

DRAFT
CITY OF SHORELINE

SHORELINE PLANNING COMMISSION
MINUTES OF PUBLIC HEARING
(Via Zoom)

March 4, 2021
7:00 P.M.

Commissioners Present

Chair Mork
Vice Chair Malek
Commissioner Callahan
Commissioner Galuska
Commissioner Lin
Commissioner Rwamashongye
Commissioner Sager

Staff Present

Rachael Markle, Planning Director
Nora Gierloff, Planning Manager
Steve Szafran, Senior Planner
Julie Ainsworth-Taylor, Assistant City Attorney
Carla Hoekzema, Planning Commission Clerk

CALL TO ORDER

Chair Mork called the public hearing of the Shoreline Planning Commission to order at 7:00 p.m.

ROLL CALL

Upon roll call by Ms. Hoekzema the following Commissioners were present: Chair Mork, Vice Chair Malek, and Commissioners Callahan, Galuska, Lin, Rwamashongye and Sager.

APPROVAL OF AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

The minutes of February 4, 2021 were accepted as presented and the minutes of February 18, 2021 were accepted as amended.

GENERAL PUBLIC COMMENT

There were no general public comments.

PUBLIC HEARING: HOUSING ACTION PLAN

Chair Mork reviewed the rules and procedures for the public hearing and then opened the hearing.

Ms. Gierloff presented the Staff Report, noting that the overall goals of the Housing Action Plan were to:

- Understand how much, what types and where housing is needed in Shoreline.
- Understand what housing types the market will provide.
- Understand what households are experiencing housing challenges.
- Understand where and how additional housing can fit in Shoreline.
- Review existing housing strategies, identify gaps, and find opportunities for improvement.
- Identify new ideas to meet Shoreline’s specific needs.

Ms. Gierloff said the Housing Action Plan is comprised of a number of components: Housing Needs Assessment, Regulatory Review, and Housing Toolkit and Action Plan. Each of the three components were presented previously to the Commission in draft form. All three elements have been combined into the draft Housing Action Plan that is currently before the Commission for a public hearing and recommendation to the City Council.

Ms. Gierloff advised that the Housing Needs Assessment provides information about the current demographics of the City and the existing housing stock. It also identifies current trends and how they will affect future housing needs. According to the assessment, about 65% of the City’s residents are wealthier single-family homeowners, and the remainder are medium to lower-income renters. The City is undergoing rapid change, and the upzones around the two light rail stations have spurred a lot of townhouse development. A lot of new apartment buildings are also being constructed along the commercial corridors. About two-thirds of the new units are either studio or 1-bedroom rental apartments, which means the owner/rental balance is rapidly changing so there could be even numbers within five years.

Ms. Gierloff said the original outreach plan included a lot more in-person activities, which weren’t possible due to the pandemic. Instead, an on-line open house was created, providing both an education component and an on-line survey to solicit feedback from the community. Participants were invited to identify action plan priorities (things they wanted the City to work on first), and the results are as follows:

- Maintain housing quality and prevent blight.
- Provide more affordable rental housing.
- Prevent displacement of low-income residents.
- Expand access to homeownership.
- Create more environmentally-sustainable housing.

Ms. Gierloff said one particularly interesting finding was that about 75% of the renters who participated in the open house and survey reported always or sometimes having difficulty paying for their housing, while only 20% of homeowners reported similar challenges.

Ms. Gierloff explained that the comments received via the open house and survey were used to evaluate whether or not the City's current policies and incentives were working, what existing tools the City could use to fill the gaps identified in the needs assessment, and what other tools are available. She reviewed that the Commission spent at least two workshop meetings discussing a list of potential housing tools and identified the following priorities:

- **Update the Deep Green Incentive.** The Commission discussed how the existing Deep Green Incentive Program that provides a variety of incentives and requirements around more energy-efficient housing can be integrated with the more general housing priorities.
- **Develop Cottage Housing Regulations.** This option came up in the open house and was also one of the items the City Council identified when they asked the staff and Commission to look at housing policy overall.
- **Develop Standards for Small Lot Single Family Development.** They are seeing a lot of development in the commercial and multifamily areas, and not a lot in the single-family areas. In the interest of developing a full spectrum of housing types, perhaps there are standards that would allow for additional housing in the single-family zones in a way that is respectful and consistent. It is important to acknowledge that household sizes are shrinking, and not everyone needs a four-bedroom house. Perhaps some of these lots could be redeveloped so that more families can live there.
- **Partner with Affordable Housing Providers.** The City doesn't directly develop housing and it doesn't have a housing authority. The housing that is developed in the City is either a result of market forces or housing-provider projects. It is important to create an environment that is conducive and welcoming for affordable-housing providers, which are generally non-profit organizations. These providers fill an unmet need in the community, and the City should look for opportunities to partner with them so they are interested in developing successful, affordable housing in Shoreline.
- **Support Community Land Trusts.** This option targets the thorny question of providing ownership housing that is permanently affordable for the original and subsequent owners. The concept is to allow the initial owners to build equity and eventually jump into the regular housing market at some point in the future, while the home would remain affordable for subsequent owners. Community Land Trusts require on-going oversight, and there are very specific legal standards, but the option is an interesting model for the City to encourage.
- **Identify Surplus City Property that Might Be Appropriate for Affordable Housing.** There has been real motivation on the part of city and county governments to identify underused or underperforming property that could be developed.

