



PLANNING COMMISSION REGULAR MEETING

**Wednesday, August 2, 2023
at 6:00 p.m.**

In person at the Snohomish Carnegie 105 Cedar Avenue, Snohomish
and remote on-line/telephone access via *Zoom*
ONLINE Zoom remote meeting access: <https://us02web.zoom.us/j/82782972489>
or call in at (253) 215-8782 and use Meeting ID# 827 8297 2489

AGENDA

- 1. CALL TO ORDER**
 - a. Roll Call
 - b. Flag Salute
- 2. PUBLIC COMMENT on Items Not on the Agenda**
- 3. APPROVE AGENDA Contents and Order**
- 4. APPROVE MINUTES of Previous Meeting(s)**
 - a. July 12, 2023 Special Meeting Minutes
- 5. DISCUSSION ITEMS**
 - a. Commercial Uses in Multi-Family Developments
 - b. Housing Strategies
- 6. COMMISSIONER COMMENTS**
- 7. DIRECTOR'S REPORT**
- 8. ADJOURN**

NEXT MEETING: The next regular meeting is 6 p.m. Wednesday, September 6, 2023 at the Snohomish Carnegie, 105 Cedar Avenue, Snohomish, and online via Zoom.

Specialized accommodations will be provided with 5 days advanced notice. Contact the City Clerk's Office at 360-568-3115. This organization is an Equal Opportunity Provider.

**CITY OF SNOHOMISH
SPECIAL MEETING OF THE PLANNING COMMISSION
MEETING MINUTES
July 12, 2023**

1. CALL TO ORDER

Chair Terry Lippincott opened the special meeting of the Planning Commission at 6:01 p.m. on Wednesday, July 12, 2023.

a. Roll Call

COMMISSIONERS PRESENT:

Terry Lippincott, Chair
Gordon Cole
Mitch Cornelison
Hank Eskridge
Nick Gottuso
Merritt Weese
Christine Wakefield Nichols (*arr. at 6:07 pm*)

b. Flag Salute

2. GENERAL PUBLIC COMMENTS

None

3. APPROVAL OF AGENDA ORDER

Hearing no objections, the agenda order stood as presented.

4. APPROVAL of the minutes of the June 7, 2023, regular meeting.

Commissioner Weese moved to approve the minutes of the June 7, 2023, meeting as written. Commissioner Eskridge seconded the motion, which passed 6-0.

5. DISCUSSION ITEMS

a. Commercial Uses in Multi-Family Developments

Planning Director Brooke Eidem presented the background analysis regarding commercial uses in multi-family developments. The Commission discussed and asked questions on the draft language. The Commission agreed the amendment should include elimination of the Neighborhood Business zone from the code. Noise and light impacts were discussed, and though these impacts were addressed in Chapter 8.16 SMC, staff will add a condition to the list of limitations. The Commission also discussed parking, applicability in the subareas, and how commercial uses affect neighborhood crime. The Commission agreed the dimensional standards for multi-family zones should not be modified for commercial uses.

Jim Lewis provided public comment on commercial uses in residential zones.

b. Comprehensive Plan Periodic Update

Planning Director Eidem presented an update on the engagement plan for the 2024 Comprehensive Plan Periodic Update. The Commission discussed and asked questions. Director Eidem stated she would email the goals and policies in matrix format to the Commission, and requested that they review the existing language and make comments. The Commission also agreed to Planning Commission special meetings in order to discuss goals and policies and to provide feedback in support of the proposed timeline.

Jim Lewis provided public comment on the engagement plan.

6. COMMISSIONER COMMENTS

Commissioner Eskridge asked questions regarding House Bill 1337 and its timeline for adoption. Commissioner Wakefield Nichols commented on accessory dwelling units in general.

Commissioner Cole commented on public feedback received about home occupation businesses, to which Commissioner Weese and Chair Lippincott concurred on reviewing code language.

Chair Lippincott asked questions about short-term rentals in town, to which Director Eidem provided additional information to the Commission. Chair Lippincott also spoke about the Civic Ambassador program and the recently hired Code Enforcement Officer position.

7. DIRECTOR'S REPORT

Director Eidem provided a brief synopsis on what to expect at the next Planning Commission regular meeting, as well as invited the Commission to the *Our Future Snohomish Carnival* to be held on July 22, 2023 at the Snohomish Carnegie.

8. ADJOURNMENT

The meeting adjourned at 7:29 p.m.

Approved this 2nd day of August, 2023.

