



SHORELINE CITY COUNCIL STUDY SESSION

Tuesday, February 19, 2008
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		6:30
2. FLAG SALUTE/ROLL CALL		
3. CITY MANAGER'S REPORT AND FUTURE AGENDAS		
4. COUNCIL REPORTS		
5. GENERAL PUBLIC COMMENT		6:40
<i>This is an opportunity for the public to address the Council on topics other than those listed on the agenda and which are not of a quasi-judicial nature. Speakers may address Council for up to three minutes, depending on the number of people wishing to speak. If more than 15 people are signed up to speak each speaker will be allocated 2 minutes. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. The total public comment period under Agenda Item 5 will be no more than 30 minutes. Individuals will be required to sign up prior to the start of the Public Comment period and will be called upon to speak generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. STUDY ITEMS		
(a) Comprehensive Housing Strategy Committee Recommendation	<u>1</u>	7:10
(b) Continued Deliberation on Ridgcrest Commercial Area Planned Area 2 Legislative Rezone	<u>45</u>	8:10
(c) Community Priorities/Long Range Financial Planning Advisory Committee Appointments	<u>77</u>	9:30
7. ADJOURNMENT		10:00

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 546-8919 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 546-2190 or see the web page at www.cityofshoreline.com. Council meetings are shown on Comcast Cable Services Channel 21 Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://cityofshoreline.com/cityhall/citycouncil/index.cfm>.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Comprehensive Housing Strategy Committee Recommendations
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Citizen Advisory Committee Chair Sid Kuboi, and members Janne Kaje, Keirdwyn Cataldo, and John Behrens; Project Managers, Steve Cohn and Rob Beem

ISSUE STATEMENT:

In the fall of 2006, the Shoreline City Council convened a Citizen's Advisory Committee (CAC) to develop a Comprehensive Housing Strategy to serve as an overall framework for the many large and small decisions the City makes that affect the type, design, location and cost of housing. After a year of studying and debating complex issues involving demographic shifts and the housing market, the CAC completed their report in January of 2008 (Attachment A).

This evening, committee Chair Sid Kuboi and members Janne Kaje, Keirdwyn Cataldo, and John Behrens will present the findings and discuss existing trends and proposed implementation options. The strategies fall into three categories:

1. Choice - creating a more diverse blend of housing options;
2. Character - guiding development so that it is consistent with existing neighborhood character; and
3. Affordability - increasing the supply of housing attainable for low and moderate-income households.

The report also includes staff's perspective on a range of implementation options to pursue in order to move these strategies forward (Appendix 1). A review of these options provides an overview of the types of activities which would logically flow from these strategies. It is worth noting that as the Committee's work progressed, the City initiated activities, which advanced some of the strategies recommended by the CAC. These specific activities responded to pressing housing issues or opportunities which arose in 2007.

The Committee recommends a total of 15 strategies for the City to implement. However, with limited staff and financial resources, the staff recommends initially implementing the following four strategies:

- a) Sub-Area Planning: Under the "Next Steps" section on page 8 of the report, #4 is to "use the neighborhood subarea process to identify areas that could support innovative projects and articulate specific compatibility criteria." This process is already underway for the Ridgcrest neighborhood and Town

Center areas, and slated to begin for southeast Shoreline (Briarcrest and Paramount neighborhoods). This approach will provide an opportunity for many of the strategies which target housing choice and neighborhood compatibility to be examined and, if appropriate, enacted.

- b) Inventory of Housing: In terms of increasing local housing affordability, there are several initiatives currently being pursued by the Community Services Division. Housing Affordability Strategy #3 (pages 7 & 25) is to "identify and develop relationships with owners of the approximately 100 units of privately owned and federally assisted multi-family housing which will lead to the retention of the long-term affordability of this housing stock." Staff is working to identify all units currently receiving federal or state funding and has initiated contact with property owners.
- c) Funding for Housing Development: Housing Affordability Strategy #4 recommends using "locally controlled CDBG (Community Development Block Grant) funds to support housing acquisition, rehabilitation and/or development." The City currently has such funds available at its discretion, and staff is investigating how best to leverage the money for maximum impact and will return to Council for further direction.
- d) Property Tax Exemption for Housing: Housing Affordability Strategy #7 recommends the City "use the Property Tax Exemption (PTE) to encourage the provision of affordable units and/or community amenities." This option for areas in North City and Ridgecrest is currently scheduled for Council discussion for the March 3rd study session.

Council is scheduled to consider adoption of the Comprehensive Housing Strategy Citizen's Advisory Committee's recommendations on March 24th. We also anticipate that this may be a topic of consideration when the City Council establishes its goals and priorities during Council's Goal Setting Retreat in April.

FINANCIAL IMPACT:

Implementation of the recommended strategies will have budget implications yet to be determined.

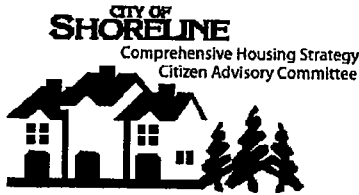
RECOMMENDATION

Staff recommends adoption of the Citizen Advisory Committee's Comprehensive Housing Strategy Report, which is scheduled for Council action at the March 24th Business Meeting.

ATTACHMENT A:

Comprehensive Housing Strategy Citizen's Advisory Committee Report

Approved By: City Manager  City Attorney ____



January 2, 2008

Honorable Members of the Shoreline City Council:

We are pleased to transmit the Comprehensive Housing Strategy to the City Council. This report is the result of nearly 13 months of research and discussion on the part of your Comprehensive Housing Strategy Citizens Advisory Committee. This Strategy summarizes what we feel are the major housing issues and choices that will shape the future of our City and its neighborhoods. We are proud to have had the opportunity to serve the Council and citizens of Shoreline. We now pass along our report to City leadership so that they may chart the best course forward, guided by the committee's recommendations.

Our work is intended to be viewed as a "strategy" as compared to a "plan." A strategy captures priorities, goals and desired outcomes. A plan is a detailed program of action. Because this document is a strategy, it is meant to clarify issues, provide information about current conditions, and recommend potential actions. The CAC made a conscious decision to avoid specific ordinance language, policy decisions or funding details. These logistics will require additional time and research, which the committee felt were outside of our purview and areas of expertise. We encourage the Council to prioritize and direct staff to develop specific plans for implementing the strategy.

With limited time, and a charge to focus on developing a broad strategy, not all topics could be covered with the level of detail that some committee members would have preferred. These topics include the impact of megahouses on existing neighborhoods, consideration of impact fees for new development, guidance for ensuring appropriate transitions between different zoning classifications, the potential need for design guidelines, and infrastructure assessments. The committee's recommended strategy strongly urges Council to direct staff to perform additional research into these areas and to develop plans to mitigate negative impacts that might occur when new housing forms are constructed in or near existing neighborhoods.

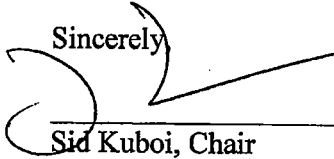
There was substantial discussion about the format of this final document. We debated how to best condense the information into a structure that would convey divergent opinions and present a holistic picture of all subjects to audiences with different learning styles or perspectives. As with all other items adopted by the committee, the supermajority vote of two-thirds prevailed, and we made the decision to adopt the recommended strategy. The resulting document may not have received unanimous support of the committee for every word, but as a whole, it is representative of our work and recommendations.

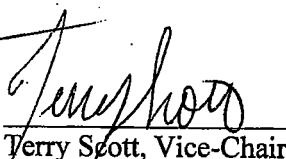
We've completed our task, but there is still more to do. The community and the Council will confront many choices, decisions and controversies as Shoreline addresses the range of complex issues inherent to housing policy. We believe that our strategy will provide you with background, insight, and recommendations to provide a solid foundation for decision-making and community outreach.

We strongly recommend that Council undertake this effort through a carefully-crafted public process. To be successful, this process should emphasize the need for a proactive stance and describe the options available to deal with areas of concern. This outreach process should include substantial public input as one of the touch points for any proposed change. Revisions to the development code and other guiding documents should be made in a broad context where all potential impacts are considered and stakeholder voices are heard. Council must also consider the needs and act as the "voice" of future citizens, who would hope to call Shoreline home in the years to come.

Thank you for the opportunity to be involved in this exciting and meaningful project and for your consideration of our work. Good luck with implementation of these recommendations and strategies. We look forward to continued participation in the process, and to witnessing the outcomes of our effort.

Sincerely,


Sid Kuboi, Chair


Terry Scott, Vice-Chair

On behalf of the Comprehensive Housing Strategy Citizen Advisory Committee:

John Behrens
Keirdwyn Cataldo
Chris Eggen
Darlene Feikema
Jay Helfrich
Nimo Hussein
Janne Kaje
Chakorn Phisuthikul
Jeanne Roxby
Karen Russell
Harry Sloan
Michelle Wagner
Maria Walsh
Malyn White

Comprehensive Housing Strategy

Prepared by the
Citizen Advisory Committee

January 2008



With Assistance and Support of the City of Shoreline
Planning and Development Services Department and Community Services Division



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Special Thanks to...

Citizen Advisory Committee Members:

- Sid Kuboi* (Chair)
- Terry Scott (Vice-Chair)
- Chris Eggen
- Nimo Hussein
- Michelle Wagner*
- Maria Walsh
- Malyn White
- Keirdwyn Cataldo
- Karen Russell
- John Behrens
- Jeanne Roxby
- Jay Helfrich
- Janne Kaje
- Harry Sloan
- Darlene Feikema, and
- Chakorn Phisuthikul*



*Members also serving terms on the Shoreline Planning Commission

With the Support of...

City of Shoreline Staff:

- Steve Cohn, Planning and Development Services, Senior Planner, Project Manager
- Rob Beem, Community Services Division, Manager, Project Manager
- Miranda Redinger, Planning and Development Services, Associate Planner
- George Smith, Community Services Division, Human Services Planner
- Jessica Simulcik Smith, Planning and Development Services, Admin. Assistant III

Introduction

Regional and national demographic changes over the last two decades that have affected the housing market are also changing the face of Shoreline. Shoreline's desirable location and amenities continue to make it an attractive community for all types of households.

In existing single-family neighborhoods, homes are being built or remodeled to respond to the demands of today's buyers – buyers that are looking for different amenities than are available in 1950s and 1960s era houses. New houses are bigger and typically more expensive. At the same time, a growing segment of the public wants smaller, more compact, well-designed and less expensive homes. Seniors, singles, starters and single parents are looking for an affordable alternative to the typical single-family house on an individual lot.

If the demand for housing stays relatively strong, our community will continue to change. The empty lot down the block will soon contain a home for a new family. The former store front may be replaced by a mixed-used building with retail below and apartments above. A new addition to the two-bedroom house will double its size. Our community will look and feel more built up.

Housing choices are limited and more expensive. Today the average wage earner is barely able to afford a condominium and is priced out of the single-family home market. Long-term residents looking to downsize find very limited choices in Shoreline no matter what the cost. Housing options for those new to the market are very limited to buy and increasingly expensive to rent. These issues put Shoreline's rich diversity at risk.

After a year's study, the Comprehensive Housing Strategy Committee recommends that the City Council work towards expanding housing choice, increasing the number of affordable housing options and maintaining desirable neighborhood character. Our strategy calls for:

1. Engaging and educating the community about ways to promote housing choice while respecting neighborhood character.
2. Exploring the development of new homes, which are sized appropriately for the number of people who will be living in them, in both single- and multi-family configurations.
3. Expanding the supply of housing accessible to families with limited incomes through partnerships that will fund, develop and/or preserve this housing.
4. Creating more "Third Places" that can serve as neighborhood commercial and social hubs.
5. Developing the political will to address the often contentious debates surrounding housing development.

These strategies call for Shoreline to influence the market forces that will shape new development in ways that strengthen the community. Although some of the options may be unfamiliar, we believe Shoreline residents will embrace new housing development if it is based on public understanding and sensitivity to the existing community.

Who might benefit from a comprehensive housing strategy?



The *Baby Boomer* couple, in their late 50's, have lived in Shoreline for 20 years. They have two grown married children, three grandchildren, and three aging parents. When their children found they could not afford the housing prices in Shoreline, they bought elsewhere, but would still be interested in moving back so their kids could attend school here and be close to their grandparents. The couple is also concerned about how emerging development trends in the neighborhood will affect the existing character.

One of the couple's aging parents is an *elderly* woman in her early 80's who has been widowed for a decade. She has never worked and is living off of her late husband's retirement. She owns the home where her kids grew up, but even without a mortgage, has a hard time paying all bills and medical expenses. She wants to remain in Shoreline, but is concerned about her financial security, and finding a housing style that will accommodate her changing needs in close proximity to family and services.

A woman in her early 40's is a *single parent* of two children, one of which is in middle school and the other in high school. When she got divorced and sold their house, she was disappointed to find her buying power cut due to splitting the equity, and now lives in a cramped rental townhouse. Many months she has trouble paying all of the bills because of the disproportionate percentage of her income spent on housing and transportation.

A *childless* couple in their early 30's would like to buy a house in Shoreline so they may stop renting and build equity, but can't find anything available that they like in their price range. She is a teacher and he is a firefighter and they would like to live where they work and be less automobile dependent, but are worried they may have to "drive to qualify," by living in a different locality with more affordable options, and commuting to work.

Four friends in their early 20's, who grew up in Shoreline and remained local or recently moved back, represent the *multiple-income-low-wage-earner* household. They are a student, a health care worker, a mechanic, and a waiter and rent a house in need of substantial renovation. They spend a disproportionate percentage of their incomes on housing and transportation, but communal living helps with the other bills. They wish to continue renting, but would like more options with proximity to social activities and employment opportunities.

The concerns and characters depicted above do not represent the full spectrum of issues or citizens in Shoreline, yet developing solutions for these very real housing challenges was a major focus of committee goals described herein. Appendix IV (Staff Perspective on Strategy Implementation) shows how proposed committee strategies could affect these fictional representatives.

Executive Summary

City Council's Charge to the Committee

In fall 2006, Shoreline City Council convened a Citizen's Advisory Committee (CAC) to develop a Comprehensive Housing Strategy to serve as an overall framework for the many large and small decisions the City makes that affect the type, design, location and cost of housing. In developing this strategy, the committee responded to the following questions:

How can the housing needs of Shoreline's changing demographics be met?

Who should we plan for?

Does Shoreline want to attract new families (with and without children), younger singles, and older residents who may want to stay in Shoreline but want an alternative to their current home?

What do we want to happen with housing supply? What type of housing mix do we want?

Shoreline has a preponderance of single-family homes, largely built in the 1950s and 1960s. Is there a market for this housing type? Is the demand for different housing types shifting in Shoreline and other close-in suburbs? What other housing types are being constructed in nearby cities?

How active should the City be in implementing new housing?

What are tools that Shoreline can use to encourage new housing in specifically designated areas? Should the City try to encourage housing that is more affordable? What tools are or could be made available to do this? What strategies that encourage construction of affordable housing have worked in cities like Shoreline?

The Housing Challenge

The lack of housing that is affordable to average working people is nearing a tipping point from which it will be extremely difficult to return. While it is a national problem, the effects are keenly felt at the local level. An important factor is that Shoreline is basically built out. As available sites have become more rare, expensive, and difficult to develop, housing affordability has become an increasingly elusive goal. Many citizens are now faced with the arduous task of finding a place to call home without going beyond their means or spending an inordinate amount of time in their daily commute.

Housing variety is also an important consideration that can be linked to affordability, although it does not inherently imply it. Choice is an important factor for people deciding where to locate. In order to maintain its diversity, Shoreline will need to provide housing that is a viable option for those with a wide range of income levels, ages, ethnic backgrounds, family compositions, religious affiliations and tastes. Market forces in Shoreline and most of the Puget Sound area are making it difficult for this wide range of people to find the type of home that fits their lifestyle in a price range they can afford.

The housing market is transitioning from one that provided a narrow range of housing options aimed at families with children to one where multiple market segments demand a wider range of housing choices than currently available. Families with children, the original major market in Shoreline, now constitute less than one third of all households. The “new” housing market is aimed at meeting the demand for housing types which appeal to couples with no children, single person households and older adults, many of whom prefer to live near services. Many in these groups are priced out of the market and those that can afford to live in Shoreline are demanding a broader range of choices in terms of style of housing, as well as proximity to community amenities.

Currently Shoreline has a large number (72%, 2000 US Census) of single-family homes on individual lots and a relatively small number of stacked flats (apartments or condominiums), small homes on small lots and townhouses (attached homes, usually two to three stories tall). Existing zoning supports the development of stacked flats (in mixed-use structures of four to six stories) generally in commercial areas, and a limited number of sites for townhouse development.

Prices for housing of all types in Shoreline and elsewhere in the region have increased at a faster pace than incomes, making the typical detached single-family home on a larger lot unaffordable to many young families. If Shoreline wishes to remain competitive in attracting these families, thereby maintaining levels of funding and services for the school system, increasing affordability and choice for this market segment will have to become a priority.

The rental housing market has long provided a smaller but significant portion of the housing stock for Shoreline. Today rental units account for roughly 30% of total housing. As costs increase and the desire for more choice expands, people seeking housing in Shoreline are more often going to find solutions in the single-family rental and multi-family segments of the market.

Shoreline has many well-established neighborhoods with unique character and style. These neighborhoods will be impacted by change with or without modifications to existing City regulations. The City can choose to take a more proactive stance in guiding change by creating incentives for affordability components, design standards or regulatory tools that encourage choice. Any such government initiatives will only be successful if the community at the heart of these neighborhoods is involved in developing them.

Committee Recommendations

The following strategies for Housing Choice, Neighborhood Character, and Housing Affordability are the primary product of committee work. Additional background and conclusions will be provided in the body of the document before they are discussed in greater depth, but they are listed as a component of the introduction to highlight their significance in the overall strategy.