Ms. Gierloff said the original plan was to update the Housing Element of the Comprehensive Plan in conjunction with the Housing Action Plan, but the pandemic has changed the schedule. The countywide planning policies related to housing probably won't be available until mid-2021, which is the same time the grant requires the City to adopt the Housing Action Plan. As part of the Housing Action Plan, the City assessed the alignment between the proposed actions and the existing Housing Element. While there is a lot of alignment, there are some opportunities to provide additional supportive language for some of the actions that are proposed. Once the City has more information about the regional changes that might be coming down the road, staff will develop a set of proposed edits to the Housing Element and take them

through the amendment process over the next year, using the Housing Action Plan as a background report. She reminded them that the entire Comprehensive Plan must be updated and adopted in 2024.

Ms. Gierloff summarized that, following the public hearing and Planning Commission deliberation, the Commission will be asked to forward a recommendation to the City Council. The intent is for the City Council to adopt the plan by mid-2021 to align with the grant deadline.

Commissioner Callahan asked if the Commission is being asked to provide a recommendation to the City Council on the entire Housing Action Plan, with the priorities that are identified by the Commission. Ms. Gierloff answered affirmatively.

Chair Mork reviewed the rules and procedures and the opened the hearing for public testimony.

Ryan Donahue, Advocacy and Policy Director at Habitat for Humanity Seattle King County, thanked the City for taking up this important issue. We have been facing a housing crunch for a long time, and he is happy to see Shoreline continuing to do its part. However, he has one concern with the draft, as currently written. As he shared in his written comment to the Commission, there are multiple pages, and even a specific action, where the Housing Action Plan uses the term “Community Land Trust.” Habitat for Humanity supports community land trusts (CLTs) as one successful model of many that should be used to address the affordable homeownership crisis. However, specifying CLTs risks triggering a federal definition that is incredibly limiting for the City of Shoreline. By singling out CLTs in the homeownership component of the Housing Action Plan, other proven, permanently-affordable homeownership providers, such as Homesite and Habitat for Humanity, get locked out. Instead, he encouraged the City to use the term “Permanently-Affordable Homeownership,” which would allow the City to include a much wider pool of organizations. The change would go from just one organization that currently serves King County under the CLT definition to at least four other separate organizations. It would encourage permanent affordability, which would help to increase the breadth of affordable homeownership options, not just for one family, but for many different families for many generations.

Mr. Donahue said his interpretation of Action 2.2.3 (Partner with Affordable Housing Providers) is that the City would partner with affordable all housing providers. Organizations, like the King County Housing Authority, Compass Housing Alliance and Catholic Housing Services, do an amazing job, but they serve a different community than what the affordable-homeownership groups do. Habitat for Humanity and other permanently-affordable homeownership organizations typically serve the 50% to 80% Average Median Income (AMI) population, which takes them out of the City’s definition of low income. He summarized that, by specifying CLT in the homeownership piece of the Housing Action Plan and not including permanently-affordable homeownership, the plan would ultimately imply that the only homeownership model the City should pursue is the model offered by CLT. He encouraged the Commission to expand access to homeownership by changing the homeownership section to reflect that all permanently-affordable homeownership models should be included. He offered to work with the Commission to present a broad range of affordable homeownership groups and provide a presentation that outlines some of the different models that fit that concept.

Mr. Donahue emphasized that homeownership is a crucial part to any holistic approach to resolve the housing crisis. Action 1.1 (Missing Middle Friendly Zoning) is a great example. In an environment where

land is a major factor to the cost of producing housing, it is important to make sure that land is used to its utmost by allowing duplexes, triplexes, quads, and other types of missing middle housing. He strongly encouraged the Commission to elevate this particular action as a priority item.

