

CITY OF SHORELINE

SHORELINE PLANNING COMMISSION SUMMARY MINUTES OF REGULAR MEETING

June 2, 2005
7:00 P.M.

Shoreline Conference Center
Board Room

PRESENT

Chair Harris
Commissioner McClelland
Commissioner Kuboi
Commissioner Phisuthikul
Commissioner Sands
Commissioner Broili
Commissioner MacCully

STAFF PRESENT

Tim Stewart, Director, Planning & Development Services
Andrea Spencer, Senior Planner, Planning & Development Services
Paul Cohen, Senior Planner, Planning & Development Services
David Pyle, Planner I, Planning & Development Services
Alicia Sherman, Aurora Corridor Planner
Tom Boydell, Economic Development Manager
Jessica Simulcik, Planning Commission Clerk

ABSENT

Vice Chair Piro
Commissioner Hall

1. CALL TO ORDER

The regular meeting was called to order at 7:03 p.m. by Chair Harris, who presided.

2. ROLL CALL

Upon roll call by the Commission Clerk, the following Commissioners were present: Chair Harris, Commissioners Kuboi, Sands, MacCully, McClelland, Phisuthikul and Broili. Vice Chair Piro and Commissioner Hall were excused.

3. APPROVAL OF AGENDA

The agenda was approved as drafted.

4. DIRECTOR'S REPORT

Mr. Stewart advised that the Commission's packet contained 49 public comment letters regarding cottage housing. Since the packet was sent out, they have received six additional letters, which were provided to the Commissioners as they came in. Copies of the comments are available, as well.

Mr. Stewart introduced Alicia Sherman, the City's new Aurora Corridor Project Planner, who will be working with the Aurora Corridor Team to deal proactively with land use issues. As they move forward with the project, her job will be to work with the various property owners to identify issues, solve problems and learn how the City can work with the owners to find the mutual benefits of the project as it moves forward. He advised that Ms. Sherman is a resident of Shoreline and has a number of years of experience as a planner in Lake Forest Park and Maple Valley.

Mr. Stewart introduced Tom Boydell, the City's new Economic Development Manager. He said he expects that at some future meeting, Mr. Boydell would present a workshop on some of the economic development projects he and the City are planning to do. Mr. Boydell said he was present to introduce himself to the Commission, and ask if they had any questions or ideas for him.

Commissioner Kuboi said there are several things he and the Commissioners would like to talk about with Mr. Boydell at a future date. He said the City would be well served if the Commission's goals were somewhat aligned with those of the Economic Development staff. He said a number of issues have come up in the past that are indirectly and directly impacted by the economic climate in the City.

Chair Harris advised that later in the meeting the Commission would be discussing the Economic Development Task Force that is being formed. A member of the Planning Commission has been invited to participate in this group. Mr. Boydell said this would be a short-term task force to review the current strategy and discuss some of his ideas for work plan elements. He said there has been a lot of great thinking and work done in Shoreline regarding economic development, and it is now a matter of understanding the market and timing a little better. He said he has toured the community and met one-on-one with individuals, and he would welcome individual discussions with the Commissioners, as well.

5. APPROVAL OF MINUTES

The minutes of May 4, 2005 were approved as amended. The minutes of May 5, 2005 were also approved as amended. The minutes of May 19, 2005 were approved as written.

6. GENERAL PUBLIC COMMENT

No one in the audience expressed a desire to address the Commission during this portion of the meeting.

7. PUBLIC HEARING ON COTTAGE HOUSING ORDINANCE

Chair Harris reviewed the rules and procedures for the public hearing.

Paul Cohen reviewed the history of the Cottage Housing Ordinances that currently exists, which started with the community's development of the Comprehensive Plan between 1996 and 1998. Policy LU-27 was created as part of the Comprehensive Plan and allows cottage housing with careful review. In 1999 the City put together the Shoreline Planning Academy with approximately 30 citizens and a few developers to discuss how to convert the policies of the Comprehensive Plan into the City's own Development Code. At that time, concern was expressed about mega houses and their incompatibility with the surrounding community. Cottage housing, consistent with Policy LU-27, was identified as an alternative to the mega house. When the Development Code was adopted, the Cottage Housing Ordinance was part of the document. But after a few cottage housing projects were constructed in 2003, the City was asked to revisit and refine the ordinance. In 2004 there was some strong community concern about a particular project that was being proposed. The neighbors' protest caused the City Council to put a moratorium on cottage housing for six months, and this moratorium was later extended an additional six months to be effective until mid August of 2005.

Mr. Cohen said that over the past few months, City staff has conducted bus tours of cottage housing in Shoreline. Also, when the City Council reviewed the Major Update to the Comprehensive Plan Policies in April, they preliminarily supported retaining Policy LU-27. He reminded the Commission that a community meeting on cottage housing was also held on May 11th. He recalled that there are currently seven cottage housing projects either built or in the process of being built in Shoreline (Meridian Park Cottages – 16 units, Ashworth Cottages – 4 units, Fremont Cottages – 4 units, Madrona Cottages – 12 units, Greenwood Cottages – 8 units, Hopper Cottages – 5 units, Reserve Cottages – 6 units). Between the seven projects there is be 55 cottage-housing units citywide.

Mr. Cohen advised that a number of issues were identified from the community meeting, from letters received during the review of the individual projects and from letters received since the City announced the review of the cottage housing provisions. Staff attempted to isolate the key issues that were raised as follows:

- **Issue 1 – Over-Concentration and Unpredictability of Where Cottages Could Appear in R-6 Zoning:** Mr. Cohen advised that one of the proposed amendments, limiting number of units within a certain distance, would address the concern about over-concentration of cottage housing units. He presented a map showing a 1,000-foot radius that would encompass three cottage housing projects (Madrona, Greenwood, Fremont). Also, the Meridian Park and Ashwood Cottages are well within 1,000 feet of each other.
- **Issue 2 – Cottage Housing Developments Have Too Many Units:** Mr. Cohen referred to two key examples of this concern: the Meridian Park Cottages with 16 units and the Madrona Cottages with 12-units. He advised that the current Development Code does not limit the number of cottages allowed per development.
- **Issue 3 – Cottage Housing has the Potential to Double the Density of the Underlying Zoning:** Mr. Cohen said three developments have resulted in double density: the Reserve Cottages, the Madrona Cottages and the Meridian Park Cottages. He said both the Madrona and Reserve Cottage Projects were able to exactly double the density allowed by the underlying zoning.

