



PLANNING COMMISSION REGULAR MEETING

Wednesday, September 6, 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/86561251211>
or call in at (253) 215-8782 and use Meeting ID# 865 6125 1211

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. August 2, 2023 Regular Meeting Minutes
5. **PUBLIC HEARING**
 - a. Limited-Scale Commercial Uses in Multi-Family Developments Code Amendment
6. **DISCUSSION ITEMS**
 - a. Affordable Housing Incentives
7. **COMMISSIONER COMMENTS**
8. **DIRECTOR'S REPORT**
9. **ADJOURN**

NEXT MEETING: The next regular meeting is scheduled for Wednesday, October 4, 2023, at 6:00 p.m. at the Snohomish Carnegie, 105 Cedar Avenue, 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
REGULAR MEETING OF THE PLANNING COMMISSION
MEETING MINUTES
August 2, 2023**

1. CALL TO ORDER

Chair Terry Lippincott opened the regular meeting of the Planning Commission at 6:00 p.m. on Wednesday, August 2, 2023. The meeting was held in person at the Snohomish Carnegie and online via Zoom.

a. Roll Call

COMMISSIONERS PRESENT:

Terry Lippincott, Chair
Gordon Cole
Hank Eskridge
Merritt Weese
Christine Wakefield Nichols

STAFF:

Brooke Eidem, Planning Director
Thomas Kreinbring, Assistant Planner

COMMISSIONERS ABSENT:

Mitch Cornelison
Nick Gottuso

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 July 12, 2023, special meeting.

Commissioner Cole moved to approve the minutes of the July 12, 2023, meeting as written. Commissioner Weese seconded the motion, which passed 5-0.

5. DISCUSSION ITEMS

a. Commercial Uses in Multi-Family Developments

Planning Director Brooke Eidem gave the staff presentation regarding commercial uses in multi-family developments. Commissioner Cole stated a 25% cap on commercial uses should be sufficient and suggested removing the 2,000 square foot limit. The Commission agreed. Commissioner Weese wondered what would limit converting commercial space to residential units, to which Director Eidem stated density would be the limiting factor. Commissioner Eskridge asked if these uses would be allowed on a property in the single-family residential zone having multiple accessory dwelling units, to which Director Eidem stated the proposed amendments would not apply to the SFR zone. Chair Lippincott suggested revising the purpose statement of SMC 14.30 to “with

small-scale commercial uses that are allowed in conjunction with residential use.” The Commission agreed.

b. Housing Strategies

Planning Director Eidem presented information on several housing strategies that will be on upcoming work programs as directed by the City Council. The Commission provided consensus to work on the accessory dwelling unit code amendments as required by HB 1337 in 2024.

Medium Density Residential rezones will be addressed as part of the Comprehensive Plan. Community engagement in the subareas will be scheduled to receive input, and construction of the sewer trunkline was expected to begin in 2024.

Planned Residential Development (PRD) for recreation space is not required for the Comprehensive Plan update, but community input and City Council feedback has driven this strategy. Commissioner Weese requested including connections through dead-ends and cul-de-sacs as part of the amendment project. Commissioner Cole requested a metric be used to determine the size of recreational space that corresponded to the size of the lot reduction. Commissioner Wakefield Nichols requested a map of the trails. The Commission discussed maintenance and ownership obligations, and prescriptive standards rather than leaving the design of the recreational space entirely up to a developer. Director Eidem stated the amendment project will include clarifying language about shared-wall units, and considering PRDs in the MDR zone.

An update to Chapter 14.285 SMC was already underway and will be discussed at a future meeting. Commissioner Eskridge asked what the timelines surrounding incentives looked like, to which Director Eidem stated they were typically 30 years. The incentive options were discussed. Commissioner Cole stated that parking reductions based on the percentage of affordable housing provided would be good, as well as building height bonuses. The Commission asked how requirements could be codified to build housing for the lowest income bands, to which Director Eidem stated the requirement in the Comprehensive Plan update was to show that the proper zoning and other tools were in place to allow the construction, but the City cannot require it to be built. The Commission agreed that partnering with other agencies to coordinate the effort would be a good path forward.