Mr. Donahue also voiced concern that the way the Multifamily Tax Exemption (MTFE) (Action 1.5) is addressed in the draft plan, it would only apply to rental properties. He encouraged them to consider including affordable homeownership into that, as well. He noted that the underlying Revised Code of Washington (RCW) allows for this option to be included; and cities, such as Seattle, Burien and Kent, already include affordable homeownership in their implementation of the MFTE. In fact, Habitat for Humanity Seattle King County already utilizes the tool for projects in both Burien and Seattle.

Lastly, Mr. Donahue noted that many of the proposed funding mechanisms to execute the plan ultimately cap out at 50% to 60% AMI, which effectively freezes out affordable homeownership opportunities from receiving any funding. He urged the Commission to consider either raising the cap to 80% or stating that permanently-affordable homeownership could also qualify for the funding. He said he looks forward to working with the City of Shoreline to help implement the Housing Action Plan, whether that involves working with the City to build more homes in the community or expanding their already successful home rehabilitation program to include Shoreline (Action 4.1). Habitat for Humanity is ready to pitch in and do their part to help implement any of the action items in the plan.

Darrin Hyde, Shoreline, referred to comments by Commissioner Rwamashongye at the February 4th meeting, providing data on the number of single-family homeowners with equity in their homes and stressing the need for providing opportunities for homeowners to reinvest that equity back into their properties. It was suggested this would create additional housing opportunities and help to fill in the “missing middle.” Mr. Hyde voiced support for the proposed density bonus for large single-family lots, which would support this concept by allowing a second house to be built on qualifying properties.

Mr. Hyde also voiced concern about the proposed size restriction for accessory dwelling units (ADUs). Currently, the size of an ADU is limited to half the size of the primary dwelling unit. That means that an ADU on a lot that is currently developed with a 2,000-square-foot home could be twice as large as an ADU on a lot that is developed with a 1,000-square-foot home even if the lots sizes are the same. In addition, the fire, traffic and park impact fees (about \$10,000) would be the same. He said most municipalities in the area have addressed this issue by establishing a standard size restriction for ADUs of 1,000 square feet.

Mallory Van Abbema, Policy and Advocacy Manager for the Housing Development Consortium, explained that the consortium is a non-profit membership association comprised of nearly 200 organizations committed to ensuring all people in King County can access a home they can afford that is safe and promotes health for themselves, their families and the broader community. She referred the Commission to the written comments she submitted prior to the meeting on behalf of the consortium, but said she was present now to speak as a Shoreline resident. She said she is proud of the priority the City Council, staff and Commission have placed on local housing supply, and she voiced support for the comments provided by the previous speakers.

Ms. Van Abbema said she supports each of the recommended tools the Commission elevated during their recent process, but she doesn't feel they go far enough. More than 78% of the land in Shoreline designated for residential use is currently zoned single family, yet Action 1.1 (Missing Middle Friendly Zoning) was not prioritized. The plan acknowledges that this model provides an ability to blend within single-family neighborhoods while adding potentially significant new supply. It is arguably the most powerful market-based tool the City has. She urged the Commission to reconsider their recommendations and review the recent missing middle housing actions that the City's neighbors to the east (Kirkland) recently completed.

Ms. Van Abbema said she strongly supports using city-owned land for affordable housing development. Shoreline owns 30 properties that could be considered surplus, but on closer inspection, 29 are currently zoned single family. Without action to further address zoning in the City, the strategy will be a drop in the bucket. Regarding the revenue tools in the plan, she pointed out that Real Estate Excise Tax (REET2) could provide desperately-needed gap funding for affordable housing projects, which the City cannot currently offer. REET2 would not break deals, and potential buyers would not walk away from a \$750,000 home they love due to an added \$1,875 in REET, which would generate more homes locally. She would happily pay it if she were fortunate enough to do so in the future.

Ms. Van Abbema summarized that the region has an immense shortage of housing in all income tiers, and the City must take this opportunity to advance solutions that ensure families and individuals can remain rooted in the community and access the upward mobility that housing security and homeownership can provide. She urged the Commission to think big and support the strategies within the plan that would result in the highest yield.

No one else indicated a desire to testify, and Chair Mork closed the public portion of the hearing.

VICE CHAIR MALEK MOVED THAT THE COMMISSION RECOMMEND APPROVAL OF THE HOUSING ACTION PLAN DATED MARCH 2021, AS AMENDED, AND FORWARD IT TO THE CITY COUNCIL FOR REVIEW AND ADOPTION. COMMISSIONER GALUSKA SECONDED THE MOTION.

