

AGENDA
LACEY PLANNING COMMISSION MEETING
Tuesday, January 7, 2020 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College Street SE

Call to Order: 7:00 p.m.

- A. Roll Call
- B. Approval of Agenda & Consent Agenda Items*
Approval of the December 17, 2019, Planning Commission Meeting Minutes

Public Comments: 7:01 p.m.

Commission Members Reports: 7:03 p.m.

Director's Report: 7:05 p.m.

New Business: 7:10 p.m.

2020 Work Program: Ryan Andrews, Planning Manager. The Planning Commission will review the draft 2020 Work Program in preparation for the joint meeting with the City Council on January 23.

Planning Commission Education: Rick Walk, Community and Economic Development Director. The Planning Commission will hold a work session on an affordable housing-related educational topic.

Communications and Announcements: 8:55 p.m.

Next Meeting: February 4, 2020.

Adjournment: 9:00 p.m.

CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting
January 7, 2020**

1. **Work Session:** 2020 Work Program
2. **Work Session:** 2020 Work Program – Inclusionary Zoning Education

Packets due: January 2, 2020

**Planning Commission Meeting
January 21, 2020**

1. **Meeting Canceled**

**Planning Commission/City
Council Joint Meeting
January 23, 2020**

1. **Work Session:** Private Applicant Amendment Docket
2. **Work Session:** 2020 Work Program

**Planning Commission Meeting
February 4, 2020**

Packets due: January 30, 2020

Future Items: Hawks Prairie Business District History
NE Lacey Industrial
Indoor Sports Facility Feasibility

MINUTES

Lacey Planning Commission Meeting
Tuesday, December 17, 2019 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Paul Enns.

Planning Commission members present: Paul Enns, Mark Mininger, Shaunesy Behrens, David Lousteau, Eddie Bishop, Sharon Kophs, Peg Evans-Brown, and Daphne Retzlaff. Staff present: Jessica Brandt, Ryan Andrews, Rick Walk, Scott Egger, and Leah Bender.

Paul Enns noted a quorum present.

Sharon Kophs made a motion, seconded by Mark Mininger, to approve the agenda for tonight's meeting. All were in favor, the motion carried.

David Lousteau made a motion, seconded by Daphne Retzlaff, to approve the December 3 meeting minutes. All were in favor, the motion carried.

1. **Public Comments:** None.

2. **Commission Members Reports:**

- Shaunesy Behrens reported on her attendance at the last Council meeting.
- David Lousteau reported on his attendance at the last Council meeting and his recent meeting with the Mayor.

3. **Director's Report:** None.

4. **Public Hearing:**

Development Guideline Amendment for Annexation Requirements:

- Jessica Brandt went over the current requirements and the proposed exceptions.
- There was a brief discussion.
- **Eddie Bishop made a motion, seconded by David Lousteau, to refer amended section 3.135 of the Development Guidelines and Public Works Standards to Council for adoption. All were in favor, the motion carried.**

5. **Old Business:**

Low Density Residential Zone Consolidation:

- Ryan Andrews gave some background information and went over the major changes.
- Ryan noted that he researched duplex and triplex developments in the City and found very few over the last several years.
- Ryan listed the main concerns resulting from the public hearing and asked Planning Commission to discuss each.
 - Pace of change: It was decided that this topic would be discussed last.
 - Neighborhood compatibility: Ryan pointed out the existing design review standards that require compatibility.
 - Traffic and parking: a suggestion was made to require 2 parking spaces per unit for triplexes (instead of 1.5 per unit). Frontage improvements and deferrals were discussed.
 - Trees: Ryan noted that current tree regulations address this concern and suggested possible additional requirements when the tree regulations are amended as part of the 2020 work program.
- Ryan presented a slide show of examples of duplex and triplex developments in Lacey, and suggested additional amendments that would require that duplexes and triplexes resemble single-family homes and that front façades not be dominated by garages.
- There was a discussion regarding the effect of increased density on septic systems, the environment, and traffic demands on arterials.
- Patricia Williams addressed Planning Commission and suggested leaving LD Residential 0-4 as is and focus development on the LD 3-6 zone. She also expressed her concerns that affordable housing has still not been addressed.
- Commissioners shared their opinions regarding the advantages and disadvantages of the proposed amendments.
- **Eddie Bishop made a motion, seconded by David Lousteau, to refer amended Chapter 16.13 to Council with additional amendments to require 2 parking spaces per triplex unit, privacy standards that apply to**

single-family residential added to LMC 14.23.073 to also apply to duplexes and triplexes, and the frontage improvement requirements currently required for triplexes also be applied to duplexes. Six were in favor, two were opposed, the motion carried.