Incentives such as an expedited review process and fee reductions were discussed. Director Eidem stated there were several example codes for expedited reviews. Commissioner Weese stated that developments with low-income housing should receive priority as they provided a welcoming message.

Director Eidem was researching funding sources for fee reductions and a rate study will be forthcoming. The Commission discussed other funding avenues to support this strategy.

As to tenant protections, Director Eidem stated working across departments will be necessary. Commissioner Weese stated caps on move-in fees and security deposits should form part of this strategy with the goal to prevent homelessness.

Director Eidem concluded with a tentative schedule for additional discussion.

6. COMMISSIONER COMMENTS

Commissioner Cole provided a handout to Director Eidem on plats developed by Lennar in Texas to highlight housing cost and availability. Director Eidem stated the handout would be emailed to the Commission.

Commissioner Eskridge stated smaller lots with smaller houses as a path to homeownership would be great, and that the proposed Planned Residential Development (PRD) code amendment could work to add open space to the inventory.

Commissioner Wakefield Nichols stated the City received a substantial amount of revenue through property taxes rather than from sales tax alone.

Chair Lippincott provided feedback pertaining to short-term rentals in her neighborhood and discussed term limits.

7. DIRECTOR'S REPORT

Director Eidem provided the Commission with a debrief on the Our Future Snohomish Carnival. She stated National Night Out occurred the prior evening, and additional input was received at that event. Director Eidem stated that the weekly Farmer's Market continued to be a source for input, informed the Commission that next month's meeting would be workshop style to discuss housing strategies, and that Chris Collier, Program Manager for Alliance for Housing Affordability (AHA), would be in attendance. Lastly, Director Eidem stated that approximately 29 cities were awarded the middle housing grant and that the income bands from Snohomish County would be sent out by email.

8. ADJOURNMENT - The meeting adjourned at 7:50 p.m.

Approved this 6th day of September, 2023.

By: _____
Commissioner Terry Lippincott, Chair



PLANNING COMMISSION STAFF REPORT

Date: September 6, 2023

Agenda Section: PUBLIC HEARING

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

Subject: Limited-Scale Commercial Uses in Multi-Family Developments Code Amendment

SUMMARY: The Planning Commission will consider proposed code amendments to Chapter 14.30 SMC, Establishment of Zoning Districts and Chapter 14.207 SMC, Land Use Tables, to allow limited-scale commercial uses in multi-family developments.

PUBLIC HEARING PROCEDURE:

- a. Chair opens hearing
- b. Staff presentation
- c. Commission questions
- d. Public testimony
- e. Close hearing
- f. Deliberations

BACKGROUND & ANALYSIS:

The Planning Commission has discussed commercial uses in residential areas to further Council goals, improve neighborhood walkability, and contribute toward daily convenience of residents. In June, the Planning Commission was presented with two options to achieve these goals: limited-scale commercial uses in multi-family developments and implementation of the Neighborhood Business zone. The Planning Commission requested to move forward with only one strategy. In July staff returned with draft language for amending the Land Use Tables for Multi-Family zones and eliminating the Neighborhood Business zone. The Planning Commission provided direction on drafts and agreed that Neighborhood Business should be eliminated. At the August discussion, the Commission agreed on draft language that would limit the impacts of commercial uses in multi-family developments.

Proposal:

The proposal is to amend two chapters of Title 14 as discussed below and provided in the attachments. These 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
- Office
- Personal services
- Restaurant
- Restaurant, drive-through/walk-up
- Retail

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

Commercial uses in multi-family zones shall:

1. Be accessory to a multi-family development on the same development site or within the same building.
2. Not exceed 25% of the total building floor area.
3. Only occupy the ground level of a structure.
4. Not be required to provide any additional parking spaces.
5. Not include drive-through establishments.
6. Not include live entertainment with amplified sound.
7. Incorporate shielding on all site, sign, and building lighting to prevent light spill or glare onto adjacent properties. Outdoor lighting shall not be illuminated between the hours of 10:00 p.m. and 6:00 a.m.
8. Restrict deliveries to between the hours of 7:00 a.m. and 10:00 p.m.
9. 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.

