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ORDINANCE NO. 837

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON APPROVING A REZONE APPLICATION TO AMEND THE CITY'S OFFICIAL ZONING MAP FROM R-24 AND R-48 TO CB FOR FOUR PARCELS OF LAND LOCATED AT 17127 15th AVENUE NE, 17201 15th AVENUE NE, 17414 12th AVENUE NE, AND 17062 12th AVENUE NE.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington, and planning pursuant to the Growth Management Act, Title 36.70C RCW; and

WHEREAS, the applicants, via Application No. PLN 18-0043, sought a site-specific rezone of four parcels of land located at 17127 15th Avenue NE, 17201 15th Avenue NE, 17414 12th Avenue NE, and 17062 12th Avenue NE, identified by Tax Parcel Nos. 6163901465, 6163901560, 6163901462, and 6137400000; and

WHEREAS, the requested site-specific rezone would amend the City's Official Zoning Map for these parcels from the current zoning of Residential 48 units per acre (R-48) (17201 15th Avenue NE) and Residential 24 units per acre (R-24) (17127 15th Avenue NE, 17062 12th Avenue NE, and 17414 12th Avenue NE) to Community Business (CB); and

WHEREAS, the site-specific rezone implements the Comprehensive Plan land use designation for the parcels of Mixed Used 2; and

WHEREAS, the environmental impacts of the site-specific zone resulted in the issuance of a Determination of Non-Significance (DNS) on May 3, 2018 and an Amended DNS on June 12, 2018; and

WHEREAS, SMC 20.30.060 classifies a site-specific rezone as a Type C decision for which the City of Shoreline Hearing Examiner, after an open record public hearing, prepares findings and conclusions, and makes a recommendation to the City Council; and

WHEREAS, the City of Shoreline Hearing Examiner held a properly noticed open record public hearing on July 31, 2018, with the applicant and several members of the public testifying on the proposed rezone; and

WHEREAS, on August 16, 2018, the City of Shoreline Hearing Examiner issued her "*Recommendation on Request for Site Specific Rezone*" setting forth findings of fact and conclusions of law as to the site-specific rezone's satisfaction of the criteria set forth in SMC 20.30.320; and

WHEREAS, based on the findings and the law, the City of Shoreline Hearing Examiner recommended approval of the site-specific rezone; and

WHEREAS, pursuant to SMC 20.30.060, the City Council has final decision making authority and this decision is to be made at a public meeting; and

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WHEREAS, the City Council considered the Hearing Examiner's August 16, 2018 *Recommendation on Request for Site Specific Rezone* at its September 10, 2018 and September 24, 2018 regular meetings; and

WHEREAS, the City Council concurs with the August 16, 2018 *Recommendation on Request for Site Specific Rezone* of the City of Shoreline Hearing Examiner, determining that the site-specific rezone satisfies the criteria set forth in SMC 20.30.320 and should be approved;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Hearing Examiner's Recommendation. The City of Shoreline Hearing Examiner's August 16, 2018 *Recommendation on Request for Site Specific Rezone,* attached as Exhibit A, is hereby adopted.

Section 2. Amendment. The City's Official Zoning Map shall be amended to change the zoning designation for the parcel located at 17201 15th Avenue NE, identified by Tax Parcel No. 6163901560, from Residential 48 units per acre (R-48) to Community Business (CB) and the parcels located at 17127 15th Avenue NE, 17062 12th Avenue NE, and 17414 12th Avenue NE, identified by Tax Parcel Nos. 6163901465, 6163901462, and 6137400000, from Residential 24 units per acre (R-24) to Community Business (CB), as depicted on Exhibit B.

Section 3. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 5. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 24, 2018.

Will Hall

Mayor Will Hall

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ATTEST:

Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:

Margaret King
City Attorney

Date of Publication: September 27, 2018
Effective Date: October 2, 2018

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CITY OF SHORELINE HEARING EXAMINER

RECOMMENDATION ON REQUEST FOR SITE SPECIFIC REZONE

HE-18-04/PLN 18-0043 (Winters)

August 16, 2018

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1. FINDINGS OF FACT

1.1 Background. The Applicant requested a rezone on four parcels from residential zoning (R-24 and R-48) to Community Business (CB). The Applicant intends to redevelop portions of the area to accommodate senior housing, assisted living, and nursing care. However, specific plans for the properties have not been identified.