Vice Chair Malek recalled Mr. Donahue's concern about Action 3.2 (Supporting Community Land Trusts) and Action 2.2.3, (Partner with Affordable Housing Providers). He recalled that Mr. Donahue was particularly concerned that the plan would prohibit opportunities for permanently-affordable housing. He requested clarification from the City Attorney or staff, as it is important to be clear that the plan, as written, would not exclude other housing provider groups from partnering with the City. He said he put this question to the Assistant City Attorney prior to the meeting, and her response was shared with Mr. Donahue.

Assistant City Attorney Ainsworth-Taylor explained that, with a CLT, the underlying land is owned by the entity (city, non-profit, etc.), and there are certain Federal parameters that must be met in order to make properties eligible for such things as Community Development Block Grants, Home Federal Loan Program, Section 8 Housing, etc. Her understanding of permanently-affordable housing is that there would be covenants or deed restrictions on the land for a set period of time. She summarized that CLTs and permanently-affordable housing are two very different, distinct opportunities. She emphasized that the Housing Action Plan provides policy direction rather than regulatory controls, and including CLTs as

an action item in the plan would not preclude partnerships with other entities that do not satisfy the federal standards for CLTs. It just means they would be ineligible for the federal loans and grants that are available for CLTs.

Chair Mork summarized that Vice Chair Malek's comment was intended to address Mr. Donahue's concern that Habitat for Humanity and other similar groups would be prevented from partnering with the City if they didn't meet the 50% to 80% AMI requirement. As described by the Assistant City Attorney, that would not be the case.

Commissioner Rwamashongye asked if organizations that provide permanently-affordable housing, such as Habitat for Humanity, would be eligible for federal funding and grants if the language were written to specifically include them under the umbrella of the Housing Action Plan. He doesn't want to unintentionally deny these groups the ability to obtain federal funding. Assistant City Attorney Ainsworth-Taylor answered no. She explained that taking steps to encourage affordable housing on a more permanent or long-term basis would not restrict these groups from securing any federal funding they are eligible for, but CLTs are required to meet specific requirements to qualify for funding.

Commissioner Rwamashongye asked staff to respond to the concerns raised about AMI. Assistant City Attorney Ainsworth-Taylor said the City's code already defines affordable and low-income housing at different levels. As established by the Department of Housing and Urban Development (HUD), affordable housing is considered to be 80% of AMI for the Seattle King County area. In the station areas, greater incentives are available for housing that provides for a lower AMI. She explained that the City can decide the level of AMI they want to target. Ms. Gierloff added that in the existing code the incentives are graduated to encourage lower levels of affordability. For example, a development that provides housing that is 60% AMI would be eligible for additional incentives, such as permit fee waivers or no-fee-expedited permit review.

Vice Chair Malek referred to Ms. Van Abbema's earlier comment that the majority of the City is zoned single-family residential, and the higher density zones of commercial and mixed-use residential account for only about 14% of the City's land area. He suggested they consider a more analytical approach. He said he learned from the recent inclusion, acceptance and racism training that, during the 1950s, 1960s and 1970s, the development of ghettos isolated people of socio-economic status. He suggested that the proposed plan carries the same risk. Given a choice, most developers will choose to buy their way out of having to provide low-income housing as part of a project because of the associated risks. He questioned what the City could do to partner with and assure developers that co-mingling with socio-economic disparities will not negatively impact their ability to market the units. This needs to be considered to make affordable and low-income development more attractive without creating areas of low-income, ghetto-style development that ends up being overlooked or neglected. He said he believes in co-mingling reasonably-incomed housing in the residential zones in a way that is compatible. Options include cottage houses, small lots, etc. He referenced Albuquerque, New Mexico, as a good example. They received multiple awards for being socio-economically inclusive.

Ms. Gierloff summarized that there is some interest in increasing the priority level assigned to the Missing Middle Friendly Zoning Tool. She recalled the Commission discussed making some zoning changes that would allow slightly denser housing, but in a way that fits into the neighborhood context.

VICE CHAIR MALEK MOVED TO AMEND THE MAIN MOTION TO INCREASE THE PRIORITY FOR MISSING MIDDLE FRIENDLY ZONING (ACTION 1.1). COMMISSIONER RWAMASHONGYE SECONDED THE MOTION.

Commissioner Rwamashongye commented that, while the plan is good, it is important to make sure it doesn't result in development that is incompatible with the City's goals and fails to solve the problems they are trying to address.

Commissioner Galuska said he would support moving the Missing Middle Friendly Zoning Tool up on the list of priorities. He recalled that when the Commission discussed the tool at an earlier workshop, it was noted that it was very similar to allowing small lot sizes (Action 1.3), which was included on the list of priorities. He suggested that "Missing Middle Friendly Zoning" would probably be a more appropriate name for the tool than "Small Lot Single Family."