Housing Choice and Neighborhood Character Strategies

1. *The City should initiate a community education and outreach program to promote an open dialogue with citizens before implementation of the following strategies.*
2. *Test changes in the comprehensive plan and/or development regulations designed to encourage housing choice through pilot projects in select and limited sites or on a broader scale as a result of a defined neighborhood subarea planning and design process.*
3. *Institute regulatory change, design guidelines, or design review processes to attain neighborhood compatibility.*
4. *Explore the possibility of creating an urban density residential zoning category that would permit small lot development or attached single-family home or townhouse developments with a design component.*
5. *Undertake an inventory and identify areas where density could be reasonably accommodated through examination of available water, sewer, and transportation infrastructure capacity.*
6. *Evaluate capacity of current infrastructure to handle development anticipated given current zoning & Comprehensive Plan through the subarea planning process.*
7. *Whenever land use changes are permitted as part of a pilot project or subarea plan, such increases must be coupled with clearly articulated requirements designed to promote compatibility with existing neighborhood character.*

Housing Affordability Strategies

1. *Focus efforts to attract funding for development of affordable housing for households earning less than 60% of the County median income because that is the current focus of effort for many grant-making institutions.*
2. *Provide and advocate for direct funding and financial assistance from local, state, federal, private and/or non-profit sources for affordable housing projects serving all income levels up to 120% of median.*
3. *Identify and develop relationships with owners of the approximately 100 units of privately owned and federally assisted multi-family housing which will lead to the retention of the long-term affordability of this housing stock.*
4. *Use locally controlled CDBG (Community Development Block Grant) funds to support housing acquisition, rehabilitation and/or development. (Applies principally to not-for profit developers.)*
5. *Identify and promote use of surplus public and quasi publicly owned land for housing that is affordable to households at or below 80% of Area Median Income (AMI).*
6. *Investigate opportunities to use increased density in single and multi-family zones to encourage the creation of more affordable housing.*

7. *Use the Property Tax Exemption (PTE) to encourage the provision of affordable units and/or community amenities. (Applies principally to for profit developers.)*
8. *Engage in dialogue with the community about the requirements under which affordable housing can be successfully integrated within Shoreline's many neighborhoods.*

Next Steps

The range of housing types and styles which will be needed to accommodate the mix of residents we anticipate wishing to live in Shoreline will be somewhat different from the housing choices that predominate today. After a year of study and discussion of these topics, the Citizen Advisory Committee determined that to best ensure future vitality of the community, housing choice and affordability must be expanded.

The committee concluded that the best way to achieve this is to define and retain important elements of neighborhood character and to engage the community in understanding the need for broader housing choice and in defining how to accommodate new or different housing styles within the community. If these criteria are met, the committee believes that well-designed projects can add density, enhance affordability and foster amenities, while still complementing existing neighborhood character.

We assert that if done so that the community understands what will be built and has the opportunity to affect how development fits with their neighborhood, that more diverse housing choice will be supported. We see this as embodying seven key concepts:

1. Initiate an open dialogue with the community to discuss concerns and expectations;
2. Identify a timeline for implementation of adopted strategies which delineates low-hanging fruit as well as longer-term options;
3. Examine citywide infrastructure capacity with regard to traffic, water, and sewer;
4. Use the neighborhood subarea process to identify areas that could support innovative projects and articulate specific compatibility criteria;
5. Create design guidelines to promote consistency with established neighborhood character;
6. Implement pilot projects on a small scale to test potential changes to citywide code; and
7. Retain an emphasis on affordability and choice.

Report of the Comprehensive Housing Strategy Citizen Advisory Committee

Background

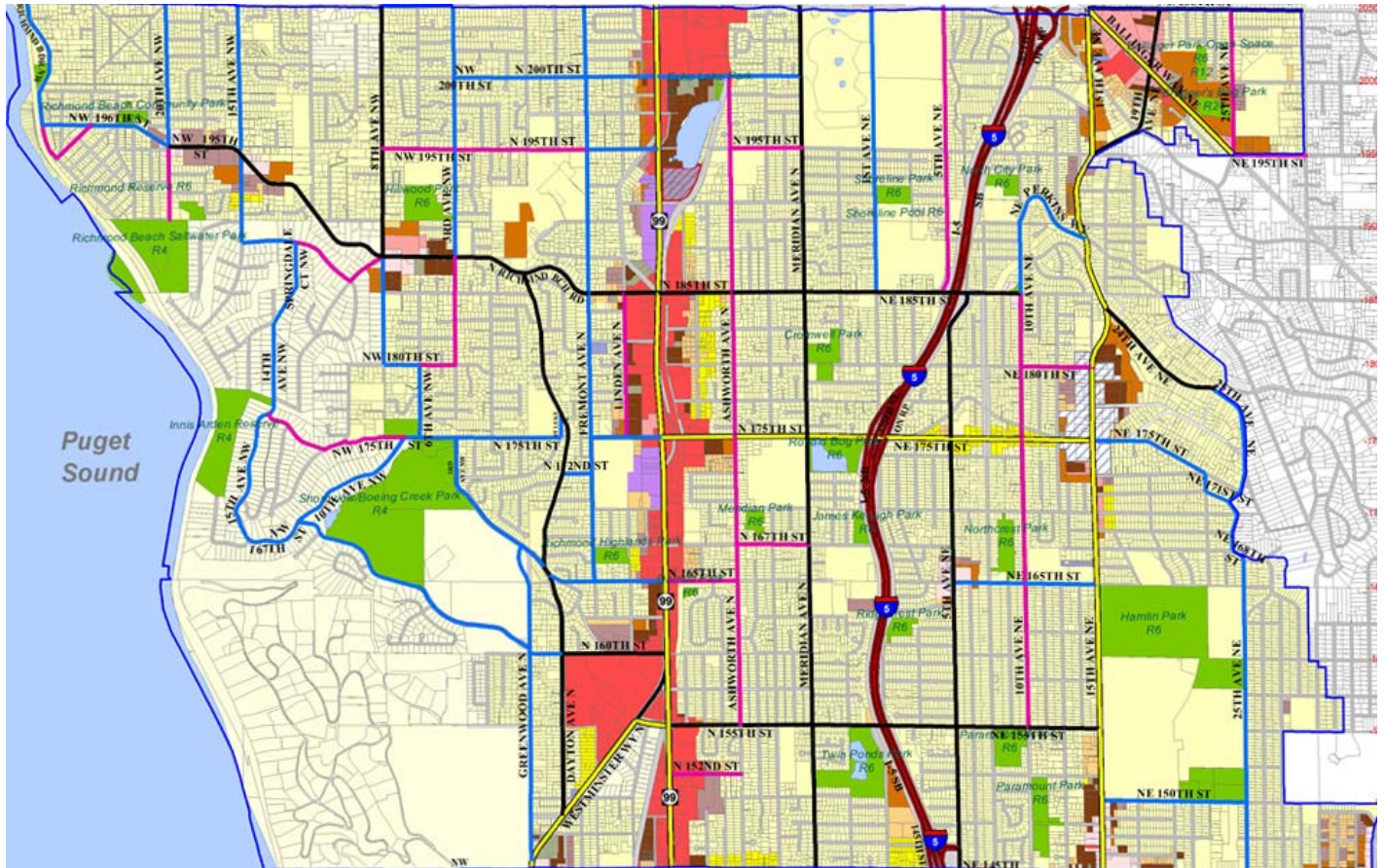
Shoreline's neighborhoods developed in response to the market at the time of their initial growth. In the post WWII era small single-family homes and subdivisions began to fill in what was once open land. Later as the Baby Boomers hit the labor force and the housing market, somewhat larger homes began to fill in the spaces left. By the late 1970s Shoreline was virtually "built out" as a community of single-family houses. Development of this type served the population well at the time. However, those same homeowners are aging, and the new buyers have different tastes and needs, which will change the housing market and demand for homes on existing lots. In the same way that Shoreline grew in response to the post-war market, Shoreline will be challenged to respond to the emerging housing markets of today and the future.

Under Shoreline's current zoning and development codes, land zoned for multifamily use (all parcels shown on the following map designated R18 and higher) is limited.

Other than smaller lots scattered throughout the City, Aurora and North City are the primary areas which will currently accommodate this type of housing. Extrapolating from current development patterns, it is reasonable to assume that properties in those areas are likely to develop as four to six story mixed-use buildings with retail businesses or offices on the ground floor and residences above.

ZONING

Representation of Official
Zoning Map Adopted By
City Ordinance No. 292.



Shows amendments through
April 3, 2007.

Zoning Designation

- R-4; Residential, 4 units/acre
- R-6; Residential, 6 units/acre
- R-8; Residential, 8 units/acre
- R-12; Residential, 12 units/acre
- R-18; Residential, 18 units/acre
- R-24; Residential, 24 units/acre
- R-48; Residential, 48 units/acre

- O; Office
- NB; Neighborhood Business
- CB; Community Business
- NCBD; North City Business District
- RB; Regional Business
- I; Industrial
- CZ; Contract Zone
- Regional Business-Contract Zone

Other Map Features

- City Boundary
- Open Water
- Outside Shoreline
- Interstate
- Principal Arterial
- Minor Arterial
- Collector Arterial
- Neighborhood Collector
- Local Street
- Park
- Tax Parcel Boundary
- Unclassified Right of Way

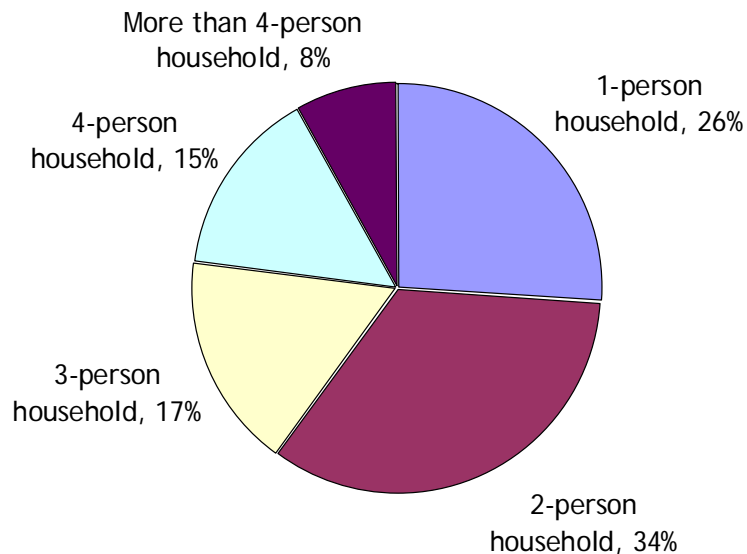
In addition, the supply of housing for other segments of the population, whose presence adds to the diversity of the community, is not likely to be adequate. These groups include:

1. Young adults who grew up in Shoreline, want to continue to live here and are looking to rent or buy a starter home;
2. Baby Boomers who have lived here for decades and are ready to downsize to a smaller house and/or lot now that their children have left home;
3. Elderly persons who want to live closer to services in accessible housing units;
4. People who work in Shoreline who cannot afford to buy a home on a typical lot, but would like to own their own place locally; and
5. Single parents, who cannot afford the standard housing options, but want their children to remain in the Shoreline School District or close to the non-custodial parent.

The housing market is shifting. Presentations from nationally renowned housing development and planning professionals emphasized that demand in the future housing market will be determined by the growing numbers of these groups. The traditional nuclear family will become an increasingly less significant segment of the market. Mark Hinshaw, AICP, FAIA, an urban planner, architect, author and presenter at the 2010 Speaker's Series noted that fully 50% of the housing market is currently serving groups of people he dubbed the Four S's: singles, single-parents, seniors and starters. These groups are more likely to desire housing other than the traditional single-family detached home, and so will provide impetus for the creation of more diverse housing styles.

The figure on the right represents data on household size in Shoreline from the most recent Census reports, which show that 60% of local housing units were occupied by only one or two people.

Household Size (Census 2000)



Walkability, Connectivity, and “Third Places”

Another commonality between these demographically diverse groups, aside from the need for stable housing, is that they all place a high value on access to services, preferably without having to travel long-distances in their vehicles. Grocery stores, coffee shops, restaurants, retail, laundry facilities, childcare, recreational and social opportunities, and access to parks and trails would be assets in their community and increase their quality of life.

From the outset of committee discussion, members emphasized that vibrant community gathering spaces are elements of intriguing and successful places that they would like to see emulated locally. One key to making such neighborhood centers work is locating them within the zone of convenience where individuals will choose to walk instead of drive to meet their needs, usually within a quarter mile of their house. Neighborhood amenities are important for successful communities, and the more that exist within walking distance, the less traffic produced in running errands and engaging in social activities. Residents also benefit from time saved, exercise granted, increased route safety and more opportunity to bond with their neighbors.

Another key to making these “third places” work is to locate housing in a more compact fashion to create a critical mass of consumers wherein local business can be profitable enough to flourish. Yet such density is a concept which often engenders misconception and skepticism. Within the committee there were a number of strong and divergent opinions regarding this topic. Some felt that dense housing, likely along major arterials, was a good way to promote establishment of gathering places as well as protect the core of the single-family neighborhoods from encroaching development. Others expressed concerns about infrastructure capacity, most notably traffic congestion, and urged further study of the matter before any recommendations could be made as to which areas may be able to accommodate additional density. If the Council chooses to pursue a strategy that incorporates density, it should strive to assure that negative impacts are mitigated to the greatest extent possible.

Operating Assumptions

Because there are so many assumptions about what makes a successful neighborhood, what ground rules exist and what are the most important characteristics to protect, the committee defined and classified their assumptions before they began formulating the specific conclusions and strategies. Comments from the community and from experts the committee consulted, such as Arthur Sullivan of a Regional Coalition for Housing (ARCH), showed that successful housing strategies rested on residents’ clear understanding that the City acknowledged and honored their values and expectations regarding their homes and neighborhood. The Operating Assumptions represent the committee’s collective understanding of these norms and ideals in Shoreline. The list below contains assumptions about the community’s values, housing affordability and choice, and neighborhood character. It is based on beliefs which the committee felt represent the cultural standards and goals of the community at large.

- 1. We want housing to be accessible to current and future residents across the income spectrum. Ensuring that a broad mix of people can live in Shoreline will enhance the City's ongoing vibrancy and quality of life.*
- 2. Affordable housing should be integrated into the community or neighborhood.*
- 3. Community gathering places provide a public benefit. Encouraging them through possible incentives should be part of a larger comprehensive housing strategy.*
- 4. Development regulations should reflect clearly articulated community goals. The permitting process should be predictable, with regulations written in a manner that reduces uncertainty for developers, City staff and the community.*
- 5. Home ownership opportunities should be encouraged through education and counseling for those pursuing it.*
- 6. In Shoreline as in the regional housing market, single-family detached houses are priced too high for many entry-level first-time homebuyers, which makes providing affordable alternatives necessary.*
- 7. Specific emphasis should be on households that are most at risk of being priced out of the Shoreline housing market, including both rental and home ownership options.*
- 8. Neighborhood character can be preserved and even improved with quality infill development. New housing development happening in the center of established neighborhoods should be consistent with neighborhood character; lot size to structure ratios and the scale of building are important.*
- 9. Housing growth should be distributed throughout the City; one or two neighborhoods should not have to absorb it all.*
- 10. We should encourage green building practices in housing construction.*
- 11. There will continue to be demand for single-family housing in Shoreline due to its proximity to Seattle as well as other regional employment centers and amenities.*
- 12. Increased demand for housing will put pressure on single-family neighborhoods to change.*
- 13. Most of Shoreline's new single-family development will be on infill lots. Some new development will occur when older homes are torn down and replaced by newer homes.*
- 14. Demographic changes (aging population, fewer couples with children, more singles, etc.) and rising costs will increase demand for housing alternatives that are not the traditional single-family home.*
- 15. Housing variety is desirable because it facilitates housing choice.*
- 16. New development can be compatible with neighborhood character. This could be accomplished through a variety of methods including: design review, prescriptive regulations and/or bulk and height restrictions.*
- 17. New development that responds to current market demand is likely to be of different density and scale than exists in Shoreline, and this could be perceived as incompatible.*

18. Shoreline has the capacity to accommodate the current GMA 20-year target. However, we expect that housing demand for areas in and near Seattle will increase, and the current housing growth targets will rise as population change is evaluated every seven to ten years.

19. Property owners have a reasonable expectation that they will be able to use their property to the extent allowed by current development and zoning regulations.

Housing Choice and Neighborhood Character Recommendations

Background and Issues

A common theme in committee discussions was that maintaining the status quo in City regulations and zoning does not mean neighborhoods will be unaffected by change. This concept is of paramount importance, and was demonstrated through committee discussion on future housing scenarios if they chose to take no action. As this area continues to enjoy a thriving economy and because we expect that people will continue to want to live near the region's largest city, it is probable that Shoreline will maintain its status as a desirable place to locate and there will be further demand to accommodate an increasing number and variety of households.

Shoreline is mostly built out, with very few large tracts of vacant developable land remaining. That means that expected growth will have to occur as infill and/or redevelopment. This type of development can be perceived to have a significant impact on the surrounding neighbors and community. Even where one single-family house replaces another, the change in style and bulk can be significant enough to be a source of apprehension. Many existing parcels are zoned for more capacity than is currently built. Some are large lots which can be subdivided and others may allow for multi-family or mixed-use structures in an area that now contains single-family houses. Because this type of development can occur "by right" under current codes, there is limited opportunity for the public to review or affect the changes that come to their neighborhood. The committee understands that this can be a cause for concern.

Shoreline's residents and property owners are not alone in facing this challenge. For most communities, the evolution in land use causes some dislocation and distress. The prospect of piecemeal development worried some committee members because while individual developments would not trigger the environmental impact or infrastructure assessments required for larger projects, city-wide the cumulative impacts could be significant. Construction could also occur in an unfocused, haphazard manner and potentially place disproportionate burdens on certain areas that may or may not have the capacity to support it.

New and infill housing comes in a wide range of styles and can be done well or poorly. How this housing fits with the surrounding community posed one of the greatest challenges to the committee. The CAC looked at examples of new and infill housing in Shoreline and surrounding communities, some of which are included on the following page.



Positive aspects of this development that the committee identified include:

- Warm and inviting appearance
- Good color palate
- Ability to “fit into” most neighborhoods
- Invites walking
- Good floor plan for seniors

Negatives included:

- Lack of trees
- Unaffordable



Positive:

- Open space
- Sense of community
- Feels like a traditional single-family home
- Variety of color and design elements
- Nice landscaping
- Attractive architecture
- Individual personal entries

Negative:

- Would be preferable if garage entrance was through back alley



Positive:

- Appealing architecture and detailing
- Unique lines
- Nice roofs and window treatments
- Nostalgic
- Underground wiring
- Front yard setback
- Balcony and porch

Negative:

- Extra traffic

In contrast, this development received predominately negative comments, including:

- Too many units packed together
- Block is too large and uniform
- Need to create diversity by breaking up lines and color
- Density for density's sake
- Garages are difficult to get into
- No landscaping

Other observations:

- Potentially affordable to moderate income households
- Need to make more visually attractive design while keeping cost low



Architect Bill Kreager, of the Mithun Partnership, made a presentation to the committee which showcased a range of design solutions that worked in other communities. These experiences convinced the committee that design matters a great deal because compatibility can be enhanced or diminished by the quality of architectural features. As the committee's recommended strategy indicates, while the City can and should be sensitive to how new and infill housing fits with the neighborhood, the specific standards and rules are best developed in partnership with affected communities and those that produce the housing.