1.2 Applicant, Property Owners, and Site Location.

Applicant: Jordan Winters, Sante Partners
1220 20th Street SE, Suite 310
Salem, OR 97302

Property Owners and Associated Property Address and Tax Parcel:

Parcel #1 - 17127 15th Avenue NE, Tax Parcel #6163901465
Parfitt Family LTD Partnership
340 Nickelbush Lane
Quilcene, WA 98376

Parcel #2 - 17201 15th Avenue NE, Tax Parcel #6163901560
Sante Shoreline ALF Real Co, LLC
1220 20th Street SE, Suite 310
Salem, OR 97302

Parcel #3 – 17062 12th Avenue NE, Tax Parcel #6163901462
Anderson Family Properties
415 W. Mercer Street, #802
Seattle, WA 98119

Parcel #4 – 17414 12th Avenue NE, Tax Parcel #6137400000
PAR Three, LLC
18390 NE 192nd Street
Woodinville, WA 98077

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1.3 Hearing. A public hearing was held on July 31, 2018. The Planning Department, through Ms. Redinger, summarized the proposal. The Applicant, first through counsel Mr. Hill, and then through Mr. Winters, concurred with the Staff Report. Mr. Hill focused on proposal consistency with the Comprehensive Plan. Mr. Winters' testimony is summarized below. Public comment followed, as also summarized below. The Applicant and Planning Department then provided clarifying information. Given the questions raised during public comment, the Examiner kept the written record open through August 6, 2018.

1.3.1 Applicant Testimony. Mr. Winters' testimony described development within the area and his company's (Sante) redevelopment plans. Sante owns Parcel 2 (17201 15th Ave NE) and also owns 17051 14th Ave NE (developed with a six-bed, six-unit adult family home). The latter property is not part of the rezone proposal. He provided additional details on the parcels within the rezone proposal:

- Parcel 1: 1.66 acres, with a building constructed in the 1960s. It was run as a 112-bed nursing facility, but ceased operations in 2017. It is now vacant and dilapitated.
- Parcel 2: Sante bought the parcel in December 2016, and has completed a $7.5 million renovation. The property is used as a 65-bed assisted living facility and 25-bed memory care facility.
- Parcel 3: The .34 acre parcel includes a building which used to provide nursing home support services.
- Parcel 4: The northwestern most parcel. It is developed with a market rate 27-unit condominium.

The Applicant intends to develop a portion of the rezone area for high density senior housing. If the rezone is approved, Sante will also purchase Parcels 1 and 3 and construct a 130-unit independent living facility by demolishing the current nursing home. Building height has not been determined, but would be at most five stories as that is what the proposed zoning would allow. Parking would be contained on site, and main access would be off of 15th, not 13th or 14th, which are Local Secondary Streets, so could not be used as access for such a project.

Sante has invested $16 million in the community. For current investments to thrive, Mr. Winters stated the added senior housing is needed. If the rezone is not approved, at R-24 his company could develop only 48 total units, which would not be financially feasible. Sante is not building on the other parcels. He stated they were included to avoid creating a zoning island. Mr. Winters then explained surrounding uses and zoning:

- The northwest corner of the larger block includes a five-story multi-family project under development, a lumber yard, and an auto repair shop. The area is zoned CB, with an MU-2 Comprehensive Plan designation.
- To the north, across NE 175th Street, are a large five-story multi-family building, restaurants, and an auto repair shop. Single-family residences are adjacent to multi-family uses. The more intense uses are within areas zoned CB, with an MU Comprehensive Plan designation. The transitions between multi-family and single-family include a "wedding cake" transition in buildings heights.

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- The block to the northeast across 175th and 15th includes a Walgreen's and a variety of commercial establishments (cafe, eating establishments, hardware supply company, tap house, and beauty salon). This area is zoned CB, with an MU Comprehensive Plan designation.
- The block to the east across 15th Avenue NE includes a Safeway adjacent to R-6 (single family). The Safeway site is zoned CB with an MU Comprehensive Plan designation.

Mr. Winters stated that the area will support the intended use. The above-described surrounding amenities (*i.e.,* drugstores, eating establishments, and hair salons) will benefit independent living. The site is also adjacent to public transportation. To the west are single-family uses, but the Applicant will adhere to transitional requirements, including height, setback, and landscaping requirements (Type 1). Except as necessary to meet fire code requirements for secondary access, 15th Avenue NE would provide access.

1.3.2 Public Comment.

Mr. Anderson is Anderson Family Properties' managing member. His family has operated the nursing home on Parcel 3 since 1963. He is proud to have served Shoreline's older adults and supports the proposal.

Mr. Matiko is PAR 3 LLC's sole member. He has no intention of selling, but as he is getting older would like to see the rezone completed.

Mr. Merklinghaus testified on his concerns over the potential magnitude of future redevelopment. When all parcels on the block receive the same zoning they can be merged. The point of the graphic he provided (Exhibit 6) is to disclose that most properties in the area are owned by just two groups, the Parfitt family and Sante. Only those entities would have to come together to buy or control the entire block's development. The only outstanding piece is the lumber yard adjacent to the post office. He understands they have been offered $4 million to sell the site but turned it down hoping the price will go up. So, the City is not just looking at a simple retirement home. If it were that would be one thing, but Mr. Merklinghaus's concern goes beyond that. If the area is consolidated, it would become the second largest development in the City of Shoreline next to the Sears on Aurora. Due to the block's significance, he urged the City to think this through. He is concerned the City will miss a critical opportunity to put in prudent management regulations (setbacks, green space, height limitations) before this turns into a 300,000-square-foot development. The City need not go all the way to CB. Redevelopment is not as profitable at R-24 but it is profitable.

