

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<p><b>AGENDA TITLE:</b> Motion by Councilmember Fimia to Revise the Cottage Housing Public Process</p> <p><b>DEPARTMENT:</b> Planning and Development Services</p> <p><b>PRESENTED BY:</b> Tim Stewart, Director of Planning and Development Services Paul Cohen, Project Manager for Cottage Housing</p>
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**PROBLEM / ISSUE STATEMENT:**

On July 18, 2005, Council held a public hearing on cottage housing development regulations. The Council deliberated and voted to adopt the Planning Commission's recommendations to extend the moratorium on cottage housing to February 19, 2006. During deliberations Councilmember Fimia asked to add the issue of cottage housing public process to the Council August 22 agenda.

**Background**

- December 6, 2004 – Staff outlined amendment process to City Council in memorandum.
- January 4, 2005 – Council discussed the program to revisit cottage housing provisions. Recommends a joint Planning Commission / City Council tour of cottage housing.
- January 24, 2005 – Council accepts staff amendment process outline with goals, objectives, and phasing as attached in January 24, 2005 staff report (Attachment A).
- February 5 and 12, 2005 – Joint Planning Commission City Council Tours of Cottage Housing.
- April 7, 2005 – Letter from staff to community, Planning Commission, and City Council presenting the issues, possible amendments or repeal alternatives.
- May 11, 2005 – Cottage Housing Community Meeting
- June 2, 2005 - Planning Commission Public Hearing
- June 16, 2005 - Planning Commission Deliberation and Recommendation to extend process.
- July 18, 2005 - City Council Public Hearing and Action to extend moratorium. Councilmember Fimia adds discussion of an alternative process to the August 22, 2005 agenda.
- July 19, 2005 Councilmember Fimia circulates a revised proposed timeline for cottage housing ordinance decision (Attachment B).
- September 1, 2005 – Planning Commission scheduled to continue deliberations.
- September 15, 2005 – Planning Commission scheduled to make recommendations to the City Council.

To date staff has completed the following public process steps:

- Recapped history of cottage housing including the 1998 Comprehensive Plan, 1999 Planning Academy, 2000 adoption of the Development Code, and the 2002 amendments presented to the Planning Commission on June 2, 2005 and at May 11, 2005 community meeting.
- Summarized and recorded all public comments from cottage housing developed since 2002 and comments received since August 2004 when the first moratorium was adopted. The comments have been presented to the Planning Commission and used to extract, analyze, and highlight issues in the April 7, 2005 memorandum to the City Council, Planning Commission and interested citizens.
- Analyzed and addressed the issues of property values, zoning, density, parking/traffic, GMA requirements, and design quality of the different developments in April 7, 2005 letter.
- Scheduled two tours of Shoreline cottages March 5 and 12, 2005 with the Planning Commission, City Council, and the general public.
- Sent draft amendments and repeal alternatives to parties of record April 7, 2005.
- Held an open community meeting on May 11, 2005 to present the history, issues, alternatives, receive comments, and work in small groups for solutions that included both amendments and alternatives to repeal cottage housing regulations. The meeting included neighbor opponents and proponents, residents of cottage housing, developers, city council members and planning commissioners.
- Presented the outcome of the May 11<sup>th</sup> meeting and draft amendments to the Planning Commission public hearing June 2, 2005.
- Noticed the public through the Currents newsletter, the Enterprise newspaper, and public notice in the Seattle Times, parties of record, and presented to the Highland Terrace neighborhood group at their request.
- Held separate public hearings for the Planning Commission on June 2, 2005 and for the City Council on July 18, 2005. Council adopted an extension of the moratorium until February 19, 2006.
- Will further deliberate and analyze the issue of cottage housing with the Planning Commission on September 1 and 15, 2005. Further meetings may be necessary for the commission to make final recommendation to the City Council.

### **Legal Process for Amendment of the Development Code**

The Shoreline Municipal Code allows for amendments to the Development Code with a specific process. First, any person may request that the City Council, Planning Commission, or Director may initiate amendments to the text of the Development Code (SMC 20.30.100). On December 6, 2004 staff initiated the amendment process to the City Council. Second, the State Department of Community, Trade and Economic Development must be noticed to consider amendments that may affect GMA goals and targets (RCW 36.70A.035 section 2). The public notice was sent to the State May 26, 2005. Third, the Planning Commission must hold a public hearing (SMC 20.30.070), which was held June 2, 2005. On June 16, 2005, the Planning Commission

recommended an extension of the moratorium in order to continue their deliberations for final recommendations to the Council. Fourth, once recommendations are made the City Council then needs to make a decision on them (SMC 20.30.070). The majority of the required public process has been completed in addition to the community outreach efforts made by staff.

**RECOMMENDATION**

It is recommended that the City Council review and consider the changes proposed by Council member Fimia. Staff recommends that the Planning Commission continue its deliberations and make recommendations to the City Council on the proposed amendments as outlined in the process accepted by the Council January 24, 2005.