6. **New Business:**

Nomination and Election of Officers for 2020.

- Paul Enns nominated Sharon Kophs for Chair. Peg Evans-Brown seconded the nomination. All were in favor. Sharon Kophs was elected Chair.
- Mark Mininger nominated Peg Evans-Brown for Vice-chair. Eddie Bishop and Peg Evans-Brown nominated David Wasson for Vice-chair. All voted in favor of electing David Wasson as Vice-chair.

7. **Communications and Announcements:**

- Paul Enns spoke favorably about his time with the Planning Commission.
- Planning Commissioners thanked Paul for his years of service on the Commission.
- Mark Mininger suggested a future meeting with the Mayor or a Council member to address their expectations of Planning Commission. Rick said he will set something up.
- Ryan noted that emergency housing is on the agenda for the next Council worksession on Thursday.

8. **Next meeting:** January 7, 2020.

9. **Adjournment:** 9:05 p.m.



PLANNING COMMISSION STAFF REPORT

January 7, 2020

SUBJECT: 2020 Work Planning Commission Program

RECOMMENDATION: The Planning Commission will review the 2020 Work Program in preparation for the joint meeting with the City Council scheduled for January 23rd.

TO: Lacey Planning Commission

STAFF CONTACTS: Rick Walk, Community and Economic Development Director
Ryan Andrews, Planning Manager *RA*

ATTACHMENT(S): Draft 2020 Work Program

**PRIOR COUNCIL/
COMMISSION/
COMMITTEE REVIEW:**

November 5, 2019 Planning Commission Meeting
September 17, 2019 Planning Commission Meeting

BACKGROUND:

Early each year the City Council and the Planning Commission hold a joint work session to review a docket of work program items. The attached document contains the final draft work program which lists tasks that the City expects to complete within the next year. The tasks are organized by the type of amendment that they are considered (plan update, joint planning requirement, or code update) with each item prioritized. At the joint work session both the City Council and Planning Commission will have the opportunity to ask questions, discuss the program schedule and add, remove or re-prioritize items on the work program.

Comprehensive Plan Amendments

The Comprehensive Plan Amendments identified are those that are currently underway to implement a portion of the Comprehensive Plan, required by state law, or are funding dependent. These items include development of a Regional Climate Action Plan, Martin Way Corridor Study, revisions necessary to the Comprehensive Plan related to the Low Density Residential zone consolidation, updates to utility plans, update to the Urban Forest Management Plan, and annual required updates to our Capital Facilities Plan and Six Year Transportation Improvement Program. The Shoreline Master Program is required to be updated by June 30, 2021 but will be completed by the summer of 2020 consistent with the other Comprehensive Plan Amendments. Three private applicant amendments were submitted for rezones and comprehensive plan amendments to be processed in 2020.

Code Revisions

The high priority code revisions associated with the 2016 Comprehensive Plan have been completed. Those identified for the 2020 work program include ongoing review of the emergency housing regulations and an update to the Development Guidelines and Public Works Standards including potential changes to notice and appeal procedures and street standards related to impacts on housing affordability. One private applicant zoning code amendment will be processed in 2020 related to increasing maximum building sizes above 200,000 square feet in the Light Industrial/Commercial zone.

Joint Planning

One long term item related to the 2016 Comprehensive Plan is completing the joint planning effort with Thurston County to adopt the Comprehensive Plan for the Lacey UGA. This will include addressing issues specific to the UGA including requiring sewer for all new development, increasing minimum density requirements for the Moderate and High Density Residential zones, reviewing agricultural designations within the UGA and identifying “urban holding areas” in the Pleasant Glade and McAllister Geologically Sensitive Areas.

