

# City of Shoreline | 17500 Midvale Avenue North | Shoreline, WA 98133 Phone 206-801-2700 | Email: plancom@shorelinewa.gov | www.shorelinewa.gov

## SHORELINE PLANNING COMMISSION REGULAR MEETING AGENDA

**Thursday, September 21, 2023**Council Chamber – Shoreline City Hall 7:00 p.m.

https://us02web.zoom.us/j/84744572772?pwd=Um41QVNwWU0wLy9CWlIxd0h1NlluZz09 253-215-8782 | Webinar ID: 847 4457 2772 Passcode: 828931

This meeting is conducted in a hybrid manner with both in-person and virtual options to attend.

1.	CALL TO ORDER	Time 7:00
2.	ROLL CALL	7:01
3.	APPROVAL OF THE AGENDA	7:02
4.	APPROVAL OF THE MINUTES FROM:	7:03
	<ul> <li>a. <u>August 3, 2023 – Draft Minutes</u></li> <li>b. <u>September 7, 2023 – Draft Minutes</u></li> </ul>	
<b>5.</b>	GENERAL PUBLIC COMMENT	7:04

The Planning Commission provides several options for public comment: in person in the Council Chamber; remote via computer or phone; or through written comment. Members of the public may address the Planning Commission during regular meetings for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's comments are being recorded.

The Planning Commission is providing opportunities for public comment by submitting written comment or by joining the meeting webinar (via computer or phone) to provide oral public comment:



Sign-Up for Remote Public Comment Pre-registration is required by 6:30 p.m. the night of the meeting.



**Submit Written Public Comment** Written comments will be presented to Council and posted to the website if received by 4:00 p.m. the night of the meeting; otherwise, they will be sent and posted the next day.

#### 6. STUDY ITEMS

	(a) <u>Ground-Floor Commercial Development Code Amendments</u>	7:05
7.	UNFINISHED BUSINESS	8:15
8.	NEW BUSINESS	8:16
9.	REPORTS OF COMMITTEES & COMMISSIONERS/ANNOUNCEMENTS	8:17
10.	AGENDA FOR NEXT MEETING: October 5, 2023	8:18
11.	ADJOURNMENT	8.20

The Planning Commission meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2230 in advance for more information. For TTY telephone service call 546-0457.

## DRAFT

# **CITY OF SHORELINE**

# SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

August 3, 2023 7:00 P.M.

#### **Commissioners Present**

Vice Chair Julius Rwamashongye Commissioner Leslie Brinson Commissioner Janelle Callahan Commissioner Andy Galuska (Zoom) Commissioner Christopher Mosier

## **Commissioners Absent**

Chair Pam Sager Commissioner Mei-shiou Lin

#### **Staff Present**

Andrew Bauer, Planning Manager Julie Ainsworth-Taylor, Assistant City Attorney Carla Hoekzema, Planning Commission Clerk Elise Keim, Senior Planner

#### **CALL TO ORDER**

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

#### **ROLL CALL**

Ms. Hoekzema called the roll.

#### APPROVAL OF AGENDA

The agenda was accepted as presented.

#### **APPROVAL OF MINUTES**

The minutes of July 20, 2023 were accepted as presented.

## **GENERAL PUBLIC COMMENT**

<u>Jim Cole</u>, Home Realty, Seattle, commented on the tremendous lack of available properties in Shoreline. He spoke in support of regulations allowing flexibility such as ADUs (Accessory Dwelling Units) and

DADUs (Detached Accessory Dwelling Units) to allow more people to have an opportunity for housing. He noted that the great opportunity in Shoreline is the geography.

<u>Catherine Weibridge</u>, Shoreline, expressed frustration that regulations do not allow them to subdivide their lot to build a second home. She noted that most of the plans for middle housing would benefit developers and not homeowners. This is because most of the existing homes are ranch style, and the only way they could add on would be to build up or destroy their home to put up smaller attached homes. She also wondered if staff would be looking at making it easier to remove deed and plat restrictions that basically enforce single-family homes only in the area.

Kathleen Russell, resident, Save Shoreline Trees, noted that the Comprehensive Review of the entire Tree Code planned for 2025 should not preclude or eliminate the discussion of the Tree Code during discussions and decisions pertaining to middle housing. In the middle housing bill, House Bill 1110, the state legislature confirmed that certain regulations will remain under individual municipal codes, one being tree regulations as pertaining to middle housing. However, in the discussion questions presented to the Planning Commission this evening, page 7 of the study report, discussion question 2, the theme of environment is not included as one of the main themes. Save Shoreline Trees asks that this theme and how middle housing will encompass the natural environment be included as a primary theme. In support of this request, the discussion should be how to keep tree canopy in lower density districts and how to keep and build tree canopy in greater density zones. Environmental issues are consequential to housing decisions as we will continue to experience impacts of climate and heat islands in the northwest. Ms. Russell summarized they would like the City to include the environment and tree canopy in the middle housing discussions.

## STUDY ITEM: 2024 Comprehensive Plan: Discussion of Middle Housing

Senior Planner Elise Keim made the presentation regarding middle housing. She reviewed work to date which has been funded by a grant from the Department of Commerce - an existing conditions report, public outreach, and a racial equity analysis. The racial equity analysis was citywide and not focused on just middle housing; it will be discussed in detail at an upcoming meeting. She discussed the impacts of House Bill 1110 which means that Shoreline will be allowing two units per residential lot and four units per lot near transit or if the development includes at least one affordable unit. The House Bill lays out nine forms of middle housing, of which cities need to permit at least six forms. All development documents need to be consistent with the Comprehensive Plan so laying a supportive policy foundation will be an important first step.

## Public Engagement Summary:

- o People were supportive of development through conversion of existing units/properties.
- There is a tension from uneven development impacts (east of Highway 99 versus west of Highway 99)
- o There is support for open spaces, biodiversity, and tree canopy preservation.
- o There was an acknowledgement of a history of displacement and exclusion.