The topic of "mega-houses" was raised in the committee's work, and was also a popular topic of discussion during opportunities for public comment. In keeping with the general recommendations on strategy which call for expanding affordability and choice options rather than restricting existing development potential, the committee did not feel it had the requisite charge or time to fully consider the questions of whether or how to regulate these homes. Their silence on the matter should not be seen as condoning the practice, merely as recognition that other Puget Sound localities, such as Kirkland, are actively examining the issue and drafting and implementing ordinances meant to deal with the problem. The committee strongly urges elected and appointed officials and staff to examine the work done by others in the region and be vigilant in addressing neighborhood concerns at the earliest possible opportunity.

Growth in Shoreline under existing codes and zoning will likely not be able to keep up with demand. The market will not produce the variety nor the quantity of housing required. Such a shortfall is anticipated to keep upward pressure on local housing prices and to limit the choices offered. The City has the opportunity and the challenge to make changes that will allow the development of a more varied mix of housing types and variety of housing available in different price ranges.

The City's recent attempts to provide opportunities to develop "cottage housing" provided the committee with a great lesson. This experience clearly indicated that introducing changes in housing style, size and choice, should include helping the community to understand the proposal and engaging citizens in a dialogue about the ways in which such a change can be made to fit into its surroundings. It should also include safeguards in the code language that standards will be established and upheld so that variations in the styles of different developers will not translate to drastic disparity in the quality of built housing. We have laid out a strategy in which this goal is a major component.

Choice and Character Conclusions

The best way to manage anticipated growth is to plan for it. By doing so, development can be guided to areas where the community and the infrastructure can best accommodate it. A key consideration in this planning is an assessment of neighborhood and infrastructure capacity. Committee members recognized that areas located along major corridors, near public transit, employment and commercial districts represent opportunities to reasonably accept new or innovative housing. With the additions of a design component and requirements for local input, they felt that this was the most effective way to preserve existing neighborhood character and to ensure continued community vitality and a diverse population base.

- 1. Market forces will continue to spur development under our current zoning and land use regulations. Such development may not address issues of neighborhood compatibility or housing choice absent additional guidance from the City. Because new projects could continue to impact neighborhood character, maintaining the status quo in city regulations and zoning does not mean neighborhoods will be unaffected by change.*
- 2. Variety of housing choice and open space can be positive elements of a neighborhood.*
- 3. Shoreline should institute provisions for a range of housing design and affordability because we feel it is in the best interest of the community, not because of GMA requirements.*
- 4. Community understanding and acceptance of new housing styles and types is enhanced when community members are informed and engaged in decisions about what and where new housing is developed.*
- 5. Shoreline should take measured steps to allow increased densities in parts of the city, but only under certain conditions, and in areas that can reasonably accept it. Conditions should include proximity to transit and amenities, and suitable infrastructure capacity, which would be determined through a defined neighborhood subarea planning process.*
- 6. The City should understand cumulative impacts on infrastructure (e.g. sewer, water, and transportation) of development under the existing Comprehensive Plan, including effects on capacity.*
- 7. Housing choice in neighborhoods is limited by current zoning/density; one way to increase variety is to allow changes in zoning.*

8. *New housing choices need to recognize existing neighborhood character. In that sense, housing choice and neighborhood character are tied together. They do not represent an either/or choice.*
9. *The City should encourage development of neighborhood gathering places in all of Shoreline's already defined neighborhoods.*

Choice and Character Strategies

Whatever range or combination of strategies the City Council chooses to investigate or pursue, the committee stressed the importance of transparency and community involvement in decision-making. Changes to regulatory codes, zoning categories, permitted densities, or design standards must be crafted through processes that both educate citizens on the need for proposed revisions and incorporate their vision for the neighborhoods in which they make their homes and have invested much time, money, energy and sentiment.

1. *The City should initiate a community education and outreach program to promote an open dialogue with citizens before implementation of the following strategies.*

This theme was repeated time and again, and while it is relatively self-explanatory, the committee's emphasis that it be included as a priority to increase certainty and understanding can not be overstated. The CAC urges Council to direct staff to begin drafting an outreach program at the earliest possible opportunity.

2. *Test changes in the comprehensive plan and/or development regulations designed to encourage housing choice through pilot projects in select and limited sites or on a broader scale as a result of a defined neighborhood subarea planning and design process.*

This strategy is a result of lessons learned from cottage housing regulations, which were repealed because of a lack of community buy-in and strict standards to ensure city-wide consistency, as well as a gulf between planners' expectations and the built reality. The committee wanted to avoid these pitfalls with other housing strategies, so that proposed changes would meet the needs of the community by delivering anticipated benefits and through pilot projects wherein planners could close regulatory loopholes before a city-wide code was adopted. This proposal represents a longer-term commitment by the City, which could be accomplished with existing staffing levels and incorporated into neighborhood subarea plans slated to commence in early 2008.

3. *Institute regulatory change, design guidelines, or design review processes to attain neighborhood compatibility.*

After listening to multiple presentations and viewing dozens of images, the committee came to believe that the quality of design is the key to integrating new housing choices and affordability into existing neighborhoods without negatively affecting the character. Such standards must be based on the input of individual neighborhoods and be clearly defined so that staff could implement them in a fair and predictable manner.

4. *Explore the possibility of creating an urban density residential zoning category that would permit small lot development or attached single-family home or townhouse developments with a design component.*

The CAC felt that this strategy would be a viable means of increasing the variety of housing styles, but cautioned against making such development possible throughout the city. Appropriate locations for this potential zoning designation would be identified through the neighborhood subarea process, and implementation would follow the standard procedure for modifying zoning regulations.

5. *Undertake an inventory and identify areas where density could be reasonably accommodated through examination of available water, sewer, and transportation infrastructure capacity.*

There was much discussion about how to properly ensure that any increases in density could be absorbed without straining infrastructure capacity. The CAC felt the only way to thoroughly understand development potential was to perform an inventory and identify areas with available water and sewer and levels of service for roadways that could accommodate growth.

6. *Evaluate capacity of current infrastructure to handle development anticipated given current zoning & Comprehensive Plan through the subarea planning process.*

As with the above strategy, the committee felt that an analysis should be done to examine existing conditions as well as those proposed by the Comprehensive Plan before any zoning changes are made.

7. *Whenever land use changes are permitted as part of a pilot project or subarea plan, such increases must be coupled with clearly articulated requirements designed to promote compatibility with existing neighborhood character.*

This issue is related to the creation of design standards and other safeguards that will help neighbors of proposed projects feel more at ease about coming change. It was even suggested that to encourage development of such pilot projects, the City could dedicate funds for neighborhood improvement in areas where innovative developments would locate, although this would be heavily dependent on the scale of proposed projects and availability of capital improvement funds.

Housing Affordability Recommendations

Background and Issues

As the committee began its deliberations on housing affordability, they acknowledged that virtually all such discussions rest on the assumption and popular experience that housing is increasingly, and for some, prohibitively expensive. The current high cost of housing relative to earnings and wages limits choices and imposes burdens on renters and owners alike.

In Shoreline, a two-person household earning the median family income of \$59,600 (HUD AMI Seattle/Everett 2007) is able to afford some, but not all apartments, some but not all townhouses/condos and virtually none of the single-family detached homes. The median price of a single-family home in King County in 2006 was \$425,000, and the average rent for an apartment was \$880. From 2000-2006, King County median income increased on average 2.6% annually, while the median price of a single-family home increased 9.2% annually. Shoreline's numbers are not quite as drastic with median home prices ranging from \$223,500 to \$340,000 (depending on the neighborhood) according to 2003 data. These price ranges represent an increase of between 7.5 and 8.3 percent annually, and the yearly income required to buy such a home is between \$54,473 and \$82,988.

From a more local perspective, in October 2007, staff took a snapshot of currently available housing. The information is represented in the graph below, but it is interesting to note that there were more houses available for over \$700,000 than below \$300,000.

In October 2007, there were no homes available in Shoreline for less than \$250,000

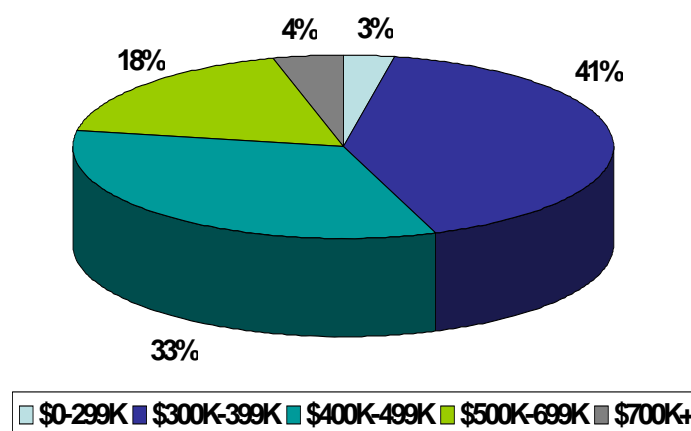
3% of Shoreline's housing stock was priced below \$300,000

41% was priced between \$300,000 and \$400,000

33% was priced between \$400,000 and \$500,000

18% was priced between \$500,000 and \$700,000

4% was priced over \$700,000



The committee was concerned that if trends were left to perpetuate unabated, this disparity would threaten to dislocate or place undue financial burden on a significant percentage of our citizenry. If this scenario came to pass, Shoreline would likely lose its status as a community where a variety of households could find a safe, stable and supportive place to live and to raise families. This variety is important for diversity, which promotes vitality through a range of economic, social and cultural opportunities.

Affordable housing, like all housing, is produced by the private sector. Some homes are built by for-profit developers and some by not-for-profit developers. Either group can and does produce housing that is affordable to households with limited incomes. As experts who briefed the committee noted, housing is made more affordable by reducing costs for development. These cost reductions or subsidies, come in many forms and frequently include: low cost financing (largely subsidized by the federal government), donations of land or funding, specific grants from governments or foundations and/or the reduction in development costs and requirements. While there are a variety of sources of funding and support there is competition for what is a scarce resource. Communities across the country and in King County have successfully worked to attract, control and support the development of affordable housing by working with another government or entity that can focus solely on supporting housing development.

Affordability Conclusions

The following conclusions are drawn from an assessment of market conditions, a review of demographic data and trends in Shoreline and from an understanding of the community's values.

Federal guidelines define housing affordability as the proportion of household income required for monthly rent or mortgage. This guideline recommends households not spend more than 30 percent of their gross income for housing costs because if they exceed this amount they may not have enough money for other essentials such as food, medical care and transportation. The CAC adopted this 30% guideline for use in Shoreline.

1. *Paying attention to and considering community concerns is the key to garnering community support for affordable housing initiatives/projects.*
2. *The City values the diversity of families and households.*
3. *Community and economic vitality are directly related to the availability of affordable housing for all income levels.*
4. *Rents are affordable for two thirds of rental households in Shoreline. An estimated 37% of renter households (2,445 households) spend more than 30% of their incomes on rent. Mortgage payments are affordable to roughly the same proportion of households (69%) with 31% (2,878 households) spending more than 30% of gross income on mortgage payments. Slightly more than one quarter (26.2%) of owned housing is not mortgaged. (Census 2000)*
5. *For approximately one out of four Shoreline households (5,000 households), current and future housing options are not affordable. Of these, approximately 4,000 are earning less than 80% (\$48,600) of King County's median income. (Based on 2005 Average Household's Area Median Income)*
6. *Affordable ownership opportunities for a detached single-family home are exceedingly rare for households with incomes less than 120% of median (\$72,800 for a 2.4 person household in 2005). Households at 120% of median income in 2005 could afford to buy a home that costs about*

\$274,000, based on a 5% down payment with a 30 year amortizing loan at a 5.75% interest rate. (Based on 2005 Average Household's Area Median Income.)

7. *The need for less-than-market rate housing exceeds the supply of housing that is economically accessible throughout the greater Seattle area and King County.*
8. *Due to market conditions, most development of below-market-rate housing will be through the private sector. Creative developers may be able to provide below-market-rate housing in developments where costs can be spread among a larger number of units.*
9. *There are a range of effective tools available to cities which can assist in the development and retention of affordable housing. These can be separated into two categories: direct assistance and incentive through land use regulations.*
 - a. *Direct assistance examples*
 - i. *Financing through grants, loans or tax credits*
 - ii. *Fee waivers*
 - iii. *Securing land*
 - b. *Incentives through land use regulations examples*
 - i. *Increase density*
 - ii. *Allow accessory dwelling unit*

Incentives are not direct subsidies; rather, they reduce the cost of development. Reduced costs must be passed along to the future homeowner or renter, resulting in a product that is more affordable than other housing choices. These incentives must be tied to affordability requirements and/or design guidelines to make higher density development more reflective of neighborhood character.

10. *Cities in King County that are most effective in supporting the development of affordable housing make a specific commitment and make it a political and funding priority.*
11. *Over time, cities in King County that have made a commitment to engage in affordable housing activities develop the capacity, skill and reputation in the market which enable these cities to use increasingly sophisticated development tools.*

From the basis of these conclusions, the CAC began to identify strategies that could be implemented to mitigate some of the consequences of market force development, which threatens local diversity by potentially eliminating large segments of the population from being eligible to purchase or rent. To further illustrate this point, the following graph (on page 24) delineates housing options based on income. The analysis relies on percentage of area median income (AMI) earned by the household. This term means that if all households were lined up from least to highest income, the household in the exact middle would be the median.

According to 2007 Department of Housing and Urban Development (HUD) data, the median market-rate home is priced at \$415,000. In order to purchase this home without spending more than 30% of its income, a household would need to make \$94,500 annually, which is 160% of the area median income. This is clearly out of reach for many. The chart,

Housing Options Based on Income, illustrates the situation facing households today. Those with a very low income have especially limited choices and either find a source of housing that receives significant subsidy for construction and operation, pay more than 30% of their income for housing or find housing in another community. At progressively higher incomes the need for subsidy and assistance decreases and choice increases. Yet to even enter the current single-family market at the low end, a household must earn more than the area-wide median income of \$59,600.

HOUSING OPTIONS BASED ON INCOME



INCOME
(% OF MEDIAN)

\$94,500
(160%)

MARKET

Able to afford the median priced home (\$415,000).

\$71,500
(120%+)

MARKET

Can purchase the lowest priced single-family house or have a choice in condo/townhouse market.

\$59,600
(MEDIAN)

\$47,700
(80%)

ENTRY TO MARKET

Predominantly rental housing. May be able to purchase if they have savings or gifts for a down payment or are willing to pay more than 30% of income for housing. Limited First Time Home Buyer assistance available.

\$35,775
(60%)

WORKFORCE HOUSING

Exclusively rental housing. Construction requires subsidy usually from federal, state and/or local governments.

\$17,977
(30%)

VERY LOW INCOME

Exclusively multi-family rental operated by non-profits or housing authorities. Needs subsidy for capital and operating costs. Construction subsidized through federal low-income tax credits, WA State Housing Trust Funds, other state and local programs. Operating costs subsidized by Section 8 Vouchers, other public resources or private foundations/organizations.

HUD 2007 Median Income
Two-Person Household

Affordability Strategies

1. *Focus efforts to attract funding for development of affordable housing for households earning less than 60% of the County median income because that is the current focus of effort for many grant-making institutions.*

This strategy addresses the housing needs of individuals and families who fall below the 60% of median income threshold and are otherwise entirely priced out of the Shoreline home-ownership and rental markets. Federally-subsidized housing is in short supply and the creation of new housing in this category is a much more complex and time consuming process that involves the development of partnerships with governmental and non-governmental organizations and multi-faceted funding sources. Gaining site control and grant-writing for such projects would be beyond the scope of work for current City staff, which makes partnerships with non-profit entities particularly valuable.

2. *Provide and advocate for direct funding and financial assistance from local, state, federal, private and/or non-profit sources for affordable housing projects serving all income levels up to 120% of median.*

Most grant-making institutions focus their funding resources on the target population of households making less than 60% AMI, yet stagnant wages and increasing home prices threaten to displace those with higher incomes as well. The need to advocate for funding for this expanded population should be a City priority that is exercised whenever the opportunity presents itself and could be accomplished with current staffing levels.

3. *Identify and develop relationships with owners of the approximately 100 units of privately owned and federally assisted multi-family housing which will lead to the retention of the long-term affordability of this housing stock.*

This strategy could insure the long-term availability of an important housing niche that will be difficult to replace, but would require comparatively less effort to rehabilitate and retain. The target properties can be readily identified and the first step of initiating contact with property owners can be undertaken with current staffing levels.

4. *Use locally controlled CDBG (Community Development Block Grant) funds to support housing acquisition, rehabilitation and/or development. (Applies principally to not-for profit developers.)*
CDBG funds are federal pass-through dollars, which the City is tasked with distributing, and could place caveats on for dedication to affordable housing projects, sustainable development endeavors, or pre-development costs for grant-funded initiatives. Such funding criteria could be adopted by Council with a minimal amount of staff research, and would increase the pool of incentives available for desirable projects.

5. *Identify and promote use of surplus public and quasi publicly owned land for housing that is affordable to households at or below 80% of area median income.*

Acquiring site control is often the most difficult hurdle for those in the business of creating affordable housing. Therefore, any excess property which is owned by the City, School Board, or any other amenable entity could be held for an affordable housing provider until they could capture grant funding for its purchase or even given to them outright. This would greatly reduce the cost of any housing built on the site by removing the cost of the land from the equation. Identification of excess property could begin immediately with existing staff, who could also initiate conversations with property owners and affordable housing developers.

6. *Investigate opportunities to use increased density in single and multi-family zones to encourage the creation of more affordable housing.*

Because for-profit developers can often subsidize the cost of affordable units by the sale of additional market-rate units allowed by a density bonus, this would be an effective way to increase the local stock of housing affordable to target populations. Such code revision could be undertaken immediately and with existing staffing levels, but would require neighborhood acceptance of additional densities and an evaluation of infrastructure capacity.