- **Issue 4 – Cottages Appear Too Bulky:** Mr. Cohen said this issue is a little bit difficult to define, but staff's sense is that some of the cottages don't have enough architectural detail, and this made them appear more bulky. He said the Development Code does not have any minimum main floor area restriction, and this could proportionately allow a larger upper floor.
- **Issue 5 – Cottages Appear Too Tall:** Mr. Cohen provided examples of the Ashworth and Reserve Cottage Projects, which provide a smaller main floor area with the remaining square footage allowed by the 1,000 square foot limit on the upper level. This makes them seem more upright, but they all meet the 25-foot height limit for cottage housing.
- **Issue 6 – Cottages Appear Crammed Together:** Mr. Cohen said that the current Development Code allows a 10-foot separation between buildings, double density, and a 20-foot wide common open space. He provided pictures from the Reserve and Madrona Cottage Projects that illustrate how developers have been able to meet these requirements.
- **Issue 7 – Cottages Do Not Have Enough Parking:** Mr. Cohen said the current Development Code requires between 1.5 and 2 parking stalls per unit, depending on the size of the unit. He noted that both the Fremont Cottage Project and the Madrona Cottage Project provide 1.5 parking spaces per unit. However, the Madrona Project does not have legal street parking and the Fremont Project does.
- **Issue 8 – Cottage Housing Ordinances Should be Reviewed Every Two Years:** Mr. Cohen said this was suggested as a method for the City to keep control of the situation.
- **Issue 9 – Cottage Housing Should be ADA Accessible:** Mr. Cohen said it was also expressed that the cottage housing units should be accessible to the elderly. He said the current building code does not require single-family housing to be ADA accessible. However, if they were to amend the ordinance to allow all 1,000 square feet on one floor, the units could be more accessible and marketable to the handicapped or elderly.
- **Issue 10 – Cottage Housing Development Should Preserve More Significant Trees:** Mr. Cohen said that currently cottage housing development must meet the same requirement as any other kind of development for preservation of significant trees (20 percent unless it is in an environmentally critical area).
- **Issue 11 – Cottage Housing Seems Likely to Become Rentals Rather Than Owner Occupied:** Mr. Cohen said this has been a reoccurring issue. He emphasized that the City does not regulate whether people rent their houses or they are owner-occupied. But concern has been expressed that cottage housing seems different and could attract renters versus owners.
- **Issue 12 – Cottages Increase Traffic in the Neighborhood:** Mr. Cohen explained that the City's traffic studies show that Cottages do have a little bit more traffic as a result of the greater density. However, the typical number of units in a cottage housing project is small, and this allows them to

blend into the neighborhood. In addition, before the City staff approves a development permit, they check to make sure the traffic coming from a project would not take a local road over its capacity. While the Engineering Department focuses on addressing traffic issues, people still have the perception that more intense development would mean more traffic even if the road would still be well below capacity.

- **Issue 13 – Impact Property Owners:** Mr. Cohen said concern was expressed that cottage housing would impact property values. Most were concerned that their property values would decrease, but there were some who expressed concern about their property values increasing as a result of cottage housing. Staff studied the property values adjacent to three cottage housing projects (Fremont, Madrona, Greenwood) as well as the property values several blocks away. They found that there was no difference in the change of value between the adjacent properties and the properties further away. They all consistently had an average 6.5 percent annual growth in appraised value from 1990 to 2004.
- **Issue 14 – Cottage Housing Units are Not Compatible with Existing Housing in the Neighborhood:** Mr. Cohen said this was a big issue expressed by the citizens. He advised that staff did a quick survey of houses either directly adjacent to cottage housing or across the street. He provided a sample of existing homes in Shoreline. He particularly focused on a picture showing two existing single-family homes, with the Greenwood Cottages in the background. He said this provides a good example for the Commission to determine whether or not the cottage houses are compatible with surrounding development.

Mr. Cohen said there are more issues related to compatibility than just the architectural style of the homes. Initially, when there is redevelopment on an adjacent property, it is always a bit shocking. There has been concern expressed about who would own and live in the cottage houses. This concern could also be a sign that citizens feel changes are taking place that are not consistent with the single-family atmosphere they have grown to expect over time.

- **Issue 15 – Cottage Housing is Another Way to Allow Greater Density in R-6 Zones:** Mr. Cohen agreed that cottage housing does increase the density above the underlying zoning. He reminded the Commission that the City of Shoreline has assumed a Growth Management Act growth target of 2,651 units over a period of 20 years, and they assumed that 350 of these units would be cottages. To date, 55 cottages have been constructed, and this is a little bit under the growth trend predicted. He said the intent of the Cottage Housing Ordinance is to meet the criteria for compatibility with the neighborhood and have similar impacts as single-family housing in the surrounding neighborhoods.

Mr. Cohen provided a chart comparing the cottage housing and single-family dimensional standards for an R-6 zone and made the following points.

- The maximum floor area in cottage housing is 1,000 square feet. Two units would allow 2,000 square feet. A typical single-family home is between 2,000 and 3,000 square feet, and there is no limit as long as they meet the height, setback and lot coverage requirements.

- Cottage housing units cannot exceed a building height of 25 feet, while single-family units can be constructed up to 35 feet. While many of the older houses are not greater than 25 feet in height, most of the newer homes are closer to 35 feet.
- The building setbacks are different, but similar. The setbacks for cottage housing require an average of 10 feet for the side and rear and 15 feet for the front. A single-family home would be allowed a minimum setback of 5 to 10 feet for the side, 15 feet for the rear and 20 for the front.
- The building lot coverage requirements would be exactly the same.
- The parking requirements for cottage housing is more strict in that it requires no more than 1.5 to 2 stalls per unit, depending on the size of each unit. The parking requirement for a single-family home would require 2 spaces per unit, but would allow up to 6 per unit.

Mr. Cohen said there is clearly a strong contingent of voices opposed to cottage housing. At the community meeting, staff presented three possible options if the City Council wanted to eliminate or severely restrict cottage housing. They include the following:

- Eliminate the Cottage Housing Ordinance entirely from the Development Code.
- Eliminate the density bonus for Cottage Housing.
- Restrict Cottage Housing to medium or high multi-family areas.

Mr. Cohen noted that, currently, the only cottage housing development in an R-8 zone is the Meridian Park Cottages. This project did not have to go through a conditional use permit process to address issues about compatibility, design, etc.

Mr. Cohen reviewed the following ten amendments that have been proposed by staff to change the Cottage Housing Ordinances:

- **Require a minimum 700 square feet on the main floor** so a developer cannot stack too much square footage on the upper level. This would reduce the bulk of the upper stories. They could also allow the main floor to be 1,000 square feet to accommodate elderly and ADA individuals.
- **Limit the number of cottages to 8 within a 1,000-foot geographic radius.**
- **Limit density bonus to 1.75.**
- **Limit the number of units per development to 8.**
- **Limit the parking structures and community buildings to 18 feet in height.**
- **Require a greater common open space width of 40 feet.**
- **Require low borders surrounding private open space.**
- **Require minimum 2 parking stalls per unit, plus 1 guest parking space per 2 units.**
- **Require better screening of the parking area.**
- **Require 50 percent of parking to be covered.**
- **Clarify where front setbacks are measured from.**
- **Use architectural screens not solid board fences.**

Mr. Cohen said the suggested amendments were compared to the existing cottage housing developments in the City. The Greenwood Cottages was the only development that could meet all of the suggested

amendments. He recalled that at the community meeting there were strong voices against cottage housing in any form. However, there were some who spoke in favor of cottage housing, but with some concerns. When the example of Greenwood Cottages came up, most people felt it was a quality development.

Mr. Cohen said staff is recommending that the Cottage Housing Ordinance be refined and improved with the recommended amendments. They would like the provisions to be directed more towards the Greenwood Cottage Project as a model. The amendments could further limit the amount of cottage housing that could be built in the community and improve the quality. They could also address the issues that were raised regarding over-concentration, bulk and size, open space, parking etc.

Mr. Cohen advised that the Commission has three options. They could recommend eliminating or severely restricting cottage housing to the higher density residential zones. They could recommend the proposed amendments as suggested by staff, or they could recommend the proposed amendments with additions or deletions.

Commissioner Sands asked if Shoreline would be penalized if they were unable to meet their Growth Management Act requirements. Mr. Stewart explained that the Growth Management Act requires that cities and counties accommodate reasonable growth. If a city or a county were not providing for the capacity to meet their requirement, they could be sued and be sent before the Growth Management Hearings Board. If the Hearings Board finds them in non-compliance, penalties could be leveled against them. However, he emphasized that this would only happen on rare occasions. Possible penalties could include the potential withholding of state grant funds.