Mr. McCrea testified that if one not only drives around the site, but visits 13th, it is readily apparent that with a four- to six-story building, an impact could radically change the neighborhood. Maybe if the Applicant wanted to compensate him and his neighbors for their homes' lost value, that would be fine. He stated that the neighborhood may be unlike any other in the City of Shoreline. The first Friday of every month, all the neighbors get together for a potluck. This gathering occurs nine or ten months per year. When a block party with bands is put together, people come from six blocks around. Traffic will increase with the rezone. Bike lanes are reducing the ability of traffic to flow. Based on observation, he is concerned that the

City is loading up east of Aurora with high density and everything west of Aurora or Fremont Avenue is staying single-family. The Council should consider this. Given so many residents are emphatic in their desire to not see this go through, he asked if the City is thinking about residents or out of state corporations?

Mr. J. Parfitt testified that the property has been in his family for almost 100 years. The family just did a big lease with Sante for 50 years so he has no intention of selling. He is 66 and likes having a monthly stable income. There are no plans for a mega project. It is much better to have a lease. As far as development, an old people's home is fairly low impact compared to what could be built. But the main thing is he does not want to sell, and he does not think his brothers and sister want to either. They have been asked a bunch already. So there won't be a big merger happening.

Ms. Robertson expressed concern with the sterility of the process. The way the hearing examiner process is set up implies that the only way a community can fight a proposal such as this is with legal argument. The property owners pooled resources to get the legal help. Local citizens do not have this option. Citizens just have their emotions, and the hearing extracts that out of the process. Expensive dirt is being created here. She does not believe there is a benefit with the CB zone: not to the community, environment, trees, or neighbors. There is no merit or value with the rezone to this neighborhood. She believes senior housing is needed, but does not trust this is what is going in. The CB zone does not require green building. It does not require affordable housing. How affordable will development be? She wondered why another zone is not being considered, such as mixed use residential, to buffer single-family areas. An example of the Polaris project came up. This is not a good example. The project area is not walkable and is not pedestrian friendly. It is the DMZ. Shoreline is a place where people of all cultures and economic backgrounds love to live, work, and play, and most of all call home. Sustainability is identified in our values, but she does not see that happening with this proposal. The proposal does not stand true to the City's values and mission. We have kids, families, and seniors living here. They are renters, walkers, bikers -- thriving individuals who will suffer with this CB zone the way it is proposed. She does not see that changing in the design planning phase. She hopes the City will consider another zone that makes sense for the community. What is the rush? Let's take a look at other zones to have a thriving development that benefits seniors, benefits neighbors, and the community at large.

Mr. Merklinghaus had a follow-up question. He wanted to ask Mr. Parfitt about the lease. Mr. Parfitt had mentioned he had leased land to Sante for 50 years. Which properties and what are the terms? If the properties are a part of the block and that long-term lease was not mentioned by Mr. Hill and Mr. Winters, that is a serious omission. Also, Mr. Merklinghaus spoke with the Orion Property Group, which was leasing one of six properties in the block the Parfitt family owns, just south of the post office building (Merry Maids property). He was told the Parfitt family was only interested in leasing, unless there was buyer interest in all properties in the block.

Mr. J. Parfitt testified that he does not want to sell. We have a lease with Sante, but for the nursing home area he believes. Mr. Winters can describe the area. He is happy with the lease.

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Mr. L. Parfitt emphasized that they are not selling the properties. He does not know what realtor was spoken to. This is our retirement. One property is part of the Sante development. That's on a 50-year lease (17127 site).

Ms. White lives on 14th Avenue NE. Across the street is the adult family home and abutting her property is one parcel within the proposal. She spoke to echo earlier comment, that this process is not super great for engaging the community for input. It would go a long way to have some sort of assurance of what that development process would look like. There is no clear pathway for that. She understands it is expensive to come up with a design that will not be built but the absence of more detail hangs a giant question mark over the process which directly affects her, her home value, and neighbors. If we had assurance from the development company about what the future back and forth would look like, it would help illuminate things.

1.3.3 Applicant Response to Comments. Mr. Hill, counsel for Applicant, referred the Examiner to these portions of the record to address certain concerns raised.

- Neighborhood On-Street Parking Availability: Staff Report, p. 89, Attachment 19, Response to Comment 4.
- Traffic Impacts: Staff Report, p. 90, Attachment 19.
- Comparison with Polaris: Staff Report, p. 90, Attachment 19, Response to Comment 12.
- Testimony on Whether Rezone would Result in Full Block Development: Staff Report, p. 91, Response to Comment 15.