Ms. Keim explained that existing land use and housing goals and policies were reviewed for how supportive they were of middle housing. The results showed unclear support, such as support for diverse

housing choices but placing strict density limits on approximately 80% of zoned land in the city. In light of HB 1110, this language will need to be updated. Staff has drafted goals and policies that are supportive of middle housing. This includes revision to existing goals/policies as well as some new goals/policies. Ms. Keim reviewed some of the draft goals and policies. Themes of the changes include an increase in the variety of housing choices, a focus on affordability of housing, focusing regulations on building form rather than building use, and continuous community involvement.

#### **Discussion Questions**

How would you describe the overall goal (the desired future state) for middle housing in Shoreline?

- Commissioner Mosier Create vibrant communities; promote housing for people at different stages of life and with different levels of income; keep business districts afloat; fund schools and parks.
- Commissioner Brinson Creating "new communities" with compatible forms, development regulations that facilitate the new vision. She explained how the current regulations have resulted in some unintended consequences.
- o Commissioner Callahan Affordable and desirable housing; preserve neighborhoods; watch out for unintended consequences.
- O Commissioner Galuska Look at changing zoning map to allow higher densities where it is appropriate and scale down density as you go away from arterials and centers. Be proactive about looking at where it makes sense to have the higher densities rather than just allowing duplexes and more ADUs in single family zones.

Themes to help guide further refinement of middle housing goals and policies: increase variety, focus on affordability, regulate form/scale over use, and community involvement. Are any themes missing? Should anything be added or removed?

- Commissioner Callahan asked for clarification about what form/scale over use means. Ms. Keim
  explained that for staff it means looking at the size of the building (the building envelope) rather
  than how the space is programmed.
- Commissioner Brinson agreed with that definition and also creating areas where they might see higher intensity middle housing and lower intensity middle housing mixed with single family.
   There might be a need for new zones where there is a sort of "middle intensity".
- O Commissioner Galuska said there are some areas in the low intensity zones that could actually be moderate zones (like along 185<sup>th</sup> and subareas around the transit centers). The density could step down as you get further away from these areas. He recommended thinking about where they can increase the density around the city rather than just automatically blanketing the density throughout the single-family zones.
- o Commissioner Brinson noted that from a development finance perspective, certain forms are more feasible in some areas than others.
- o Planning Manager Bauer commented that there seems to be an interest in exploring different intensities of the form-based code.
- Commissioner Callahan referred to an email received from Paul Malmsten about wanting more low impact commercial uses in existing low and medium density residential zones. This seems to be consistent with what they are talking about.

- Ocommissioner Mosier suggested an exercise of ignoring the zoning map for a moment and looking at the centers as village hubs with a high density that radiates out to lower densities. He recommended "creating communities" that are the center. There are already some of these that have schools and parks associated with them.
- O Vice Chair Rwamashongye agreed with other comments. He asked how they prevent displacement with the form-based regulations. Are there forms that can generate displacement? If so, can we avoid those?
- Commissioner Brinson said that this is where the intersection of affordability and displacement are really important. There are anti-displacement tools, but usually they are financial tools, not zoning tools utility discounts, existing property tax exemptions, etc. True affordability comes with additional public dollars that are invested and doing what needs to be done to attract those dollars to the city. In order to build for low and extremely low-income families you need a lot of subsidies. These may come through non-profits and other stakeholders.
- Commissioner Mosier noted that several public comments referenced the unique character, scale, and charm of Shoreline. He recommended defining what this is irrespective of house size. He commented that trees are the characteristic that comes to mind for him.
- o Commissioner Brinson spoke to the character qualities of inclusion and community as being as valuable as architectural qualities.
- o Commissioner Callahan agreed that figuring out unique identities for neighborhoods is an important part of the vision.
- Commissioner Galuska did not think they could come up with a citywide character of Shoreline, but said they could focus on character and identities of neighborhoods. He recommended having differences in architectural standards for different areas to set them apart and identify them.
- o Commissioner Mosier was not in support of using architectural guidelines to create character. He thought that uses, people, and businesses create the character.

Is there any other guidance you would like to provide staff as they continue to refine these goals and policies?

- Commissioner Mosier said it is important to remind people that the City is not banning single-family homes; they are just adding to them. He thinks the City should be more encouraging of conversions and infill housing.
- o Commissioner Callahan expressed concern about the impact fees and noted this is important to address.
- o Commissioner Brinson agreed and added that the utility per unit charges is another issue.

## **UNFINISHED BUSINESS**

None

#### **NEW BUSINESS**

Planning Manager Bauer reminded the Commission about the annual Planning Commission retreat on September 7 at 5:30 p.m. Staff has brainstormed some topics and is open to other suggestions. He also reminded commissioners about Celebrate Shoreline on August 19. Staff will have a table at the event

talking about middle housing. Commissioners are welcome to join in. Vice Chair Rwamashongye said when he has done it, he really enjoyed it.

## REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS

None

## **AGENDA FOR NEXT MEETING**

Staff is recommending cancelling the August 17 meeting. The next meeting will be the retreat on September 7.

## **ADJOURNMENT**

The meeting was adjourned at 8:06 p.m.				
Julius Rwamashongye Vice Chair, Planning Commission	Carla Hoekzema Clerk, Planning Commission			



## Shoreline Planning Commission Retreat Thursday, September 7, 2023 5:30 – 8:00 p.m.

## **Retreat Notes**

## **Commissioners Present**

Chair Sager
Vice Chair Rwamashongye
Commissioner Brinson
Commissioner Callahan
Commissioner Lin
Commissioner Mosier

#### **Staff Present**

Andrew Bauer, Planning Manager Steve Szafran, Senior Planner Carla Hoekzema, Planning Commission Clerk

## **Commissioners Absent**

Commissioner Galuska

Andrew Bauer, Planning Manger opened the meeting with a discussion on meeting operations. Some of the items that came up were:

- Appreciate the thoroughness of the staff reports.
- Explore a less formal setting for meetings.
- More frequent Director's reports & Economic Development reports.
- Sound Transit update it's been a while.
- Access to the Agenda Planner or at least quarterly email.
- Affordable Housing updates/Speakers
- Walkability/Connectivity topics.

Mr. Bauer then gave an update on the 2023-2024 Commission Work Plan.

Ms. Bauer opened the discussion about adding Youth Planning Commissioners. Consensus is to advance this as an item for further discussion. Staff will work with various City departments and bring it back as an agenda item.