7. *Use the Property Tax Exemption (PTE) to encourage the provision of affordable units and/or community amenities. (Applies principally to for profit developers.)*

Any cost savings provided to the developer of a project with an affordability component must be passed along to future residents, but the committee felt that the use of PTE should be investigated. If it proved feasible, this could be a relatively near-term implementation option.

8. *Engage in dialogue with the community about the requirements under which affordable housing can be successfully integrated within Shoreline's many neighborhoods.*

To combat negative stereotypes about the impacts of affordable housing initiatives, it is important to engage the community in a discussion so that they are well-informed and supportive of welcoming greater economic diversity into their neighborhoods. This recommendation should be part of the outreach program discussed under housing choice strategies.

Final Thoughts

Shoreline was founded on the basis of strong neighborhoods, the School District, and the desire for more responsive, localized government. This cohesive identity is still a high priority for its citizenry, reflected in the expressed desire that preservation of residential neighborhood character be a consideration of vital importance. There is unease about redevelopment in residential areas, and two of the biggest perceived threats are that new construction will not be aesthetically compatible with existing style and that future generations will not be able to afford to live in Shoreline due to increasing home prices. The City has limited control over these trends, but can lessen effects to a certain extent by allowing a wider range of development choices that encourage modestly-sized housing units.

Emerging demographic trends show that family structure and tastes of buyers and renters are changing. The existing housing stock, given its age and composition, may not be the most appropriate type to accommodate their preferences. Because community vibrancy is enhanced by having a diverse population, if it wants to maintain a thriving community, Shoreline will find it advantageous to develop viable alternatives to the predominant single-family home option.

A housing strategy is a commitment that must be carried forth through many years and must be a long-term political and funding priority. Overarching strategies identified included:

- Taking a proactive stance and communicating with citizens about the need to take action before looming clouds create a deluge of problems;
- Action is appropriate, but must occur incrementally at first and in conjunction with active citizen participation;
- No single neighborhood or geographic region should bear the brunt of redevelopment or shifting paradigms;
- Regulatory change can encourage development of more attainable housing which results in a range of choices;
- Objective standards dealing with neighborhood consistency can be added as review elements for developments that propose alternative housing styles.

Overcoming the obstacles presented when attempting to shape housing choice and affordability on a municipal level can be likened to accommodating any significant societal change. Magic bullets do not exist. It will take the cooperation of citizens, non-profits, businesses and government entities on every level to realize significant progress. Such partnerships will require levels of trust and understanding that are difficult to achieve, but the first step is to widely acknowledge that a problem exists, and articulate a commitment to seek out and implement solutions which will lead to desired change. This strategy is the first step in such an approach.

Housing is interconnected with transportation, economic development, resource constraints, and social mobility. It is the center of family life, a place to find privacy, an investment for the future, a source of pride, and a hallmark of accomplishment. However, the committee strongly believes that it should not be an exclusive privilege of the wealthy or

of those who have already managed to gain entrance into the system. Future Shoreline residents, many of whom will be the children and grandchildren of those that live here today, must be considered in the decision-making process. In crafting its assumptions, conclusions, and strategies, the Community Advisory Committee struck a balance between the needs of these future residents of Shoreline and the expressed desires of the current population. The committee encourages the City Council to do the same in their deliberations and actions.

Appendix I: **Perspective on Strategy Implementation**

The following scenarios are an attempt to interpret how committee recommendations could be implemented. They are not comprehensive, nor have they been through any holistic analysis that would need to be completed before they could be brought before the City Council for adoption. At this point, they are hypothetical examples of regulations, incentives, or other legislation that could be used as tools to increase housing affordability and choice options, should Council deem them potentially effective and appropriate.

Recommendations for increasing housing choice while safeguarding neighborhood character suggest expanding permitted uses, increasing density, and creating design standards. Those which target increased affordability focus on the three areas where local government can have the most influence, namely through instigating funding initiatives, partnerships, and regulatory change.

One committee strategy for increasing housing options as well as affordability was the creation of an urban residential zoning classification. Such a zoning district could include as **permitted uses** the creation of small lot developments, attached single-family homes, or townhouse development. Scale, placement and design would have to be carefully considered, and such districts (to the extent possible) would need to be spread equitably throughout the City to avoid saturation in any geographic area. The City could also consider allowing a greater unit count in mixed-use buildings in commercial areas near neighborhoods or permitting higher density on larger pieces of land (more than ½ acre) so that design standards could be applied.

In discussing options for **controlling design** as a means of regulating compatibility with neighborhood character, the committee was in favor of developing subarea specific standards, but not of instituting a review board or other more intensive processes. Through visual preference surveys, we identified particular elements which created a relationship with the neighborhood rather than isolated individual houses. This included fencing that was not opaque and landscaping that would also aid in stormwater retention. Another desirable element was being able to see the front door of a house, instead of having the garage as the predominant feature. Given that these preferences are often subjective in nature, individual neighborhoods would be integral in the creation of specific standards so that staff could work with a code that was easily quantifiable and enforceable, and that balanced rights and freedoms of individual property owners with the aesthetic appeal and character of the neighborhood.

Another way to achieve greater density and neighborhood compatibility is to expand or publicize the current codes relating to **Accessory Dwelling Units**. Since these are created on the same lot as an existing house, by the property owners, these additional structures are usually made from the same materials and mimic the architectural style of the existing house. Such units have great potential to promote variety of detached dwelling options for a range of demographic categories, including aging parents needing a greater

degree of care or grown children unable to live on their own due to financial constraint. They can also increase the supply of rental options that are usually more affordable than single-family counterparts, thereby providing an additional income stream for the property owners that could reimburse the cost of development. Overall, ADU's have great potential for individual households to meet the needs of their nuclear and extended families while providing density which is easily absorbed and contributes to neighborhood character.

For the goal of increasing housing affordability, the committee recognized that it will be difficult to realize significant change without a local entity specifically dedicated to such an endeavor. The City would therefore need to partner with, recruit, or form a land trust, Community Development Corporation, or other **non-profit housing developer**, with the ability and tax-exempt status to apply for grants, amass land, contract designers and builders, provide homeownership education, qualify residents, and preserve affordability in perpetuity.

In partnership with a local or regional housing development agency that would create the actual structures, there are a number of options for the City to encourage a greater range of affordability. It could **identify surplus lands** to be used for affordable housing. Given that the escalating price of land is the greatest factor in prohibitively expensive housing, taking the land cost out of the equation would allow mainstream building industry professionals to maintain their profit margin (and therefore assume the risk of development), while making quality housing options available to the community for a reduced price.

The City of Shoreline could explore the creation of or participation in a **housing trust fund**. Money could be pooled from a regional partnership with a greater tax base, or directly for community projects through a local funding source, such as development fees, or another dedicated stream. They could also allocate **Community Development Block Grant** monies to the creation of affordable housing.

Aside from direct contribution, the City could lobby the **County, State, and federal governments** to provide grant and trust **monies and tax credits** to bridge the affordability gap. Another change that would make it easier for non-profits to get housing on the ground would be to allow existing monies to be used for predevelopment costs, not just brick and mortar construction. The City, through the Association of Washington Cities and other membership organizations should continue to advocate for additional funding, programs, and incentives that promote the creation of affordable housing.

Governing bodies are also in a position to form effective **partnerships** at all levels and through a wide array of community organizations. Dialogues could be undertaken with the owners of the approximately 100 units of private and federally assisted multi-family housing, which could lead to the retention of the long-term affordability of this stock. With all existing housing, renovation should be encouraged instead of demolition because the most affordable housing is that which is already built. Discussion could also be initiated with major employers and landowners, such as the Fircrest School, the Shoreline School District, the YMCA, and Shoreline Community College, to leverage their commitment to create housing affordable to their employees.

Various City departments also have the ability to change their **process and regulations** to be more conducive to the development of affordable housing. Property Tax

Exemption could be utilized, as well as expedited permitting or reduced fees for projects with an affordability component. An inclusionary zoning ordinance could be adopted, or an impact fee introduced. Density bonuses could be expanded, and the City could also consider the creation of an urban density residential zoning category, which would tie more compact development and creation of additional units to reduced price on a certain percentage of them.

A **zoning category** which encourages density could also help advance several strategies for increasing housing choice and compatibility with neighborhood character. The more new housing that can be directed into areas located near transit and within walking distance to amenities, the more the cores of the single-family neighborhoods are insulated from additional development and traffic. It could also help to create a critical mass which would allow community businesses to achieve or maintain economic viability, thereby establishing “third places” which would facilitate neighborly fellowship and provide additional options for goods and services.

Whatever range or combination of strategies the City Council chooses to investigate or pursue, the committee stressed the importance of transparency and community involvement in decision-making. Changes to regulatory codes, zoning categories, permitted densities, or design standards must be crafted through a process that both educates citizens on the need for proposed revisions and incorporates their vision for their individual neighborhoods.

In order to provide direction for specific tasks that could be undertaken upon adoption of this Comprehensive Housing Strategy, staff created a short list of prioritized items from the universe of potential implementation strategies discussed above:

1. Develop an education and outreach plan to communicate the need for potential City intervention into market forces and to address neighborhood concerns.
2. Select appropriate areas for pilot projects to be built which encourage alternative housing choices and utilize trial design standards. These areas should be identified through a subarea process, beginning with the studies of Town Center and southeast Shoreline that will occur in 2008.
3. Work with King County, non-profit organizations, and regional affordable housing developers to identify one or more properties already planned for multifamily use to be developed as an affordable housing demonstration project.
4. Allocate portions of CDBG (Community Development Block Grant) funding to support development of housing affordable to households with limited incomes.
5. Identify existing privately owned multi-family development that is currently under contract to HUD to provide affordable housing.
6. Work with cities in north King and south Snohomish Counties to establish whether there is viable support to create a regional housing coalition to support affordable housing projects in these areas.
7. Examine City Development Code regulations regarding Accessory Dwelling Units to see if there are additional ways to encourage their creation.
8. Identify surplus property throughout the City and initiate discussion which could lead to its development as workforce housing.

9. Consider crafting neighborhood-specific design standards so that new projects which showcase alternatives to the single-family home reflect established neighborhood character.
10. Investigate how changes in current Planning and Development Services policies and regulations could be adjusted to create incentives for affordability components.

This list delineates several avenues to further the goals of increasing housing affordability and choice throughout Shoreline while retaining and protecting the character of established neighborhoods. Change will occur and neighborhoods will be impacted even if Council chooses to take no action. However, the Citizen Advisory Committee believed that a more positive outcome could be achieved through a proactive approach that educates citizens on the need for guidance and incorporates their input into development regulations, design standards and neighborhood planning initiatives. We anticipate that this strategy will enhance the vibrancy of the communities which are the heart and soul of the city, and will allow it to remain a place where a diverse variety of people are proud to call home.

Archetypes Revisited:



To illustrate how the above strategies could affect local residents and conclude the strategy, it is pertinent to revisit the archetypal characters introduced at the beginning of the document.

Suppose that the City rewrote its current code for Accessory Dwelling Units to encourage more widespread use. The baby boomer couple could build a “mother-in-law” cottage adjacent to their home, which would provide a safe, one-story abode for the elderly woman. With the security of a stable place to live that was more suited to her needs and close to family, she could then rent her house out to the multiple-income-low-wage-earner household. The young men could take responsibility for lawn care and other basic maintenance in exchange for reduced rent.

Another option for the student, health care worker, mechanic and waiter would be to individually qualify for income-restricted rental housing which was hypothetically created when the City partnered with a regional land trust. In conversations with the Shoreline School District, an old elementary school had been identified as surplus property. The land trust, having been given site control, received grant money from the State through a newly created trust fund to build workforce housing. The City supplemented State funds through their Community Development Block Grant monies to provide additional site upgrades that improve ecological function, manage stormwater, and utilize native landscaping based on a resolution that such funding would be tied to sustainable development initiatives.

If the City also changed its development regulations to allow for an urban density residential zoning category, or provided an additional density bonus for the inclusion of affordable housing in targeted areas, it could spur the creation of multiple options for the single mother of the middle- and high-school students. Such projects could also benefit from expedited permitting and reduced fees, the savings from which would need to be passed on to the residents. The density created in such locations, that are adjacent to major arterials with access to transit, would help to achieve a critical mass and bring in amenities that would be beneficial to the mother and her children. Bookstores, coffee shops, restaurants, arcades, laundry facilities, and other local businesses within walking distance from the family’s home could provide recreational and eventual employment opportunities for the young teens, as well as shopping convenience and a social outlet for the single woman. If such areas also created open space, community gardens, and access to parks and trails, the family could experience nature in a more urban setting, and be healthier as a result.

While the single-parent household would likely choose a homeownership opportunity that would maximize square footage for the least cost, such as a townhome or condo, the childless couple might prefer a reduced building footprint on a smaller lot. If the City revisited previous codes regarding construction of such housing styles, this option could be reintroduced into neighborhoods with a design component to promote compatibility with existing character.

When all is said and done, the housing market, development of options, and municipal strategies are all subject to individual choice. What truly shapes the landscape of neighborhoods are housing options in which people are willing to invest and live. The expectation of the CAC and staff is that with a comprehensive strategy, more options will be created which will help individuals find that special place in Shoreline.

Appendix II:

Comprehensive Plan Policies

Goal LU III: Encourage a variety of quality housing opportunities and appropriate infrastructure suitable for the needs of Shoreline's present and future residents.

Goal LU IV: Encourage attractive, stable, quality residential and commercial neighborhoods that provide a variety of housing, shopping, employment and services.

LU10: Review and update infill standards for single-family houses that promote quality development and reflect the character of the existing neighborhood...

Goal H II: Pursue opportunities to preserve and develop housing throughout the city to address the needs of all economic segments of the community.

Goal H III: Maintain and enhance single-family and multi-family residential neighborhoods, so that they provide attractive living environments, with new development that is compatible in quality, design and scale within neighborhoods and that provides effective transitions between different uses and scales.

Goal H IV: Encourage and support a variety of housing opportunities for those with special needs, particularly relating to age, health or disability.

H1: Encourage a variety of residential design alternatives that increase housing opportunities in a manner that is compatible with the character of existing residential and commercial development throughout the city.

H6: Encourage infill development on vacant or underutilized sites to be compatible with existing housing types.

H10: Provide opportunities and incentives through the Planned Unit Development (PUD) or Master Plan process for a variety of housing types and site plan concepts that can achieve the maximum housing potential of a large site.

H15: Ensure that a proportion of housing created through an increase in permitted density is priced to accommodate low and moderate income households.

H17: Encourage the dispersal of affordable housing opportunities throughout the City.

H18: Provide incentives and work cooperatively with for-profit and non-profit housing developers to provide affordable housing.

H32: Encourage the dispersal of special needs housing throughout the City, using a siting process which includes citizen input and is consistent with State regulations.

Appendix III: **Schedule and Content of CAC Meetings**

12/6/2006- The first meeting of the Committee provided the members an opportunity to discuss their range of housing experiences and to explain what the terms “housing”, “neighborhood”, and “neighborhood character” meant to them.

12/12/2006- The committee met in an Open House forum for the purpose of gathering ideas and identifying housing issues from the community at large.

1/9/2007- The CAC heard presentations about Shoreline’s demographics as well as local, state, and national housing trends, including a discussion of housing cost and affordability. The committee then began to develop its work program by listing the issues, community values, and questions that are important to the community in regard to a housing strategy. They discussed Needs and Issues framed by the following questions:

- *How can we increase the variety and choice of different kinds of housing to be developed in Shoreline?*
- *How can we accommodate the anticipated level of redevelopment and change into our neighborhoods?*
- *How can we increase affordability of housing for households of limited income (renters and first-time homebuyers)?*

1/23/2007- The CAC reviewed the Needs and Issues draft, as well as adopted a Charter, which defined their deliverables as follows:

- 1) A description of present and future housing needs and demand, based on the changing demographics of the community, to include a subjective assessment of housing needs based on demographics and community values.
- 2) A general assessment of drivers affecting the housing market in Shoreline and the general region.
- 3) Community values statements and preferred futures for housing.
- 4) Community goals for housing.
- 5) Strategies/recommendations (near term and longer term), with two or three strategies to achieve the goals, with at least one designed to achieve a short-term goal.

2/13/2007- The CAC worked through a discussion guide on defining affordable housing and a summary of High Impact State and Local Solutions, including tax increment financing, stimulating construction/rehabilitation through tax abatements, creating or expanding dedicated housing trust funds, establishing inclusionary zoning requirements and incentives, cross-subsidies, 4% tax credits, pre-development and acquisition financing, supporting housing bond issues, leveraging employers’ commitment, preserving affordable rental units, recycling down-payment assistance, shared equity to create mixed-income communities, expanding homeowner education and counseling, and helping moderate income homeowners avoid foreclosure and equity loss.

2/27/2007- Arthur Sullivan of A Regional Housing Coalition (ARCH) presented “Making Affordability Happen”, and the CAC worked on formulating Operating Assumptions.

3/13/2007- The CAC heard from a local developer to understand that perspective and discussed Findings and Strategies for housing affordability.

3/27/2007- The CAC participated in a dot exercise, which helped them determine consensus or need for additional discussion with regard to their affordability Findings and Strategies, and the Planning and Development Services Director Joseph Tovar, FAICP gave a presentation on zoning.

4/10/2007- William Kreager, AIA, of the Mithun Partnership presented “Honey, I Shrunk the Lots”, an introduction to housing choice, which included photo examples within the local area.

4/24/2007- The CAC reviewed their Operating Assumptions, as well as Affordable Housing Conclusions and Strategies.

5/8/2007- The CAC participated in a Visual Preference Survey where they rated different housing types in terms of the development’s consistency with neighborhood character and discussed what they liked and disliked about the selected set of options and whether they felt the choices would be a good fit for Shoreline &/or their own neighborhood.

5/22/2007- The CAC revisited their Operating Assumptions.

6/26/2007- The CAC participated in another dot exercise, this time for Housing Choice and Neighborhood Character Findings, Conclusions, and Strategies.

7/24/2007- Tour of existing housing options in Shoreline.

8/14/2007- Tour of housing options in the surrounding municipalities.

9/12/2007 and 9/25/2007- The CAC reviewed and revised the draft assumptions, conclusions and strategies and prepared for a second Open House.

10/9/2007- The CAC hosted an Open House to share their findings and collect comment on the draft assumptions, conclusions and strategies.

10/23/2007- The CAC reviewed public comment from the Open House, discussed observations and logistic functioning of the event, and further refined the draft.