**Attachment**

- A: January 24, 2005 memorandum to the Council regarding amendment process
- B: Councilmember Fimia's July 19, 2005 Cottage Housing Draft Process and Timeline

Approved By: City Manager  City Attorney \_\_\_\_\_

# ATTACHMENT A

Council Meeting Date: January 24, 2005

Agenda Item: 8(b)

## CITY COUNCIL AGENDA ITEM CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b> Extension of the Moratorium on the Filing, Acceptance or Approval of Cottage Housing Developments to August 23, 2005
<b>DEPARTMENT:</b> Planning and Development Services
<b>PRESENTED BY:</b> Tim Stewart, Director of Planning and Development Services

### PROBLEM / ISSUE STATEMENT:

On August 23, 2004, Council declared an emergency and adopted Ordinance No. 362, which established a six-month moratorium on the filing, acceptance or approval of any cottage housing developments (Attachment A). On September 27, 2004, Council (1) held a public hearing on the six-month moratorium on cottage housing bonus densities ; (2) reconfirmed the findings of fact for the moratorium; and (3) reconfirmed the moratorium, as set forth in Ordinance No. 362.

In accordance with RCW 35A.63.220, the City Council is required to hold a public hearing prior to extending any land use moratorium. A public hearing has been scheduled to consider adoption of proposed Ordinance No. 371 extending the moratorium for an additional six months (Attachment B). The extension is necessary because of the time taken to design a review program and to adequately survey interested parties – including developers, neighbors and cottage residents - if they want to be involved and their comments regarding the process. The following is a timeline of the most recent events:

- August 23, 2004 – Council declares an emergency and enacts a moratorium.
- September 27, 2004 – Council conducts a public hearing on the moratorium.
- December 23, 2005 – Staff sends a request for comments and involvement in review process to interested parties.
- January 3, 2005 – Council discusses the program to revisit cottage housing provisions.
- January 24, 2005 – Council holds public hearing and considers Ordinance No. 371 extending the moratorium for six months. A moratorium may be renewed for one or more six-month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal.
- February 23, 2005 – Moratorium expires if not extended by Council prior.

### Resolution of Issues Identified

During the moratorium, staff will evaluate public comment and those cottage housing projects approved under current regulations to potentially draft amendments to address issues and concerns. Please see Attachment C for the proposed process outline. The Planning Commission will hold workshop(s) and at least one public hearing on the regulations and any proposed amendments beginning tentatively in April 2005. The

City Council will receive the Planning Commission's report and recommendation for amendments and take appropriate action.

**RECOMMENDATION**

Staff recommends that Council adopt proposed Ordinance No. 371 extending the moratorium on cottage housing for an additional six months.

**Attachments**

Attachment A: Ordinance No. 362  
Attachment B: Proposed Ordinance No. 371  
Attachment C: Amendment Process Outline

Approved By: City Manager  City Attorney 

# ATTACHMENT B

**Fimia July, 19 2005**

## **Revised Proposed Timeline and Process for Cottage Housing Ordinance Decision**

**August 2005**

### **Staff**

1. Recap 2002 Report and Survey
2. Summarize all comments to date
3. Objective analysis of issues to date including, "What is the problem we are trying to solve?"
  - ...Appraisals
  - ...Property values before and after
  - ...Underlying zoning
  - ...Size and density
  - ...Parking
  - ...Traffic
  - ...GMA requirements
  - ...Quality of developments
  - ...Status of existing sales
  - Other?
4. Schedule Tours of area cottage homes and Workshop

**September, 2005**

### **City Council & Planning Commission**

1. Tour of projects in nearby cities.
2. Hold a joint open workshop with the public:
  - Present above data
  - Take additional comments and recommendations from community and builders in less formal setting than a hearing
3. Ask for volunteers from that meeting\* to form a CH Working Group with interested Council Members and appropriate Staff (about 10-12 people)

\*do not have to have attended that particular meeting in could also be solicited and started this month).

- Broad/balanced representation
- Divide up any further fact finding and problem solving tasks.

**October**

### **Cottage Housing Working Group**

1. Discuss and draft amendments or Repeal to Ordinance

2.Present to Council/Planning Commission and Public

## **November/December**

### **City Council and Planning Commission and Staff**

- 1.Circulate Draft Amendments or Repeal changes to Public through newsletter/articles/presentation at neighborhood and civic organization meetings.
- 2.Hold a Joint Public Hearing on Draft Amendments or Repeal
3. Give appropriate direction to CH Working Group as to further refinements to Ordinance

### **Working Group**

- 1.Incorporate Council/Planning Commission recommendations
- 2.Do any further needed research Council/Commission

## **January**

### **CH Working Group**

Submit final draft of amendments to Council, Planning Commission and Public

### **Council and Planning Commission**

- 1.Hold final Joint Public Hearing
- 2.Action at subsequent meeting



## Memorandum

**DATE:** January 24, 2005

**TO:** Mayor and Council

**FROM:** VIA Steve Burkett, City Manager  
Tim Stewart, Paul Cohen  
Planning and Development Services Department

**RE:** Outline of Cottage Housing Amendment Process

On August 23, 2004 the Shoreline City Council adopted a six-month moratorium on the development of cottage housing. Staff has been directed to develop a program and process to revisit the issue of cottage housing and to recommend possible amendments to the development code. This amendment process will be the third time that the City has addressed cottage housing since 1999. Our goal in this process is to balance between tailoring the process since the last amendment process and the recent neighborhood concerns to gain legitimacy with the community. We would like to propose the following outline of the process and schedule and receive your comments.