By: _____

Commissioner Terry Lippincott, Chair



PLANNING COMMISSION STAFF REPORT

Date: August 2, 2023

Agenda Section: DISCUSSION ITEMS

From: Brooke Eidem, AICP, Planning & Development Services Director

Subject: Commercial Uses in Multi-Family Developments

SUMMARY: The Planning Commission will continue discussions on how to allow limited-scale commercial uses in multi-family developments in order to improve walkability and convenience for neighborhood residents.

BACKGROUND & ANALYSIS:

At the July meeting, the Planning Commission continued discussions of commercial uses in residential areas, agreeing to proceed with amendments allowing limited-scale commercial uses in Multi-Family zones and eliminating references to the Neighborhood Business zone in Title 14. The Planning Commission also agreed not to make any changes to dimensional standards, to prohibit drive-through facilities, and to impose limitations that would control light, traffic and noise impacts on residential neighbors. The revised language incorporates those requested changes.

Additionally, code comparison research was conducted by staff to provide context of what other jurisdictions allow in their multi-family zones and how those uses are limited or restricted. That information is provided as an attachment to this staff report.

Title 14 Changes

Amendments are required to address permitted commercial land uses and their limitations, and to eliminate the Neighborhood Business zone. No changes are necessary to the public disturbance chapter (8.16 SMC), as recent amendments appear to adequately address nighttime noise coming from commercial establishments.

Chapter 14.207 SMC, Land Use Tables

All land use tables in Chapter 14.207 SMC will be amended to remove the column for the Neighborhood Business zone. In SMC 14.207.080, draft amendments will add a 'p' with the footnote below to the following land uses in LDR, MDR and HDR zones.

- Fitness center
- Grocery store
- Personal services
- Restaurant
- Restaurant, drive-thru/walk-up
- Retail

The Regulations section of SMC 14.207.085 would add the following footnote (18).

Commercial uses in multi-family zones shall:

- a. Be accessory to a multi-family development and located on the same development site or within the same building.
- b. Not exceed 25% of the total building floor area, with each commercial tenant space limited to 2,000 square feet.
- c. Only occupy the ground level of a structure.
- d. Not be required to provide any additional parking spaces.
- e. Not include drive-through establishments.
- f. Not include live entertainment with amplified sound.
- g. Incorporate shielding on site, sign and building lighting to prevent light spill or glare onto adjacent properties. Outdoor lighting shall not be illuminated between the hours of 10 p.m. and 6 a.m.
- h. Restrict deliveries to between the hours of 7 a.m. and 10 p.m.
- i. Be conducted wholly within an enclosed building, with the exception of outdoor dining which may be allowed subject to site plan review. Outdoor storage is prohibited.

Additionally, the Establishment of Zoning Districts chapter (SMC 14.30) will be adjusted to remove the Neighborhood Business zone and to add a statement about commercial uses for multi-family zones.

SMC 14.30.010 Establishment of Zoning Districts

- ~~NB: Neighborhood Business~~

SMC 14.30.040 Purpose of Zoning Districts

B. *Multifamily Residential Zoning Districts.* The purpose of multifamily residential zoning districts is to provide for a variety of housing options in the City with small-scale commercial uses that serve the immediate neighborhood allowed in conjunction with residential use.

~~(C)(2) *Neighborhood Business Zoning District (NB).* The purpose of this zoning district is to create local commercial service areas next to and within residential neighborhoods that are compatible with those neighborhoods while providing day-to-day retail, personal service and consumer convenience needs of the nearby residential neighborhoods. Specialty shops and small office facilities are allowed along with neighborhood services. New residential uses are allowed above or behind the primary commercial uses.~~

Next Steps

The Planning Commission will hold a public hearing in September to recommend code changes to the City Council.

RECOMMENDATION: That the Planning Commission discuss the drafts, ask questions and provide direction for a public hearing in September.

ATTACHMENT(S):