11/20/2007- The committee discussed the first draft of the Comprehensive Housing Strategy and determined that additional revisions needed to be made before it would be ready to present to the City Council.

1/2/2008- The committee reviewed and approved the second draft of the Comprehensive Housing Strategy and discussed their upcoming presentation to Council. Then they celebrated with cookies.

Appendix IV:

Glossary of Terms

- 1) **Affordable Housing-** Federal guidelines define housing affordability as the proportion of household income required for rent or home purchase. The affordability guideline applies to all but wealthy households and recommends households not spend more than 30 percent of their gross income for housing costs. For renter households, this also includes utilities. Households that spend more than this amount may not have enough money for other essentials such as food, medical care and transportation. The CAC adopted this guideline for use in Shoreline.
- 2) **Area Median Income-** The median divides the household income distribution into two equal parts: one-half of the cases falling below the median household income and one-half above the median. (In other words, if we lined up all the household incomes from the smallest to the largest household income for this area, the median for this area would be the number right smack in the middle of that line-up of numbers. For households, the median income is based on the distribution of the total number of households including those with no income.)
- 3) **Comprehensive Plan-** Required under the Growth Management Act, a comprehensive plan is a generalized, coordinated land use policy statement of the governing body of a county or city. It consists of maps and descriptive text covering objectives, principles, and standards as well as a scheme for land use, housing, capital facilities, utilities, transportation, and the natural environment. Optional components include elements relating to economic development, community design, conservation, solar energy, recreation, and subarea plans.
- 4) **Green Building-** Building design which incorporates the following elements: functionality, energy and water efficiency, quality of the indoor environment (air quality, thermal comfort, lighting), waste management and air emissions, site disturbance and storm water management, transportation options for occupants, longevity (durability, adaptability to changing building user needs)...without necessarily increasing capital costs. Some strategies that are typically used to achieve high performance include: thermally efficient roofs, walls and windows that reduce heating loads and enhance thermal comfort; building shape and orientation, thermal mass and daylighting strategies that reduce cooling loads; significantly smaller HVAC systems and efficient electrical lighting strategies that capitalize on daylighting; water efficient supply and waste fixtures; adaptable interior designs, providing visual access to the outdoors and access to daylight; interior finishes and installation methods having lower VOC emissions; landscaping strategies that require little or no irrigation, permit groundwater replenishment and provide on-site stormwater management; siting to minimize stress on natural systems either by building on previously contaminated sites or avoiding ecologically sensitive areas.
- 5) **Infill-** The development of vacant areas between existing buildings, especially as part of a planned growth or urban renewal program. It is the opposite of “greenfield” development which occurs on previously undeveloped land. Essentially, because Shoreline is basically “built-out”, almost all new construction will be infill.

- 6) **Market Rate-** The price at which a bonafide seller is willing to sell and an able and willing buyer is willing to buy. Generally speaking, the value is close to what similar homes have sold for within the past six months.
- 7) **Subarea Plan-** Meant to provide detailed land use plans for local geographic areas, and bring the policy direction of the Comprehensive Plan to a smaller, well-defined zone. The process requires extensive community involvement to determine neighborhood-specific issues and goals.
- 8) **Pilot Project-** A project actively planned within a specified and limited scope as a test or trial to demonstrate its feasibility, quantify intended benefits and identify unintended consequences. Its purpose is to verify that some concept or practice is probably capable of exploitation in a useful manner, or in the case of land use options, permitted implementation on a broader scale.

Appendix V:

Links for further reference

1. <http://www.mrsc.org/Subjects/Planning/impact.aspx>
Municipal Research and Services Center of Washington site which lists jurisdictions with Impact Fee Provisions
2. www.wshfc.org/conf/presentations/M8RightSize.pdf
Right sized housing, a source advocating the creation of a more modest scale for housing
3. http://www.nhc.org/pdf/pub_landscape2007_08_07.pdf
A new report from the Center for Housing Policy, "[The Housing Landscape for America's Working Families, 2007](#)," updates national trends on the number of working families paying more of their income for housing and/or living in dilapidated conditions.

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

<p>AGENDA TITLE: Council deliberation on Ridgecrest Planned Area 2 zoning DEPARTMENT: Planning and Development Services PRESENTED BY: Joseph W. Tovar, FAICP, Director</p>

PROBLEM/ISSUE STATEMENT:

The Planning Commission conducted six public meetings and hearings before forwarding its recommended new Planned Area 2 zoning to the City Council for consideration. The City Council reviewed the Planning Commission recommendation and received additional public comment at the meetings of January 14 and January 28. The staff report and attachments for the January 28 meeting are attached, but no new information is being presented at this time. At the February 19 study meeting, Council will review the record below and, deliberate on the matter prior to taking final action on the proposed zoning at the March 3 business meeting.

FINANCIAL IMPACT:

If the proposed new zoning is adopted and stimulates redevelopment of this neighborhood business district, it will increase economic activity, resulting in increased tax revenues from new construction, and ongoing enhanced property and retail taxes.

RECOMMENDATION

Staff recommends that Council finish deliberation on this matter at its February 19 meeting.

Attachments

Staff report and attachments from January 28, 2008 Council agenda

Approved By: City Manager  City Attorney ____

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Continuation of Council Discussion on Planned Area 2 Legislative Rezone for the Ridgecrest Commercial Area
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Joseph W. Tovar, FAICP, Director

PROBLEM/ISSUE STATEMENT:

At your January 14 meeting, staff presented the Planning Commission recommendation to create a new zone for the Ridgecrest neighborhood commercial area, titled Planned Area 2. At the meeting, the Council heard from a number of citizens. Many of the comments were similar to those heard by the Planning Commission during its meetings. This item is a continuing discussion from January 14th, and as such public comments on this continuing agenda item have already been accepted. Staff has summarized the comments and responses and has included them as an attachment to this memorandum.

In addition, the Council has been asked to send staff additional questions. Due to time constraints, the responses to these questions will be sent to the Council under separate cover at the end of this week.

FINANCIAL IMPACT:

If the neighborhood business district becomes more vibrant, it will serve the community and increase the attraction of the Ridgecrest neighborhood as a place to live. This would maintain the property values in the neighborhood resulting in the maintenance of existing property tax collections. In addition, new construction and new retail business development would result in increased tax revenues.


RECOMMENDATION

Staff recommends that Council continue discussion and questions, provide any amendments or direction deemed appropriate, and/or adopt the enabling ordinance. Council may also elect to refer the item back to the Planning Commission with specific direction or seek added public input if desirable.

Attachments

- A. Answers and responses to public comment received at the January 14 City Council meeting
- B. January 14, 2008 City Council Agenda Report

Approved By:

City Manager  City Attorney _____

**Answers and responses to public comment received at
the January 14 City Council meeting.**

Responses are organized by topic.

Parking Comments:

- *Only 51% of the parking needs to be on-site,*
- *Even though less parking allowed in PLA2 , the Director has the right to authorize a 30% reduction,*
- *Could the developer offer shared parking to serve the patrons of the Crest,*
- *How will the parking management program work for a development?*

The proposed development regulations state that a majority of the parking must be on-site. If not all of the parking is on-site, it must be on private property within 1000 feet of the Planned Area 2. The intent of the regulation is that the owner provides most of the parking to on-site. However, it provides some flexibility to allow offsite parking if it is necessary to meet the parking requirement for the development.

The objective is to require that the developer provide the parking necessary to serve the residents and businesses in the development. Staff believes that the parking requirements in the current development code are set higher than necessary in a mixed use development. The Commission's proposal includes a slight reduction in parking ratios as compared to the general citywide requirements. It should be noted, however, that the proposed requirements are higher than the requirements in North City.

The existing development code includes a provision that allows the Director to approve up to a 50% parking reduction. Because the proposed parking requirements for PLA-2 are set slightly lower than the current standard, the proposed maximum is also less-- 30% reduction instead of 50%. This reduction would only be approved if an owner could provide documentation to the Director of buildings where parking demand is equivalent; that is, the buildings must be in similar settings and have a similar tenant/resident mix.

Staff believes that it would be unfair to saddle the owner of a nearby building with the responsibility to relieve the parking overflow issues of the Crest Theater. The current overflow parking issue has received a good deal of attention at Planning Commission meetings. The Commission suggested that Council direct staff to work with the neighborhood to define the extent of the problem and develop workable solutions that would likely involve commercial and residential owners in the neighborhood.

The parking management plan is a tool for the City to use to assure that parking demands are met. Part of a parking management plan could include the provision of alternative transportation such as Flexcar that will provide solutions for a portion of the population. Part of the plan could involve better management of existing parking areas.

One way to view a parking management plan is to think about how you park at work. When you arrive to work there is a spot to park in. If you leave at lunch, someone else

may park in that spot. When you arrive back from lunch, you may find your same spot open, but if not you find another vacant spot.

Traffic Comments:

- *Impacts to 5th Ave NE*
- *Impact to neighborhoods to the west and north.*

City planning staff has consulted with the City's transportation division to discuss the impacts of likely build-out of Planned Area 2. They concluded will not cause any of the adjacent roadways (NE 165th and 5th Ave) to be overloaded. Current traffic counts show both roadways are under capacity and can handle many more automobile trips.

One speaker commented that residential traffic exit the area will head west on 165th, then north on NE 3rd as a way to get to 185th. Staff has driven that route and concluded that very few drivers will take that route more than once since it results in winding through a neighborhood with blind corners; stop signs and no logical way out. One way to discourage people from taking this route would be to put up a "No Outlet" sign on 165th.

Community vision comments:

- *Why not require built green features for a 4 story development,*
- *Wouldn't a 4-story development be profitable?*
- *The UW visioning project a waste of time,*
- *Buildings should be required to have ground floor retail uses,*
- *New development on this property will negatively affect existing businesses.*

Comments received by staff and the Planning Commission suggest that that there was broad community support of the study and presentation by the UW students. The City took into account community desires (intent to create new economic vitality in a small neighborhood business area, desire for a neighborhood "third place", sustainability features, and housing choices for people who don't want single family homeownership), considered existing market forces (an aspect that the students didn't address) and developed a proposed set of regulations that offered a mix of incentives and standards to encourage the outcomes desired by the community. Developing tradeoffs between incentives and standards is complex; to encourage redevelopment, staff concluded that the City code would have to permit increased density and height to obtain the objectives the community wants to achieve; third places, sustainability, and affordable housing.

This project was begun as an economic development project. The lack of development interest in this area is a strong indication that current zoning standards (4 stories, allowing retail uses or residential uses at 24 units an acre) do not provide the incentives to result in a viable project. With that in mind, it would be counter productive to require additional regulations.

Would additional housing on the site positively or negatively impact the nearby retail uses, including the Crest Theatre? Increasing the viability of the neighborhood will increase the customer base and business activity of the theater. The Landmark group (the group that owns the theatre chain) is categorically not interested in property

development; and they have told staff that whether the Crest stays or goes out of business long term will be strictly a question of the businesses viability. They own the property outright and want to remain in that line of business. They say that development of the area will be good for them.

Process:

- *The Planning Commission seemed to not be supportive of the proposal when it was initially presented. Then they unanimously voted to approve it. What changed their minds?*
- *GMA requires a good deal of public process prior to making a decision. This proposal did not have the requisite amount of public involvement.*

The Commission's chair noted in his remarks that the Planning Commissioners had a number of reservations when they first reviewed the proposal, but with the public input they received, they provided staff with direction to make changes that resulted in a proposal that was much better, and one that they could support unanimously. .

The public process for the Planned Area 2 has been extensive. The public has been present at visioning workshops, community forums with City staff, multiple Planning Commission meetings, and the recent study session before the City Council.

Land use:

- *Form based codes will result in units that are too small*
- *Transition requirements are not stringent enough*
- *How much open space is required?*

Neither a form-based code nor the current development code mandate the minimum size of units. Staff and the Commission believe that, rather than placing an arbitrary number on unit size, the demographics of the area and market demand should be the factors that influence unit size. However, it is appropriate to ensure that a reasonable amount of parking be provided.

In a form-based code, the developer needs to balance a number of factors: the cost of the building and its related amenities, the cost of providing enough parking, and the revenue that is generated by the units. Ultimately the number of units is controlled by market demand; that is, what size units are people buying or renting and how much are they willing to pay?

It was mentioned at the meeting that the City's attempt at transitioning does not go far enough. The City's proposal provides more buffering between single family and commercial zones than does the current Neighborhood Business (NB) zoning.

NB zoning permits a 50 foot high building 20 feet from the west property line. Under the proposed regulations, the same 50 foot high building would have to be set back 35 feet from the property line; a 15 foot increase in setback. On the south side of the property, current NB zoning regulations will allow a 50 foot building up to the property line with no setbacks. Under the proposed regulations, the building would be limited to 35 feet at the property line, and then must step back one foot for every additional foot of height. If the

building went to 50 feet in height, then the setback would be 15 feet from the property line. In all cases, the proposed PLA2 regulations are more restrictive and provide adjacent neighbors more privacy than the current code allows.

In response to the question about open space requirements, the proposal requires that at least 2000 square feet be set aside in public plazas (areas open to the public) and, in addition, that a recreation area be provided for building residents.

Council Meeting Date: January 14, 2008

Agenda Item: 9(a)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Plan Area 2 Legislative Rezone for the Ridgecrest Commercial Area
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Joseph W. Tovar, FAICP, Director

PROBLEM/ISSUE STATEMENT:

The small Ridgecrest commercial area currently has few uses that serve the neighborhood. In addition, there is a large vacant building, surrounded by a chain link fence that is unsightly. The Council directed staff to go out to the community last year and develop ideas about redevelopment of the business area that would serve the neighborhood. The Planning Commission has developed a proposal for a zoning change that would accomplish these goals.

FINANCIAL IMPACT:

If the neighborhood business district becomes more vibrant, it will serve the community and increase the attraction of the Ridgecrest neighborhood as a place to live. This would maintain the property values in the neighborhood resulting in the maintenance of existing property tax collections. In addition, new construction and new retail business development would result in increased tax revenues.

RECOMMENDATION

This item is on the agenda for City Council review and discussion and no action is required at this meeting.

Approved By: City Manager  City Attorney ____

INTRODUCTION

This proposal implements many of the Council goals— the Economic Development Goal (Goal 2), the Housing Goal (Goal 5), the Environmentally Sustainability Goal (Goal 6), and the Land Use/Transportation Goal (Goal 7). It has been the result of numerous public meetings and a great deal of public interaction.

In addition to supporting citywide goals, the proposal will provide a number of benefits to the Ridgecrest community. It will encourage the development of vacant and under-utilized sites and encourage increased vibrancy of a neighborhood commercial district. It will provide moderate income housing options for those who want to stay in or move to the Ridgecrest neighborhood. It encourages neighborhood walkability and viability by providing someplace for people to walk to and a “third place” to meet neighbors.

Due to market forces, the community amenities or moderate income housing that the community desires are not likely to occur without incentives. The incentives incorporated in the proposed regulations include

- Relaxation of the current housing density limit if parking demand is met
- An additional floor for housing units (allowing a 6-story building on a portion of the site)
- Protection of the single-family neighborhood by increasing the transition standards. Additional building setbacks are required on upper floors if the building is higher than 35' tall in areas that abut single-family homes.

If the zoning is not modified, staff's understanding of the current development market is that commercially zoned properties in the Ridgecrest area will either a) remain underdeveloped or b) develop as townhomes. In either case, the community is not likely to see development of a “third place”, moderate income housing, or additional neighborhood-serving retail uses.

BACKGROUND

The proposal creates a new zoning category for the commercial area in the Ridgecrest neighborhood (See **Attachment A**). The zone will be named Planned Area 2 (PLA2). To implement the new zone, the Commission recommends a set of development standards to implement the vision of the residents of Ridgecrest (**Attachment B**). The new development regulations encourage the construction of mixed-use, mid-rise buildings in order to transition the commercial area from its current suburban form (one story buildings surrounded by parking) to a more urban form that includes ground floor retail, public spaces, and underground parking. The proposal represents an initial attempt to develop a form-based code, including regulations about building size, building bulk, setbacks/stepbacks and architectural treatments.

The impetus that spurred the creation of the new zoning category was the community desire to accomplish the following:

- Redevelopment of a large site with a vacant building.
- Development of a “third place” that encourages the community to gather and have interactions with others
- A development that includes neighborhood sustainability features. These include features such as: encouraging walkable neighborhoods and environmental

sustainability features, such as use of solar energy and "green" construction techniques.

- A development offers an opportunity to provide housing choice options for people who wanted to move from their nearby single-family home but stay in the neighborhood.

In early 2007, the City retained a University of Washington Urban Design class to create and illustrate development concepts on two sites in the Ridgecrest Commercial Area. The class visited the sites, presented preliminary findings to the community, refined ideas, and then presented the concepts in a community forum.

The students' work with the community is the basis for the staff proposal for a new zone on the four corners of the Ridgecrest Commercial Area.

The students concluded that this commercial area is viewed as an important asset in the Ridgecrest community. There is a strong desire to encourage development on these sites that benefit the community.

The staff proposal not only supports the outcomes of the UW student work; it also supports the core ideas of Council Goal 6 (Environmental Sustainability Strategy) and the concepts about walkability, mixed-use, and community connectivity discussed at the speakers series by Mr. Hinshaw, Mr. Sher, and Mr. Burden.

The Planned Area 2 (PLA-2) zoning map and Development Code proposal has had a strong public participation component. Since the end of the summer, staff met twice with the public and six times with the Planning Commission to discuss the proposals and their subsequent revision.

On January 3, the Commission adopted the recommendation on a 7-0 vote (two Commissioners were absent).

Key elements of the proposed zoning district

There are some several aspects of the development regulations that deserve additional discussion: building heights, transitional requirements from single-family residential, sustainability features, architectural standards and review, and parking management. They are discussed below.

Building heights

This area is currently zoned NB (Neighborhood Business). The district's Comprehensive Plan designation would also permit a zoning of either Community Business (CB) or Regional Business (RB). The existing zoning would permit a 50 foot height in a mixed-use building. A CB zone would permit 60-foot heights and an RB zone would permit 65-foot heights. With the one exception noted below, existing development regulations do not require design review or any public amenities to attain the increased height.

In the proposal, building heights are tied to specific incentives. For example; to achieve a building of 4 stories, the building must contain a mix of commercial and residential uses. (This is the same requirement that currently exists in Neighborhood Business zones)

To achieve 5 stories, the development must provide additional benefits to the residents and the surrounding community. These include requirements for active recreation space, public art, fountain or other water element, public plaza, and a requirement that the development to be "built green".