### **Program Definition:**

The Growth Management Act specifies that development regulations shall be subject to continuing review and evaluation. This program encompasses a review and evaluation of the Cottage Housing regulations that the City adopted in June of 2003.

The program will include an updated survey and report since the amendments initiated in 2002, a community workshop to discuss and recommend changes, a Planning Commission public hearing, and Council review and action in response to community values.

### **Problem Statement:**



Cottage housing was suggested as an alternative housing type during the adoption of Shoreline's first Comprehensive Plan in 1998. The City of Shoreline is obligated by the State Growth Management Act to accommodate its share of regional growth and cottage housing was considered a way for infill development to "fit in" with community character. It was viewed by some members of the community as a solution to the "big house on a small lot" problem.

Development Regulations permitting Cottage Housing were adopted in 2000 following extensive discussions and negotiation between neighborhood representatives and cottage housing advocates. In response to community concerns, the Planning Commission undertook an extensive review of the Cottage Housing Ordinance in 2003 resulting in amendments to the Ordinance being adopted by the City Council in June 2003. Concerns about Cottage Housing have continued and as a result of a preapplication neighborhood meeting for a 16-unit development, the moratorium was adopted.

**Problems Articulated by Public:** Staff has heard many comments from the public about perceived problems with the current Cottage Housing regulations, including:

- Change in neighborhood character, including property values.
- Size of Development – the number of units permitted in each development.
- Density – the number of units permitted per acre.
- Distance Between Developments – the proximity and concentration of developments.
- Off-Site Parking
- Traffic
- Growth Management Requirements

**Review of Projects:** Three different projects have been permitted under the current regulations since the cottage housing amendments of June 2003.

1. Ashworth Cottages – N 183<sup>th</sup> Street and Ashworth Ave N. (Under Construction)
2. The Reserve Cottages— 20215 15<sup>th</sup> Ave NW (Under Construction)
3. Hopper Cottages— NW. 195<sup>th</sup> Street and 8<sup>th</sup> Ave NW (Approved and soon to be under construction.)

**Program Goal and Objectives:**

**GOAL:** Review and evaluate the City's cottage housing regulations by "checking in" with the community to see if the cottage housing constructed meets the values of the community and potentially adopt changes to the regulations to meet the community vision for cottage housing development.

**OBJECTIVES:**

- To provide an up close look at the cottage housing projects in Shoreline.
- To identify problems with administering cottage housing regulations.
- Clarify the community vision for cottage housing in Shoreline

- To provide clear and complete standards that are easy for the development community, staff, development community, and the public to understand.
- To have cottage housing regulations that produce projects on the ground that capture the community vision.

**Outcomes/Measurements of Success:**

The success of this program will be adoption of cottage housing code amendments that meet the concerns of the community.

**Program Phasing:**

- I. Introduction (January 2005)
  - A. Public Interest Letter for Participants and Process Comments
  - B. January 24 Council Public Hearing to extend moratorium
  - C. City Council - Planning Commission Joint Tour
  
- II. Research and Update (January / February 2005)
  - A. Recap findings of survey and report completed in 2002
  - B. Summarize neighborhood comment letters from the more recent projects of Ashworth, Hopper, and the proposed Crysalis.
  - C. Opinion of Value reports or staff research of King County property assessments that compare values of surrounding properties before and after the cottages using Greenwood, Madronna and Fremont cottages.
  - D. Report of Current Issues
    - Appraisals
    - Size of Development
    - Density
    - Distance Between Developments
    - Parking
    - Traffic
    - GMA
  
- III. Workshops (March 2005)
  - A. 20 – 30 Participants (developers and owners, parties of record –neighbors, facilitator, staff)
  - B. Findings and Recommendations
  
- III. Planning Commission Workshop and Hearing (April / May 2005)
  - A. Staff Report and Workshop Findings
  - B. Notice to Neighbors of Cottage Housing, Parties of Record, Newspaper, Sites
  
- IV. City Council (June / July 2005)
  - A. Work Session and Public Hearing
  - B. Action

**Roles and Responsibilities:**

Program Sponsor: Tim Stewart

Program Owner/Manager: Paul Cohen

Program Team: Andrea Spencer, Consultants for Appraisal and Meeting Facilitator,  
Neighbors, Developers, Property Owners, Cottage Residents

Planning Commission

City Council

**Extension of the Moratorium**

Staff will recommend to Council that the Moratorium, currently scheduled to expire on February 23, 2005, be extended until August 23, 2005 at its meeting of January 24, 2005.

**Comments on the Process and Schedule**

If Council members, or members of the public have comments or suggestions on this process, they may contact Paul Cohen (206.546.6815) or Tim Stewart (206.546.3227) by phone or e-mail. If Council wishes to discuss the process, the workshop of January 3, 2005 would be appropriate. Please contact the Mayor or City Manager in this regard.