Mr. Bauer spoke about Neighborhood Subarea Planning and asked Commissioners to think about how they see neighborhoods and what improvements they'd like to see. Time was spent looking at and marking up zoning and aerial maps of the City. The Commission will be looking at policies to expand economic opportunities in neighborhoods during the Comprehensive Plan Update.

The Planning Commission Retreat was adjourned at 8:10 p.m.

Approved on xxxxxxxxxxxxxxx

Planning Commission Meeting Date: September 21, 2023 Agenda Item: 6a.

## PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: DEPARTMENT:	Ground-Floor Commercial Development Code Amendments Planning & Community Development Economic Development			
PRESENTED BY: Nathan Daum, Economic Development Program Manager Patrick Doherty, Consultant Andrew Bauer, Planning Manager				
☐ Public Hearin☐ Discussion	ng Study Session Recommendation Only Update Other			

#### INTRODUCTION

Multifamily uses are permitted in every commercial zone throughout the City (Mixed Business, Neighborhood Business, Community Business, Town Center) and Mixed Use Residential (MUR) zones. The City Council adopted provisions in October 2020 which require ground-floor commercial space in new multifamily buildings within portions of the Ridgecrest and North City neighborhoods (Ordinance No. 901) to promote complete mixed-use neighborhoods.

Since these provisions were adopted in October 2020, the City has continued to monitor multifamily development activity citywide. Multifamily developers have shown some interest in providing ground-floor commercial space in areas where it is not mandated, but often it is of minimal size and in some instances have been ruled out due to other factors such parking.

On June 5, 2023 the Council passed Ordinance No. 986 that enacted temporary provisions to expand the ground-floor commercial requirements to all properties zoned Neighborhood Business, Community Business, Mixed Business, Town Center, and Mixed Use Residential 70. The temporary provisions will address one of the immediate concerns of single-use multifamily buildings being developed without providing active ground-floor uses and will provide time for the Planning Commission to further study the topic and recommend to Council permanent regulations for ground-floor commercial uses. The temporary provisions are set to expire by December 13, 2023, but can be extended an additional six months.

Tonight, staff will provide background on the existing regulations and present a series of topics for consideration and direction to inform draft regulations.

## **BACKGROUND**

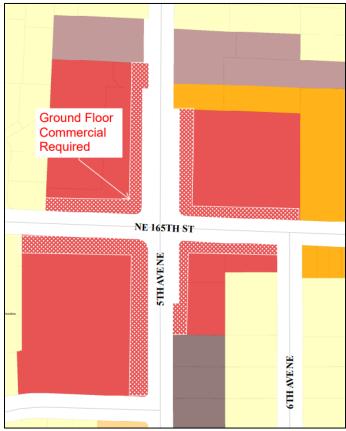
## Phase 1: Ridgecrest and North City - Existing

The Council discussed the ground-floor commercial topic at their annual Strategic Planning Workshop in February 2020. At the workshop, the Council was presented with example codes, regulations, and practices from jurisdictions around the region. The Council directed staff and the Planning Commission to develop regulations that would create viable commercial spaces in new mixed-use and multifamily buildings. The Council outlined a two-phase approach where Phase 1 includes evaluating requirements for commercial uses in the North City and Ridgecrest neighborhoods. Phase 2 amendments would include other commercial and mixed-use zones such as in Town Center, Shoreline Place, and the 145th and 185th Light Rail Station Subareas.

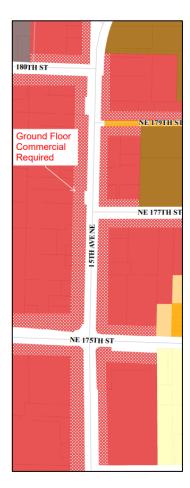
The Planning Commission held two study sessions related to the Phase 1 amendments on <u>June 18, 2020</u> and <u>August 6, 2020</u>, and a Public Hearing on <u>September 3, 2020</u>.

The Council discussed the Commission's recommended Development Code amendments on <u>September 21, 2020</u>.

On October 19, 2020 the Council adopted Development Code amendments that require commercial space on the ground-floor of multifamily buildings in certain areas of Ridgecrest and North City (see below).



Ground-Floor Commercial Requirement: Ridgecrest



Ground-Floor Commercial Requirement: North City

The current regulations in Ridgecrest and North City require the following:

- Commercial space shall be on the ground-floor abutting the public right-of-way.
- Uses in the CB zone are allowed, except for adult use facilities, marijuana operations, check-cashing services and payday lending, pawnshop, and tobacco/vape store.
- Parking for commercial space is required at the rate of 1 stall per 400 square feet of net usable floor area (excluding walls, corridors, lobbies, bathrooms, etc.).
- All buildings subject to the ground-floor commercial requirement get an 8-foot height increase above the base height.
- There is a 10-foot height increase and 5% hardscape increase for restaurant ready space that provides ADA-compliant bathrooms, a central plumbing drain line, grease interceptor, and commercial hood exhaust.
- At least 75% of the building's frontage shall consist of commercial space.
  - Fitness centers offering memberships to the public may be counted as commercial space
- Ground-floor commercial space shall have a minimum average depth of 30 feet, with no depth less than 20 feet.
- Ground-floor commercial space shall have a minimum floor-to-ceiling height of 18 feet, and a minimum clear height of 15 feet.

Since the Ridgecrest and North City regulations took effect, one multifamily building permit application has been filed within the affected area in North City. The application consists of a mixed-use building with 228 multifamily units and approximately 4,300 square feet of ground-floor commercial space fronting 15<sup>th</sup> Avenue NE (former Leena's restaurant site).

The City has also received, and approved, several building permits for mixed-use buildings in the MUR-70' zoning district where developers have voluntarily chosen to include some ground-floor commercial space. Outlined below are some lessons learned based on the review of the North City permit, where ground-floor commercial is required, and the MUR-70' permits, where it is voluntary.

<u>Height Bonus for Restaurant Ready</u>: Ordinance No. 901 allows a height bonus of 18 feet above the base height in the Community Business (CB) zone (60 foot base height), for a total of 78 feet if a building is made restaurant ready. Restaurant ready means certain components are provided at the shell building permit stage to make a restaurant use more feasible at the tenant improvement permit stage, such as ADA-accessible bathrooms and a commercial hood. Staff have heard from the developer at the North City site, that with type V-A construction pursuant to the building code they are limited to a height of 70 feet from grade, and they cannot exceed that 70-foot limit even if they add a level in concrete (the number of stories and allowable height are different requirements).