SMC 14.30.010 Establishment of Zoning Districts

The Establishment of Zoning Districts chapter (SMC 14.30) will be adjusted to remove the Neighborhood Business zone and to amend subsection .040(B) to add the following statement about commercial uses for multi-family zones.

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.

Next Steps:

The City Council will consider an ordinance to amend the code as recommended by the Planning Commission in October.

REFERENCES:

[Chapter 14.30 SMC, Establishment of Zoning Districts](#)
[Chapter 14.207 SMC, Land Use Tables](#)

RECOMMENDATION:

- Motion to recommend City Council approval of amending Chapter 14.30 SMC, Establishment of Zoning Districts and Chapter 14.207 SMC, Land Use Tables, to allow limited-scale commercial uses in multi-family developments, as proposed.
 - Motion to approve the Findings of Fact and Conclusions as drafted.
-

ATTACHMENT(S):
Chapter 14.30 SMC
Commercial Land Use Tables & Regulations
Findings of Fact & Conclusions

Chapter 14.30 SMC, Establishment of Zoning Districts

14.30.010 Establishment of Zoning Districts.

In order to implement the comprehensive plan, to provide for protection of property and to preserve the health, safety and welfare of the community, the City is divided into the following zoning districts:

- SFR: Single-family residential, six (6) dwelling units per acre maximum
- LDR: Low density multifamily residential, twelve (12) dwelling units per acre maximum
- MDR: Medium density multifamily residential, eighteen (18) dwelling units per acre maximum
- HDR: High density multifamily residential, twenty-four (24) dwelling units per acre
- C: Commercial
(~~• NB: Neighborhood Business~~)
- HBD: Historic Business District
- PIL: Pilchuck District
 - Pilchuck Single-family
 - Townhouse
 - Center
 - Civic
- MID: Midtown District
- BP: Business Park
- I: Industrial
- AI: Airport Industry
- POP: Parks, Open Space and Public

14.30.040 Purpose of Zoning Districts.

- A. *Single-Family Residential Zone (SFR)*. The purpose of the Single-Family Residential Zoning District is to designate and protect certain areas in the City for single-family detached low-density housing, creating a suitable living environment for individuals and families.
- 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 are allowed in conjunction with a residential use):
1. LDR: The purpose of the Low Density Residential Zoning District is to maintain and develop areas to provide adequate multifamily housing offering a variety of types and ownership options in lower densities that can serve as a transition to single-family detached housing.

-
2. MDR: The purpose of the Medium Density Residential Zoning District is to maintain and develop areas to provide adequate multifamily housing offering a variety of types and ownership options in medium density neighborhoods with more affordable housing units than might be found in the SFR and LDR Zoning Districts.
 3. HDR: The purpose of the High Density Residential Zoning District is to maintain and develop areas to provide adequate multifamily housing in higher densities than other residential zoning districts to provide a suitable living environment while meeting the economic needs of the population.
- C. *Commercial Zoning Districts*. The purpose of commercial zoning districts is to provide for a variety of retail, office, service, and mixed-use activities to serve the consumer needs of Snohomish and surrounding areas.
1. *Commercial Zoning District (C)*. The purpose of this zoning district is to provide a commercial area suitable for shopping centers, as well as concentrations of individual shops and stores, which are auto-oriented and located along major arterials in the City. Such commercial areas should provide a wide range of convenience and general merchandise goods and services. This designation is oriented towards service and automotive shopping serving a local market as well as having a city-wide and regional draw.
 - ~~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.)~~
 - ~~2(3). *Pilchuck District (PIL)*. The purpose of the Pilchuck District is to create a cohesive and identifiable pedestrian-friendly, higher density mixed-use neighborhood.~~

The Pilchuck District is divided into four “sub” zones:

- a. *Pilchuck Single-Family*. The intent of the Pilchuck Single-Family Zone is to allow development that is complementary to the character of the existing small-lot single-family enclaves in the zone.
 - b. *Townhouse*. The intent of the Townhouse Zone is to allow development compatible with the scale and character of adjacent small-lot single-family development while encouraging additional housing units and allowing street level commercial uses.
-

-
- c. *Center*. The intent of the Center Zone is to enhance the vitality and pedestrian orientation of the Pilchuck District by creating opportunities for a variety of both business and residential land uses.
 - d. *Civic*. The intent of the Civic Zone is to address the special requirements of properties in the zone owned and managed by public agencies where the public land use would require different standards from typical private development.