There was one misstatement from Mr. Parfitt on the lease, which Mr. Winters wanted to clarify. The long-term ground lease at 17127 is with Anderson Nursing Home LLC. Sante has no lease rights in that arrangement just now.

Mr. Winters stated that if the rezone is approved, his company will do its best to consider the needs of the community and incorporate those issues into project design to minimize impacts. Mr. Hill concluded with requesting a recommendation of approval.

1.3.4 Clarifications from the Planning Department. Ms. Redinger provided these clarifications:

- There has been a recent increase in density, specifically around two future light rail stations coming in 2024. Sound Transit chose the locations, which are on I-5's east, which is also east of Aurora.
- All the other rezones have been privately initiated rezones, as this one was. On Aurora's west side is the City's largest redevelopment site, and that is likely to redevelop, so the wide side will see its fair share of redevelopment.
- There will be a transportation improvement project along NE 175th Street that will help alleviate existing congestion and add more capacity for multi-modal transportation beyond just putting in a bike lane.
- In response to Ms. Robertson's comment about there not currently being a green building requirement in the CB zone as in the light rail station zones, this could change. The

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Council will consider expanding that green building mandate to commercial zoning. Whether that would extend to mixed business along Aurora or CB in neighborhood centers is yet to be determined, but this is something this group may want to track.

- The decision on whether to go for CB or something lower, such as an "R" zone or mixed use, goes back to the Comprehensive Plan designation and future visions for the area. The Applicant met with Staff when trying to decide which one to request. There was a conversation on multiple zoning types, and the Applicant submitted for CB.

1.4 Exhibits. The Examiner admitted these exhibits at the hearing:

- Exhibit 1 Staff Report, with Attachments 1-19
- Exhibit 2 Applicant's Pre-Hearing Memorandum
- Exhibit 3 Public Hearing Affidavits
- Exhibit 4 Planning Department Power Point Presentation
- Exhibit 5 Applicant Submittals (Comment from Shoreline Lake Forest Park Senior Center, June 7, 2018; and area map)
- Exhibit 6 Graphic depiction of parcels and their ownership (submitted by Mr.Merklinghaus)

The Examiner kept the record open through August 6, 2018, at 5:00 PM. These comments were received:

- Exhibit 7 Comment, Mr. J. Parfitt
- Exhibit 8 Comment, Mr. W. Parfitt
- Exhibit 9 Comment, Mr. and Ms. McCrea
- Exhibit 10 Comment, Mr. N. McCrea
- Exhibit 11 Comment, Mr. Merklinghaus
- Exhibit 12 Comment, Mr. and Ms. Hawksford

Exhibits 11 and 12 were e-mailed to the City Clerk on the date due, but after the 5:00 P.M. deadline. The late submittal has not delayed the proceeding and there is no prejudice to any party with their admission. The Examiner received no public comments until the day after they were due, so to prepare this recommendation, it made no difference to the Examiner. Also, the Examiner received no objections to either comment. Both are admitted.

1.5 Site Description. The Site Plan provides an aerial view,[1] illustrating the site's developed nature. The Anderson House nursing home is on Parcel 1. Anderson Plaza, a retirement living facility, is on Parcel 2. A structure connected to Anderson House is on Parcel 3. A 27-unit multi-family project is on Parcel 4.

The steepest slope on Parcels 1 and 2 exceeds 25% along Parcel 2's eastern edge and a small area to the east of the existing building on Parcel 1.[2] The steepest slope on Parcels 3 and 4

[1] Exhibit 1 (Staff Report), Attachment 1.
[2] Exhibit 1 (Staff Report), Attachment 6.

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is between 0-5%. The City's GIS topographic map outlines site topography.[3] The site and nearby area is not shown as having rockslides, earthflows, mudflows, landslides, or other slope failure issues. Except for steep slopes, there are no mapped critical areas (wetlands, streams, or fish and wildlife habitat) on the site or on neighboring properties. There is no standing or running water on the surface of the properties or on any adjacent property during the year. The property does not contain ground water seepage or springs near the surface of the ground.

On access, Parcels 1 and 2 are accessed from 15th Avenue NE, a Principal Arterial. Parcels 3 and 4 are accessed from 12th Avenue NE, a Local Secondary street. Neighbor concerns were raised on impacts with access from this secondary street if the properties are redeveloped. The Applicant addressed this concern in comment, confirming that if redeveloped, the local access would only be used to the extent required by the fire code.