Code_Comparison_Research_Summary.pdf

Code Comparison Research

Commercial Uses in Multi-Family zones

City	Allowed Uses	Applicable Limitations
Kenmore	<ul style="list-style-type: none"> • Personal services • Eating and drinking • Retail sales 	<ul style="list-style-type: none"> • Each establishment limited to 5,000 square feet; combined total of all commercial establishments limited to 15,000 square feet. • Located more than 1 mile from other commercial establishment unless other establishment meets size limitation. • Located at intersection of two public streets. • Maximum parking ratio of 2 per 1,000 square feet; not located between building and the street. • If located in a building with multifamily uses, then the commercial use shall be on the ground floor and shall not exceed 25 percent of the total floor area of the building. • Building illumination and lighted signs shall be designed so that no direct rays of light are projected into neighboring residences or onto any street right-of-way.
Issaquah	Office/professional	Less than 1,500 square feet
Kirkland	<ul style="list-style-type: none"> • Grocery store • Drug store • Laundromat • Dry cleaners • Barber shop/Beauty shop • Shoe repair shop 	<ul style="list-style-type: none"> • Placement, orientation, scale must indicate use is primarily intended to serve immediate residential area. • Must be located on collector arterial or higher volume r-o-w. • Placement and scale must indicate pedestrian orientation. • Must mitigate traffic impacts on residential neighborhood. • May not be located above the ground floor. • Hours of operation may be limited by the City.
	<ul style="list-style-type: none"> • Restaurant or tavern 	<ul style="list-style-type: none"> • Outside storage not permitted. • Drive-in or drive-through facilities are prohibited.
Mountlake Terrace	Uses providing sale or exchange of services, except motor vehicle uses	Limited to 5,000 square feet in a single building (10,000 with conditional use permit)
Poulsbo	<ul style="list-style-type: none"> • Live/work units • Neighborhood commercial • Professional offices 	<p>Allowed with an approved administrative conditional use: a discretionary review by the Planning Director that may include following conditions:</p> <ul style="list-style-type: none"> A. Increasing the required lot size or yard dimensions; B. Increasing street widths, controlling the location and number of vehicular access points to the property;

		<ul style="list-style-type: none">C. Increasing the number of off-street parking or loading spaces required;D. Limiting the number of signs;E. Limiting the coverage or height of buildings or structures because of obstructions to view and reduction of light and air to adjacent property;F. Limiting or prohibiting openings in sides of buildings or structures or requiring screening and landscaping where necessary to reduce noise and glare and maintain the property in a character in keeping with the surrounding area; andG. Requirements under which any future enlargement or alteration of the use shall be reviewed by the city and new conditions imposed.
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PLANNING COMMISSION STAFF REPORT

Date: August 2, 2023

Agenda Section: DISCUSSION ITEMS

From: Brooke Eidem, AICP, Planning & Development Services Director

Subject: Housing Strategies

SUMMARY: The Planning Commission will discuss the housing strategies as directed by the City Council.

BACKGROUND & ANALYSIS: The Middle Housing Analysis project has concluded, running from January until June 30, 2023. Within that short time frame, robust public engagement was conducted. As a result, some important data pieces needed for the 2024 Comprehensive Plan were completed, putting the City in good shape to meet the requirements of House Bill 1220 in the Comprehensive Plan Housing Element.

Several deliverables were prepared by the consultant LDC, including a Racial Equity and Displacement Analysis, a report detailing public engagement results, a gap analysis of existing policies relative to middle housing and HB 1220, and a policy menu with several strategies to increase middle housing types and meet GMA requirements for the Comprehensive Plan. All deliverables can be accessed on the Middle Housing webpage linked below.

The policy menu includes a detailed description of each strategy, including advantages and disadvantages, anticipated level of use and understanding, and links to guidance materials. Staff conducted a preliminary analysis of each strategy and presented that analysis to the City Council on July 18. The City Council provided direction to staff and the Planning Commission, selecting 7 of the 12 strategies to move forward with. The items the Planning Commission has been requested to work on are summarized below.

Strategy	Description	Discussion
Implement HB 1337 (ADU Bill)	New mandate to allow up to two ADUs per lot, of a maximum size of 1,000 square feet. The City cannot require owner occupancy and cannot prohibit independent sale of the units.	This is required, so there is little discretion apart from timing of adoption. The bill requires implementation by June of 2025, but the City Council has directed staff and the Planning Commission to include with other housing-related amendments in 2024.