They could have built a Type III-A with Fire Retardant Treated Wood (FRTW) and build up to 85 feet but the bonus limits the height to 78 feet so it would be difficult to get up to the full potential of a III-A building, since a building is still limited to 5 stories of wood with III-A, and they generally try to do 3 stories of concrete above grade and 5 stories of FRTW on top of that.

The lesson learned in this instance is the value in the restaurant ready height bonus may not always be feasible from a constructability standpoint.

<u>Fitness Center Allowance</u>: Ordinance No. 901 allows private amenities, such as fitness centers that offer memberships to the public, to be included in the minimum of 75% of the lineal frontage which must otherwise be occupied by commercial space, while up to 25% of the lineal frontage may consist of facilities associated with the multifamily use, such as lobbies, leasing offices, private fitness centers and community rooms. This provision has been difficult for developers to understand and for staff to administer.

The North City mixed use development intends to make their fitness space open to the public which allows that area to be counted toward satisfying the minimum lineal commercial frontage requirement. In this instance, when including the fitness space open to the public, the building achieves 77% commercial space for the lineal frontage. If the fitness space is excluded, then the building achieves only 59% commercial space for the lineal frontage (Attachment A).

The lessons learned in this instance include that it creates questions regarding the ability to count private fitness centers toward ground-floor commercial requirements and creates questions and potential future issues for ongoing monitoring to ensure the space is open and available to the public.

Off-street Parking Requirements: Ordinance No. 901 lists the required parking ratio for any ground-floor commercial tenant space as one parking stall per 400 square feet of floor area. Square footage refers to net usable area and excludes walls, corridors, lobbies, bathrooms, etc. SMC 20.50.390.A.2 says that when the City receives a shell building permit application, off-street parking requirements shall be based on the possible tenant improvements or uses authorized by the zone designation and compatible with the limitations of the shell permit. When the range of possible uses results in different parking requirements, the Director will establish the amount of parking based on a likely range of uses. This typically results in requiring one parking stall per 400 square feet of floor area, which is the retail rate.

In one instance a development across the street from the 185<sup>th</sup> Street Light Rail Station proposed 298 multifamily units with 1,200 square feet of ground-floor commercial. The ground-floor commercial space required 3 off-street parking spaces, or 2 off-street parking spaces once the 25% automatic reduction for proximity to light rail was applied. However, the developer considered parking unnecessary for the types of local service retail uses best suited to the location, and the parking spaces could not be designed to be accessible to the public that might use the retail space due to security measures typical for multifamily development. Specifically, a residential gate at the entrance, accessible only with a key FOB given to tenants. While staff concurred and proposed alternatives including a development agreement process, the developer ultimately made

the decision to remove the commercial space and replace it with an additional residential unit to avoid this issue.

The lesson learned in this instance highlights the ripple effect that imposing minimum parking requirements may have on a development, particularly when the ground-floor commercial provisions are required in areas where there is access to transit and other transportation options.

## **Phase 2: Citywide Regulations**

At the March 11, 2023 (see page 70) Strategic Planning Workshop, the Council directed staff to explore expanding the requirements for ground-floor commercial to all commercial zones where multifamily uses are permitted. This would expand these requirements beyond the North City and Ridgecrest commercial districts.

Based on the Council's direction at the Strategic Planning Workshop, staff prepared interim regulations to require ground-floor commercial uses to locate in all new multifamily development in certain zones. The interim regulations were discussed during the May 22, 2023 Council meeting. On June 5, 2023 the Council passed Ordinance No. 986 that enacted interim provisions that extend the ground-floor commercial requirements to all new multifamily developments on properties zoned Neighborhood Business (NB), Community Business (CB), Mixed Business (MB), Town Center (TC) 1, 2, and 3, and Mixed Use Residential (MUR) 70'. These interim provisions are set to expire on December 13, 2023, unless either the Council extends them or permanent regulations are adopted prior to their expiration.

The interim provisions in Ordinance No. 986 require the following:

- Uses are allowed in the underlying zone, except for adult use facilities, marijuana operations, check-cashing services and payday lending, pawnshop, and tobacco/vape store.
- Parking for commercial space is required at the rate of 1 stall per 400 square feet of net usable floor area (excluding walls, corridors, lobbies, bathrooms, etc.).
- All buildings subject to the ground-floor commercial requirement get an 8-foot height increase above the base height.
- There is a 10-foot height increase and 5% hardscape increase for restaurant ready space that provides ADA-compliant bathrooms, a central plumbing drain line, grease interceptor, and commercial hood exhaust.
- Ground-floor commercial space shall be a 12-foot height, measured from finished floor to finished ceiling.
- Ground-floor commercial space shall be a minimum depth of 20 feet.

The Comprehensive Plan includes several goals and policies in support of ground-floor commercial uses and the goal of supporting compact walkable neighborhoods, nodes, and corridors (Attachment B). The ground-floor commercial requirements in the Ridgecrest and North City neighborhoods, and more recently the citywide interim regulations, are consistent with these goals and policies.

## **DISCUSSION**

Outlined below are topics for discussion and consideration in developing draft Development Code amendments. The Planning Commission's direction on these topics will inform draft amendments that will be presented at a future meeting.

## Commercial vs. Nonresidential Space Terminology

Throughout the Development Code the required ground-floor space is referred to as "commercial" space, yet this is somewhat limiting since there are other nonresidential uses that may not be typically considered "commercial," such as libraries, other institutional uses, nonprofit agencies, professional office, etc. In addition, the permitted uses in SMC Table 20.40.130 "Nonresidential Uses" references "nonresidential" uses, which includes traditional commercial uses and others.

**Discussion Question:** Should the terminology in the code be revised to refer to "nonresidential" space versus "commercial" space at the ground floor?

Staff recommends changing the reference for ground-floor space to "nonresidential" from "commercial." This change would be the terminology only and would not impact other standards.