Commissioner Broili noted that Mr. Cohen made reference to a maximum lot coverage of 35 percent. However, the existing Cottage Housing Ordinance does not make reference to this. Mr. Cohen said this requirement is not addressed in the Cottage Housing Ordinance but is covered in the basic dimensional requirements for R-6 zoning, which limits the lot coverage to a maximum of 35 percent. Commissioner Broili asked if impervious surface area is also addressed in the dimensional requirements for R-6 zoning. Mr. Cohen answered affirmatively. Lot coverage in an R-6 zone is limited to 35 percent by building, and the total amount of impervious surface is limited to 50 percent.

Commissioner Phisuthikul asked if staff, as part of their land use analysis, was able to identify the percentage of open space in proportion to the lot size. He said he is particularly interested in comparing the Meridian Park Project with the Greenwood Project to identify the number of units per square foot of land and what percentage of the land is dedicated to actual open space. He suggested that one of the attractive features of the Greenwood Project is its sense of community as a result of the greater amount of open space that is provided on the site. He suggested that if they are going to use the Greenwood Project as a standard, they should compare this development with the land use patterns of the other cottage housing developments. This would enable them to identify the good components of each. Mr. Cohen agreed to provide this type of analysis at the Commission's next meeting.

Commissioner Kuboi asked if the Cottage Housing Ordinance requires any type of homeowner's association to maintain the exterior of the project. Mr. Cohen answered that this would not be a City requirement.

Commissioner MacCully referred to the City's growth target of 2,651 housing units and clarified that the City is not required to meet this requirement with any particular form of housing. Mr. Stewart agreed that the City's growth target does not require any particular mix of housing types. He said the buildable lands analysis that was conducted by the City in 2000 was required by the State. The City was severely handicapped in their analysis because they had only adopted their development code that same year. They had no empirical data to guide them to reasonable assumptions. The State is mandating that cities complete another buildable lands analysis in 2006, so one of their work items will be to recalculate the capacity of the City's current land use plan, utilizing their empirical data. This would yield a new buildable lands report for the County to submit to the State in 2007.

Commissioner MacCully inquired regarding the City's current housing stock. Commissioner McClelland said that according to the 2000 census, there were 21,330 housing units in the City. Approximately 74% of them were single-family homes. Compared to King County as a whole (60%), Shoreline has a higher percentage of its housing stock in single-family homes. About 1.8% of the housing stock was duplex and 2.4% was triplex/fourplex, 20.9% was multi-family units, and .8% was mobile homes.

Commissioner Kuboi asked if there was any particular community or developer input regarding preferences between the cottage houses facing inward with their backs to the adjacent neighborhood versus having them face outward. Mr. Cohen said this issue was not discussed at the community meeting. Mr. Stewart pointed out that during the development of the original Cottage Housing Ordinance, the notion of having the units clustered around a common open space was central. They are now seeing the concept of having a double front, both on the street and inward towards the common area. Mr. Cohen said that for the developments that are on street frontage, the City has required them to have both an internal facing entry and an entry facing the street.

Mr. Stewart advised that in the buildable lands analysis, the City estimated that under the current zoning they could accommodate 350 cottage houses. This was not based on any perception of the market demand for cottage housing. The City has not seen cottage housing production occur at the level estimated, and the 2006 analysis will likely downgrade the number. He said the City is seeing more housing development in the commercial zones. For example, an 88-unit multi-family development was constructed in North City.

Commissioner McClelland referred to Page 4 of the Staff Report. She particularly referenced the first sentence in the "Note" under Issue 6, and asked what the term "without lot line areas" means. Mr. Cohen said this means that the number of units built is based not on how many lots they can put on the property, but on the density allowed. There would be more flexibility on setback requirements. A good example of this type of development is on 175th Avenue across from Shorewood High School. This project was originally going to be 18-20 cottage housing units, but it could not meet the requirements. The developer decided to construct single-family units with no lot lines. Each of the units were sold

separately and the land is being held in common with a covenant. Mr. Stewart further explained that this provision was part of the King County Development Code that was in place when Shoreline incorporated. This allowed development to occur based upon density as opposed to minimum lot size. They currently have a provision that calculates the density of the land based on the land area and the zoning. Then it permits the construction of a specific number of units, whether or not they are part of a subdivision. In these situations, the land is held in common and the structures are held individually.

Commissioner Sands asked if this development would have been allowed more units if they had used the cottage housing provision. Mr. Cohen answered that they were proposing 18-20 cottage housing units, and they ended up developing 10 single-family homes. Each of the homes appear to be over 2,000 square feet, so the overall square footage of the housing units would have been about the same.

Pat Moyer, Shoreline, said it was noted that about 75 percent of the housing in Shoreline is single-family, and this is different than in Bellevue and Seattle. He expressed his concern about the spot zoning that occurs with cottage housing being developed in residential neighborhoods in the City. He said it is important that the citizens can depend on the zoning, and placing cottage housing in a residential neighborhood destroys this confidence. He invited the Commissioners to visit the development at 195th and 8th Avenue Northwest. He said that cottage housing provides a benefit to the developer and the City's tax base, but it comes at the expense of the residents in the surrounding neighborhoods. He pointed out that since the housing market is not normal at this time, it would be difficult for the City to measure the impact of cottage housing until later.

Mr. Moyer expressed his concern that since the City has estimated 350 new cottage housing units in the City, approximately 50 different neighborhoods would be impacted. He questioned what contribution the 350 units would make to the 2,651 units that must be developed as per the Growth Management Act requirement. Almost all of the available land has been developed as infill. If the City wants to achieve their goal, they will have to increase the amount of multi-family zoning allowed in the City. The single-family neighborhoods would appreciate it if the City were to consider cottage housing as part of the multi-family zone instead. He recommended the Commission repeal the cottage housing provisions, and reconsider them when they consider possible zoning changes.

Bronston Kenney, Shoreline, distributed a written copy of his verbal remarks. He observed that Mr. Cohen is clearly an advocate for cottage housing, and he had as much time as he needed to make his comments. He has been in charge of the entire cottage housing re-examination process. He questioned his use of photographs and his financial data regarding property values.

Mr. Kenney pointed out that the Planning Department is recommending that the Commission adopt the proposed amendments for the cottage housing provision in lieu of eliminating it, and he asked that the Commission to be extremely skeptical of this recommendation. He suggested that the Planning Department's competence and honesty can no longer be relied upon. While he was told by Mr. Cohen, Mr. Stewart and Mr. Burkett that nothing was being done on cottage housing, the May community meeting revealed that much time had been invested in modifying and amending the existing code behind closed doors, without the participation of the impacted constituents. This is not what the citizens expect nor what they are entitled to. He said it is his belief that the City Government should represent the

interests and desires of its citizens, but the Planning Department operates under another assumption. He said he asked Mr. Cohen about the origin of cottage housing, and he provided convoluted answers. The one missing answer is that it arose out of broad based community demand. Mr. Stewart offered that it arose in response to objection to large mansions, and he doesn't agree. He said he suspects the truth is that fast buck developers sold the idea to the Planning Department. Once they decided it was a neat idea, they pressed it forward.

Mr. Kenney said Shoreline has become contentious on several major issues: cottage housing, the lane reduction along 15th Northeast, Echo Lake and the new City Hall, and the Aurora Corridor Project. He said the Planning Department is acting against the desires and interests of the majority of the citizens. When an agency of government acts against citizens without clear explanation, the integrity of the government is rightly questioned. He said the issue before the Commission is simple. Cottage housing is a violation of the most fundamental element of zoning—density. It subtracts from the investment-based property values of the adjacent homeowners and unjustly enriches developers. It would change the character of the City's neighborhoods irrevocably. Most importantly, he pointed out that it is against the strongly held wishes of a large majority of the citizens of Shoreline. He emphasized his belief that cottage housing is not a response to an immediate need, since the City has years to comply with the goals of the Growth Management Act. Further, he noted that 350 units are projected from doubling density, so this would result in a maximum net gain of 175 units. He questioned if this small increase in housing units would be worth the current dissention and the very real damage to homeowners and the character of the City's neighborhoods. He emphasized that their concerns are not trivial and their neighborhood character is a primary element of their purchasing decision and the reason they live in Shoreline.