<p>Increase MDR zone</p>	<p>Rezone some SFR areas to MDR, focusing in particular on the North Lake subarea.</p>	<p>The density of the MDR zone was identified as good for middle housing, serving moderate income households. This action would also increase available housing capacity in the planning period and is supported by existing Comprehensive Plan policies (HO1, HO1.1, HO1.4, HO2, HO2.1, HO5). The new trunkline project would also facilitate development of this type in the North Lake subarea, where most redevelopment potential is identified on the 2021 Buildable Lands Analysis. Staff's preliminary recommendation is to focus on parcels adjacent to higher capacity roadways, such as Lake Avenue and 22nd Street.</p>
<p>Inclusionary zoning or incentives</p>	<p>Inclusionary zoning mandates the inclusion of affordable units as part of a residential development within a certain geographical area, while incentives are voluntary. According to the strategies report, inclusionary zoning has the potential to stifle development if used in the wrong kind of housing market. Incentivizing affordable housing could be a more effective tool, depending on the incentive being offered.</p> <p>Potential incentives can include:</p> <ul style="list-style-type: none"> • Density bonus • Building height bonus • Parking reduction • Fee reduction or waiver • Streamlined processes 	<p>Staff is already working on an update to Chapter 14.285 SMC, which addresses incentives for affordable housing. Affordable housing generally costs the same to construct as market-rate housing, so anything to reduce development costs or spread costs across more units will help affordable housing get built. There are several Comprehensive Plan policies that support incentives (HO1.1, HO 1.3, HO 1.6, HO2). This action would serve households at the very low and low income levels. The challenge would be on the administration side, particularly if the regulations are too stringent or require a lot of oversight.</p> <p>The City Council has also directed staff and the Planning Commission to work on amendments to create a building height bonus in Midtown, fee reductions and streamlined permit processes. SMC 14.285.050 offers a 10% density bonus for eligible developments, with higher densities offered for eligible low-income senior housing. These incentives are not widely used. It is unclear whether the bonus is too low, or the eligibility requirements too onerous.</p>
<p>PRDs for recreation space</p>	<p>This action was not included in the strategies report, but was offered by staff as an option to increase recreation and open space. This action would adjust PRD eligibility criteria of SMC 14.220.020 to allow them where there is no critical area, but in exchange for a recreational amenity. Increasing the zones that permit PRDs to include MDR can also be considered, as well as allowing shared-wall units.</p>	<p>The City Council has emphasized the need for more recreational space and easier ways to get around. Allowing PRDs in exchange for recreational space is a way to achieve that while also facilitating middle housing development. Smaller lots (4,000 square feet) could be clustered in exchange for a large open space tract, an on-site playground or park, protected wooded area, or contributing to the trail system.</p>

Permit review process incentives	This action would create a new permit prioritization program wherein development projects for new affordable housing would be expedited.	This is already being considered as part of the update to Chapter 14.285 SMC. The City's development review timelines are already low compared to other cities, so the impact of such a program is unclear. There is also a concern about equity, as this program would allow certain projects to "jump the line." That concern is offset by the public benefit provided by affordable housing. This strategy would benefit very low to medium income households.
Fee waivers or reductions	This action would create a new program where certain development-related fees, specifically mitigation and utility connection fees, would be reduced or waived entirely for affordable housing proposals.	<p>Any action that reduces development cost for housing increases the likelihood that the units will be more affordable to Snohomish households. A program like this would need to be specific about the income levels served, and could result in administrative challenges to ensure they remain affordable over time. Covenants recorded against title are commonly used for this type of program.</p> <p>There are three main options to consider for fee reductions or waivers:</p> <ul style="list-style-type: none"> • <u>Permit fees</u>: these are generally relatively low in comparison to other fees, especially Land Use (entitlement) fees. Some fees are actually deposits that go to a third party, such as environmental consultants and the Hearing Examiner. • <u>Utility connection fees</u>: these fees commonly comprise the largest proportion of development fees paid to the City. As Enterprise funds, they cannot be reduced without reimbursing the fund. Preliminary research shows that funds from the 0.1% sales and use tax under Chapter 3.55 SMC could be used for this purpose. • <u>Impact fees</u>: Park and Traffic impact fees are paid to the City, while the School impact fee is paid to the School District. City fees could be waived without having to make up the funds from elsewhere, although because the purpose of the fee is to offset the impacts of new development, a reduction may be more appropriate than a waiver. Coordination with the School District is necessary.

<p>Tenant Protections</p>	<p>Rental costs in Washington have risen substantially in recent years. While Snohomish's median rent of \$1,188 is lower than the Snohomish County median of \$1,641, rising rental rates can result in cost-burden, displacement, and even homelessness. Some of the possible policies to consider are:</p> <ul style="list-style-type: none"> • Require a Notice of Rent Increase. Up to 120 days for increases greater than 3% and 180 days for increases greater than 10%. • Establish a cap on fees for late payments at 1.5% of a tenant's monthly rent. • Establish a cap on move-in fees and security deposits. 	<p>These actions are allowed under RCW 59.18, however they venture into new territory for the City. The private rental market has not been regulated to-date, except to require a business license. How any of the programs would be administered or enforced is unclear, but planning staff will work with the Community Navigator to investigate further. This strategy would benefit very low to moderate income renter households.</p> <p>During discussion, the City Council also requested that commercial tenants be included in the analysis. The City's Economic Development Coordinator will assist in that portion of the project.</p>
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REFERENCE(S): [Menu of Middle Housing Strategies Middle Housing Analysis project webpage](#)

COUNCIL GOAL(S): Housing, Comprehensive Planning