## **Primary and Secondary Commercial Corridors**

Throughout the region mixed-use residential-commercial buildings have been developed on a variety of commercial streets, yet often other cities' codes have required ground-floor commercial space everywhere throughout the commercial zones, irrespective of the nature of the streets the buildings abut. Consequently, there are numerous examples of these tenant spaces remaining vacant for extended periods, especially along less traveled or less visible streets.

A concept to address this concern would be to recognize that there are primary and secondary commercial corridors throughout the City, even though properties abutting those corridors may have the same zoning designation. By recognizing the differences between primary and secondary commercial corridors, the requirements for ground-floor nonresidential space could vary accordingly. For example, lesser amounts of ground-floor nonresidential space would be required in mixed-use buildings on such secondary commercial corridors and more on primary commercial corridors.

The City's Street Classification Map (Attachment C) would be a logical source for the identification of such corridors. Along primary commercial streets, which are designated as Principal and Minor Arterials, the full extent of the ground-floor nonresidential requirements would be applicable. While where developments abut other, secondary streets, the requirement would be less.

If such a distinction is made between Principal and Minor Arterials and all other street frontages, the regulations regarding percentage of ground-floor required to be occupied by commercial/nonresidential space, percentage façade transparency, allowed uses, etc., could vary along the two types of corridors. A benefit of this distinction is that

ground-floor nonresidential space is not "over-built" on streets and areas where there may be less demand.

#### **Discussion Questions:**

- 1. Should the concept of associating the ground-floor requirements to street classification be further explored?
- 2. Should the draft regulations be developed to allow for the full extent of groundfloor nonresidential requirements where developments abut Principal and Minor Arterials, with lesser requirements along other, secondary streets?

Staff recommends a mechanism to establish variation in the amount of ground-floor nonresidential uses. The abutting street classification (i.e., not Principal or Minor Arterials) is one approach to explore further, with opportunity for even more refinement as the issue is studied further.

## Percentage of Ground-Floor Façade as Nonresidential

SMC 20.50.250.C.3 requires that 75% of a mixed-use building's ground-floor space be occupied by commercial/nonresidential uses. If distinction is added to the code provisions between frontage abutting Principal and Minor Arterials versus other, secondary streets, as referred to above, there is opportunity for variety in other development standards such as this one. For example, 60% of ground floors along secondary streets could be appropriate, compared to 75% for frontages abutting Principal and Minor Arterials.

Similar to identifying locations of where ground-floor nonresidential uses are required, the amount can be just as important to achieve a successful outcome and not result in over building on streets where there is no demand which could result in vacant tenant space.

**Discussion Question:** If distinction is added to the code provisions between frontage abutting Principal and Minor Arterials versus other, secondary streets, as referred to above, should the required percentage of ground-floor nonresidential space vary between these two types of corridors?

Staff recommends exploring further the concept of requiring a smaller percentage of ground-floor nonresidential use area within buildings on these secondary streets where there may be less demand.

#### **Depth of Ground-Floor Nonresidential Space**

SMC 20.50.250.C.4 requires that required ground-floor commercial space be an average of 30 feet in depth, with a minimum depth at any one point of 20 feet. The 30-foot average depth requirement is required in Seattle and elsewhere. The minimum depth requirement could be further researched to determine if it is appropriate and whether there should be more flexibility granted to allow a smaller minimum depth in

some instances (for example, decrease to 15 feet), while still maintaining the 30-foot average depth.

**Discussion Question:** Should staff further explore the minimum depth requirement for ground-floor nonresidential space and opportunities to provide greater flexibility?

Staff recommends further study of this topic and exploring opportunities to include flexibility.

## **Height of Ground-Floor Nonresidential Space**

SMC 20.50.250.C.5 requires ground-floor commercial space to have a minimum height of 18 feet floor-to-**ceiling** with 15 feet clear space. The recently passed interim regulations provides for a minimum ground-floor commercial height of 12 feet, measured floor to **floor**.

Review of other cities in the region shows a wide variety of regulations for ground-floor height. Some cities have no requirement. One requires only 10 feet. Most cities' requirements range from 12 feet to 15 feet. However, there is also variability as to whether a city measures ground-floor height floor-to-ceiling or floor-to-floor. There is no clear trend line among our region's cities, but staff has found no other city that requires 18 feet as is required in SMC 20.50.250.C.5.

Seattle instituted a 13-foot ground-floor height requirement in the late 1980s. While many buildings have been built to this standard, an increasing number of buildings over the past 20 years have been built with taller ground floor heights, even exceeding 15 feet, especially since a floor-to-floor height of 13 feet yields only 11 feet to 12 feet in interior ceiling height after deduction for variable floor thickness.

Experience indicates that more generous ground-floor heights allow a wider range of potential uses and tenants over the life of a building. However, based on a comparison of other cities, one could conclude that a ground-floor height of approximately 15 feet (yielding an interior ceiling height of 13 feet to 14 feet) could achieve that goal of creating a space that can adapt to different uses over many years.

Attachment D includes a list of links to development standards from other cities where a 15-foot ground-floor is required.

#### **Discussion Questions:**

- Should the required ground floor height be measured floor-to-ceiling or floor-tofloor? Floor-to-floor may be a more straight-forward method and is easier to measure.
- 2. What minimum ground-floor height should be required? Given variable floor thicknesses, a requirement of 15 feet, measured floor-to-floor, would allow an interior floor-to-ceiling height of approximately 13 feet to 14 feet, which is a more generous nonresidential ceiling height than the interim regulations allowance of

12 feet floor-to-ceiling, while also being less onerous than the current requirement in Ridgecrest/North City of 18 feet height. It is important to provide for sufficient ground-floor height to accommodate a wide range of potential nonresidential tenants over the life of the building, while not imposing an excessive requirement.

Staff recommends measuring ground-floor height from floor to floor. Staff also recommends a 15-foot ground-floor height requirement.

## Percentage of Ground-Floor Façade Transparency

SMC 20.40.240.C.1.d requires that 50% of a ground-floor façade be clad in transparent glazing. The purpose for requiring transparent glazing is to create an open and inviting streetscape with building facades that include a significant amount of windows. A previous Town Center (TC) zone requirement called for 60% façade transparency between the heights of 30 inches and 8 feet above street level. Instead of applying citywide when area-specific code language was eliminated in a code-consolidation project, this TC transparency requirement was removed. A review of commercial codes in other cities found that 60% remains a common minimum transparency standard.