1.6 Zoning/Plan. The site is in the Ridgecrest Neighborhood's northeast corner, immediately adjacent to the North City Neighborhood. The site is designated Mixed-Use 2.[4]

> The Mixed-Use 2 (MU2) designation is similar to the MU1 designation, except it is not intended to allow more intense uses, such as manufacturing and other uses that generate light, glare, noise, or odor that may be incompatible with existing and proposed land uses. The Mixed Use 2 (MU2) designation applies to commercial areas not on the Aurora Avenue or Ballinger Way corridors, such as Ridgecrest, Briarcrest, Richmond Beach, and North City. This designation may provide retail, office, and service uses, and greater residential densities than are allowed in low-density residential designations, and promotes pedestrian connections, transit, and amenities.[5]
>
> The Mixed-Use 1 (MU1) designation encourages the development of walkable places with architectural interest that integrate a wide variety of retail, office, and service uses, along with form-based maximum density residential uses. Transition to adjacent single-family neighborhoods may be accomplished through appropriate design solutions. Limited manufacturing uses may be permitted under certain conditions.[6]

Parcel 2 is zoned R-48, while the other three parcels are R-24.[7] The surrounding area has a mix of zoning, mostly R-6 and CB, with some R-8. North of NE 175th Street, Mixed-Use Residential-35' height limit zoning was adopted through the 185th Street Light Rail Station Subarea Plan. The area contains a mix of dwelling units, including single-family, grocery and drug stores, restaurants, and other businesses.

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[3] Exhibit 1 (Staff Report), Attachment 6.
[4] Exhibit 1 (Staff Report), Attachment 4. The City's first Comprehensive Plan Future Land Use Map, adopted in 1998, designated the property as Community Business, a designation which became MU2. Exhibit 1, Attachment 5.
[5] Comprehensive Plan Policy LU-10.
[6] Comprehensive Plan Policy LU-9.
[7] Exhibit 1 (Staff Report), Attachment 3.

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1.7 Public Notice and Review Process. Staff Report analysis of the proposed rezone considered information gathered from a pre-application meeting on March 26, 2018; a neighborhood meeting on March 27, 2018;[8] public comment;[9] Applicant responses to public comment;[10] the Shoreline Comprehensive Plan; and the SMC, Title 20.

Public notice of the proposal was posted on site, mailed to residents within 500 feet, advertised in The Seattle Times, and posted on the City's website on April 25, 2018.[11] Notice of the original June 12, 2018 public hearing was posted on site, mailed to residents within 500 feet, advertised in The Seattle Times, and posted on the City's website on May 25, 2018.[12] This public hearing was rescheduled to July 31 based on an error in the Determination of Nonsignificance ("DNS") form. Notice of the July 31, 2018 public hearing was posted on site, mailed to residents, advertised in The Seattle Times, and posted on the City's website on July 17, 2018.[13]

1.8 SEPA. The original DNS was mailed to the notification list, including State Departments of Commerce and Ecology, neighboring jurisdictions, local organizations, and tribes. The Amended DNS was mailed to the same list on June 12, 2018. No comments were received on the DNS.[14]

1.9 Water/Sewer Availability. North City Water District has issued Certificates of Water Availability. Ronald Wastewater District staff has confirmed the District has capacity for redevelopment and will not require a Capacity Study.

1.10 Rezone Criteria. To paraphrase, the City's rezone criteria require an evaluation of Comprehensive Plan consistency, avoidance of adverse effects and material detriment to surrounding uses, and a showing that the rezone has merit and value for the community.[15]

1.11 Comprehensive Plan Consistency. The four parcels are zoned as either R-24 or R-48, which is medium to high density residential zoning. A rezone to a CB zone for properties within the Comprehensive Plan's Mixed Use 2 designation would implement the Plan's MU2 designation, which is designed to "provide retail, office, and service uses, and greater residential densities than are allowed in low-density residential designations, and promotes pedestrian connections, transit, and amenities."[16] CB zoning is consistent.

> The purpose of the community business zone (CB) is to provide location for a wide variety of business activities, such as convenience stores, retail, personal services for the local community, and to allow for apartments and higher intensity

[8] Exhibit 1 (Staff Report), Attachment 7 (Invitation), and Attachment 8 (Meeting Summary, which was mailed to attendees on April 25, 2018).
[9] Exhibit 1 (Staff Report), Attachment 18.
[10] Exhibit 1 (Staff Report), Attachment 19.
[11] Exhibit 1 (Staff Report), Attachment 12; SMC 20.30.120.
[12] Exhibit 1 (Staff Reort), Attachment 13.
[13] Exhibit 1 (Staff Reort), Attachment 14; SMC 20.30.180.
[14] Exhibit 1 (Staff Report), Attachments 15 and 16.
[15] *See* SMC 20.30.320.
[16] Comprehensive Plan Policy LU-10.

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mixed-use developments.[17]

The purpose of high density residential, R-18, R-24, R-36 and R-48 zones, is to provide for a mix of predominantly apartment and townhouse dwelling units and other compatible uses.[18]

Plan Goals and Policies articulate a need for additional housing choice, especially for aging populations, and a mix of uses that support neighborhood serving businesses.