Mr. Kenney recommended that the Cottage Housing Ordinance be shelved. If there is still a need that cannot be otherwise met in five or ten years, the City could reconsider this option. By that time, the long-term viability of the existing cottage housing developments would be evident. He said it is his belief that cottage housing is a fad. Shelving the provision would cost the City nothing, but proceeding as proposed by staff would have the potential for serious losses both financially and in the quality of the community.

Darlene Feikema, Shoreline, said she is a 15-year resident of Shoreline and for the last three years has lived in one of the Greenwood Cottages. She said she was one of the Planning Academy participants who advocated cottage housing as an option for the City, and she still supports the concept. She agreed that some of the cottage housing developments in the City have problems, but there are also problems with some of the traditional single-family developments. The City isn't considering the option of eliminating single-family housing just because there are problems. Instead, they work to address the problems through restrictions on height, setback, lot size, etc. She asked that the City do the same thing with cottage housing. She pointed out that cottage housing is single-family housing. It is a house on a lot. She said she sold her single-family house in one area of Shoreline and moved to her single-family house in the Greenwood Cottage development.

Ms. Feikema pointed out that citizens talk a lot about the character of Shoreline and the need to keep it the way it was when they moved into the City. She suggested that cottage housing fits much better into

the character of the neighborhood than a large home developed in the backyard of someone's smaller house. A smaller house takes up less space and has a lower impact on the environment. She said cottage housing developments offer an opportunity for a sense of community, which is something the City has lost over the last 20 to 30 years. The neighbors do not get to know each other any more, but in the cottage housing developments, the neighbors have gotten to know each other, as well as the people who live around their development.

William Vincent, Shoreline, said he lives right across the street from a cottage housing development that is causing a lot of concern. He said he whole-heartedly endorses the concept of cottage housing, but it must be done well. He said he was pleased to hear the staff suggest that the Greenwood Project should be used as a model. If they are going to allow cottage housing in the City, they should do it right. He said cottage housing is a learning process, and staff has tried to incorporate what they have learned into the proposed amendments. He said it is proper to recognize the staff for coming up with ways to do cottage housing better.

LaNita Wacker, Shoreline, said she was a real estate broker for 25 years, so she speaks on the cottage housing issue from a market standpoint. There is a demand for small housing, and the Planning Commission must provide for this demand. When driving by a cottage housing development the units appear to be single-family, and they are detached. She said that according to her calculations, a single-family home would be allowed greater lot coverage than would be allowed for cottage houses.

Ms. Wacker said she reviewed the original ordinance. With the exception of pervious surfaces, pitched roofs on garages, and the additional parking for guests, she feels the existing ordinance is good and should not be changed further. She suggested that to address the concern raised about the cottage housing units having a tower look, the City could require the units to be 1½ stories. She referred to the drawing she provided in her written testimony. Also in her written testimony, she itemized each of the proposed amendments. She said she absolutely opposes the amendment that would limit the number of cottage housing units within a 1,000-foot radius to 8. If a developer proposes a plan for cottage housing that fits the restrictive codes of the ordinance, it should be reviewed on a site-by-site basis. It would be ludicrous to deny the market with a circle or to give exclusivity to one developer and deny another.

Bob Niskanen, Shoreline said that he lives right next door to a proposed cottage housing development that was going to include 16 units. He said he was amazed that the City was considering this type of development. Cottage housing is an experiment, and it does not have the right controls around it. There is no planned evaluation and there is not enough data available to evaluate whether it is appropriate or not. He referred to the cottage housing project that started the moratorium and suggested that it was initiated by the citizens in response to the arrogance of this particular developer. He called a neighborhood meeting, but demonstrated poor public relations and an absolute arrogant attitude that was insulting. He said he would like the Cottage Housing Ordinances to include a requirement that it be regularly reviewed.

Harry Obedin, Shoreline, said he was the developer of the Fremont Cottages and every design element was reviewed by the City staff. While he is now being told that the fence in the front is an objectionable feature, it is important to remember that neither he nor the neighbors wanted this fence. This was a City

requirement. They were also told they would be limited to no more than 650 square feet on the first floor, and if you want to obtain 1,000 total square feet in each unit, a second story is necessary. He said he would have been delighted to have 700 or 800 square feet on the first floor because the units would have been more marketable to the elderly.

Mr. Obedin said he reviewed the amendments that have been proposed by the staff, and he recommended that cottage housing be required to meet the same impact standards that single-family houses must meet. For example, a single-family house could have approximately 3,000 square feet on a single lot. Each cottage should, therefore, be limited to a total of 1,500 square feet on a half single-lot. He said he believes all cottage clusters should be limited to eight units, which seems to be the optimum size. He said that no more than two cottages within each cluster should be architecturally identical. He also said he believes the basement or crawl spaces should not be considered living space, and the six-foot ceiling limitation in the basement is ridiculous. Each cottage should have at least a 10-foot separation and the same setbacks as single-family houses. Each should have a 60 square foot or larger porch facing the common area. No porch dimension should be less than five feet. He said he also strongly believes all units should have fire sprinklers, and all the cottages should strive to be built as green buildings. He suggested that the existing parking requirements should be retained, and the parking should be clustered or separated from the cottages. He concluded by stating that if the Commission wants to stop cottage housing in its track, they should adopt the proposed amendments. Economically, it would be impossible for a developer to construct cottage housing that meets all of the proposed requirements. While cottage housing could be a better choice for a neighborhood, he would build 3,000 square foot homes instead.

George Mauer, Shoreline, said he is a candidate for the Shoreline City Council. He said he has talked to Shoreline residents about the many issues facing the City, and one of the primary issues happens to be cottage housing. He said it is important for the Commission to recognize that this is a major issue and challenges the legitimacy of the Planning Department and the City of Shoreline in protecting the interests of the citizens. Mr. Mauer said the fundamental issue is not really cottage housing, it is the placement of multi-family units in a single-family residential zone. This would compromise the certainty and expectation that the investments people have made to their homes, their families, the neighborhood and the school district would be protected. He noted that this conflict has been going on for almost three years, and he is surprised that the issue is still alive in light of the growing concerns that have been expressed by the citizens. He said the Commission has the power to change the situation, but they must first realize that there is a tremendous number of people who are opposed to the way in which the ordinance was developed and implemented.

Mr. Mauer suggested that the Growth Management Act requirements must be reviewed and audited. There must be more public clarification about the impacts of imposing density upon the City of Shoreline. He said he travels north to Edmonds through Woodway and south to Seattle through Innis Arden and along the Highlands. These are highly valued communities because of their open space and the lack of density. The citizens of Shoreline deserve and expect this same kind of protection of their quality of life.

Michael Cheung, Shoreline, said he has been a resident of Shoreline for the past five years. He urged the Commission to balance the short-term gains of increasing the tax revenue base by developing cottage housing with the impacts to the residential neighborhoods. He said that right now the area is experiencing very unusual economic times. Mr. Cohen has reviewed the appraised values of the neighborhoods adjacent to cottage homes, and he claims that they have increased at the same percent as other homes in Shoreline. But the Commission must keep in mind that they have just come off a 45-year low for interest rates. The interest rates have been raised eight times in the last 12 months, and the chances are that this will continue. Right now, real estate investments are growing at a rapid pace, but cottage housing could end up sacrificing the long-term investment values of the homes in the existing neighborhoods. Instead, the Commission must consider ways to protect property values in Shoreline when the economy slows down. On a long-term basis, these steps will help enhance the City's revenue base.