As the Commission works to implement the Housing Action Plan, Commissioner Galuska said he hopes that all of the potential Zoning Code amendments will be considered holistically. He cautioned against tackling each of the amendments separately. He said he wants to see density increased in places where it is absolutely appropriate, but it should be what the zoning allows rather than being permitted in special cases.

Commissioner Lin said she supports the proposed amendment to the main motion that would prioritize the Missing Middle Friendly Zoning Tool. However, she doesn't want it to replace another tool on the priority list. Ms. Gierloff responded that, as mentioned earlier by Commissioner Galuska, the Small Lot Single Family and Missing Middle Friendly Zoning Tools are fairly similar concepts that could both be prioritized. As they consider implementation, perhaps the two can be addressed with an overall code amendment that talks about how to develop more densely in a compatible way in the single-family zones.

Commissioner Sager clarified that the motion would prioritize the Missing Middle Friendly Zoning Tool, but it would not specifically call out options such as cottage housing or small lot development. Ms. Gierloff said Missing Middle Friendly Zoning (Action 1.1) would be identified as a high-priority action, in addition to Small Lot Single Family (Action 1.3).

Commissioner Callahan observed that, in some cases, the Commission had to choose amongst actions that were interrelated. She said she supports the idea of combining some action items so that issues can be addressed more holistically.

THE MOTION TO AMEND THE MAIN MOTION CARRIED UNANIMOUSLY.

CHAIR MORK MOVED THAT THE MAIN MOTION BE AMENDED BY CHANGING THE SECOND PARAGRAPH (HOME REHABILITATION ASSISTANCE) IN ACTION 4.1 (HOMEOWNER STABILITY PROGRAM) ON PAGE 64 OF THE DRAFT HOUSING ACTION PLAN TO READ, "CITY MONEY, SUCH AS FUNDS FROM THE SALES AND USE TAX, WOULD BE PROVIDED TO LOW-INCOME HOMEOWNERS FOR CRITICAL REPAIRS, WEATHERIZATION, ARBORIST SERVICES NECESSARY TO KEEP THE TREE CANOPY, AND

POTENTIAL EFFICIENCY UPGRADES TO KEEP HOMES HABITABLE.” COMMISSIONER SAGER SECONDED THE MOTION.

Commissioner Rwamashongye asked what is meant by the word “weatherization,” and Chair Mork said it means ensuring that homes are insulated and don’t have leaks.

Chair Mork observed that utility costs for low-income renters and homeowners is one factor that hasn’t been addressed in the draft plan. She shared the example of an acquaintance who rented a home in Shoreline. While the rent was affordable, the \$750 utility bill was not. This problem could likely be solved by proper weatherization and efficiency upgrades. She also reminded the Commission that tree preservation is very important to the City, but it might not be financially possible for low-income residents to do so.

Commissioner Sager thanked Chair Mork for bringing the concern to the forefront.

Commissioner Lin indicated support for the proposed amendment, but she is concerned that the language regarding tree canopy might be too generic. Chair Mork responded that the intent is to protect and maintain the tree canopy, and it wouldn’t include decorative services.

Commissioner Galuska said he supports the weatherization portion of the motion, but he is not sure including arborist services would be a good fit for the Housing Action Plan.

Ms. Gierloff said that the City doesn’t currently provide arborist services. If the Commission wants to address tree preservation in this section, she suggested using the broader term “Tree Preservation Services” would give the City greater flexibility.

CHAIR MORK WITHDREW THE MOTION TO AMEND THE MAIN MOTION.

CHAIR MORK MOVED THAT THE MAIN MOTION BE AMENDED BY CHANGING THE SECOND PARAGRAPH (HOME REHABILITATION ASSISTANCE) IN ACTION 4.1 (HOMEOWNER STABILITY PROGRAM) ON PAGE 64 OF THE DRAFT HOUSING ACTION PLAN BE AMENDED TO READ, “CITY MONEY SUCH AS FUNDS FROM THE SALES AND USE TAX, WOULD BE PROVIDED TO LOW-INCOME HOMEOWNERS FOR CRITICAL REPAIRS, WEATHERIZATION, TREE PRESERVATION SERVICES NECESSARY TO KEEP THE TREE CANOPY, AND POTENTIAL EFFICIENCY UPGRADES TO KEEP HOMES HABITABLE.” COMMISSIONER SAGER SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

Chair Mork referred to Action 1.8 (Deep Green Incentive Program) and suggested the title of the action could be expanded to be more descriptive and better market the concept. She referred to the Near-Term Action Plan on Page 67 and suggested that the first description on the chart should be changed to read, “Update the Deep Green Incentive Program to expand eligibility, innovative construction materials like CLT, and further incentivize permanent utility cost reduction designs, such as Passive House.” She expressed her belief that Passive House construction should be incentivized, as it results in significant

energy savings. It works for both multifamily and single-family housing, and it can be retrofitted onto existing homes.