3((4)). *Historic Business District (HBD)*. The purpose of this zoning district is to provide a commercial area which is in the Historic District. The Historic Business District is both pedestrian and auto-oriented providing a broad range of pedestrian-oriented commercial services and goods, including offices, specialty shops, and entertainment activities with reduced parking requirements to encourage the preservation and renovation of existing structures.

4((5)). *Business Park (BP)*. The purpose of the Business Park Zoning District is to provide areas suitable for a mix of light manufacturing and commercial uses while discouraging strip commercial development. This zoning district is intended to designate and preserve properties for commercial and manufacturing activities, which could improve the economic base of the City.

5((6)). *Midtown District (MID)*. The purpose of the Midtown District is to create a mixed use area consistent with the “Snohomish character” by promoting a diverse mix of retail, housing, office, and civic land uses and a genuine sense of place with development that is pedestrian-oriented and human-scale in an aesthetically attractive, energy efficient, easily accessible, and economically healthy environment, while acknowledging the current and future dependency of businesses on automobile traffic.

D. *Industrial Zoning Districts*. The purpose of the following industrial zoning districts is to provide for a variety of manufacturing, industrial, service and office park uses and to establish development standards which assure quality site and building design and compatibility with surrounding areas:

1. *Industrial Zoning District (I)*. The purpose of this zoning district is to maintain and develop sufficient light industrial and manufacturing areas of varying size and type in order to achieve economic stability and employment growth, to encourage the development of the City as a small diversified manufacturing center, and to provide locations for land uses that can create compatibility problems with other kinds of land uses but do not create excessive amounts of noise, light, noxious odors, or hazardous products or by-products.

-
2. *Airport Industry Zoning District (AI)*. The purpose of this zoning district is to support Harvey Airfield and the immediate surrounding area as a regional resource and to protect it from incompatible land uses, allow its orderly expansion, and provide for its further development as a regional reliever field as designated by the FAA. This designation is also intended to reduce the impact of airport uses on adjacent properties.

E. *Parks, Open Space and Public Zoning District*. The purpose of this zoning district is to:

1. Identify land that generally is owned and operated by public entities for parks, recreation and other low intensity public uses. Any new designations to Parks, Open Space and Public should be restricted to property owned by a public entity.
2. Preserve and enhance as open space environmental resources and amenities, including environmentally sensitive areas such as stream corridors, wildlife habitat, steep slopes, wetlands, and critical aquifer recharge areas.
3. Protect and promote land use compatibility between public parks and open space and neighboring land uses.
4. Prevent the displacement or elimination of public parks, except as may be allowed through the Comprehensive Plan amendment process.

14.207.080 Commercial Uses.

USE	SINGLE-FAMILY	MULTIFAMILY			COMMERCIAL						INDUSTRIAL		PUBLIC
	SFR	LDR	MDR	HDR	C	AB	HBD	PIL ¹	BP	MID	I	AI	POP
Adult uses											p8		
Animal grooming w/o kenneling/boarding					p		p		p	p	p		
Auction house					p		p			p	p		
Automotive parking					p		c		p	p15	p	p	
Automotive rental and leasing					p		p12		p	p15	p	p	
Automotive and boat dealer					p		p		p	p	p		
Automotive service and repair					p		p2		p2	p2	p	p2	
Automotive supply store					p4		p4		p4	p	p		
Building supply, hardware, and garden materials					p		p		p	p	p		
Cemetery, columbarium or mausoleum					p		p		p	p	p		
Childcare		p3	p3	p3	p3	p3			p	p3			
Childcare, family – 12 children or less	c	c	c	c	c		c			c			
Childcare, family – 6 children or less	p	p	p	p	p		p			p			
Commercial accessory use					p10		p10		p10	p10	p	p	
Congregate care/assisted living	c7	c	p	p	p		p		p	p			
Department and variety stores					p		p		p	p			
Equipment rental					p	p	p12		p		p	p	
Fitness center		<u>p18</u>	<u>p18</u>	<u>p18</u>	p	p	p		p	p	p		
Funeral home					p		p		p	p	p		
Gasoline service station					p		p		p	p	p	p	