Jim Soules, Seattle, said he is the developer of the Greenwood Avenue Cottages. He said he is very supportive of the staff's proposed amendments and very discouraged with what has happened since the Greenwood Avenue Cottages were built. He recalled that when the ordinance was first created, he commented that it was too loose and would lead to trouble. He was told by three Planning Commissioners that they should let the developers be creative. He said he worked hard to make his project a leading example of the new need for housing. He pointed out that the Greenwood Avenue Cottages just won the 2005 AIA Housing Committee Award for the best single-family project in the nation. He presented a copy of the certificate they received, as well as an article that was published regarding the development. He said Shoreline has been a leader in the concept of cottage housing, and he urged them to make the necessary changes to the ordinance to make it better.

Mr. Soules recalled that one of the original objectives was to recognize the incredible change in the demographics that have taken place over the last 25 years. He noted that 60 percent of United States households are now 1 to 2 persons., and he suspects the demographics of Shoreline would be similar. The Greenwood Avenue Cottages have eight units and 13 residents. On average their cottage housing projects have about 1½ persons per cottage. He suggested that there are likely fewer people and less traffic with a cottage project than with a single-family project. He said it is likely that the traffic report for the Greenwood Avenue Cottages would show less traffic coming out of the Greenwood Avenue Cottages.

Mr. Soules said it is important to remember that, originally, cottage housing required a conditional use permit and was intended to be an alternative to the single-family conventional development. They have lost the importance of giving staff a lot of latitude to make sure they get good projects. Other cities such as Redmond and Kirkland have written their codes to identify the intent and objectives of the ordinance and then they give the staff a tremendous amount of discretion when reviewing a project proposal. He urged the Commission not to consider the Meridian Park Cottages as a model cottage housing project. This project was a complete fluke in R-8 zoning.

Martin Kral, Shoreline, said he recently read an advertisement for the Ashworth Cottages. They are being advertised as 3-bedroom homes with 1½ baths, with a price of \$320,000. These advertisements make the homes sound good to people until they actually come to the site and see how small they are.

He said he lives right between the Meridian Park and Ashworth Cottages, so he has some experiences to share. He specifically expressed that the Meridian Park Cottages would not have been built in that manner if the City had been forthright in insuring that the builder could not put together two lots to make an L-shaped lot and then build 16 cottage houses. He said the L-shape does not accommodate the commons, the parking and adequately and properly sized homes.

Mr. Kral said the amendments proposed by the staff would require that cottage housing be a little bit less congestive than it currently is. He particularly liked the concept of increasing the basement heights, as long as the building envelope would not be impacted. He also liked the proposal of requiring a minimum dimension of 700 square feet for the main floor, since this would allow elderly people to reside in the cottages. In order to preserve the residential character of the neighborhood, Mr. Kral suggested that the City require two stalls per unit. The bonus should also be reduced to no greater than 1.5, and the common open space requirement should be increased as proposed by staff. The developments should include and more strict adherence to good rules regarding sight and view limitations. In addition, the parking structures should be concealed from the street. He said he is also surprised to find there is no requirement that a homeowner's association be established to administer the common property. He proposed that ownership by a single-owner be limited to 50 percent of the units. Otherwise, he cautioned that cottage housing could be an opportunity to provide apartment living in a single-family residential zone.

Steve Tompkons, Shoreline, said he owns the house that is closest to the Hopper Cottage Development. In fact, eight feet across his fence there is a very large cottage house, and his house is only ten feet from the fence on his side. He said he is not opposed to cottage housing completely, but the Planning Commission should adopt all of the recommendations presented by the staff as well as those suggested by Mr. Kral. Future cottage housing development should be done in the style of the Greenwood Cottages only.

Mr. Tompkons said he was not clear about the process and his ability to provide comments when the Hopper Cottage Development was first proposed. In his situation, the plot plan that was presented at the meeting was incorrectly drawn. The impact of the cottage house right next to his living room was minimal compared to where it is now. During the meetings, the proposed plan was to offset the cottage from the end of his house. Instead, it is right in the center of where his living room and dining room windows look out. He recommended that much more thorough information be mailed to every address in the neighboring for every proposed conditional use development. There should be much more clear stipulation as to exactly what input citizens can have in the design of the plot plans for cottage developments.

David Fagerstrom, Shoreline, said that the City has not learned a lot about cottage housing over the past five years since the two recent developments were illegitimate. He agreed with Mr. Tompkons that the drawings that are submitted by developers sometimes even fool the City planners. Mr. Fagerstrom questioned what parts of the Growth Management Act the City has to satisfy, and noted that there is no way the City would ever be able to satisfy affordable housing. He questioned why the City should have to attempt to satisfy this requirement by allowing cottage housing developments.

Mr. Fagerstrom pointed out that there does not appear to be an accountable manner for notifying adjacent property owners of a proposed development. He suggested that the City should take over this job from the developer. The City does not have any program to protect the notice procedures. He said he feels that it might become necessary for Shoreline homeowners to provide notice to potential buyers of their homes that cottage houses could be developed nearby.

Chair Harris said that normally when infill development occurs, an existing home is removed. He questioned if this home would be subtracted from the City's Growth Management Act calculations. Mr. Cohen answered affirmatively.

Chair Harris noted that one proposed amendment would raise the minimum square footage for the main floor of a cottage to 700 feet in order to decrease the bulk. He asked if thought was given to the possibility of building a smaller 650-foot single-story cottage. Mr. Cohen said that was not considered. However, he clarified that the minimum 700 square foot requirement would be for the main floor only.

Commissioner Broili said he is unclear about the purpose of the proposed amendment that would establish a maximum 6-foot basement height limit. Mr. Cohen explained that if the City allowed ceiling heights in basements to be more than 6 feet, there is concern that this space could be converted into a living space and exceed the 1,000 square foot floor area limit. Mr. Stewart added that according to the building code, a space of less than 6 feet in height would not be habitable. But the City does want to allow this basement space to be constructed to allow for storage and utilities. It would not be licensed and constructed for human habitation, and would not be included in the square footage of the unit. Commissioner Broili asked if a developer would be allowed to build a cottage that has a 700 square foot footprint, with the remaining 300 square feet of living space in the basement. Mr. Stewart said this would be allowed. The second story could be underground, but it would count against the total square footage.

Commissioner Phisuthikul noted that Mr. Soules has worked on cottage housing developments in Winslow, Kirkland and Redmond. He asked if their cottage housing provisions are similar to those of Shoreline. Mr. Soules said all three of these jurisdictions have adopted a cottage housing ordinance. Kirkland adopted theirs initially as a demonstration project, and they only allowed two projects. Instead of using a specific density per acre, each developer had to present how many lots they could develop under the conventional zoning and what the houses would look like. Then they offered a bonus of 50 percent if the cottage houses were less than 1,500 square feet and 100 percent if the cottage houses were less than 1,000 square feet. This allowed for a better mixture of two and three-bedroom units. Commissioner Phisuthikul inquired if these other jurisdictions allow cottage housing to occur in single-family neighborhoods. Mr. Soules answered that cottage housing is allowed in the standard single-family zones.