- 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 II: Establish land use patterns that promote walking, biking and using transit to access goods, services, education, employment, recreation.
- Goal LU V: Enhance the character, quality, and function of existing residential neighborhoods while accommodating anticipated growth.
- LU8: Provide, through land use regulation, the potential for a broad range of housing choices and levels of affordability to meet the changing needs of a diverse community.
- Goal CD I: Promote community development and redevelopment that is aesthetically pleasing, functional, and consistent with the City's vision.
- T28: Encourage development that is supportive of transit, and advocate for expansion and addition of new routes in areas with transit supportive densities and uses.
- Goal H I: Provide sufficient development capacity to accommodate the 20 year growth forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.
- Goal H II: Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations.
- Goal H V: Integrate new development with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.
- Goal H VI: Encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities.

[17] SMC 20.40.040(B).
[18] SMC 20.40.030(C).

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- H1: Encourage a variety of residential design alternatives that increase housing choice.
- H2: Provide incentives to encourage residential development in commercial zones, especially those within proximity to transit, to support local businesses.
- H3: Encourage infill development on vacant or underutilized sites.
- H23: Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.
- H25: Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations.
- H27: Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use.
- NE1. Promote infill and concurrent infrastructure improvements in areas that are already developed in order to preserve rural areas, open spaces, ecological functions, and agricultural lands in the region.

The CB zoning with unlimited residential density (although constrained by other limitations, such as height), and range of commercial uses, is consistent with the Comprehensive Plan.

1.12 Public Health, Safety or General Welfare. The rezone to a CB zone consistent with a Mixed Use 2 designation does not adversely affect the public health, safety and general welfare. A CB zoning designation with unrestricted density and favorable development conditions can help meet the need for multi-family housing. As part of future development for the property, needed frontage improvements will be developed, improving walkability to local businesses and to public transit (bus routes run presently and light rail is slated for future development off of 185th).

The intended uses at the site (senior, assisted housing, and nursing facilities) are already in existence; the rezone's purpose is to allow for additional units and services. New development will comply with SMC requirements. This includes frontage improvements, such as sidewalks and stormwater controls, which will enhance existing site conditions. Rebuilt sidewalks will be more ADA-compliant than the aged and cracked versions they will replace. Residents have expressed concern about an elderly population crossing busy streets, especially since this area has had a history of collisions and even a fatality. The City Traffic Engineer will require safety improvements and traffic calming measures for adjacent streets, which will improve walkability for new and existing residents. The ability of elderly residents of senior housing to walk to grocery and drug stores and meet friends at restaurants in the neighborhood should improve overall health and welfare.

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1.13 Whether Rezone is Warranted to Achieve Comprehensive Plan Consistency. A rezone to a CB classification provides continuity with the properties immediately adjacent to the north and east and accomplishes the City's Comprehensive Plan goal of a Mixed Use designation, which is designed to provide increased residential density and supporting commercial uses in a way which supports pedestrian activity and transit use. Given the purpose of the CB zoning district, it is an appropriate zoning designation to implement the MU-2 land use designation.

1.14 Material Detriment to Uses or Property in the Immediate Vicinity. The properties to the north and east of the four parcels are zoned CB and would provide a seamless transition as part of the rezone. To the west and south of the parcels, zoning is R-6, low density residential, and is designated to remain low density through the Comprehensive Plan. As noted in the Comprehensive Plan, under LU9, "Transition to adjacent single-family neighborhoods may be accomplished through appropriate design solutions." When site specific development plans are developed, both neighboring architecture and neighborhood involvement must be considered so this criterion can be met. Given the proximity of these parcels to immediate businesses such as dining, grocery shopping, and drugstores, the proposed rezone to a higher density helps support these businesses (some local, others are part of larger chain enterprises). Approval of the rezone would help support policy goal H2 and encourage residential development in commercial zones, especially those within proximity to transit, and support local business.

1.15 Rezone Merit and Value for the Community. It is anticipated that if rezoned, plans to develop a high density residential structure will commence, most likely with a focus on senior housing. A rezone, if coupled with redevelopment, could help satisfy Plan Goal H VI (encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities), H25 (encourage, assist and support social and health service organizations that offer housing programs for targeted populations), and H27 (support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use). Shoreline's population is growing older and community needs are changing. As residents of Ridgecrest and North City and other neighborhoods within Shoreline age out of single-family homes, they will require places where they can live and receive medical care. Staying within the community allows seniors to keep in touch with local friends and family and engage in the social activities that provide connections essential to well-being. Exactly what other redevelopment will be proposed has not been detailed. In general, growth is changing the character of established neighborhoods. However, if properly designed and mitigated, consistent with Finding 1.16 below, redevelopment allowed by the rezone has community merit and value.

1.16 Citizen Concerns on the Rezone Criteria. The key on whether the rezone criteria will continue to be met, as this area is built out, will depend on design. For example, how the area's uses operate with existing residential uses will depend on landscaping, setbacks, structural design, streetscape improvements, parking adequacy, building modulation and sizing, and the underlying road grid itself, which hinges to a large degree on lot size. These issues typically are dealt with through development regulations.