USE	SINGLE-FAMILY	MULTIFAMILY			COMMERCIAL						INDUSTRIAL		PUBLIC
	SFR	LDR	MDR	HDR	C	AB	HBD	PIL ¹	BP	MID	I	AI	POP
Grocery store		<u>p18</u>	<u>p18</u>	<u>p18</u>	p	p6/9	p		p	p	p		
Hotel/motel				p	p		p			p			
Kennel or animal boarding, commercial	p5								p5	p5	p		
Medical/dental lab					p		p		p	p	p		
Nursing/convalescent home	c7	c	p	p	p		p		p	p	p		
Office		<u>p18</u>	<u>p18</u>	<u>p18</u>	p11	p	p11		p	p	p	p	
Outdoor advertising service					p12		p12		p12		p	p	
Passenger transportation service					p11		p11		p	p11,1 2	p	p	
Personal medical supply stores					p		p		p	p	p		
Personal services		<u>p18</u>	<u>p18</u>	<u>p18</u>	p		p		p	p	p	p	
Pet store					p	p6	p		p	p	P		
Preschool	c3	p3	p3	p3	p3	p3	p3		p3	p3			
Research, development and testing					p		p		p	p11	p	p	
Restaurant		<u>p18</u>	<u>p18</u>	<u>p18</u>	p	p	p		p	p	p		p14
Restaurant, drive-through/walk-up		<u>p18</u>	<u>p18</u>	<u>p18</u>	p		p		p	p	p	p	
Retail		<u>p18</u>	<u>p18</u>	<u>p18</u>	p	p6	p		p	p	p		
Self-service storage									p		p	p	
Social services					p		p		p	p	c		
Supervised drug injection facility													
Transportation and taxi					p11		p11		p	p11	p	p	
Veterinary clinic					p5		p5		p5	p5	p		
Winery/brewery/distillery	p13				p		p		p	p12	p		

USE	SINGLE-FAMILY	MULTIFAMILY			COMMERCIAL						INDUSTRIAL		PUBLIC
	SFR	LDR	MDR	HDR	C	AB	HBD	PIL ¹	BP	MID	I	AI	POP
Trucking and courier service					p11				p	p17	p	p	

14.207.085 Commercial Uses: Regulations.

1. See SMC [14.212.410](#), Allowed Uses, for the permitted and provisional uses in the Pilchuck District.
2. Except tire retreading. See SMC [14.207.090](#), Industrial Uses.
3. Must be licensed by and meet all of the requirements of the Washington State Department of Children, Youth, and Families. Facilities located in single-family or multifamily residential zones must:
 - a. Provide a child drop off and pick up system that minimizes impacts on traffic flow on adjacent streets; and
 - b. Design outside play areas to protect adjacent uses from significant noise levels.
4. Only the sale of new or reconditioned automobile supplies is permitted.
5. Animal cremation services are not permitted.
6. Store size shall be limited to three thousand (3,000) gross square feet in floor area.
7. Subject to the following conditions:
 - a. Minimum contiguous site area of three (3) acres.
 - b. Parking areas shall be screened from adjacent streets and residential uses.
 - c. All structures shall be offset from property lines a minimum of twenty (20) feet.
8. Adult uses will be allowed in the area designated for Industry located between Bonneville Avenue, Highway 9 and Seventh Street.
9. No gasoline sales.
10. Storage limited to accessory storage of commodities sold at retail on the premises or materials used in the fabrication of commodities sold on the premises.
11. Limited to office use and related parking for vehicles and equipment.
12. No outdoor storage unless it is screened.
13. Only as a home occupation.
14. When ancillary to a recreational land use.
15. Only permitted accessory to a primary use on the same site.
16. Shall not exceed three thousand (3,000) gross square feet in floor area.
17. Limited to office use. No outdoor storage and overnight parking of vehicles and equipment.
- ~~18. Commercial uses in multi-family zones shall:~~
 - ~~a. Be accessory to a multi-family development on the same development site or within the same building.~~
 - ~~b. Not exceed 25% of the total building floor area.~~
 - ~~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 all site, sign, and building lighting to prevent light spill or glare onto adjacent properties. Outdoor lighting shall not be illuminated between the hours of 10:00 p.m. and 6:00 a.m.~~
 - ~~h. Restrict deliveries to between the hours of 7:00 a.m. and 10:00 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.))~~