Ms. Gierloff voiced concern that Passive House is currently identified as a specific tier within the Deep Green Incentive Program. Chair Mork responded that CLT is something the City should incentivize, and Passive House could be further incentivized, as well.

Chair Mork asked if King County's surplus property would be included as a possible option under Action 2.1.4 (Surplus Land and Property for Affordable Housing." Ms. Gierloff responded that the City can certainly encourage them to offer up land, but it would be their decision.

Chair Mork commented that her earlier sub-motion for Action 4.1 (Homeowner Stability Program) would seem advantageous to meeting the City's goals related to the Greenhouse Gas Inventory.

Commissioner Sager recalled that she mentioned the concept of co-housing in previous Commission discussions related to the Housing Action Plan. Since that time, she has done some research and learned that it is not necessarily more affordable because it requires the purchase of a single-family home. It is similar to cottage housing, but they also have a community center where they get together for meals on occasion. They can accommodate a variety of ages, and there are several examples in the State of Washington. From an environmentally-friendly standpoint, the owners share ground maintenance and they do item swaps on a regular basis. The communal design provides a good option for seniors to age in place. She summarized that it is another type of housing that some people in the City might be interested in. She suggested they consider adding the concept to the Housing Action Plan either now or at some point in the future. Vice Chair Malek suggested that co-housing could be addressed as an option for implementing Action 1.1 (Missing Middle Friendly Zone). Ms. Gierloff agreed it could be an exciting way to build intentional communities. However, it doesn't necessarily need to be added as a specific tool because nothing would prevent the concept from being implemented now, and Action 1.1 would facilitate it, as well.

Commissioner Callahan said she is still very concerned about the short-term rental issue. She suggested that a sentence be added to Action 4.3 (Short-Term Rental Regulations for Houses, ADUs and/or Condos) to acknowledge that the City doesn't currently have occupancy data to know how many short-term rentals there are in the City. Ms. Gierloff said she contacted Air DNA for more information, and they estimated there are between 100 and 150 short-term rentals (either a room or an entire house) in Shoreline. Commissioner Callahan responded that, although the City has an estimate from one source, it is important to acknowledge that occupancy is not currently being tracked or monitored. Ms. Gierloff suggested that a sentence could be added at the end of the first paragraph to acknowledge that the magnitude of the short-term rental market in Shoreline is currently unknown.

CHAIR CALLAHAN MOVED TO AMEND THE MAIN MOTION BY ADDING THE FOLLOWING SENTENCE AT THE END OF THE FIRST PARAGRAPH UNDER ACTION 4.3 (SHORT-TERM RENTAL REGULATIONS): "THE MAGNITUDE OF THE SHORT-TERM RENTAL MARKET IS CURRENTLY UNKNOWN." VICE CHAIR MALEK SECONDED THE MOTION.

Vice Chair Malek agreed that addressing and understanding the magnitude of the short-term rental market will need to be part of future discussions.

THE MOTION TO AMEND THE MAIN MOTION CARRIED UNANIMOUSLY.

THE MAIN MOTION TO RECOMMEND APPROVAL OF THE HOUSING ACTION PLAN, DATED MARCH 2021, WAS UNANIMOUSLY APPROVED, AS AMENDED.

STUDY ITEM: 2021 DEVELOPMENT CODE AMENDMENTS – PART 1

Mr. Szafran reviewed that Development Code amendments are collected throughout the year, and anyone can submit one for consideration. Most of the amendments included in Part 1 come from staff and are a mixture of housekeeping and time-sensitive amendments that have the potential to affect upcoming projects. He reviewed the 14 proposed amendments as follows:

