Archived: Monday, April 5, 2021 4:37:55 PM From: <u>Will Hall</u> Sent: Monday, April 5, 2021 4:32:04 PM To: <u>Keith Scully; Keith McGlashan; Doris McConnell; Chris Roberts; Susan Chang; Betsy Robertson</u> Cc: <u>Debbie Tarry; John Norris; Rachael Markle; Pollie McCloskey</u> Subject: My policy questions on MUR-70 Sensitivity: Normal

Hi folks,

I am looking forward to hearing your thoughts about MUR-70 tonight. As I reviewed the staff report, several additional policy questions came to mind. I wrote them down just to help me organize my thoughts (and I sent similar notes to staff a while back). You don't have to read this or reply since we'll talk about it in our public meeting. I just thought I would share if it helps you to see it in writing.

When we adopted the development regulations for MUR-70, we had several goals:

- 1. Use the land closest to the station areas efficiently.
- 2. Accommodate most of our future growth within walking distance of light rail.
- 3. Increase the supply of affordable housing.
- 4. Promote environmentally sustainable development.
- 5. Promote protection of farms and forests through TDR.
- 6. Increase park space and amenities in the station areas.
- 7. Encourage commercial uses at street level.
- 8. Encourage neighborhood amenities to create "a sense of place".

There was a lot of give and take in the process, and we've adopted a lot of code improvements since then.

While land prices, market conditions, and other factors beyond our control are part of the reason why we have not seen much development activity in MUR-70, we have also heard that some of our requirements may be preventing us from getting to our goals. So here are some questions I've been thinking about:

- 1. Would we like to see any buildings taller than 70 feet or would we like the entire area to develop at 70 feet or less? Taller buildings allow more growth on a smaller footprint and could generate more public benefits (more affordable housing, impact fees, more efficient use of land, more land left for parks).
- 2. If we want some buildings taller than 70 feet, do we want to require a development agreement or do we want to put specific standards and requirements into a code that staff can administer? The first option provides more flexibility but costs more, takes more time, and creates uncertainty, and therefore may result in few or no actual projects. The second option would make it clear to residents and developers what we require.
- 3. If we want some buildings taller than 70 feet, is 140 feet the right upper limit? Buildings cannot be built much taller than 70 feet using traditional wood framing. Other building materials (concrete, steel, cross-laminated timber) are more expensive, so 140 foot buildings don't pencil out. I have heard from other cities and from developers that 220 to 250 feet may be a better upper limit.
- 4. Do we want our code to impose additional requirements and costs on buildings taller than 70 feet? If we impose additional requirements on top of the higher cost of construction, we might not get any buildings taller than 70 feet.
- 5. Should we apply the same affordable housing requirements on all development in MUR-70, regardless of height? We require 20% affordable at 70% AMI up to 70 feet. If taller buildings are built and that same requirement applies, then we will get more affordable housing out of taller buildings. If we require something more expensive, we might not get any taller buildings.
- 6. Do we still want to impose a stricter environmental building standard on taller buildings? Taller buildings are inherently more efficient (less consumption of land, less energy loss, more people in walking distance to light rail) and now we have a deep green incentive program that didn't exist when we adopted MUR-70.
- 7. Do we want to mandate structured parking for all development in MUR-70? Most projects are doing it already and I don't see a benefit to requiring it only for taller buildings.
- 8. Do we want the parks director and parks board to develop a formula for dedicating park space based on projected residents of taller buildings? We have an impact fee system that ensures that buildings with more units pay more impact

fees, which seems simpler and more fair.

- 9. Do we still want to require developers to pick two additional requirements from the list that includes district energy, ground floor commercial, 30% ground floor amenities, 2% more money for parks, offsite frontage improvements, and street-to-street public access? Now we have park impact fees, a ground floor commercial pilot, and street-to-street public access requirements, and we learned that district energy doesn't make sense in these areas, so this list of optional requirements seems obsolete.
- 10. Do we still want to give a ten or twenty foot height bonus for preserving 10% or 20% of significant trees? The cost and challenge of building taller buildings around significant trees makes it unlikely this provision would ever be used.
- 11. Would we like to require some publicly accessible open space and some tree coverage in all projects, or in all projects over 70 feet tall? Trees and open space are clear priorities in our community that are not currently required in MUR-70 (except for street trees).
- 12. Do we want to create the market to make LCLIP and TDR pencil out?
- 13. Would we prefer to see fewer projects on larger sites or would we prefer to see more projects on smaller sites? Larger sites have more flexibility to plan for trees and open space. Rather than using percentages for open space or trees, which can result in small and useless spaces in small projects, we could require a fixed amount of space and tree cover in all projects. That makes it a little harder for smaller sites and a little more cost effective for larger sites.

If we provide our staff and planning commission direction on policy questions like these, I am confident they can come up with a solution. Depending on the guidance we provide, the result could get rid of all the complexity and uncertainty of SMC 20.30.355.D and the development agreement process, and several other footnotes and exceptions, and replace them with something as simple as a footnote to Table 20.50.020(2) that reads, "The maximum height in the MUR-70' zone is [220 or 250, whatever we pick] feet if a project: (a) provides 5,000 square feet of publicly accessible open space at ground level; (b) retains or plants trees that will provide 2,500 square feet of canopy coverage within ten years; and (c) agrees to purchase 15 transfer of development rights (TDR) credits.

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