**2020 PLANNING COMMISSION WORK PROGRAM
12-16-2019**

Plan Amendments		Proposed By:	Description	Anticipated Start - Completion Date	PC/Staff Hours	Staff Lead
Priority	2020 Plan Updates					
High	Regional Climate Action Plan	TRPC	In December 2017, discussions occurred between the Cities of Olympia, Tumwater, and Lacey about participating in the development of a regional climate action plan. The Cities and Thurston County entered into an interlocal agreement to fund phase 1 of the coordinated effort. Phase 1 documents the baseline activities each jurisdiction has taken to date related to climate action measures, identifies a baseline emission year, target reduction year and outlines a scope of work for Phase 2. Phase 2 is the development of the regional climate action plan. Phase 2 is anticipated to take a year to develop with staff resources dedicated to participate in the regional technical committee and public participation efforts. The four jurisdictions will contract with TRPC to facilitate the planning process and managed the consultant contract.	Start: Fall 2018 Complete: June 2020	4/60	Jessica Brandt
High	Shoreline Master Program Update	Shoreline Management Act	Update the shoreline master program by the statutory deadline. Grant funds will be used to obtain a consultant to prepare background information, prepare an analysis of the existing SMP to identify gaps in regulations, and prepare the necessary amendments to the SMP and other development regulations that are clear and predictable so that they are easy to understand and administer. Staff will conduct the outreach and implement the public participation plan.	Start: July 2019 Complete: June 2020	6/60	Jessica Brandt
High	Low Density Residential Zone Consolidation	Housing Strategy	Implement a recommendation of the Housing Strategy to consolidate Low Density Residential zones to reduce minimum lot sizes, lot widths, and density minimums will help increase density in older, central neighborhoods, which are near utilities, transit lines, services, and jobs. The Comprehensive Plan and zoning map will need to accompany the text amendment change.	Start: January 2019 Complete: Summer 2020	2/20	Ryan Andrews
High	Martin Way Corridor Study	TRPC	TRPC on behalf of Thurston County, Intercity Transit, the City of Olympia and City of Lacey was awarded a Federal Surface Transportation Block Grant in the amount of \$452,750. Combined with the local match of \$70,660, the total project amount will total \$523,410. The purpose of the grant is to fund an interjurisdictional study of the Martin Way Corridor from Pacific Avenue in Olympia to Marvin Road in Lacey. The purpose of the study is to address bicycle and pedestrian improvements (building off Lacey's Plan), corridor safety, transit facilities, access management, neighborhood connectivity and land use. City of Lacey's match is in kind staff resources as a member of the steering committee and providing baseline information.	Start: January 2019	2/100	Ryan Andrews/Samra Seymour
High	Water Comprehensive Plan	Public Works	Complete an update to the Water Comprehensive Plan.	Start: Underway Complete: Summer 2020	2/10	Brandon McAllister/ Planning Staff
High	Stormwater Comprehensive Plan	Public Works	Complete an update to the Stormwater Comprehensive Plan.	Start: Underway Complete: Summer 2020	4/40	Doug Christenson/ Planning Staff
High	Regional Housing Action Plan	Housing Strategy	Develop a Housing Action Plan under the HB 1923 grant program. The goal of the plan is to develop data and programs to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes.	Start: Early 2020 Complete: June 2021	4/100	Rick Walk
High	Urban Forest Management Plan Update	Necessary Periodic Update	The Urban Forest Management Plan was last updated in 2013 and is in need of a periodic update. The update will include amendments to associated development regulations to ensure that the goals of the Plan are being implemented as envisioned.	Start: January 2020 Complete: Summer 2020	6/80	Jessica Brandt
Medium	Capital Facilities Plan	Annual Requirement	Complete the annual update to the Capital Facilities Plan to coordinate and schedule utility, transportation, and other capital improvements.	Start: January 2020 Complete: Summer 2020	2/40	Jessica Brandt
Medium	Annual Six Year Transportation Improvement Program Amendment	Annual Requirement	Review and hold a hearing on the 6-year Transportation Improvement Plan (TIP). This is a required item that will be scheduled for Council's action by July of each year.	Start: Spring 2020 Complete: July 2020	1/2	Martin Hoppe