Snohomish Planning Commission Findings of Fact & Conclusions

Based on the review of the proposed code amendments to allow commercial uses in multi-family developments, the Planning Commission of the City of Snohomish makes the following Findings of Fact:

1. The City has the authority under RCW Title 35A to adopt regulations related land use development.
2. The City has adopted a Land Use Development Code as Title 14 of the Snohomish Municipal Code (“Development Code”) to implement the Comprehensive Plan and to ensure compatible and rational land development and land use in all portions of the City.
3. Currently, Chapter 14.30 SMC, Establishment of Zoning Districts, addresses Multi-Family zones but does not allow for small-scale commercial uses. The chapter further contains language for a Neighborhood Business zone, which is not implemented on the zoning map.
4. Currently, Chapter 14.207 SMC, Land Use Tables, contains listings for the Neighborhood Business zone. Permitted commercial uses in Multi-Family zones do not promote walkable neighborhoods or convenience of nearby residents.
5. The following Comprehensive Plan policies support the proposed code amendments:
 - MF 6.2: Multi-family location. Medium and high density development should be located near public amenities in order to provide easy access.
 - MF 6.8: Commercial uses in Multi-Family Zones. Consider amending permitting land uses in Multi-Family zones to allow limited commercial uses that are integrated into multi-family developments and are intended to primarily serve the daily needs of the immediate neighborhood.
6. Pursuant to SMC 14.15.070 and RCW 36.70A.106, on August 3, 2023, the city notified the Washington State Department of Commerce of the City’s intent to amend development regulations related to Site Development Plans.
7. Pursuant to the State Environmental Policy Act, the City of Snohomish was designated as the lead agency for review of the proposed amendments. On August 9, 2023, a Determination of Non-Significance was issued on the proposed code amendments pursuant to WAC 197-11-355. No appeal of that determination was received so the determination became final.
8. A Notice of Public Hearing, consistent Snohomish Municipal Code requirements, was published on August 19, 2023.
9. On September 6, 2023, the City of Snohomish Planning Commission held a public hearing to consider amendments to Chapter 14.30, Establishment of Zoning Districts and Chapter 14.207 SMC, Land Use Tables. After hearing a staff presentation on the proposed amendments, asking questions, and receiving public testimony, the public hearing was closed and the Commission deliberated before making its recommendation to the City Council that the proposed code amendments be approved.

Based on the foregoing Findings of Fact, the Snohomish Planning Commission hereby makes the following conclusions:

1. The proposed code amendments will implement and be consistent with the goals and policies of the City of Snohomish Comprehensive Plan.
2. The proposed code amendments are consistent with the Washington State Growth Management Act.
3. The proposed code amendments are consistent with the Washington State Environmental Policy Act (Chapter 43.21C RCW).
4. The proposed code amendments will protect the public health, safety, and general welfare.
5. No new impacts will be created by allowing limited scale commercial uses in conjunction with multi-family developments.
6. The proposed code amendments will promote walkability throughout the City and provide for the daily needs of residents.