- **Amendment 1 – SMC 20.20.010(A).** Washington State now allows up to 8 unrelated adults to reside in an adult family home. The amendment would change the definition of “Adult Family Home” to match state law.
- **Amendment 2 – SMC 20.20.012(B).** This is a housekeeping amendment to update the definition of “Best Available Science” to be consistent with Washington Administrative Code (WAC) 365-195.
- **Amendment 3 – SMC 20.30.100.** This amendment would allow public agencies, like the City or Sound Transit, to apply for land use permits without the requirement of the property owner’s signature for property they do not currently own but are in the process of acquiring. This will allow them to start with permitting while the ownership update is taking place.
- **Amendment 4 – SMC 20.30.297.** This amendment would clarify that single-family attached development is eligible for design departure via administrative design review. It would also add “landscaping” as something that could be applied for as an administrative design review. Sometimes the code is stringent on landscaping standards, and with development in the Mixed Use Residential (MUR) zones where setbacks are tight, there is potential options to do something that is just as good for landscaping but doesn’t quite comply with the code. The amendment would not forgive the landscaping requirement, but it would allow staff and the applicant to be flexible with landscape design to choose the best design for a particular project.
- **Amendment 5 – SMC 20.40.140.** This amendment would add “parking areas” as a use in the Use Table. It clarifies that parking areas are considered accessory uses to the primary uses allowed in the zone. The City does not allow standalone parking areas when not associated with an approved use such as a residential dwelling unit, commercial business, etc.
- **Amendment 6 – SMC 20.40.467.** This section is new and is related to Amendment 5. The City has received inquiries about standalone pay parking areas on land around the stations, and this amendment would further clarify that parking areas are not allowed as a primary use.

- **Amendment 7 – SMC 20.50.020(1).** This is a privately-initiated proposal that is related to Amendment 9. The amendment seeks to clarify how density is calculated when one parcel has multiple zoning categories. Currently, if a parcel has more than one zone, the area of each is calculated separately and rounded by the zoning area. Examples were provided in the Staff Report showing how density would be calculated.
- **Amendment 8 – SMC 20.50.020(2).** This amendment would reduce the front yard setback requirement on non-arterial streets in the MUR-70' zone to zero. When the light rail station sub area plans were adopted, there was concern that large buildings in the MUR-70' zone with zero setback would create a canyon effect. But the code has provisions for step backs. Staff believes the worry isn't there of creating the canyon affect, and a zero setback would allow greater potential for development on the MUR-70' sites. All of the City's other commercial and mixed-use zones already allow a zero setback.
- **Amendment 9 – SMC 20.50.020(B).** This is a privately-initiated amendment related to Amendment 7. It clarifies that the density for a parcel with multiple zoning districts will be rounded after the density of each zone is calculated. Examples of current and proposed density rounding was provided in the Staff Report.
- **Amendment 10 – SMC 20.50.390.** This amendment would allow the Director to determine parking requirements for uses that are unlisted in the City's Development Code. Currently, when an application is submitted for development for a use that is not listed, staff tries to find the closest match, but that doesn't always work. The amendment would allow an applicant to submit a parking demand study for a proposed use that is not listed in the code. The intent is to prevent parking areas that are too large for a specific use, saving the applicant development costs.
- **Amendment 11 – SMC 20.50.400.** This amendment clarifies when staff can approve a 25% parking reduction when a new development is proposed within ¼ mile of either the 145th or 185th light rail stations. Staff believes it is necessary to have the flexibility to approve parking reductions before the light rail is fully operational. Buildings constructed a year or two before the opening of the stations should still qualify for the parking reduction so that developers do not have to construct excess parking and incur unnecessary expenses. If approved, the applicant would have to provide a parking management plan that addresses how parking would be managed between the time the building is constructed and when the station opens for regular service.
- **Amendment 12 – SMC 20.50.410.** This amendment would strike the last sentence, "*Parking for residential units shall be assigned a specific stall until a parking management plan is submitted and approved by the director.*" This requirement doesn't make sense when the parking standard for studio and 1-bedroom units is .75.
- **Amendment 13 – SMC 20.50.457.** This amendment is related to Amendment 4 and makes it possible for an applicant to submit alternative landscape designs that meet the purpose and intent of the City's landscaping code. Administrative Design Review (ADR) approval would be required

for all development applications that propose departures from the landscape standards. Many new developments, especially those in the station areas, are having a difficult time meeting the landscaping requirements because of lack of space in the setbacks, vegetation that will not grow next to large buildings, and requirements for pedestrian circulation on and through the site. While the amendment would not waive the requirements, it would allow staff and the applicant flexibility to choose the best landscape designs for a particular project.

- **Amendment 14 – SMC 20.50.630.** Expedited review is a major incentive for developers and can come at a significant cost to the City if projects need to be sent out for consultant review. The City has limited capacity to offer this incentive when there are high levels of development activity. The amendment would raise the threshold to qualify for expedited permit review to only include projects with higher levels of environmental achievement (Tiers 1, 2 and 3).

Mr. Szafran summarized that the amendments are being presented to the Commission for discussion and feedback. At the public hearing, staff will bring back specific recommendations on each one of them.

Commissioner Rwamashongye asked how staff determines which projects qualify for expedited permit review. Mr. Szafran said projects can qualify for expedited permit review as an incentive for participating in the Deep Green Incentive Program. Developers of other projects can also request expedited permit review, but it would depend on staff availability and there would be an additional fee.