Commissioner Phisuthikul noted that in Winslow, much of the cottage housing development is on Madison Avenue, which is somewhat a minor arterial for that city. These cottage housing developments provide a cohesive sense of community and village walk. He asked if this was controlled by the zoning code, or was the placement of the cottage housing developments random. Mr. Soules said it happened because the zoning was much more restrictive and required design review. He suggested that the City of

Shoreline is having problems because they are trying to write a code that can be interpreted black and white. Other jurisdictions allow much more opportunity for the staff to evaluate and review each proposal, and this has resulted in much better projects.

Commissioner Phisuthikul asked Mr. Soules to share a density analysis that he completed for a cottage housing project. Mr. Soules explained that there are ten units per acre in the Greenwood Project, 12 in the Madrona Project, 13 in the Reserve Project, and just a little under 10 in the Fremont Project. The Meridian Park Project is about 16 or 17 units per acre, and that is why it has been found to be so unfavorable. He said the amendments proposed by staff would allow cottage housing developments with a maximum of ten units per acre. Greenwood would probably not have been allowed under the proposed code in light of the new parking requirement that has been proposed. This would have eliminated one more unit in order to still provide the community building. He emphasized that he would not have built the project without being able to provide space for the community building. Mr. Ducey said he lives in the Greenwood Avenue Cottages, and the community building is a focal point of their neighborhood. It is a gathering place for the residents and part of what forms their community.

Commissioner MacCully asked about the original intent for restricting the total livable square footage of a cottage house to 1,000 square feet. Mr. Stewart said it was a trade off for the density bonus. Developers have been able to trade double the number of units for smaller units.

Commissioner MacCully asked if it would be legal or desirable to restrict cottage housing from being in some areas such as Innis Arden or The Highlands. Mr. Stewart said this issue is more complex than just the City regulations because both of these entities also have private restrictive covenants that come into play. There is nothing in the City's ordinance that would prohibit cottage houses in these areas, but there may be some private covenants that would.

Commissioner MacCully again asked if it would be legal to prohibit cottage housing from certain areas. Mr. Stewart said if this is the Commission's intent, they should look at the zoning within the City and establish a factual basis for making that determination. The City distinguishes between R-4 and R-6 as the low-density residential districts, so there may be some distinction between those two as to what densities would be allowed and whether cottage housing would be allowed in either one. Commissioner MacCully said he does not know what the values are for all properties in the City, but he suggested that it probably doesn't make sense to build \$300,000 to \$350,000 home next to a \$600,000 home. This would be a great disparity. If there are areas in the City which are comprised consistently of \$500,000 plus homes, he questioned if it would make sense to allow a developer to construct \$300,000 homes in the middle of these areas. Again, Mr. Stewart said the Commission could make a decision that cottage housing would only be allowed in certain areas of the City, but they would have to establish a factual basis for doing so.

Commissioner Kuboi referred to the proposed amendment that would require a review of the Cottage Housing Ordinance every other year. He asked if any ideas were discussed about how to determine whether or not the provisions were successful. Mr. Stewart said the original ordinance was adopted in 2000, and they reviewed it again in 2003. Now they are conducting another review in 2005. He said there are legitimate issues under any land use regulation that should be evaluated to make sure what is

being built is what the community wants. If a regulation does not meet the policies, goals and objectives of the Comprehensive Plan, then adjustments should be made. He said no predetermined, objective basis for measurement has been identified, but the Commission recently recommended a policy to the City Council that talks about continually reviewing the Development Code regulations and the design standards to make sure they are reflective of the community's values.

Commissioner Broili asked Mr. Soules if the profit margins are such that a developer could construct a cottage housing development in a high-end neighborhood. Mr. Soules answered affirmatively. He said they recently completed twelve 1,000 square foot cottages in a very high-end neighborhood in Redmond last year, and the average selling price was \$425,000. He said that, similar to Shoreline, Redmond is trying to figure out how to eliminate the 4,000 and 5,000 square foot houses that are being built on 7,200 square foot lots. He suggested that the bigger issue is related to design. The profit margin for a cottage housing project is less than for building slam-dunk boxes. The closer the facilities are built together, the more the City must be involved in the integral design of the landscaping, fencing, etc. This is more difficult and more labor intensive.

Commissioner Kuboi asked for clarification about why the element of community is so important to the cottage housing concept. He noted that there are no other elements of the City's Development Code that attempt to legislate community interaction, so he questioned why the cottage housing element calls out for design criteria such as porches, arrangement around a common area, etc. that arguably should be left to individual design and market demand. Mr. Stewart said the intent of this provision is to provide for high-quality design that provides for community and a sense of place. The Cottage Housing Ordinance is a non-traditional housing alternative that provides a sense of place, which is what makes this type of development beneficial and attractive.

Commissioner Kuboi said he likes the idea of calling the units small, single-family homes rather than cottages. He said that if community and sense of place is an important design consideration, the City should try to implement this across all aspects of their housing development regulations. He expressed his concern that some of the design requirements in the Cottage Housing Ordinance add to the construction costs and limit the ability of a developer to arrange or create a project that would be appropriate for the site. Whether a neighborhood evolves into a community or not, in his opinion, is not based on whether a porch is constructed on the front of a house. It takes people who want to meet their neighbors and be friendly with them.

Mr. Stewart agreed with Commissioner Kuboi. He noted that there is no prohibition against building small units under the current development code. However, cottages require a higher quality and better design in exchange for the density bonus. If a developer were willing to do the porches, open space, clustering, etc. then he/she would receive a bonus of additional units.

Chair Harris questioned the definition of the term "higher quality." Mr. Stewart said this term is difficult to define. The relationship of the units, the massing and scaling of the units, the requirement for usable porches, and the relationship between the units are all elements that move towards a higher quality product in terms of its urban design.

Commissioner McClelland agreed that there are some principles of urban design and architectural design that suggest that when people are placed in close proximity, it is better to induce community. She said it is clear that no one is pleased with the Meridian Park Development, but it is important to remember that this is not really a good example of cottage housing because it is located in an R-8 zone. It is simply a crammed in single-family development, and in this type of development, people don't tend to create a sense of community as much as they tend to protect what little privacy they have. The notion of inducing some sense of community with the physical elements of the architecture is a good thing. She said she would not want to give this up for the sake of space.

Commissioner MacCully said he half agrees with Commissioner Kuboi regarding the design elements. If a development includes good porches, sidewalks, a common area, a community building, etc. it is more likely there will be a sense of community. However, he does not have any empirical data to back up this statement other than visits the Commissioners have made to the various cottage housing developments in the City. They have talked to both the residents of the units and the developers. He asked if it would be possible for the City to provide an incentive for a developer to provide a community building. In talking with the residents of the Greenwood Avenue Commons, this is a very important aspect of their development. Mr. Cohen said the key incentive is that the community building would not count as part of the density of the development. As long as it fits in with all the other requirements of the Cottage Housing Ordinance, it would be allowed. Mr. Stewart cautioned that there becomes a tipping point where the development regulations become so onerous that developers are unwilling to build cottage housing in the City. Commissioner MacCully asked if it would be possible to provide an incentive for developers to construct a community building rather than just allowing them.

Commissioner MacCully asked for clarification regarding previous comments about homeowner's associations. Mr. Stewart said the practical application is that an association is necessary in order to manage the common open space, but this is not a City requirement.

Commissioner Phisuthikul commented that the sense of community does not come from the architectural elements of each of the cottages. It is more an issue of how they are placed together and how well they interact with each other. If the cottages are placed improperly, the project would not be successful.

Commissioner McClelland asked for clarification about what actually happened with the project that was proposed for 193rd and 8th Avenue. She noted that, theoretically, the area around 8th Avenue and Richmond Beach Road is a good place for cottage housing with regard to urban services, public transit, schools, etc.