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The Planning Department and Applicant summarized some regulatory requirements in the Staff Report and at the hearing, which address landscaping, parking, access, and height transitions. Neighbors overall understood the need for senior housing, but expressed concern that code requirements have not always resulted in compatible redevelopment. Citizens were concerned with the difficulty of assessing the proposal, given the tentative nature of present plans, and with the prospect of redevelopment of the larger block.

If the Council approves the rezone, as redevelopment proceeds, it will be important for the City and project proponents to work with the community on these issues, with attention to where the regulatory structure could be improved on to better realize local objectives. Such issues are important not only for the parcels being rezoned, but the larger block, given its size, ownership patterns (*see* Exhibit 6, submitted by Mr. Merklinghaus), and the high likelihood of redevelopment.

2. CONCLUSIONS OF LAW

2.1 The City classifies site specific rezones as Type C decisions,[19] which require the Hearing Examiner to issue a recommendation after holding an open record public hearing. The City Council makes the final decision.

2.2 The City requires the Examiner to consider these criteria:

> The City may approve or approve with modifications an application for a rezone of property if:
>
> 1. The rezone is consistent with the Comprehensive Plan; and
>
> 2. The rezone will not adversely affect the public health, safety or general welfare; and
>
> 3. The rezone is warranted in order to achieve consistency with the Comprehensive Plan; and
>
> 4. The rezone will not be materially detrimental to uses or property in the immediate vicinity of the subject rezone; and
>
> 5. The rezone has merit and value for the community.[20]

2.3 The City's rezone criteria are consistent with the general case law rules governing rezones, which provide no presumption of validity and require demonstration of a substantial

[19] SMC 20.30.060.
[20] SMC 20.30.320(B).

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relationship to the public health, safety, morals, and general welfare.[21] As the rezone is consistent with the Comprehensive Plan, changed circumstances need not be demonstrated.[22]

2.4 As addressed in the findings above, the proposal is consistent with the City's rezone criteria. The rezone proposal is expected to result in an increase in senior housing supply. The Comprehensive Plan plans for adding senior housing, and supports creating additional housing supplies at this site. The site is ideally located for use intensification. Some steep slopes must be addressed during redevelopment, but there are no other constraints (drainage or critical areas) which would make the higher densities problematic or result in adverse effect to the public health, safety or general welfare. Given the need for housing, and that the Plan contemplates same at this location, the rezone is warranted for achieving Plan consistency.

2.5 The City's regulations require that landscaping, stormwater, and transportation impacts be addressed, and include setback, density, and height requirements, which protect against material detriment and adverse effects to surrounding uses. The rezone allows for well-designed future development mitigated per code requirements. The proposal has "merit and value for the community" and bears a substantial relationship to the public health, safety, morals, and general welfare.

2.6 The Council makes the final decision, and may weigh the facts differently or place greater emphasis on other Plan policies. However, based on the findings above, the Examiner concurs with the Planning Department's analysis and recommends rezone approval. The Examiner does this with the understanding that citizen concerns, including those identified in Finding 1.16 above, will be carefully considered as this area is redeveloped.

RECOMMENDATION

The Hearings Examiner, pursuant to the above Findings of Fact and Conclusions of Law, recommends approval of the request to rezone the four parcels from R-24 and R-48 to CB.

The Examiner also recommends that attention be paid to design issues, regulatory improvements, and community input, as these parcels and the surrounding area are built out. This will help with shaping redevelopment to address local concerns and City policy objectives.

THIS RECOMMENDATION is entered this ~~16th~~ day of August, 2018.

City of Shoreline Hearing Examiner Pro Tem
Susan Elizabeth Drummond

[21] *Phoenix Development Inc. v. City of Woodinville*, 171 Wn. 2d 820, 834, 256 P.3d 1150 (2011).
[22] *Bjarnson v. Kitsap County*, 78 Wn. App. 840, 846, 899 P.2d 1290 (1995).