To achieve the maximum height of 6 stories, the building must contain at least 20% affordable housing units.

In addition to the maximum height limit on the entire site, heights for individual structures are further restricted through the use of a Floor-Area Ratio (FAR) provision. A floor-area ratio limits height by limiting the development potential on a site. PLA-2 has an FAR of 4.75 which limits the average building height to less than 5 stories. Therefore, if part of the property is developed with 6 story structures, other parts of the property will be effectively limited to 4 story structures.

Transition requirements

Since three of the corners of the Ridgecrest Commercial Area abut single-family zoned property, the community and the Commission wanted to be certain that the development code addressed the transition between new development and existing homes.

The transition requirements differ somewhat depending on whether development is directly adjacent to single-family zones, across the street from single-family zones or adjacent to multifamily zones.

When the PLA-2 zone directly abuts R-6 zones, a 20 foot setback is required when the building reaches 35 feet in height. Above 35 feet, the setback to height ratio becomes 1:1 (1 foot in height equals a 1 foot setback) until the maximum height of 65 feet is reached.

When the PLA-2 zone abuts 5th Ave NE, NE 165th Street, or parcels zoned for multifamily, the building must setback 10 feet above the fourth story.

When the PLA-2 zone fronts a local street but is across from R-6 zoning, the building is permitted to go up to 35 feet high at the property line. Above 35 feet, a 1:1 setback ratio is required.

In addition to the setback/stepback standards, buildings that directly face single-family residential must use architecture to resemble townhome type development. The point of this requirement is provide additional visual mitigation from the more intense development and create a natural transition from single-family. Also, the regulations require façade articulation (breaks in the façade) to break up the building mass.

In comparison to the proposal, the existing NB zoning would permit a 50 foot high structure if it is setback 20 feet from the property line adjacent to single-family residential zoning. The NB zoning would require an 8-foot setback above the fourth story. There is no requirement for façade articulation to buffer the effects of new development.

Sustainability features

In order to meet the City Council's Goal 6, the Planning Commission proposed new regulations regarding sustainability. Items such as green streets, Flexcar (or other car sharing programs), and "built green" requirements are all new to the City's development code in the PLA-2 zoning district.

One aspect of sustainability is that the regulations envision and encourage development of an urban form, not a suburban form in PLA-2. It is expected that there will be little, if any, on-grade parking. Most parking will be in structures or underground. In an urban form, there is not likely to be a grass lawn or a hedge between the building and the street. More likely there will be street trees, as required by code. More impervious service is permitted, but water runoff will be strictly controlled by a combination of the City's Engineering Development Guide as well as requirements identified in the Built Green Manual. In addition, the regulations envision a green-street treatment for 163rd Street that utilizes some of the existing vegetation and treatments such as rain gardens, bio-swales and other measures to control ground water runoff.

Architectural review

New to the zoning code will be an administrative review process (ADR). Built into the new language of the PLA-2 is the requirement for greater design standards than currently required. An ADR process allows staff to review a proposal and approve it if it meets the intent of the district. The ADR process will have a public comment component built into it.

Parking Management Plan

Throughout the PLA-2 discussions before the community and the multiple Planning Commission hearings, it was clear that the residents of the Ridgecrest area are concerned about the lack of parking around the commercial center. The Crest Theater does not provide enough parking for its patrons, so at times during the week, movie goers park along several streets near the theater. This situation has existed for many years.

Because of this, when new development is proposed in the PLA-2, a parking management plan will be required. The plan will analyze the parking demand of the proposed development and show where the parking will be accommodated. This analysis will occur as part of the ADR process.

The parking requirements in this zone are slightly less than those required in most other commercial areas in the city. The requirement in PLA-2 is for 1 car for each studio and one bedroom unit and 1.5 cars for each larger unit. The Commission believes that, even though this ratio is somewhat less than requirements in other multi-family residential zones, it will be workable because of the emphasis on the parking management plan and the requirement for a car sharing program.

DISCUSSION

The Commission discussed the proposal over the course of six meetings. The Commission heard from many people and has concluded that the negative comments largely fall into one of two areas:

1. Concerns about building mass (height and bulk)
2. Concerns about parking overflow into neighborhoods

The Commission agrees that the proposal will likely result in structures that are taller and larger than the one-story structures that currently exist in the neighborhood business area. However, it is almost a certainty that any redevelopment occurring in this area will be taller than one story and larger than the existing development. A townhouse option, the most likely development scenario under the current zoning, will be approximately 35 feet tall. If a mixed use development is constructed, the existing zoning would permit a 50-foot building.

The proposed zoning would permit a building that is 65 feet tall on a portion of the site, and a building could only attain that height if the community receives the following amenities: a mixed use building, sustainability features, third place features and provision of moderate income housing. In addition, the building would be required to meet transition standards that are more stringent than those in the current code. The Commission believes that the benefits that accrue to the community, if redevelopment occurs, are worth the tradeoffs of a taller structure on the site.

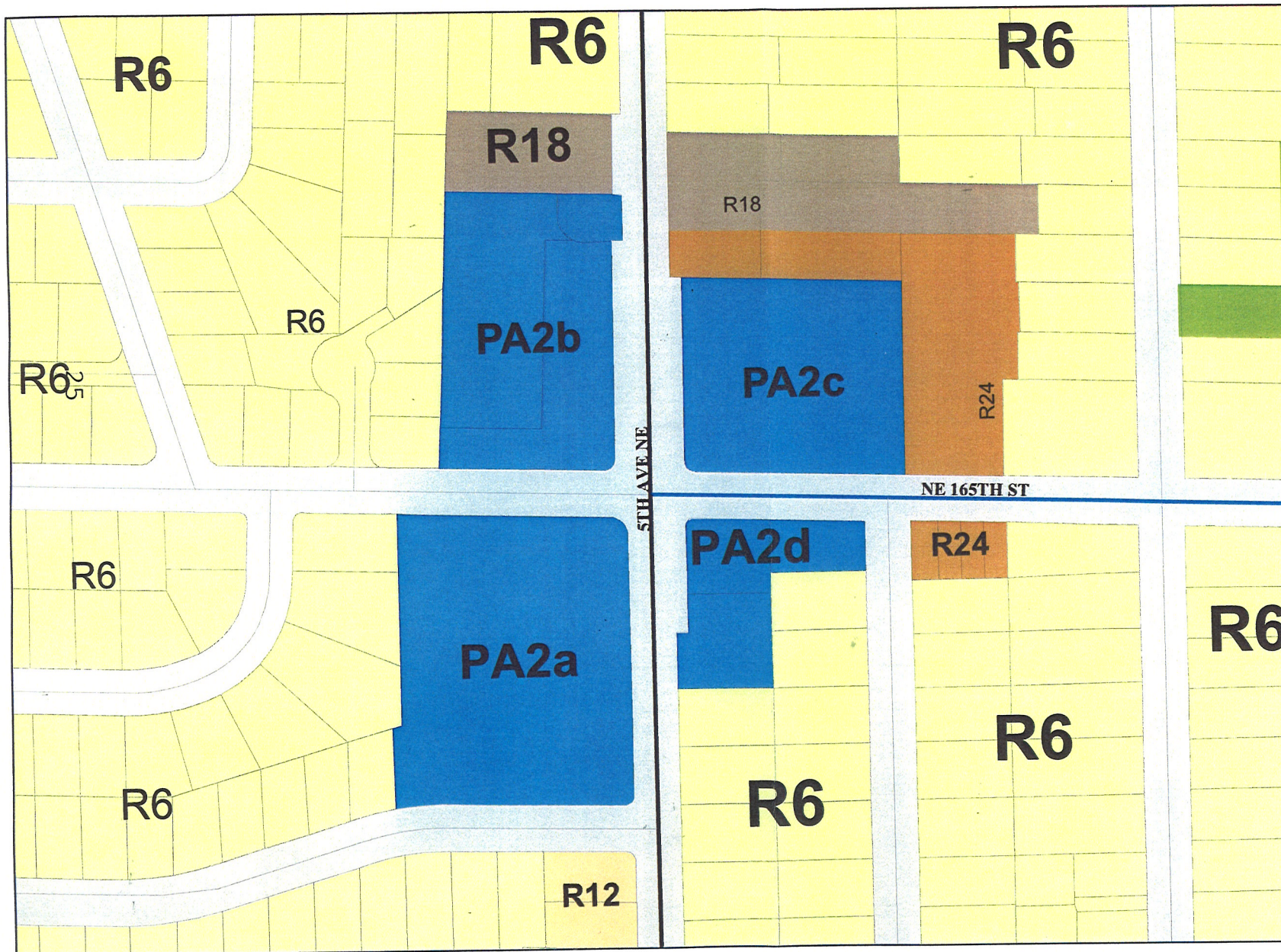
The issue of parking is important to the community and to the Commission. The Commission concluded that the issue of Crest parking overflow and the parking that will be required by a new development are two separate issues. Both issues need to be addressed at some point but the only parking issue that can be addressed in this zoning change is the issue of parking for new development. The Commission believes that the parking ratio proposed in the regulations, together with an approved parking management plan, will provide enough spaces to serve the residents of the structure and patrons who will want to use the retail services that will locate within the structure.

RECOMMENDATION

No action is required. An ordinance adopting the regulations will be on the January 28 Council agenda for action.

ATTACHMENTS

- A. Proposed Zoning Map with New Zoning Designations
- B. Proposed Development Code Section 20.91 – Planned Area 2
- C. Drawing of Single-Family Residential (R-6) Transition Standards



SHORELINE
 Geographic Information System
**Proposed Zoning
 Planned Area 2**
 Representation of Official
 Zoning Map Adopted By
 City Ordinance No. 292.
 Shows amendments through
 April 3, 2007.

Zoning Designation

- PA2; Planned Area 2
- R-4; Residential, 4 units/acre
- R-6; Residential, 6 units/acre
- R-8; Residential, 8 units/acre
- R-12; Residential, 12 units/acre
- R-18; Residential, 18 units/acre
- R-24; Residential, 24 units/acre
- R-48; Residential, 48 units/acre
- O; Office
- NB; Neighborhood Business
- CB; Community Business
- NCBD; North City Business District
- RB; Regional Business
- I; Industrial
- CZ; Contract Zone
- Regional Business-Contract Zone

Other Map Features

- City Boundary
- Open Water
- Outside Shoreline
- Interstate
- Principal Arterial
- Minor Arterial
- Collector Arterial
- Neighborhood Collector
- Local Street
- Park
- Tax Parcel Boundary
- Unclassified Right of Way

1 inch equals 119 feet
 0 30 60 120 180 240 Feet

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

CITY OF SHORELINE

Filename: j:\gis\maps\pads\Zoning_PlanArea1.mxd
 Updated: 8/10/2007

Chapter 20.91

Ridgecrest Commercial Planned Area 2

Sections:

- 20.91.010 Purpose and Scope
- 20.91.020 Planned Area Zones and Permitted/Prohibited Uses
- 20.91.030 Density and Dimensional Standards
- 20.91.040 Administrative Design Review
- 20.91.050 Design Standards
- 20.91.060 Height Incentives
- 20.91.070 Parking
- 20.91.080 Signs
- 20.91.090 Outside Lighting

20.91.010 Purpose and Scope

- A. The purpose of this chapter is to establish development standards for Ridgecrest Commercial Planned Area 2. These standards are intended to implement a new vision for this area by replacing or modifying the regulations of SMC Chapter 20.50 – General Development Standards and revising permitted uses. The Ridgecrest Commercial Planned Area 2 standards are designed to:
 - 1. Be a form based code which provides flexibility, yet ensures the character of a project's building and site design is supportive of the adjacent public spaces and uses.
 - 2. Create lively mixed use and retail frontage in a safe, walkable, transit-oriented neighborhood environment.
 - 3. Provide for human scale building design.
 - 4. Contribute to the development of a sustainable neighborhood.
- B. If provisions of this chapter conflict with provisions elsewhere in the Shoreline Municipal Code, the provisions of this chapter shall apply. When it is unclear which regulations apply, then the presumption shall be that the regulations of this chapter take precedence with the ultimate determination to be made by the Director.

20.91.020 Permitted/Prohibited Uses

- A. In order to implement the vision of the Comprehensive Plan and the neighborhood visioning project, the Ridgecrest Commercial Planned Area 2 is adopted as shown on the official zoning map.
- B. NB uses shall apply in Ridgecrest Commercial Planned Area 2 for developments less than 1.5 acres.
- C. All uses provided for under Chapter 20.40 SMC are permitted for developments 1.5 acres or more in Ridgecrest Commercial Planned Area 2 except the following:

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Planning Commission Recommendation
January 14, 2008 version

1. Adult use facilities;
2. Gambling uses;
3. Vehicle repair, service and/or sales unless entirely within an enclosed building;
4. Wastewater treatment facilities;
5. Wrecking yards;
6. Warehousing, self-storage warehouses and wholesale trade;
7. Outdoor material storage, including vehicles. Material storage shall be allowed only within a fully-enclosed structure.
8. Shipping containers;
9. Other uses the Director determines to not comport with the intent of the district as expressed in SMC 20.91.010(A).

20.91.030 Density and Dimensional Standards

- A. Developments in Ridgecrest Commercial Planned Area 2 that are less than 1.5 acres shall apply the density and dimensional standards for NB zones.
- B. Developments in Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more shall apply the following density and dimensional standards:

1. Setback, Height, and Floor Area Ratio Standards

Table 20.91.030B –Dimensional Standards

Standards	Planned Area 2
Setback for building base	5' adjacent to Residential zones, 0' abutting the public right-of-way.
Setback/stepbacks from property line for buildings	Buildings must be 20' from property lines at 35' building height abutting all R-6 zones. After 35', building to setback ratio shall be 1:1
	Buildings must be 10' from all property lines above the 4th story abutting 5 th Ave NE, NE 165 th Street and all other MF zones.
	Buildings on NE

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	163 rd , across from R-6 zoning, can be 35' high at the property line; above 35' the building to setback ratio shall be 1:1.
Building Height, Min	2 Stories
Building Height, Max	Up to 6 Stories or 65' if public bonus features are provided ^{1,2}
Floor Area Ratio (FAR)	4.75 ²
Density	Unit total limited by height, FAR and parking requirements ²

¹ See 20.91.060 for building height incentives.

² Only for Planned Area 2a. NB standards for height, FAR and density shall apply to development 1.5 acres or more in 2b, 2c and 2d.

2. **Impervious Area.** Impervious area is 100 percent.

3. **Additional Height Provisions.**

- a. Mechanical penthouses, stair/elevator overruns and antennae (not including WTF's) may be excluded from building height calculation, provided they are no more than 15 feet above the roof deck and satisfy the criteria in SMC 20.19.050(B)(2)(g).
- b. Wireless Telecommunication Facilities ("WTF") may be excluded from building height calculation, provided they are no more than 15 feet above the roof deck, are entirely shrouded and satisfy the criteria SMC 20.19.050(B)(2)(g).
- c. Roof elements such as pitched roofs, gables and dormers may be excluded from building height calculations.
- d. Features providing environmental sustainability such as solar panels, wind turbines, and associated equipment are excluded from height standards, provided they are no more than 10 feet above the roof deck.

20.91.040 Administrative Design Review

A. **Applicability.** Administrative design review shall be required for developments in Ridgcrest Commercial Planned Area 2 that are 1.5 acres or more and that meet one of the thresholds in SMC 20.50.125.

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- B. **Standards for Approval.** When design review is required, the applicant shall demonstrate that plans satisfy the criteria in SMC 20.91.050 unless approved as a design departure by the Department Director consistent with the intent of each subsection.
- C. **Design Departures.** A permit applicant wishing to modify any of the standards in this chapter may apply for a design departure. A design departure will be approved if it is consistent with the intent of each subsection and it meets or exceeds the standard design objective. The Director's decision may be appealed to the Hearing Examiner with substantial weight given to the Director's decision.

20.91.050 Design Standards

- A. Developments in the Ridgecrest Commercial Planned Area 2 that are less than 1.5 acres shall apply the design standards for NB zones.
- B. Developments in the Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more shall apply the following design standards:

- 1. **Site Design.**

- a. **Accommodation of Street Level Commercial**

- i. Intent: To provide commercial services to the residents of the Ridgecrest Neighborhood by requiring first floors adjacent to the street be constructed to accommodate commercial services.
 - ii. Buildings fronting 5th Avenue NE are required to build to the specifications for ground level commercial. Ground level commercial may include live/work units that satisfy the criteria in SMC 20.91.050(2)(i). There may be non commercial occupation of the ground level.

- b. **Facades - 5th Avenue NE, NE 165th Street**

- i. Intent: To create frontage which encourages pedestrian use, promotes a sense of security by providing "eyes on the street" and creates visual connections between activities inside and outside of buildings.
 - ii. Facades fronting on the 5th Avenue NE and NE 165th shall include a minimum of 50 percent of the façade area 2 feet -12 feet above grade, comprised of windows with clear nonreflective glass allowing visual penetration of at least 2 feet into the building if used for commercial uses.

- c. **Buffering**

- i. Intent: To soften the visual impact of multi-use buildings adjacent to single-family homes.
 - ii. Decorative features such as plantings and/or trellises are to cover at least 50 percent of the building base on the side at the time of construction;

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- iii. Stamped and painted concrete (decorative treatments to the building base) shall be used on building fascia not covered by plantings to provide a visual relief to single-family residences.
- iv. Mature trees and shrubs shall be used on portions of the property abutting the right-of-way to soften the appearance of the building.
- v. Retaining existing vegetation is encouraged to create a visual buffer to existing single-family residential



d. Driveway Access

- i. Intent: To ensure development reduces potential automobile conflicts on adjacent residential properties. Design ingress and egress points in a manner to reduce automobile impacts to adjacent residential uses.
- ii. Limit egress to NE 165th and 5th Avenue NE.

e. Transit stops

- i. Intent: To ensure development of sites adjacent to transit stops is designed to support, complement and accommodate the stop and promote use of the stop.
- ii. Development on parcels that front locations on 5th Avenue NE designated for a public transportation stop shall be designed and furnished to accommodate the intent in a manner approved by the Director. Weather protection shall be included in the design.

f. Entry Courtyard

- i. Intent: To provide a distinctive, safe and readily identifiable main pedestrian entry for the complex with a public right-of-way frontage.
- ii. Entry courtyards shall:
 - 1) Abut and be visibly prominent from a public sidewalk by including at least two of the following design elements:
 - recess
 - overhang
 - portico/porch
 - stone, masonry or patterned tile paving in entry
 - ornamental building name or address
 - landscape pots or boxes
 - fixed seating
 - 2) Be at least 100 square feet in area with dimensions no less than 10 feet.