Mr. Stewart explained that the development application process for cottage housing has six specific steps. First, the applicant must have a pre-application meeting with the staff, and there were at least three held on this project. Second, a neighborhood meeting must be held, and the applicant is required to notice everybody within 500 feet, as well as the neighborhood organization. The staff does not control this notification. Third, the applicant files a formal application, which must include a report on the neighborhood meeting and what the applicant will do to address the issues that were raised. Fourth, the City staff determines whether the application is complete or incomplete. If the neighborhood

meeting is insufficient or the responses are inadequate, staff would determine the application to be incomplete and return it to the applicant for correction. If the application is determined complete, the City would put up a sign of formal public notice, and a second notice would be sent to surrounding property owners seeking public comments to the City. Frequently, the staff receives comments that the applicant did not fairly represent the comments provided during the neighborhood meeting. Staff then has an opportunity to consider all of the additional information before they make a decision. After staff reaches a decision, there would be an appeal process before the Hearing Examiner. Mr. Stewart advised that in the case of the proposed project at 193rd and 8th Avenue, the staff never received an application. The proposal did not get past the neighborhood meeting. Mr. Cohen said the staff did not encourage the applicant to go forward with the project in its current condition.

Commissioner Kuboi asked Mr. Soules if he believes there would be a market for a \$350,000 to \$375,000 cottage in Shoreline. Mr. Soules answered affirmatively. Commissioner Kuboi asked Mr. Soules to point out what is wrong with the Meridian Park Development. Mr. Soules said the Meridian Park Development provides 16 units per acre, which is too many. At this density, it would have been better to build the project as a townhouse and attach the units. The units are too small, the porches are totally worthless, etc. In addition, the tall, skinny houses are undesirable. He suggested that staff consider some type of definition that would identify cottages as a 1½-story building. He noted that all of his designs have the second floor encompassed within the roof structure. But the Meridian Park Project has two full stories with a trussed roof on the top. This results in a tall, skinny design. Mr. Soules said he does not think that placing the units ten feet apart created the problem, it more an issue of design.

Commissioner Kuboi expressed his belief that certain aspects related to the density and architectural design of the Meridian Park Project probably played into it being a less expensive development. He said he is concerned about helping people get into their first home and what development mechanisms the City could put in place to offer a diverse range of housing. He said he is interested in learning what Mr. Soules' company would have done different or better given the constraints and price points that some of the projects attempted to meet.

Mr. Soules said he was formally the executive director of a low-income non-profit company in Seattle. They built a demonstration project of 1,300 square foot homes in 1993 in the Renton area, and it turned out to be a real problem trying to introduce innovation to first-time homebuyers. They built great townhouses with single-car garages with additional space to the side, and the target was to deliver a \$125,000 house. They had a hard time selling the units because the first-time buyers had the perception that they were being cheated with only a single-car garage. In the process of innovation, it is important to innovate at the high end to establish the concept. He said they made a conscious decision to come to Shoreline with the best quality development possible. While they could have left a lot of the details out, the homes would not be as marketable. Mr. Soules pointed out that home prices are being driven by the cost of land. The building, itself, is only 34 percent of the total cost of the home. The rest of the cost is associated with the land, site improvements, permits, etc.

Commissioner Phisuthikul asked Mr. Soules' opinion of the proposed amendment that only one cottage housing development be allowed within a 1,000 foot radius. Mr. Soules said he has no sense that the

public has even noticed that there are three cottage housing developments close together (Fremont, Greenwood Avenue, Madrona). He suggested that 1,000 feet is probably too much of a distance, and perhaps 500 feet would be more appropriate. He said he would be opposed to the 1,000-foot radius. He suggested it would be more appropriate to prohibit large clusters of cottage housing. However, he noted that some of the most significant problems are associated with the smaller projects. He said he would never build a 4-unit cottage project because there would not be enough room for a decent sized common space area. He recommended that the minimum number of units be 6, with a maximum of 10. In addition, he suggested that the City require the garages to be placed to the side or rear of the units.

Paul Tychsen, Shoreline, said he lives next to the 8th Avenue Northwest and 193rd Project. He said the first notice the homeowners received of the project was for the neighborhood meeting, and the proposal was to place 16 cottage units on 1.38 acres of land. He suggested that the procedure is spring loaded for the developers. They tried to contact the 99 surrounding property owners who should have been notified, but the most they were able to contact was 73 people because of unlisted numbers, etc. Of the 73 they did contact, 38 did not receive the notice, including some who lived right next to the property.

Mr. Tychsen said the Cottage Housing Ordinance requires a developer to hold a pre-application meeting. When they approached the staff regarding the project, they were told that the staff did not have any information to provide to the citizens until the application had been submitted. However, they later learned that City staff had already held five or six pre-application meetings with the applicant. He noted that the Cottage Housing Ordinance also requires that neighborhood meetings be held in order to give the residents in the area an opportunity to provide input. However, the applicant scheduled this meeting for 5:30 p.m. on a weekday afternoon, and many people were unable to arrive that early. The room was filled with plot plans, elevations for all sixteen units, and other detailed planning information that had already been put together. The applicant indicated that they would be prepared to submit an application packet within the next week. Therefore, he questioned how much input the neighborhood would really have when the complete plans had already been compiled by the applicant for application submittal.

Scott Becker, Shoreline, said he is the architect and developer of the Reserve Cottages. He emphasized the points that have been made regarding design review. He said he has had a lot experience designing low-density housing on the east side where design review is a standard part of the conditional use process. He said this is a good way to address the issues raised at the neighborhood meetings, and obtain a richer set of feedback for the design process to improve the project. Mr. Becker said the design process for the Reserve Cottages was challenging because it is located on a sloped lot and none of the other cottage housing projects in the City have this type of situation. They tried to provide appropriate landscaping and arrange the buildings to take advantage of the unique features of the site. He concluded that site-specific design is really the issue that must be addressed. He expressed his concern about the City creating a prescriptive path towards design. Saying that the Greenwood Cottage Project is the right way to do cottage housing is half right, but it is important to remember that every site is unique. He agreed that a developer should never go into a cottage housing project with the intention of making some quick money. It is more about wanting to be a part of an alternative housing type. The conditional use permit process is challenging, and design review should be added to the process, as well.

Mr. Becker said the intent of the Reserve Cottage Project was to provide a more naturalistic scheme, and a more urban scheme would be another model for cottage housing. He suggested that perhaps there are other models that could be used, as well.

Cindy Ryu, Shoreline, said it is apparent the citizens recognize that the City must comply with the Growth Management Act Goals, and they understand that the City needs a better model for accommodating the growth and achieving the appropriate demographics. But the citizens are asking for more honesty and transparency. Many of the fears the citizens have expressed are real. They fear the uncertainty about where and when the cottage housing units would pop up and whether the zoning protections that exist would be bypassed by allowing cottage housing in the R-4 and R-6 zones. The citizens are concerned about the impacts cottage housing would have on residential neighborhoods and what opportunities for public input would be provided. If the Cottage Housing Ordinance were to provide certainty as to the process that would be used, many of the fears would be allayed, and the opposition would likely decrease.

Robert Otto, Shoreline, agreed that there are both good and bad cottage housing projects, but unfortunately, only one out of seven that have been constructed in Shoreline has been determined to be good. He suggested that it is important for the City to pinpoint what they are really trying to accomplish with cottage housing. If it is important that cottage housing developments be affordable and be quality, then this should be built into the ordinance. Not every cottage housing project application that is submitted to the City should be approved. He reminded the Commission that cottage housing is supposed to be a conditional, which means it should be the exception and not the rule. If the City allows the exception to swallow the rule, there would be no more zoning predictability. Mr. Otto suggested that there is a fatal flaw in the process. If the builder is allowed to hold a meeting in which no one from the City attends, how would the City staff know that the developer has factually represented what was said during the meeting. He suggested that someone from the Planning and Development Department attend the neighborhood meetings to be sure that all of the comments are captured accurately. The builders should not be allowed to control the whole process.