Commissioner Rwamashongye referred to Amendments 5 and 6, which clarify that parking areas are considered accessory uses to the primary uses allowed in the zone. He asked if properties close to the light rail stations could offer unused parking spaces, including parking spaces within the right-of-way, to transit users for a fee. Mr. Szafran said the parking requirements in the code apply to parking spaces on private properties and not parking spaces within the right-of-way. However, the City would not allow a property owner to charge a fee for parking in the right-of-way. Commissioner Rwamashongye said he knows of situations where private people are charging a fee for people to park in public right-of-way.

Commissioner Rwamashongye asked if development on properties near the light rail stations could charge a fee for people to park in their lots. Mr. Szafran said he doesn't know the answer about whether or not a property owner could offer extra parking spaces for a fee. The City's concern is that there is enough on-site parking for the commercial and residential uses on the property.

Vice Chair Malek said he supports Amendment 11, which would allow staff to approve a 25% parking reduction when a new development is proposed within ¼ mile of either of the light rail stations. He understands there could be a gap in timing, but agreed that the issue could be worked out via an interim parking management plan. Rather than being a discretionary provision, he felt the benefit should be allowed outright to make it simple for developers. Even if the stations are late opening, it is likely that station operation will nearly coincide with the buildout of most of the projects due to lengthy permit review requirements. Mr. Szafran agreed that, by the time most of the development is finished, the time between the building completion and light rail station operation will be short. The idea is to avoid overparking the buildings. Again, Vice Chair Malek said he would like Amendment 11 to be changed so that the parking reduction is outright allowed rather than discretionary. Mr. Szafran agreed to provide some proposed language for the Commission's consideration at the public hearing.

Commissioner Sager asked if a bank would be allowed to charge for parking in their lot on the weekends or in the evenings when the bank is closed. Again, Mr. Szafran said he would get back to the Commission on that question.

Commissioner Lin referred to Amendment 4, which clarifies that single-family attached developments are eligible for design departure via ADR. She said she supports allowing some flexibility for developers to propose alternative landscape design when the landscape requirements cannot be achieved. However, she asked if additional language could be added to provide more guidance so they don't end up with landscaping design that is less valuable.

Commissioner Callahan said she supports the parking amendments, particularly in light of the Commission's discussions about affordable housing and how parking can impact affordability.

Commissioner Galuska also referred to Amendment 11 and asked if Vice Chair Malek is suggesting dropping the parking management plan requirement and just allowing the 25% parking reduction for all new development within ¼ mile of either of the light rail stations. If a parking management plan is required, then it must also be accompanied by approval by the Director. He questioned the value of requiring a parking management plan since the outcome would be predictable given the properties' close proximity to the light rail station. Mr. Szafran clarified that the parking management plan requirement was intended to address how parking would be managed in the interim between when the building is finished and the light rail stations become fully operational. If the developer is allowed 25% less parking before the light rail stations are operational, cars will likely spill out onto the street. The idea is that a developer could propose some mitigating measures as a stop gap during that time. Again, Mr. Szafran agreed to provide alternative language for the Commission's consideration at the public hearing.

Chair Mork said she shares Commissioner Lin's concern about Amendment 4, which clarifies that single-family attached developments are eligible for landscape design departure via ADR. She agreed that additional guidance should be provided to ensure that commonsense prevails. Commissioner Rwamashongye agreed. He referred to the example provided in the staff report of property adjacent to an alley and commented that managing these types of situations can be very complicated. Addressing drainage can further complicate the issue.

DIRECTOR'S REPORT

Director Markle did not provide a Director's Report.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS

Vice Chair Malek announced that the Snohomish County Council has scheduled a hearing on March 31st at 1:30 p.m. to consider an appeal received on February 12, 2021 from a decision issued by the Snohomish County Hearing Examiner on February 29, 2021 regarding the proposed Point Wells Development. The deadline for parties of record to file written arguments prior to the hearing is March 5th. The meeting will be open to the public and parties of record can also present oral arguments at the hearing.

Chair Mork reported that she participated in training on Planning Commission meetings, which was very informative. It was emphasized that it is imperative to ask every Commissioner to comment on an issue as opposed to just those who raise their hands. She will implement the change at the next meeting.

Chair Mork announced that the City's draft Stormwater Plan Update is available for public comment.

AGENDA FOR NEXT MEETING

The next meeting is scheduled for March 18th.

ADJOURNMENT

The meeting was adjourned at 9:07 p.m.

Laura Mork
Chair, Planning Commission

Carla Hoekzema
Clerk, Planning Commission