#### **Discussion Questions:**

- 1. What is an appropriate ground-floor facade transparency standard? The current standard is 50% and a previous standard in the TC zone was 60%.
- 2. If a distinction between frontages abutting Principal and Minor Arterials versus other, secondary streets is explored further, should the secondary street frontages require a lesser percentage façade transparency? The ratio between the required ground-floor nonresidential space (e.g., 75%) and the transparency requirement (e.g., 60%) could be repeated for the secondary corridor. For example, if 60% of a ground floor must be occupied by nonresidential space on secondary commercial corridors, approximately 45% of that façade would have to be transparent.

Staff recommends the draft amendments include a minimum of 60% façade transparency between 30 inches and 8 feet above street level abutting Principal and Minor Arterials, with a lesser requirement of 45% along frontages abutting other, secondary streets.

#### **Live-Work Residential**

It is vital to balance requirements for ground-floor nonresidential uses and the overall market viability for these uses in any given location, especially along secondary arterials and lower classification (i.e. less traveled) streets. One way to balance these requirements is to allow Live-Work Residential use in the ground-floor space abutting secondary streets (i.e. not Principal or Minor Arterials) for an initial, transitional period — for example, five years after enactment of the permanent regulations.

Live-Work Residential is defined as a single unit consisting of both commercial/nonresidential space, on the ground floor and usually abutting the street, and a residential component, either behind or above on a mezzanine or second level, occupied by the same resident.

This step recognizes the transitional nature of some of these secondary commercial streets during the initial years when a transitional use such as live-work residential could be permitted. Once the initial period has elapsed, staff can review the mixed-use buildings developed to that date and recommend to Planning Commission and City Council either removing the exception or extending it.

# Pros and Cons of Allowing Live-Work Residential in Required Ground-Floor Space for an Initial Period

PROS	CONS
Secondary commercial streets may not in every instance be conducive to commercial uses in the near term. Allowing live-work residential could be an intermediate step. Residents would have business use of the storefront area (personal service, professional service, trades, etc.).	While a building may stand for upwards of 75 years, there could be several to many years during which initial live-work occupancies may continue - before transitioning to purely commercial once the neighborhood/street become more commercial-supportive.
Live-work units may help activate the street during more than typical business hours.	Live-work units may simply be occupied and utilized as a typical apartment and it would be difficult to monitor and enforce whether tenants are actually "working" in their live-work space.
Permitting developers to allow initial occupancy of ground-floor space by livework residents can facilitate financing and lead to more buy-in by the development community of the ground-floor requirement.	

#### **Discussion Questions:**

- 1. Should Live-Work Residential be a permitted uses in ground-floor space along secondary streets (not Principal or Minor Arterials)?
- 2. Should an interim, or transitional period, be explored further where Live-Work Residential is permitted for an initial five-year period, for example?

Staff recommends further study of potentially including provisions for an interim period when Live-Work Residential uses would be allowed in ground-floor space along secondary streets (not Principal or Minor Arterials).

## **Parking for Ground-Floor Nonresidential Space**

SMC 20.40.465.C requires parking at a rate of 1 stall per 400 square feet of nonresidential space. To date, mixed-use buildings in the City have typically provided about 150 feet in façade width abutting a street, yielding approximately 3,000-3,500 square feet of nonresidential space. The existing parking requirement would result in 8-9 spaces.

Parking requirements can increase development costs, rent/lease costs to residents and commercial tenants, and could result in over-building of parking if the amount of parking is not accurately calibrated for the demand. Furthermore, parking requirements placed on a development when it is built may exceed actual demand by the time it is built and/or during the life of the building especially in areas of Shoreline where the goal is to transition to mixed-use neighborhoods focused around transit and other transportation choices.

One option for further study is to eliminate the parking requirements for ground-floor nonresidential space. The parking requirements for the residential uses would remain as-is.

The following factors should be considered: 1) in many mixed-use buildings the parking resource serves a mix of uses with varying parking requirements. For example, as residents leave many parking spaces during the day, employees and visitors of nonresidential uses can find available parking as it opens up; and 2) as the various mixed-use commercial neighborhoods develop more fully in the future, the density of residents nearby, paired with the proximity of an increasing range of supporting, commercial and nonresidential uses, will lead to less need for employees and visitors to drive individually to these ground-floor establishments, resulting in lower parking demand.

Commercial space lessees may also seek spaces with convenient on-street parking, with off-street parking less a priority, if at all. Many mixed-use developers building in dense neighborhoods such as those planned for Shoreline's commercial areas do not consider off-street parking necessary for ground-floor commercial uses.

It is important to note that, even in those locations where parking is not required for midrise mixed-use buildings, it is not uncommon for developers to provide parking due to their own preferences or understanding of market demand for parking, or the requirements of institutional buyers of completed multifamily product. Parking may also be provided when a building is being developed with specific tenants or uses in mind. Many developers have parking expertise among their consulting teams and have an interest in "right-sizing" the parking for the unique location and viable commercial uses contemplated for their project.

# Pros and Cons of Eliminating Parking Minimums for Ground-Floor Commercial Space

PROS	CONS
Providing on-site parking is costly, and often results in more expensive rent for residents and commercial tenants	If a developer chose to provide no on-site parking, it could limit customers and employees to only those who live nearby or are able to travel without the use of a personal automobile
As more mixed-use development occurs, requiring on-site parking at today's rate may result in an over-built condition, with excess parking adding to the induced demand for automobile-based transportation choices	If a developer chose to provide no off- street parking, it could limit uses only to those for which on-street parking, walking, biking, and transit are adequate for their customer base and employees
Developers that provide open parking, where spaces are available to both residents and retail customers, maximize the efficiency of the parking resource with spaces left vacant during the day available for daytime visitors to the commercial spaces	Co-mingling parking spaces in some buildings can be challenging due to design constraints of structured parking and security of resident parking vs. general customer parking. Many times resident parking is locked behind a gate.

**Discussion Question:** Should ground-floor nonresidential space in mixed-use buildings have a lower parking requirement or be exempted from required parking entirely?

Staff recommends eliminating parking requirements for ground-floor nonresidential space.