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- 3) Provide weather protection on at least two sides or overhead with walls, canopies, awnings, or landscaping.

2. **Building Design** All of the following elements of building design will be approved through the administrative design review process under SMC 20.91.040.

a. **Pedestrian enhancements and transparency**

- i. Intent: To provide pedestrians with protection from the elements, visual connections between activities inside and outside of buildings, and visual interest.
- ii. All street fronting buildings over 35 feet tall shall provide overhead weather protection for pedestrians with a marquee, awning, building

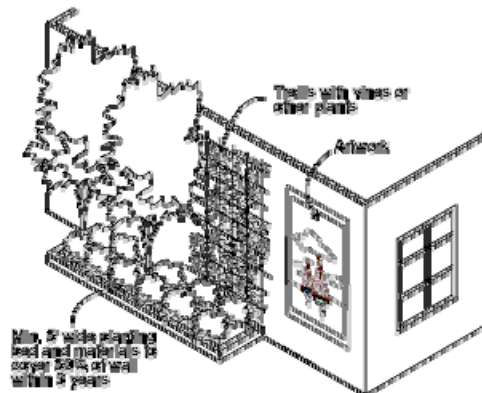


projection or other permanent structural element, over approximately 80 percent of the frontage of the subject property. The weather protection must cover at least 6 feet of the width of the sidewalk and be located a minimum of 10 feet above the walkway. The width may vary (not less than 3 feet) to accommodate street trees, streetlights, etc.

- iii. Ground floor facades of all structures facing a public sidewalk shall be transparent nonreflective glass windows.
- iv. Ground floor building facades fronting public sidewalks shall use planters, signage, architectural details and other techniques to create variety and interest.

b. **Blank walls**

- i. Intent: To reduce the negative visual impact of walls without openings or windows by ensuring there are features that add visual interest and variety to the streetscape.
- ii. Blank walls more than 30 feet in length shall be treated to provide visual interest. Treatment includes installing trellises for vine and plant materials, providing landscaped planting beds that screen at least 50 percent of the wall, incorporating decorative tile or masonry, or providing artwork on the wall.



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c. Facade Articulation

- i. Intent: To reduce the apparent bulk of multistory buildings by providing visual variety.
- ii. All facades shall be articulated with projections, recesses, covered doorways, balconies, covered box or bay windows and/or similar features to divide them into human scale proportions.
- iii. All facades longer than 30 feet shall be broken down into smaller units through the use of a combination of projections, offsets, recesses, covered doorways, balconies, covered box or bay windows, staggered walls, stepped walls and overhangs. Changing materials and colors may be used to embellish the articulation but alone are not enough to provide the required amount of articulation.
- iv. Projections and recesses shall be 3-5 feet in depth, 10 feet long and occupy at least 20 percent of the length of the façade.

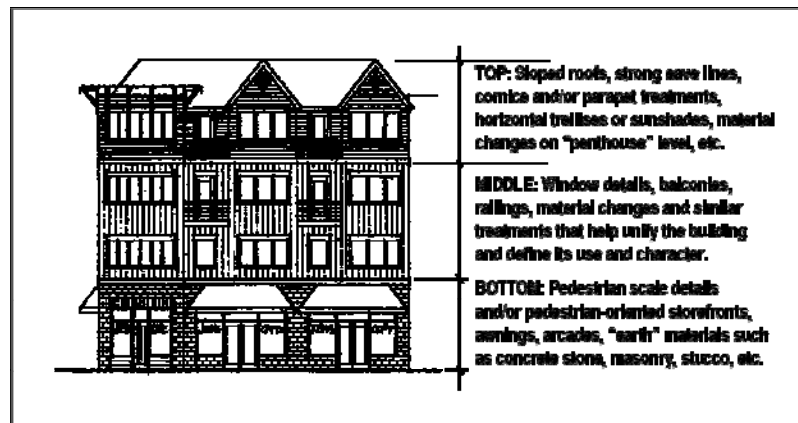
d. Vertical Differentiation

- i. Buildings shall distinguish a “base” through the use of:
 - pedestrian scale details;
 - articulation;
 - overhangs;
 - masonry strips and cornice lines; and
 - “earth” materials such as stone, masonry, or decorative concrete.
- ii. Buildings shall distinguish a “top” by emphasizing a distinct profile or outline with a:
 - parapet;
 - cornice, upper level set-back;
 - pitched roofline;
 - strong eave lines;

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- horizontal trellises; and
 - different facade material then that used predominantly in the “middle.”
- iii. Buildings with more than 2 stories above elevation of the nearest public sidewalk shall also distinguish a “middle” through:
- material and/or color changes that differ from the base and top;
 - windows details, treatments and patterns;
 - balconies or alcoves; and
 - decks and/or railings.
- iv. The “base” shall be the first story above grade. The “middle” shall be stories between the base and top and the “top” is the highest story.
- v. All applications for new construction are required to submit detailed building elevations.



e. Street Frontage Standards

- i. Intent: To provide pedestrian relief from the elements, provide special enclosure and add design interest on 5th Avenue NE and 165th Street NE.
- ii. Buildings shall occupy at least 75 percent of the street front.
- iii. Buildings shall have their principal entrance on the street frontage line.

f. Buildings adjacent to R-6 zones

- i. Intent: To provide additional visual relief from more intense development adjacent to R-6 zones.
- ii. Buildings facades within 30 feet of adjacent R-6 zones shall incorporate townhouse design elements for those portions facing R-6 zones.
- iii. If building is separated by a local street, building facades within 20 feet of adjacent R-6 zones shall incorporate townhouse design elements.
- iv. Townhouse design elements are bay windows, stoops, stairways up to entry doors from public sidewalks, porches, patios, balconies, railings,

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sloped roofs, cornices, and other elements that meet the intent of this section as approved by the Director.



g. Service areas and mechanical equipment

- i. Intent: To screen rooftop mechanical and communications equipment from the ground level and from other structures. On-site service areas, loading zones, garbage collection, recycling areas, and similar activities shall be located in an area that minimizes unpleasant views from adjacent residential and commercial uses.
- ii. Utility vaults, ground mounted mechanical units, satellite dishes, and other similar structures shall be screened on all sides from adjacent streets and public view. This does not include pedestrian-oriented trash receptacles along walkways.
- iii. Fences designed for privacy, security, and/or screening shall be made of material that is compatible with the building design.
- iv. Fences for screening and security purposes that are adjacent to the public right-of-way may be used only in combination with a trellis, landscaping,

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or other design alternatives to separate such fences from the pedestrian environment.

- v. Mechanical units, utility equipment, elevator equipment, and wireless telecommunication equipment (except for the antennae) located on the roof shall be:

- Incorporated into the roof design; and
- Thoroughly screened, including from above when not in conflict with International Building Code or equipment specifications, by an extended parapet wall or other roof forms that are integrated with the architecture of the building. Environmental features do not have to be screened.

h. Parking Structures

- i. Intent: To reduce the visual impact of above-ground parking structures.
- ii. Parking structures at ground-level shall be fully enclosed except for vehicle entrances.
- iii. Parking levels above ground level shall have openings totaling no more than 65 percent of the façade area. All openings shall be screened with garden walls (structures designed to support vegetation growing across the opening); vegetation designed to grow on the façade and over the openings, louvers, expanded metal panels, decorative metal grills, opaque glass, or other devices approved by the Director that meet the intent of this section.

i. Live/Work Units

- i. Intent: To accommodate retail/office space and living units fronting on public right-of-way. Live/work units provide flexibility to business owners who want to live where they work.
- ii. Ground floor units facing a public sidewalk are required to be plumbed and built to be adapted for commercial use.

20.91.060 Height Incentives

The following height incentives shall only apply to developments in the Ridgecrest Commercial Planned Area 2a:

- A. Intent: To require installation of features that benefit the public by creating a more inviting and livable community.
- B. Building height may be modified based on the following criteria:
 - 1. The building may increase to 4 stories if approximately 80 percent of the building base fronting 5th Avenue NE is developed with nonresidential uses and/or live/work units.
 - 2. The building may increase to 5 stories if the standards in SMC 20.91.060(B)(1) and SMC 20.91.060(C)(1)-(5) are provided.

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3. The building height may increase to 6 stories if the standards in SMC 20.91.060(B)(1) and SMC 20.91.060(C)(1)-(5) are provided, and 20 percent of the total numbers of units are affordable housing, as defined in RCW 84.14.010.

C. Height Incentive Requirements:

1. Active recreation area

- a. Intent: To provide recreational opportunities for residents in an area of the City that has little public park space in support of high density development.
- b. Shall not be used for parking or storage.
- c. May be located out of doors, on top of, or within a structure.
- d. Shall include an area of at least 600 contiguous square feet with a minimum dimension of 20 feet.

2. Art, Public

- a. Intent: To add stimulating and aesthetically pleasing elements to the built environment.
- b. Must be displayed near the main pedestrian entrance to a building and be visible and accessible from a public sidewalk or within a public plaza.
- c. The scale of the artwork shall be appropriate for the space occupied and large enough to be appreciated in full from at least 10 feet away.

3. Fountain or other water element

- a. Intent: To add stimulating and aesthetically pleasing elements to the built environment.
- b. Shall be located outside of the building.
- c. The sum of the dimensions of the smallest possible cube surrounding the water when in motion shall be at least 30 feet.
- d. Shall be publicly visible and accessible from the main pedestrian entrance to a building or along a perimeter sidewalk or pedestrian connection.
- e. Water shall be maintained in a clean and noncontaminated condition.
- f. Water shall be in motion during daylight hours.

4. Plaza, public

- a. Intent: To provide for public gathering places supportive of a pedestrian-friendly environment.
- b. Shall be accessible to the public.
- c. Shall be readily accessible from a public sidewalk.
- d. Shall provide protection from adverse wind.
- e. Shall be signed to identify the enclosed plaza is available for public use.
- f. Shall include permanent and substantial sitting areas for at least 5 people.
- g. Shall be coordinated with or connected to the site's primary pedestrian entrance.
- h. Shall be at least 2,000 square feet in area (1600 sq. ft in contiguous area with a minimum dimension of 20 feet).

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- i. Shall be enclosed on at least two sides by a structure or by landscaping which creates a wall effect.
- j. Shall provide opportunities for penetration of sunlight.
- k. Shall be lighted at night.
- l. The property owner must grant the public a permanent easement ensuring public access over the plaza during normal business hours. The owner must record the easement with the county.

5. Sustainability Features

- a. Intent: To ensure that new construction incorporates new and innovative building techniques to reduce demand on energy and stormwater systems. Development shall be Built Green, as amended, or other sustainability standards approved by the Director that meet the sustainability intent of the King County Built Green program at a minimum of the three-star standard.

20.91.070 Parking

- A. Intent: To provide adequate parking for a mix of uses on and around the Ridgecrest Commercial Planned Area 2. The parking management plan shall make reasonable provisions to accommodate parking demand generated by on-site uses.
- B. All development proposals in the Ridgecrest Commercial Planned Area 2 require a parking management plan.
- C. The parking management plan shall address parking impacts, ways to reduce parking demand and incentives for alternative transportation such as bike racks, bike lockers, and a minimum number of transit passes available for residents.
- D. Parking spaces may be shared:
 - 1. When different uses share a common parking facility;
 - 2. The uses have peak parking demand periods that do not overlap more than 2 hours; and
 - 3. Shared parking areas shall be appropriately designated and signed.
- E. Minimum parking spaces required for residential uses are 1 space for studio and 1-bedroom units and 1.5 spaces for 2-bedroom units. Reductions to parking requirements up to 30 percent may be applied for in developments in 1.5 acres or more and approved by the Director.
- F. Provisions shall be made for a car sharing program (like Flexcar), as approved by the Director, and include a car on-site as well as car-sharing only parking spaces.
- G. Parking areas in developments 1.5 acres or more shall conform to the all of the parking design standards under SMC 20.50.410-.420

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H. On-site surface parking lot shall be screened from public right-of-way and adjacent residential land uses. Screening can consist of locating parking behind buildings or by opaque landscaping.

I. A majority of the parking area shall be located on-site. The remaining parking shall be on-site or within 1000 feet of the site on private property not used as single-family residential.

J. No more than 50 percent of the required minimum number of parking stalls may be compact spaces.

20.91.080 Signs

Development proposals in the Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more require submittal and approval of a master sign plan through the administrative design review process set forth in SMC 20.91.040.

20.91.090 Outside lighting

A. Intent: To create a walkable human scale neighborhood environment by providing adequate and appropriate lighting for pedestrians.

B. The standards for outdoor lighting apply to all development proposals in the Ridgecrest Commercial Planned Area 2.

C. The outdoor lighting shall:

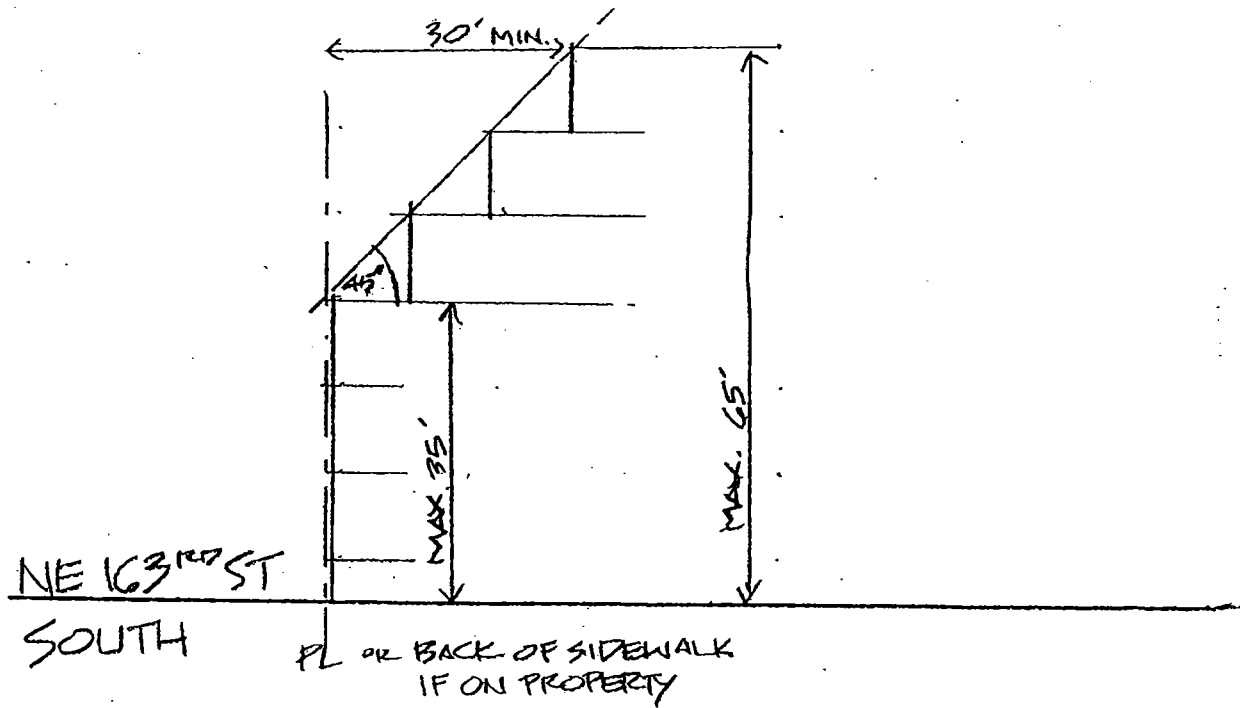
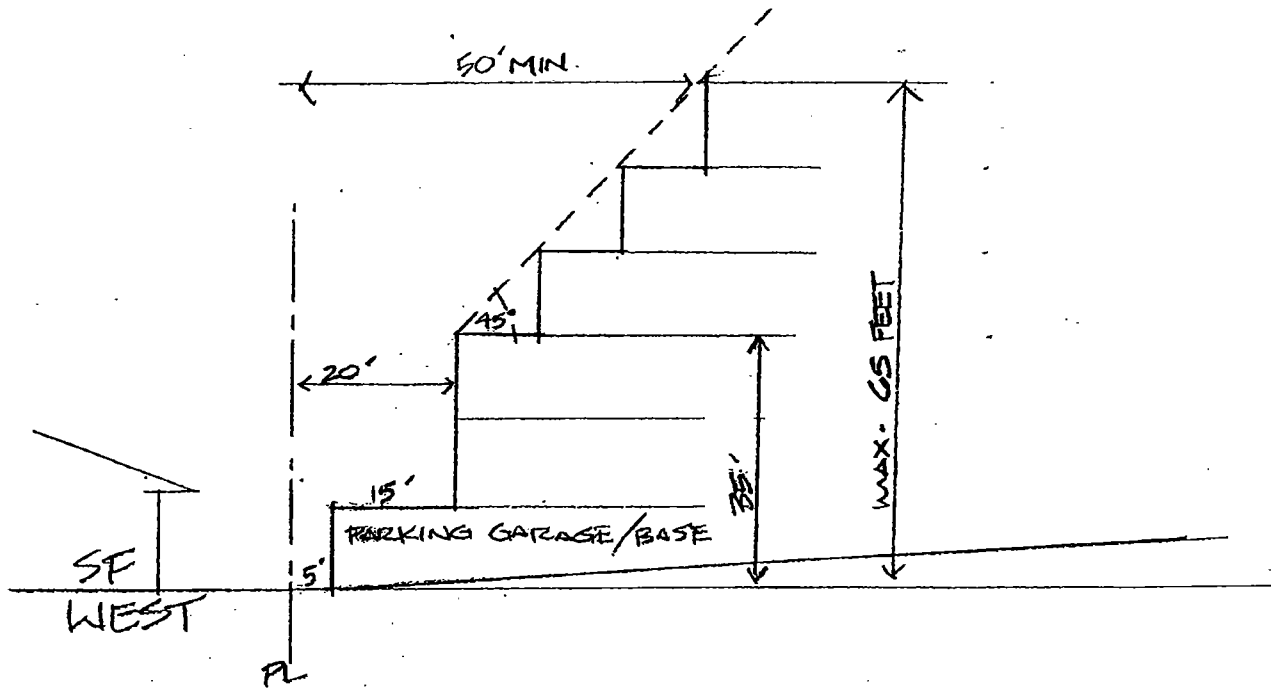
1. Accent structures or provide security and visibility;
2. Be shielded to confine emitted light to within the site ; and
3. Be located so it does not have a negative effect on adjacent properties or rights-of-way.