**2020 PLANNING COMMISSION WORK PROGRAM
12-16-2019**

Priority 2020 Plan Updates Cont'd						
Medium	Land Capacity Analysis - 8 Year Update	GMA, Land Use and Housing Elements	1) Evaluate existing commercial and industrial land use designations and provide additional areas to meet the land demand projections for the planning period. 2) Review and update the development standards to include strategies and provisions that encourage affordable housing and provide housing for special needs populations such as mixed-use development, congregate care facilities, retirement homes, accessory dwellings, and inclusionary zoning. 3) Review land designations to provide for an adequate supply of mixed-use and higher density development patterns.	Status: Underway Complete: 2020	TBD	Ryan Andrews
Priority 2020 Joint Planning						
High	City of Lacey and Thurston County Joint Land Use Plan for the Lacey Urban Growth Area	GMA/CWPP/MOU	Work with Thurston County staff and Planning Commission to review and adopt the Comprehensive Plan for the Lacey UGA. Address issues specific to the unincorporated UGA that include: require sewer for all new development; increase minimum density requirements for MD and HD zones, reviewing agricultural designations within UGA and identifying "Urban Holding Areas" in the Pleasant Glade and McAllister Geological Sensitive Areas.	Start: To Be Determined Complete:	TBD	Ryan Andrews
Priority 2020 Code Updates						
High	Emergency Housing Regulations	Housing Strategy	Implement a recommendation of the Housing Strategy to modify codes to allow nonprofits or faith-based organizations to host small encampments, tiny home villages, or other types of monitored, supportive housing meant for temporary occupancy with social services available.	Start: January 2019 Complete: Early 2020	TBD	Ryan Andrews
High	DG&PWS Updates	Public Works and Community and Economic Development	Examine public notice and appeal procedures for land use applications in Chapter 1. Address Chapter 4 frontage improvement requirements related to the cost impacts for affordable housing. Conduct technical updates to other sections.	Start: To Be Determined Complete:	4/40	TBD
High	Light Industrial/Commercial Maximum Building Sizes	Private Applicant	Consider a private-applicant initiated zoning text amendment to increase maximum building sizes above 200,000 square feet in the Light Industrial/Commercial zone.	Start: January 2020 Complete: TBD	8/80	Ryan Andrews



Inclusionary Zoning: A Brief Insight

Reace Fant, Assistant Planner

December 2019

What is it?

Inclusionary zoning has become more and more popular since its inception in 1971 but what exactly is inclusionary zoning? Inclusionary zoning is a set of development laws or policies that aim to provide low to moderate income citizens with affordable housing where they would otherwise not be able to afford it. In addition to access to more affordable living, often inclusionary zoning is used as a means of better mixing citizens of socioeconomically differing backgrounds and catalyzing opportunity interactions between them.

How is it used?

Inclusionary zoning can be used in many different ways, which has made it increasingly difficult to collect consistent data on. However, there are two common primary routes that inclusionary zoning takes, the route of mandatory inclusion or voluntary inclusion. The most common definition of inclusionary zoning is the addition or setting aside of units within a residential development that are intended for those who are below the development area's median income (AMI). Most units that are reserved for IZ purposes serve those who have low to moderate incomes often around the 60%-120% of the AMI, which neglects those who have very low income (50% and below). As mentioned before however, IZ policies and programs come in many different forms. A 'fee in lieu' or an impact fee program have become common alternatives to the traditional definitions of IZ that have been adopted by jurisdictions to aid in housing development while still addressing inclusionary zoning goals. Generally when a development triggers IZ or volunteers for IZ the development, it is granted a bonus density or similar incentive to counter the tax of creating below market rate units. Incentives for IZ are just as diverse as the programs themselves and in some (very) rare cases incentives aren't granted at all.

Brief History / Case Studies

Inclusionary zoning was first introduced in Fairfax County, Virginia in 1971. Since then, roughly 886 jurisdictions have adopted IZ policies in some fashion. Because of its wide use it is widely regarded as one of the most popular low income housing policies. IZ policies are used

mostly in Virginia, Maryland, Massachusetts, New Jersey, and California. Since the inception of IZ there has been an estimated 129,000 – 170,000 units produced, a relatively low count relative to the issue that is being addressed and the length of time it has been enacted. In New York City for example, it has produced an average of 176 units per year in a city of 8.2 million.

Breckenridge, Colorado adopted a form of inclusionary zoning called “Workforce Housing” in the late 1990s. Breckenridge is a resort town where only 25% of the housing units are occupied year round and has thus made the housing market increasingly difficult for low and average wage residents to afford housing. “Workforce Housing” charges developers an impact fee that the City then uses to purchase units that are already integrated into the community and distribute them to permanent residents for a livable price. Since 2000 the program has resulted in 18% of the housing units build but accounts for 50% of the housing growth for permanent residents.