Date: September 6, 2023

By: _____
Terry Lippincott, Planning Commission Chair



PLANNING COMMISSION STAFF REPORT

Date: September 6, 2023

Agenda Section: DISCUSSION ITEMS

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

Subject: Affordable Housing Incentives

SUMMARY: The Planning Commission will begin discussions of regulatory and financial incentives for affordable housing development, including amending Chapter 14.285 SMC, Low-Income Housing Incentives, as directed by the City Council. Chris Collier with the Alliance for Housing Affordability will be present to answer questions and provide context and guidance on best practice.

BACKGROUND & ANALYSIS: As discussed at the August meeting, the City Council has directed the Planning Commission to work on seven strategies to increase access, choice, and affordability of housing in the City. Six of the strategies came from the final Middle Housing report prepared by LDC, Inc., and the seventh was proposed by staff, which is synergistic with other goals to increase open and recreational lands and non-motorized trails.

Several of the strategies will be addressed by updating Chapter 14.285 SMC, Low-Income Housing Incentives, which the Planning Commission will begin discussing at the meeting. Other strategies will be discussed in the coming months.

1. Implement HB 1337 (ADU Bill)
2. Increase MDR zone
3. PRDs for recreational space
4. Inclusionary zoning and incentives
5. Expedited permit review process
6. Fee waivers and reductions
7. Tenant protections

Process	Strategies included	Timeline
Chapter 14.285 SMC, Low-Income Housing Incentives	<ul style="list-style-type: none"> • Inclusionary zoning & incentives • Expedited permit review process • Fee waivers/reductions 	2023 work program
Comprehensive Plan Periodic Update: Housing & Land Use Elements	<ul style="list-style-type: none"> • Implement HB 1337 • Increase MDR zone • Tenant protections 	2024 work program
Chapter 14.220 SMC, Planned Residential Developments	<ul style="list-style-type: none"> • PRDs for recreational space 	2025 work program

Chapter 14.285 SMC

This chapter contains density incentives for development of affordable housing units. As discussed in August, the incentives are not frequently taken advantage of. Whether this is because the eligibility

requirements are too high, or the incentives are too low is unknown. Staff will be reaching out to affordable housing developers to determine what is needed to make these projects “pencil out”.

In the meantime, the Planning Commission will discuss possible actions to incorporate into the chapter, including adjusting density bonuses and parking reductions, establishing an expedited permit review process, a building height bonus in Midtown, and fee reductions or waivers.

Density bonuses

Two types of density bonuses are currently offered in Chapter 14.285 SMC. General affordable housing can receive a ten percent bonus in the Multi-Family zones, meaning that on a one-acre parcel of land in the MDR zone (density 18 du/ac), for example, the base density allowance of 18 dwelling units would be increased to 19.8 and rounded up to 20 units. Senior affordable housing (age 55+) has specific density incentives in different zones:

- Low Density Residential: 12 du/acre increased to 16 du/acre
- Medium Density Residential: 18 du/acre increased to 24 du/acre
- High Density Residential: 24 du/acre increased to 30 du/acre
- Commercial: 18 du/acre increased to 24 du/acre
- Mixed Use: 18 du/acre increased to 24 du/acre (*Note: this zone has been eliminated*)

In all cases, the density incentives are limited to developments between 20 and 40 units and must be affordable to households earning 60% of the Area Median Income (AMI) for the Seattle-Bellevue-Everett Metro Area. There is no time limitation on the affordability requirement but developments must convert to normal zoning and parking standards if eligibility criteria are no longer met. Presumably this means the affordability requirement is in perpetuity, which is likely a barrier for developers. Studies are also required demonstrating that the increase in density will not result in a significant increase in street parking, traffic, park, and utility impacts over a development not using the incentive. Such studies add to the overall cost of the development and may be unnecessary.

Parking bonuses

Parking is addressed in Chapter 14.235 SMC, which allows a decrease to 1.5 stalls per unit for general affordable housing (reduced from 2 stalls per unit), and one stall per unit for senior affordable housing (reduced from 1.2 stalls per unit). Affordable housing developments must meet the same criteria as the density bonus described above in order to be eligible for the reduced parking standard, and must also provide a parking study showing the parking needs of future occupants will not exceed the reduced standard.