## **Height Bonus for Providing Ground-Floor Nonresidential Space**

SMC 20.40.465.D allows for an "additional eight feet in height" bonus in exchange for complying with the ground-floor requirements. SMC 20.40.465.F.1 provides for an "additional ten feet in height bonus" in exchange for providing restaurant-ready ground-floor space. This language is not clear as to whether the additional 10-foot bonus constitutes just two additional feet above the base eight-foot bonus or, instead, an additional 10 feet above the eight-foot base bonus, for a total of 18 feet in height bonus.

If the minimum height of ground-floor nonresidential space is required to be 15 feet, that would constitute nominally a 5-foot increase over a standard 10-foot residential building's first floor height. An additional 5 feet for complying with the nonresidential space standard seems appropriate (compared with the existing 8 feet provided for in SMC). Fifteen feet would also provide for sufficient height to accommodate future restaurant/café uses. However, if grocery store space is proposed, additional height

above 15 feet may be required. Perhaps an additional height bonus could be provided for above 15 feet for grocery store-ready space, based on an applicant's plans as reviewed and approved by staff.

#### **Discussion Questions:**

- 1. Should SMC 20.40.465.D be amended to reduce the height bonus for providing ground-floor nonresidential space from 18 feet to 15 feet?
- 2. Should an additional height bonus be explored for grocery-ready ground-floor space, as determined on a case-specific basis?

Staff recommends exploring amendments to SMC 20.40.465.D to reduce the height bonus for providing ground-floor nonresidential space from 18 feet to 15 feet, as well as allowing for an additional height bonus be permissible for grocery-ready ground-floor space, as determined on a case-specific basis.

## **Fitness Center Allowance**

SMC 20.50.250.C.3 allows fitness centers accessory to the multifamily component of a mixed-use building, yet open to the public, to be included in the minimum 75% ground-floor commercial requirement. As mentioned above, this allowance creates difficulties in the long term, especially related to enforcement of the public-accessibility requirement. It also reduces the amount of commercial/nonresidential use space provided in these mixed-use buildings.

**Discussion Question:** Should the fitness center allowance be eliminated? If so, fitness centers accessory to multifamily could still be provided on the ground-floor but would not count toward the ground-floor nonresidential use requirement.

Staff recommends eliminating this fitness center allowance.

#### POTENTIAL TOPICS FOR FUTURE STUDY

While the items discussed here are directly related to replacing the current interim regulations with similar permanent regulations, staff recognize that other important issues related to commercial and multifamily development are raised by this discussion. Listed below is a summary of other issues which would warrant further study and are likely beyond the scope of this current task of developing permanent regulations for ground-floor nonresidential uses.

## Over-Development of Multifamily in Commercial Zones

The steady market demand for multifamily development has outcompeted commercial uses in commercial zones in some instances. If unchanged, commercially zoned areas will continue to be increasingly occupied by predominantly residential uses resulting in decreasing areas for traditional commercial uses (offices, retail, medical uses, etc.). In addition, the 2024 Comprehensive Plan update includes a jobs target of 10,000 new jobs through 2044. More analysis is needed to determine whether there is sufficient jobs capacity, but further action may need to be taken to minimize or in some instances prohibit residential uses in commercial areas to preserve areas for other uses.

## Mixed-Use/Commercial Development Design Standards

Staff have identified other issues within the mixed-use/commercial development standards that may benefit from additional discussion and potential amendments. Among these standards are building modulation and ground-floor public place requirements.

#### **Vacancy Ordinance**

In the September 2020 recommendation to City Council on the ground-floor commercial requirements in Ridgecrest and North City, the Planning Commission noted additional strategies for further study, including a Vacant Buildings Registry Ordinance (See Attachments B and C to the 9/21/20 City Council Agenda Item regarding Ordinance 901: Vacancy Ordinance).

A vacancy ordinance relates to vacancies in both ground-floor commercial space in new mixed-use buildings as well as in existing buildings. Staff have begun to research what other jurisdictions have enacted to address such concerns but including vacancy provisions and the complexity of the topic is beyond the scope of this current work program for ground-floor nonresidential uses.

## **Converting Residential Buildings/Space to Commercial Uses**

One way to encourage development of commercial space, especially for smaller businesses, is to facilitate conversion of residential buildings/space to commercial uses. While this is generally permissible in commercial zones, there are some barriers in place, in particular related to providing additional parking for a commercial use. Building and Fire Code requirements also create significant hurdles to such adaptive re-use. This topic is beyond the scope of this current work for ground-floor nonresidential uses.

#### **NEXT STEPS**

With direction received this evening, staff will prepare ground-floor commercial code amendments and bring them back for review by Planning Commission at the October 5<sup>th</sup> meeting, or as otherwise directed.

#### **TENTATIVE SCHEDULE**

- 10/5: Planning Commission meeting: Present first draft of code amendments
- 10/19: Planning Commission meeting (if necessary) to respond to questions or requests for info prior to hearing
- 11/2: Planning Commission Public Hearing and recommendation
- 11/20: City Council discussion and review of Planning Commission recommendation
- 12/11: City Council meeting, potential action
- 12/13: Interim Regulations Expire (if not extended or permanent regulations not adopted on 12/11)

## **RECOMMENDATION**

There is no recommendation at this time. The purpose of tonight's meeting is to introduce these issues to the Commission and seek direction for staff to return with draft code amendments at a future meeting.

## **ATTACHMENTS**

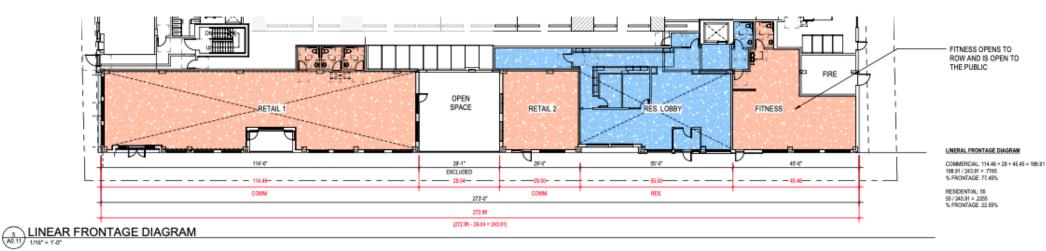
Attachment A - Floor plan of North City mixed-use building

Attachment B – Comprehensive Plan Goals and Policies

Attachment C – Transportation Master Plan Street Classification Map

Attachment D – Ground-Floor Height Comparison

## **ATTACHMENT A**



## ATTACHMENT B

# COMPREHENSIVE PLAN GOALS AND POLICIES SUPPORTIVE OF MIXED-USE DEVELOPMENT:

#### **Land Use Goals:**

**Goal LU I:** Encourage development that creates a variety of housing, shopping, entertainment, recreation, gathering spaces, employment, and services that are accessible to neighborhoods.