PLN18-0043 Winters Rezone

Ordinance No. 837 - Exhibit B

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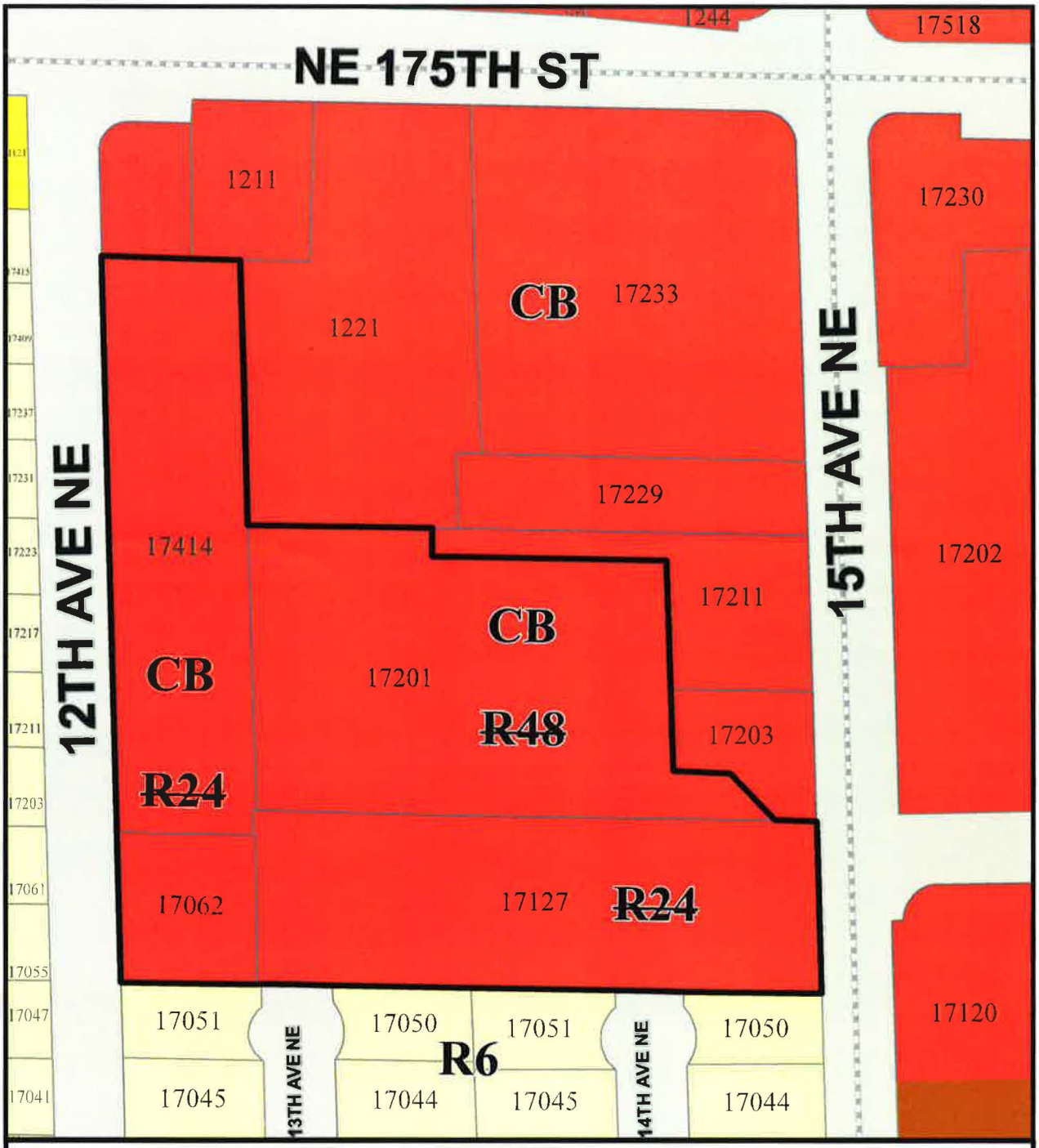
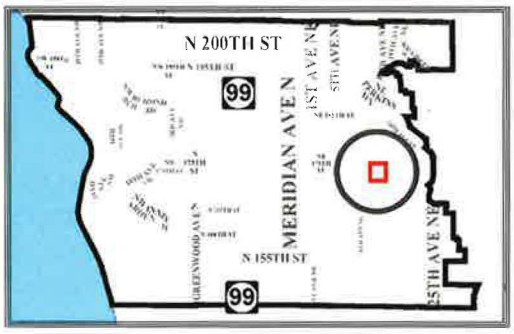


17127 and 17201 15th Ave NE &
17414 and 17062 12th Ave NE Rezone
R-24 and R-48 to CB

Zoning Legend

- TC-1 to TC-4; Town Center
- MUR-70; Mixed Use Residential (70' height)
- MUR-45; Mixed Use Residentiial (45' height)
- MUR-35; Mixed Use Residential (35' height)
- MB; Mixed Business
- CB; Community Business
- NB; Neighborhood Business
- PA 3; Planned Area 3
- C; Campus
- CZ; Contract Zone
- R-48; Residential, 48 units/acre
- R-24; Residential, 24 units/acre
- R-18; Residential, 18 units/acre
- R-12; Residential, 12 units/acre
- R-8; Residential, 8 units/acre
- R-6; Residential, 6 units/acre
- R-4; Residential, 4 units/acre



0 30 60 120 180 240 Feet

Feature Legend

- Parcel Change
- Unclassified ROW
- City Boundary
- Parcel Line

No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.

Date Printed: Date: 8/20/2018 | Request: 17787

CITY OF SHORELINE