigger site improvements regardless of whether the property is altered or not.

Commissioner Moss-Thomas referred to Ms. Walgamot's comment and advised that station development and improvements along the 145th Street Corridor could change the dynamics of both 5th Avenue and 145th Street. Chair Craft concurred. He noted that 145th Street is a State highway, and it is not likely that on-street parking would be provided along the corridor. However, there may be opportunities for on-street parking on 5th Avenue. Mr. Szafran pointed out that on-street parking would not be possible on some portions of 5th Avenue due to Washington State Department of Transportation (WSDOT) restrictions.

Mr. Cohen summarized that the Commission does not support requiring conversions to meet the current parking standards. However, other site improvement standards (lighting, landscaping, and signage) would be appropriate to apply to all commercial uses in the MUR zones and commercial zones. Changes of use should require property owners to meet the current design standards.

Mr. Cohen reminded the Commission that the current code does not require frontage improvements unless a project meets the threshold (exceeds 50% of the existing structure's appraised value).

Commissioner Malek asked if it would reasonable for the Commission to discuss the concept with the Economic Development Director. There's a benefit to having businesses, but they don't want to diminish the look of the community while making a huge effort to build it up. He asked if it be possible for the City to encourage and support economic development by offering low-interest loans to new businesses in the station areas. This would be similar to what was done for the Community Renewal Area, without declaring it an economic blight. While the additional sales tax revenue generated by the new businesses will benefit the City, they don't want to burden community members with overflow parking.

Commissioner Chang requested clarification for Amendment 13, which would allow density calculations that result in a fraction to be rounded up. Mr. Szafran explained that when the density calculation is a fraction, the number must be rounded up in order to meet the minimum density requirement. Rounding the calculation down would not meet the minimum density requirement. He

emphasized that the amendment would only apply to development in the MUR zones that have a minimum density requirement.

Commissioner Chang asked if there could be times when rounding the calculation up would result in a less attractive product. Commissioner Maul reminded the Commission that the code that was implemented for station areas is based on bulk standards. A minimum density requirement affects a developer's choice about the size of unit created, and whether the number is rounded up or down would not make a significant difference.

Mr. Cohen summarized that the Commission does not favor a minimum density in the MUR-35' zone, but they generally favor a minimum lot area requirement of 20,000 for the MUR-70' zone.

Tom Poitras, Shoreline, said it his understanding that the City is trying to encourage people to come to Shoreline, and having attractive boulevards would be one way to accomplish this goal. Unless there are some regulations in place for single-family homes that are converted to commercial uses, he does not see how the goal can be accomplished. For example, new construction on 8th Avenue is currently required to construct a sidewalk, even though there are no sidewalks elsewhere on the street. The intent is that, eventually, there will be sidewalks in front of all of the homes. As staff pointed out, there must be something in place that triggers site improvements, and a home conversion would accomplish that. He asked how the City would accomplish beautiful boulevards if there are a variety of home conversions that are not motivated to improve their frontage. He questioned why businesses should be exempt from making site improvements when new home construction is not. Mr. Szafran clarified that frontage improvements are required when a property is subdivided, but one single-family home would not trigger the requirement. Chair Craft noted that the Commission generally agreed that frontage improvements should be required for home conversions. However, the requirement would be triggered by the change of use and not the value of the improvements.

DIRECTOR'S REPORT

Mr. Cohen announced that Shoreline was one of about 10 cities in the State to receive the 2016 Governor's Smart Communities Award for creating an exceedingly thorough, well-thought-out process for the 185th Street Station Subarea Plan. It was an example of subarea planning where the City went above and beyond what was required and doubled down on the amount of public involvement.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

REPORTS OF COMMITTEES AND COMMISSIONERS/ANNOUNCEMENTS

There were no reports from Commissioners.

AGENDA FOR NEXT MEETING

Mr. Szafran announced that there are no items on the June 16th agenda. However, at the July 7th meeting, staff will start bringing elements of the 145th Street Station Subarea Plan back to the Commission for public hearing and final recommendation. The Commission discussed potential agenda topics for June 16th, and staff suggested that the meeting could be cancelled.

ADJOURNMENT

| The meeting was adjourned at 8:33 p.m. | |
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| Easton Craft Chair, Planning Commission | Lisa Basher Clerk, Planning Commission |