**Goal LU III:** Create plans and strategies that implement the City's Vision 2029 and Light Rail Station Area Planning Framework Goals for transit supportive development to occur within a ½ mile radius of future light rail stations.

Goal LU VI: Encourage pedestrian-scale design in commercial and mixed-use areas.

**Goal LU VII:** Plan for commercial areas that serve the community, are attractive, and have long-term economic vitality.

#### Land Use Policies:

**LU3:** The High Density Residential designation is intended for areas near employment and/or commercial areas, where high levels of transit service are present or likely. This designation creates a transition between commercial uses and lower intensity residential uses. Some commercial uses may also be permitted. The permitted base density for this designation may not exceed 48 dwelling units per acre.

**LU7:** Promote small-scale commercial activity areas within neighborhoods that encourage walkability, and provide opportunities for employment and "third places".

#### Mixed Use and Commercial Land Use (LU 9-17)

**LU55:** Parking requirements should be designed for average need, not full capacity. Include regulatory provisions to reduce parking standards, especially for those uses located within ¼ mile of high-capacity transit, or serving a population characterized by low rates of car ownership. Other parking reductions may be based on results of the King County Right-Sized Parking Initiative.

## **Economc Development Goals:**

Goal ED VII: Encourage multi-story buildings for efficient land use.

**Goal ED VIII:** Promote and support vibrant activities and businesses that grow the local economy.

## **Economic Development Policies:**

**ED7:** Enhance existing neighborhood shopping and community nodes to support increased commercial activity, neighborhood identity, and walkability.

**ED9:** Promote land use and urban design that allows for smart growth and dense nodes of transit-supportive commercial activity to promote a self-sustaining local economy.

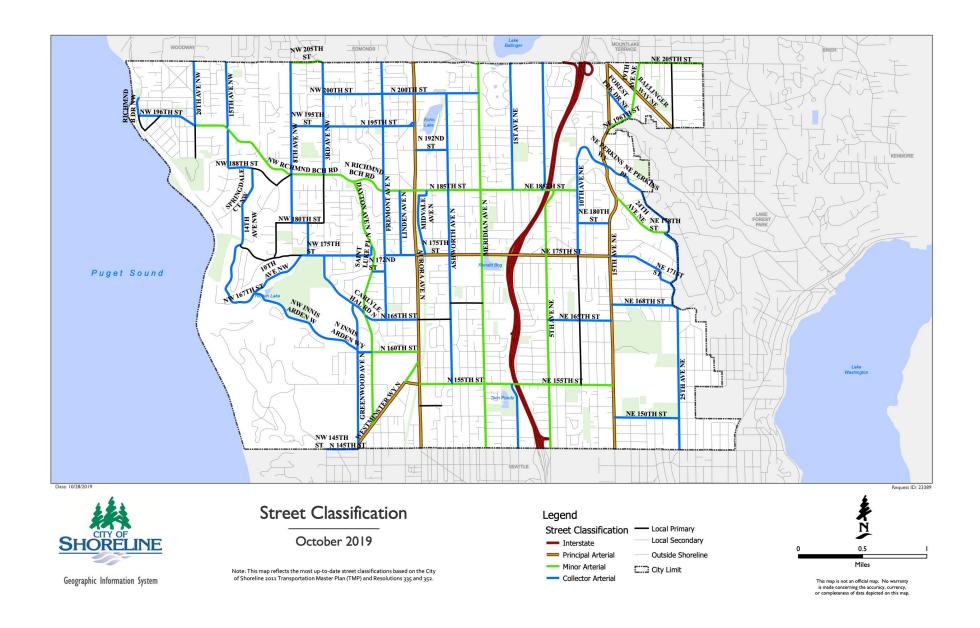
**ED12:** Revitalize commercial business districts, and encourage high-density mixed-use in these areas.

**ED14:** Encourage a mix of businesses that complement each other, and provide variety to the community to create activity and economic momentum.

**ED20:** Encourage businesses to plan for shared parking when redeveloping commercial areas in order to provide adequate (but not excessive) parking. Other considerations in design of mixed-use or multi-tenant parking areas should include opportunities for interconnectivity and shared space, number and placement of curb cuts, and routes for ingress/egress.

**ED27:** Develop a vision and strategies for creating dense mixed-use nodes anchored by Aurora's retail centers, including how to complement, support, and connect them with mid-rise residential, office, and destination retail buildings.

## ATTACHMENT C



#### ATTACHMENT D

## OTHER CITIES' REGULATIONS REQUIRING 15-FOOT GROUND-FLOOR COMMERCIAL HEIGHT

City of Oakland, CA Commercial Corridor Design Guidelines (page 50):

https://cao-94612.s3.amazonaws.com/documents/oak042626.pdf

City of Pasadena Lincoln Avenue Specific Plan (slide 37):

https://www.cityofpasadena.net/commissions/wp-content/uploads/sites/31/2021-06-23-Planning-Commission-4.-Lincoln-Avenue-Specific-Plan-Update-Presentation.pdf

City of Temple City, CA Mixed-Use Zone Districts Development Standards (page 6):

https://templecity.us/DocumentCenter/View/12627/411\_Article-H\_Mixed-Use-Zone

City of Cedar Park, TX Bell Boulevard Redevelopment Master Plan (page 89):

https://sabotdevelopment.com/wp-content/uploads/2019/08/BellBoulevardRedevelopment.pdf

City of Castro Valley, CA Development Standards for Residential Mixed-Use Projects (figure on slide 4-6 - "min. 15' retail"):

https://www.acgov.org/cda/planning/landuseprojects/documents/CH4\_072810.pdf