Often mandatory IZ programs take intense criticism from developers and economists who state concerns that IZ programs will raise overall housing costs thus negating the intent of the policies. Generally, most studies have found that mandatory IZ policies increase housing prices in markets that don’t have an intense demand. Mandatory IZ policies in jurisdictions that do have intense housing demand and are high-cost show no increase in housing price from IZ. As mentioned though, IZ studies are hard to compare and average as they differ drastically from jurisdiction to jurisdiction.

Seattle, WA:

Seattle is the largest city in Washington and holds claim to a top ten spot in the list of highest rental prices in the United States with an average rate of \$2013. Seattle adopted a mandatory inclusionary zoning policy on a per neighborhood basis in 2017, focusing on areas that would best serve the public. In March of 2019, the City adopted a citywide policy. Due to the nature of the rental market in Seattle, the program has demonstrated some success in providing affordable housing stock. In 2017 there was a total of 221 affordable units being built by private developers using IZ policies. Seattle also has a fee in lieu of option if the developer decides not to create the affordable units. In 2017 approximately \$32 million dollars had been committed to the City for use in future IZ developments. Roughly 600 affordable units have received some monies from the IZ fund commitments.

Redmond, WA:

Just across Lake Washington, east of Seattle lies the City of Redmond. Redmond has had a booming housing market due to its proximity to larger cities and the rapid population growth it has seen over the last three decades that has resulted in an average rental rate of \$1937. To mitigate the rapidly increasing housing costs, Redmond adopted inclusionary zoning in 1995. The City’s IZ policy is that any development of 10+ units must put aside 10% of the units for low income tenants making 80% of the area median income. If the developer sets aside units for tenants making 50% or less of the AMI then they are only required to set aside 5% of the units. Approximately 700 units have been created since the adoption of inclusionary zoning in 1995.

Additionally, there is a fee in lieu of program but it is jointly managed with A Regional Housing Coalition (ARCH), and 15 other East King County cities.

Ashland, OR:

Ashland is a city of roughly 21,000 people located on the southern edge of Oregon and boasts some of the highest rental and property prices in the state averaging around \$1830 per month. Due to the high cost of housing, Ashland began to implement inclusionary zoning policies in the early 90's in various forms, most of which being housing funds. Ashland has a pseudo-voluntary IZ policy that incentivizes developers to build low income units. The program entails that if a developer wants to up-zone or become annexed into the city they can increase density by up to 35% but they must include 10%-15% low income units. The City has had some success with this method but has had no IZ units built voluntarily in previously existing zones. Ashland has considered incorporating mandatory IZ but until recently in 2017 it has been illegal in the State of Oregon.

Chapel Hill, NC:

Chapel Hill is a college city in North Carolina with a population of roughly 60,000 people that is supplemented by the local university. The city is located just 20 miles from a larger population center of just over 200,000 people, added with the housing demands of the university, Chapel Hill has begun to see rising rental and housing costs which are now averaged at \$1,417 per unit. To combat the rising prices Chapel Hill adopted inclusionary zoning in early 2011, a policy triggered when any new residential construction of 5 or more units occurs, that development must set aside 10%-15% of the units for low- to moderate-income households. Low income units must remain as such for at least 99 years or as long as permissible by the law.

Pros & Cons

PROS

- Increases housing stock for low to moderate-income peoples
- Increases housing variety
- Increased socioeconomic diversity
- Fosters opportunity interactions
- Increases urban density and potential relief for road congestion

CONS

- Extra management for building managers
- Extra administration for city and county
- New developers may be discouraged by extra regulation
- Developers will look for path of least resistance and develop elsewhere
- Inhibiting to mild or low housing markets
- Forces tenants to remain in a certain income bracket

Application to Lacey

How does inclusionary zoning apply to Lacey? Lacey's population is growing at a very healthy rate, between 2010 and 2018 it increased nearly 16%. But with fast growth comes an increase in housing prices and the potential for a housing shortage. Currently, housing prices are on the rise in the City of Lacey but healthy housing development has been keeping pace with demand. However, as time goes on and Lacey's population continues to grow and people continue to move in to avoid the high prices from up north near the Tacoma area The City of Lacey will need to begin to ask: "Is inclusionary zoning right for Lacey and if so what form of IZ fits best?"