Expedited permit review process

This is not currently offered in the municipal code, but there are several examples from other jurisdictions, such as Kirkland, Issaquah, and Covington. This would provide an opportunity for eligible projects to receive a priority status and “jump the line” in the review queue. As stated previously, the City’s review timelines are already relatively short compared to other cities, but an expedited review program would reduce the costs associated with holding the land before construction can begin.

Draft language:

Expedited Permit Review. An applicant may request an expedited review process for projects meeting the criteria of SMC 14.285.030. An expedited project shall be contingent upon City staffing and other resource availability, and only if such prioritization does not result in the unreasonable delay of other permit applications. Planning and Development Services will endeavor to complete review as expeditiously as time and resources allow.

Building height incentive (Midtown North)

This would reduce the maximum building height in the Midtown North overlay to 45 feet (from the current 55 feet). A ten-foot height incentive would be offered in exchange for ten percent of housing units affordable to eligible households. This would require amending Chapter 14.214 SMC and the

Dimensional Table of Chapter 14.210 SMC to reduce the base height allowance for Midtown North.

Draft language:

Midtown District building height incentive. A multi-family project meeting the applicability standards of this chapter and the criteria contained in SMC 14.285.030 and located in the Midtown District North Overlay is eligible for a building height increase of ten feet above the base allowance in SMC 14.210.330. All other dimensional standards in Chapter 14.214 SMC shall be met.

Fee waivers/reductions

Fee reductions are not currently offered in the municipal code. This would provide an opportunity to reduce or waive certain fees for eligible developments, based on the affordability level of the units. Because the City collects three types of fees – permit review fees, impact fees, and utility connection fees – which are all set up differently, a fee reduction program will need to be carefully considered to both operate as a worthwhile incentive while also mitigating the financial burden on the City and its ratepayers. The Finance Director and Public Works Director have both been consulted and will be assisting to propose a process and reduction schedule for reducing fees without sacrificing service for residents. A preliminary reduction schedule will be discussed at the meeting.

Comprehensive Plan - Housing & Land Use Elements

Increase the MDR zone

The Comprehensive Plan Land Use Element will include rezone proposals to increase the MDR zone in the North Lake Subarea, focusing on parcels that are most likely to develop or redevelop during the planning period (based on the 2021 Buildable Lands Report) that are located on roads such as Lake Avenue, 22nd Street, and 30th Street. As previously discussed, design workshops will be held this fall to discuss these options with residents and owners, and provide an opportunity for two-way discussions about how the area should develop once sewer becomes available.

Tenant protections

PDS staff is working closely with Community Navigator Velvet Franz and Economic Development Coordinator Brady Begin to research ways to approach tenant protections for residential and business renters. Possible protections would likely focus on capping move-in fees to a percentage of the monthly rent and requiring a minimum number of days' notice for significant rent increases. Discussions to-date have been preliminary, so there are no specific language proposals at this time, nor is it clear which chapter of the municipal code would be affected. New goals and policies of the Comprehensive Plan Housing Element would also be required.

Implement HB 1337

This action item was discussed by the Planning Commission in August, and the Commission provided direction to begin work early in 2024. Staff has discussed the impacts of the legislation's requirements and how it could be implemented in Snohomish, but no language has been drafted yet. The Planning Commission will likely begin discussions on this item in January.

Chapter 14.220 SMC

Planned Residential Developments are currently only an allowed subdivision type for lands that are encumbered by critical areas. Developers are allowed reduced lot sizes in exchange for preservation, and often enhancement, of the critical areas. This item would extend eligibility to proposals that add to the City's recreational spaces, through large open space tracts, wooded areas, playgrounds, parks, and trails. While this item does not necessarily contribute to affordable housing, it supports other goals. No language has yet been drafted, and the Planning Commission will likely not work on this item until 2025 as the Comprehensive Plan will be higher priority.

Next Steps

Updating chapter 14.285 SMC is the first item. This chapter will likely be repealed and replaced. In October the Planning Commission will begin discussing draft language with a public hearing in November or December.

REFERENCE(S): [Chapter 14.285 SMC, Low-Income Housing Incentives](#)