THE PUBLIC PORTION OF THE HEARING WAS CLOSED.

8. COMMISSION DELIBERATION ON COTTAGE HOUSING ORDINANCE

Commissioner Sands suggested that the Commission first decide whether or not they want to eliminate the entire Cottage Housing Ordinance from the code. If they decide they don't want to do that, they could begin to focus on the portions of the ordinance they would like to change.

COMMISSIONER SANDS MOVED THAT THE COMMISSION RECOMMEND TO THE CITY COUNCIL THAT THE ENTIRE COTTAGE HOUSING ORDINANCE (SMC 20.40.300) BE ELIMINATED FROM THE SHORELINE MUNICIPAL CODE. COMMISSIONER BROILI SECONDED THE MOTION.

Commissioner Sands said that although he made the motion, he does not think it would be a good idea to eliminate the Cottage Housing Ordinance. He said he believes cottage housing can serve a purpose in

the community, and he would like to see a proposal to the City Council to amend the ordinance to address the concerns that have been raised.

Chair Harris said that although he does not believe that any of the fears about cottage housing are founded (more traffic, problems in the community, lower property values, etc.), the community is not in support of the concept of cottage houses being built in their neighborhoods. Based on the community input, he said he would be in favor of eliminating the ordinance altogether.

Commissioner Kuboi said he believes the whole business of developing and building houses is primarily driven by economics. For every dollar that is spent on an amenity that perhaps philosophically buys community concepts, it is one fewer dollar that could be used for some other aspect of a project that may be more meaningful to the adjacent neighbors. For example, he said he has not heard any citizens saying they hate the fact that cottages are next to them because the porches are too small. He suggested that there are probably at least a half dozen ways of addressing all of the City goals with something other than cottage housing. For the Commission to spend so much time, effort and political capital on one particular kind of housing seems to be too narrow of a way to look at the overall issue. While he doesn't really want to consider eliminating the Cottage Housing Ordinance, he would like to see the Commission discuss the issue within the context of an overall strategy to address housing issues, diversity, price, etc.

Commissioner MacCully said he would be opposed to eliminating the Cottage Housing Ordinance because he believes in the concept of cottage housing. It offers an alternative housing type, and the City has a responsibility to offer as many alternatives as possible. The City spends a lot of staff time addressing issues raised by the community and getting the neighbors to work together. Anything the Commission can do to encourage this effort would be worthwhile. Commissioner MacCully agreed with Commissioner Kuboi that the Commission and staff has spent too much time addressing cottage housing, since it is less than two tenths of one percent of the City's total housing stock. However, the cottage housing concept has value to the community.

Commissioner McClelland said she considered the possibility of voting to eliminate the ordinance because she felt they should start over. There are times when a clean slate would be better than continually changing an existing slate. She suggested that the City should intervene and establish a housing task force to discuss how the City, given current land values, could accommodate anyone who wants to live in Shoreline. However, cottage housing is market rate housing, and the market ought to drive the price of these units. But the process that has been prescribed for cottage housing has been a nightmare, and the people who are inculcating a sense of fear amongst the citizens in the community will use this issue to once again say that the City staff was not on the ball. But that is not what was described to the Commission. While the neighborhood meeting went array, it was for all the right reasons. The neighborhood cannot really be justified in blaming this on the City staff or on the Commission.

Commissioner Broili said he, too, believes that it is important for the City to provide housing diversity. He noted that 74 percent of the residential units in the City are single-family, and the remaining portion is mostly multi-family. There is nothing in between. He pointed out the size of homes over the last 30

to 40 years has gone from 1,000 to more than 2,000 square feet per single-family unit. He suggested that the City must at least offer options going the other direction, and cottage housing would do this. He said it appears that the most significant concern is related to changes to the single-family residential neighborhoods. However, he pointed out that 50 years ago there were strawberry farms and fields where existing single-family houses now exist. The farmers then did not want infill to happen either. He emphasized that change would continue to happen and the population would continue to grow. He concluded by stating that the City has learned a lot about the existing Cottage Housing Ordinance, and he would not want to start over again. They have a working model and experience that can help them adjust it appropriately. Commissioner Phisuthikul agreed.

THE MOTION FAILED 1-6, WITH CHAIR HARRIS VOTING IN FAVOR.

COMMISSIONER MACCULLY MOVED TO CONTINUE DELIBERATIONS ON THE COTTAGE HOUSING ORDINANCE TO JUNE 16, 2005. COMMISSIONER BROILI SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Mr. Stewart asked if the Commission would like the staff to conduct further research and provide additional information regarding cottage housing.

Commissioner McClelland asked that staff provide a synopsis of the advantages and disadvantages of making design review a part of the conditional use permit requirements. The remainder of the Commission agreed that this information would be helpful.

Commissioner MacCully requested input as to why the process would not allow the City staff to attend the neighborhood meetings. Mr. Stewart said this issue was debated extensively when the Development Code was adopted in 2000. While staff attendance at the neighborhood meetings would provide an official representative of the City, this person would often be placed in a position of having to answer whether or not the City would support certain design options without even having an application before him/her. It would also require additional staff time to attend the meetings, and it was discussed that this could possibly interfere with the ability of the neighborhood and developer to work out an agreement outside the City's regulatory power. He summarized that the decision was consciously made to allow the developer and the neighbors to meet before an application is submitted. A report of the neighborhood meeting must be presented as part of the application package, and the neighbors would have the ability to review the report and make comments regarding its accuracy.

Commissioner MacCully questioned whether it is possible for the City staff to continue to play the role of observer during the neighborhood meetings. Chair Harris pointed out that the procedures for the neighborhood meetings apply to a lot more application types than just cottage housing. Mr. Cohen explained that if a staff member were to attend a neighborhood meeting, he/she could end up becoming a focal point, and almost seen as legitimizing the proposed plans.

Commissioner Kuboi asked that staff provide a synopsis of the public process that is outlined in both the Kirkland and Redmond Cottage Housing Ordinances. Mr. Stewart said staff would provide a copy of both ordinances for the Commission's review.

Commissioner Phisuthikul requested that staff provide a land use analysis of the cottage housing projects that have been built in Shoreline, including the size of units, density, lot area, open space area, private common area, square foot per floor, etc.

9. REPORTS OF COMMITTEES AND COMMISSIONERS

Chair Harris reported that the City's Economic Development Director, Tom Boydell, informed him that the City Council has authorized a task force on economic development, and the Planning Commission has been asked to provide one member for the task force. They are asking for expertise in real estate and commercial development. He suggested that Commissioner Sands would be a good candidate for the task force. The remainder of the Commission agreed, and Commissioner Sands accepted the assignment.

10. UNFINISHED BUSINESS

There was no unfinished business scheduled on the agenda.

11. NEW BUSINESS

There was no new business scheduled on the agenda.

12. ANNOUNCEMENTS

Commissioner McClelland announced that the Shoreline/Lake Forest Park Arts Council Gala is scheduled for June 24, 2005. She advised that all of the Commissioners would be invited to attend.

13. AGENDA FOR NEXT MEETING

The Commissioners had no additional comments to make regarding the agenda for the next meeting.

14. ADJOURNMENT

The meeting was adjourned at 10:10 p.m.

David Harris
Chair, Planning Commission

Jessica Simulcik
Clerk, Planning Commission