D. All building entrances shall be well lit to provide inviting access and safety. Building-mounted lights and display window lights shall contribute to lighting of pedestrian walkways and gathering areas.

E. Parking area light post height shall not exceed 25 feet.

F. Outside lighting shall be minimum wattage metal halide or color corrected sodium light sources which emit “natural” light. Non-color-corrected low-pressure sodium and mercury vapor light sources are prohibited.

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ORDINANCE NO. 492

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING THE DEVELOPMENT CODE BY ADDING A NEW CHAPTER 20.91 THAT ESTABLISHES REGULATIONS FOR A NEW PLANNED AREA ZONE IN THE COMMERCIAL AREA OF THE RIDGECREST NEIGHBORHOOD AND AMENDING THE CITY'S OFFICIAL ZONING MAP CHANGING THE ZONING FROM NEIGHBORHOOD BUSINESS (NB) TO PLANNED AREA 2 (PLA 2); AMENDING SMC 20.40.020 AND AMENDING SMC 20.40.030

WHEREAS, the City of Shoreline initiated a legislative rezone of commercially zoned property in the Ridgcrest neighborhood reclassifying the property from Neighborhood Business (NB) to Planned Area 2 (PLA 2); and

WHEREAS, the City of Shoreline conducted extensive public participation and review process of the proposed chapter and the reclassification, holding a public hearing before the Planning Commission on November 1, 2007, November 15, 2007, November 29, 2007 and January 3, 2008 and before the City Council on January 28, 2008;

WHEREAS, on January 3, 2008, the Planning Commission recommended adoption of a new development code chapter creating a new PLA 2 zone and recommended approval of the reclassification to PLA 2 of the commercially zoned properties located at 16268, 16325, 16511 and 16535 5th Avenue NE and 412, 509, 525 and 602 NE 165th Street;

WHEREAS, the City Council finds that the amendments adding the PLA 2 zone is consistent with the Comprehensive Plan, is not adverse to and is in the interest of citizens and property owners;

WHEREAS, the City Council concurs with the recommendation of the Planning Commission to adopt a new development code chapter creating a new PLA 2 zone and to reclassify to PLA 2 the properties located at 16268, 16325, 16511 and 16535 5th Avenue NE (parcel numbers 7304301405, 7301300185, 5727500243 and 5727500242) and 412, 509, 525 and 602 NE 165th Street (parcel numbers 5727500260, 7304301415, 7304301420 and 6163901780);

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

Section 1. Amendment to Development Code - New Chapter. A new chapter 20.91, Ridgcrest Commercial Planned Area 2, is adopted into the Shoreline Municipal Code to read as set forth in Exhibit A, attached hereto and incorporated by reference.

Section 2. Amendment to Zoning Map. The Official Zoning Map of the City of Shoreline is hereby amended to change the zoning classification of 16325 5th Avenue NE (parcel

number 7301300185) from NB to PLA2a, 16511 and 16535 5th Avenue NE (parcel numbers 5727500243 and 5727500242) and 412 NE 165th Street (parcel number 5727500260) from NB to PLA2b, 602 NE 165th Street (parcel number 6163901780) from NB to PLA2c, and 16268 5th Avenue NE (parcel number 7304301405) and 509 and 525 NE 165th Street (parcel numbers 7304301415 and 7304301420) from NB to PLA2d, zone as shown in Exhibit B attached hereto and incorporated by reference.

Section 3. Amendment to Development Code. SMC 20.40.020, *Zones and map designations*, is hereby amended as follows:

20.40.020 Zones and map designations.

The following zoning and map symbols are established as shown in the following table:

ZONING	MAP SYMBOL
RESIDENTIAL	
(Low, Medium, and High Density)	R-4 through 48 (Numerical designator relating to base density in dwelling units per acre)
NONRESIDENTIAL	
Neighborhood Business	NB
Office	O
Community Business	CB
Regional Business	RB
Industrial	I
Special Overlay Districts	SO
North City Business District	NCBD
<u>Planned Area</u>	<u>PLA</u>

Section 4. Amendment to Development Code. SMC 20.40.050, *Special districts*, is hereby amended as follows:

20.40.050 Special districts.

A. Special Overlay District. The purpose of the special overlay (SO) district is to apply supplemental regulations as specified in this Code to a development of any site, which is in whole or in part located in a special overlay district (Chapter 20.100 SMC, Special Districts). Any such development must comply with both the supplemental SO and the underlying zone regulations.

B. North City Business District (NCBD). The purpose of the NCBD is to implement the vision contained in the North City Subarea Plan. Any development in the NCBD must comply with the standards specified in Chapter 20.90 SMC.

C. Planned Area (PLA). The purpose of the PLA is to allow unique zones with regulations tailored to the specific circumstances, public priorities, or opportunities of a particular area that may not be appropriate in a city-wide land use district.

Section 5. Effective Date. This ordinance shall go into effect five days after passage, and publication of the title as a summary of this ordinance.

PASSED BY THE CITY COUNCIL ON JANUARY 28, 2008

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:
Effective Date:

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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Community Priorities/Long-Range Financial Planning Advisory Committee
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

On October 22, 2007, the City Council directed staff to establish a Long-Range Financial Planning Advisory Committee. The attached memorandum (Attachment A), reviewed by Council at the October 22 Workshop Dinner Meeting, provided the guidance for establishing the committee. The Council recommended that staff proceed with recruiting applicants at-large, as opposed to specifically selecting applicants from organizations that currently received direct funding from the City. Applications were solicited starting in early December through January 25, 2008. The City received 36 applications for this advisory committee.

BACKGROUND:

During the April 2007 City Council retreat staff and Council discussed establishing a community advisory committee to develop recommendations to the City Council regarding the City's long-term financial strategy.

Since incorporation Council has focused City resources towards improvements to roads, parks, surface water, and pedestrian infrastructure. We have developed a level of City services that has resulted in 92% of our residents feeling safe in their neighborhoods during the day and 83% of residents responding to the citizen survey rating their overall quality of life in Shoreline as excellent or good. This has been done by allocating City resources in a very efficient and fiscally conservative manner. Until recently the City had not issued any debt to make improvements, but rather used locally generated revenues and grants. Operating services, such as public safety, parks, zoning, and many others were provided within existing resources and when those were not adequate the staff and City Council focused on service efficiencies and base budget reductions to balance its budget.

During this time period the City Council continued to focus on the City's long-term financial health and stability. In 2006 it became apparent that to continue to provide the services our community values, additional resources would be required in 2008 and beyond. In 2007 the City Council authorized base budget reductions of \$78,000, an increase in the cable utility tax rate, and authorized the City Manager to notify Seattle City Light (SCL) that we would phase in the SCL contract payment on the distribution portion of electric revenues during 2008 and 2009. These steps were taken to close projected budget gaps for 2008 and 2009. Beyond that time period the City is projected

to have on-going budget gaps, as revenues continue to grow at an overall slower pace than what is necessary to maintain even the current level of basic services.

The City Council has committed to developing a strategy to address the community's long-term service needs and a financial plan to meet those needs. This includes appointing a Community Priorities/Long-Range Financial Planning Advisory Committee.

Staff advertised that the City was taking applications for this committee starting in early December with announcements in Currents, the Enterprise, and the City's website. In addition to this staff contacted citizens who had participated on the ABC Team (Aurora), the Comprehensive Housing Committee, the public service prioritization exercises in 2005, the Parks Bond Advisory Committee, and interested individuals by word of mouth, mail, and e-mail. The original closing date was January 18th, but this was extended to January 25th, to allow for more time for applicants to submit materials. The City received 36 applications.

The City Manager reviewed the 36 applications received and recommends that the City Council confirm the appointments of those recommended in Attachment B. In addition staff recommends that the City continue to seek a representative from the Shoreline School District (staff has talked with the School District and they intend to appoint a staff person to participate in this committee). The recommended list of appointees is based on a desire for balance of many different areas including: gender, representation from different neighborhoods throughout the City, participation in City committees, and length of residency in Shoreline. Only one of the recommended appointees is not a resident of Shoreline, but does own a business in Shoreline. Attachment C is a complete list of applicants. The applications are available in the City Council Office for Council review. Attachment D is a map of the residential/business locations of the applicants recommended for appointment. This is provided to the Council to demonstrate the balance of representation throughout the City. The only neighborhoods not directly represented are Ballinger and the Highlands.

Staff is recommending the appointment of 19 applicants in Attachment B with two remaining positions to be filled, making a committee of 20. Originally staff had suggested a committee of 24 to 28 participants, but believes that a slightly smaller committee will allow for more productive participation and easier facilitation. Staff anticipates other public meetings in which community members at-large will have an opportunity to provide input.

FINANCIAL IMPACT:

Staff has hired NW Public Affairs to assist in the facilitation of the committee and the process. The contract is \$30,000 for these services.

RECOMMENDATION:

The City Manager recommends that the City Council confirm the appointments of the 19 individuals listed in Attachment B.

Approved By: City Manager  City Attorney _____

ATTACHMENTS

Attachment A - October 12, 2007 Memorandum to City Council

Attachment B – List of recommended appointees

Attachment C – List of applicants

Attachment D – Map of residential/business locations of recommended appointees



ATTACHMENT A

DATE: **October 12, 2007**

TO: **City Councilmembers**

FROM: **Debbie Tarry, Finance Director**

RE: **Long-Range Financial Planning**

CC: **Leadership Team**
 Patti Rader, Finance Manager

During the April 2007 City Council retreat staff and Council discussed establishing a community advisory committee to develop recommendations to the City Council regarding the City's long-term financial strategy. As Council is aware, during the last twelve years of incorporation we have focused City resources towards improvements to the City's roads, parks, surface water, and pedestrian infrastructure. We have developed a level of City services that has resulted in 92% of our residents feeling safe in their neighborhoods during the day and 83% of residents responding to the City survey rating their overall quality of life in Shoreline as excellent or good. This has been done by allocating City resources in a very efficient and fiscally conservative manner. Until recently the City had not issued any debt to make improvements, but rather used locally generated revenues and grants. Operating services, such as public safety, parks, zoning, and many others were provided within existing resources and when those were not adequate the staff and City Council focused on service efficiencies and base budget reductions to balance its budget.

During this time period the City Council continued to focus on the City's long-term financial health and stability. In 2006 it became apparent that to continue to provide the services our community values that additional resources would be required in 2008 and beyond. In 2007 the City Council authorized an increase in the cable utility tax rate and authorized the City Manager to notify Seattle City Light (SCL) that we would phase in the SCL contract payment on the distribution portion of electric revenues during 2008 and 2009. Beyond that time period the City is projected to have on-going budget gaps, as revenues continue to grow at an overall slower pace than what is necessary to maintain even the current level of basic services.

The City Council has committed to developing a strategy to address the community's long-term service needs and a financial plan to meet those needs. The attached draft work plan recommends a process and schedule to develop the long-term plan.

Alternatives

The Council could decide how to address the long-term financial needs of the City without the involvement of a community advisory group, but this would not be in line with the City's strategic objective of effective citizen communication and engagement. Also it is likely that options for either increasing revenues through voter approval or decreasing critical services will need community understanding and support.

Another option could be to just "wait and see" if the projections change to the point that the budget gaps do not occur or that they are delayed. Although we will continue to monitor our long-term projections, it is unlikely, or probably even remote, that the projections will change significantly. Our revenue and expenditure trends are fairly consistent and for the most part not subject to large swings upward or downwards. By waiting the Council would only put off the decision making process and would most likely have to make decisions in crisis mode, rather than in the planning mode that has served the Council well for the last twelve years.

Financial Impact

Staff is working with NW Public Affairs, a firm that specializes in assisting cities with public processes, to determine the cost for our scope of services, but we estimate that the cost will not exceed \$30,000 for their work. Additional costs may be incurred for community surveys depending on the recommendation developed by the Citizens Advisory Committee. There are funds in the 2007 budget to initiate this process and staff has included funds within the 2008 budget to cover the majority of the contract costs.

Recommendation

Staff recommends that the City Council review and discuss the attached work plan and schedule and provide further direction to staff.

COMMUNITY ADVISORY COMMITTEE PROCESS

Establish a Shoreline Community Advisory Committee to review and make recommendations to the City Council regarding the long-term strategy to provide City services and the funding of those services.

Problem Statement

The City Council and the community have identified a vision of the City that includes safe neighborhoods, active partnerships, diverse culture, quality businesses, natural resources, and responsive government. This can be accomplished if the City provides services that promote the following:

- Safe and attractive neighborhoods and business districts
- Quality services, facilities, and infrastructure
- Safe, healthy and sustainable environment
- Government excellence
- Economic vitality and financial stability
- Human services
- Effective citizen communication and engagement

The City's long-term financial forecasts indicate that by 2010 the City's current resources will not be adequate to continue to provide the services that are currently being provided to the Shoreline community.

Project Goal

The overall goal of the Community Advisory Committee (SCAC) will be to develop a recommendation to the City Council on the long-term strategy to provide community services and the funding mechanisms to provide those services.

Project Steps

1. *Establish the SCAC (October – November 2007):* Staff recommends that the committee be limited to 24 to 28 members. The committee should include representatives from major stakeholder groups along with some positions that are at-large from the community and selected through an application process. Some of the major stakeholder groups should include the Senior Center, Museum, Art Council, Chamber of Commerce, Forward Shoreline, Shoreline Community College, Shoreline School District, City Commissions and Boards, other City advisory committees, Human Service Agencies, Neighborhood Councils, Special Districts and the business community.
2. *Service Level and City Financing Educational Phase (November 2007 – February 2008):* The goal of this phase will be to provide information to the SCAC on current City services and finances and to identify unmet community

service levels. Staff will utilize existing information within the City budget, information gained from the Community prioritization exercise completed in 2004-2005, citizen survey results, and information gathered from the major stakeholders.

3. *Review and Analysis (March – May 2008)*: The goal of this phase will be to have the SCAC refine the list of City services and list of unmet service needs and look at financing options for those services. This may include identifying services that the SCAC recommends be maintained at current service levels, increased to meet unmet demand, reduced to shift funding to more critical services, or eliminated as the service is a lower priority and projected funding is not adequate. Staff will review proposed service level recommendations against long-range financial forecasts and identify which service levels can be funded through available City revenues. Staff can provide information to the SCAC on revenue sources available to provide services, analyze potential impacts of reduced service levels, or information on service delivery alternatives. The SCAC may explore additional efficiencies that could be achieved by the City in its service delivery. At this stage it may be necessary to complete additional community survey work to gather information from residents and businesses on any proposed service level or revenue changes.
4. *City Council Review (June-July 2008)*: At this stage the City Council receives the advice and research from the Advisory Committee. The goal is for the City Council to discuss and decide on which, if any, service levels to adjust and or revenue sources to submit to the voters in order to support the services identified by the committee. The Council would need to determine, based on recommendations from the Advisory Committee, of the timing of possible ballot measures. Several key factors in the decision matrix are:
 - Public opinion
 - Local and regional economy
 - Competing tax measures
 - Timing
 - Key constituencies and stakeholders
 - Active community support for campaign and fundraising
 - Adequate time for ballot campaign
 - Possible opposition
 - Strong City Council support
5. *Election Strategy and Campaigns (If Council chooses to pursue based on a recommendation from the SCAC)*: At this phase the election strategy and campaign is turned over to citizen volunteers. Under Public Disclosure Commission rules, City involvement is limited to drafting the ballot title and providing strictly factual information to the electorate. The ballot title, however, crucial in that most measures fail due to voter confusion. In general, at least four to five months lead-time is needed for a good citizen campaign. As with any election, a strong core of active volunteers is needed to raise funds and run the campaign.

Communication

Throughout the process the City Council will be briefed by staff and the Advisory Committee to ensure that the project is meeting the objectives of the City Council. A communications plan will also be developed to inform the public, neighborhood councils, citizen groups and stakeholders about the process and how to provide input.

Advisory Committee

It is recommended that the committee be limited to 24 to 28 members. The committee should include representatives from major stakeholder groups along with some positions that are at-large from the community and selected through an application process. Some of the major stakeholder groups should include the Senior Center, Museum, Art Council, Chamber of Commerce, Forward Shoreline, Shoreline Community College, Shoreline School District, City Commissions and Boards, other City advisory committees, Human Service Agencies, Neighborhood Councils, Special Districts and the business community.

Roles and Responsibilities

The City Manager will appoint the members of the SCAC with City Council confirmation. The City Council will set the charter and parameters for the SCAC, receive the final recommendations on possible service level changes and funding scenarios. The SCAC may also provide recommendations to the City Council on voted issues, timing, and amounts. The SCAC will receive input from staff, consultants, public survey results, and provide recommendations to the City Council. Staff will provide information to the SCAC, staff the SCAC, manage consultants and surveys, and ensure good communications to and from the public during this process.

ATTACHMENT B

COMMUNITY PRIORITIES/LONG-RANGE FINANCIAL PLANNING CITY MANAGER RECOMMENDED APPOINTMENTS

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
Gretchen Atkinson		X	Meridian Park	ABC Team; Celebrate Shoreline	North City Business Association
Gary Batch		X	Ridgecrest		Shoreline Chamber; Small Business - Financial Planning
William Bear	X		Briarcrest	Briarcrest Neighborhood Association	Sustainable Shoreline; Shoreline Community Care Director; Director of Non- Profit
Gloria Bryce		X	Highland Terrace	Highland Terrace Fremont Trail Neighborhood Grant	Shoreline-LFP Arts Council; Former Museum Board Member
Wade Carter			Not a Shoreline Resident		Shoreline Chamber; Owner of Carter Subaru
Keirdwyn Cataldo	X		Highland Terrace	CERT; Housing Strategy CAC	Shoreline Fire Dept CAC
William Clements		X	Richmond Beach	Richmond Beach Community Council; Parks, Recreation & Cultural Services Board; Co-Chair parks Bond Campaign	Business Owner outside of Shoreline
Ron Greeley		X	Richmond Beach	CERT; Human Services Advisory Committee; Council of Neighborhoods	Shoreline Fire Dept CAC; Shoreline Water District CAC
Patricia Hale		X	Ridgecrest	Council of Neighborhoods;	Physical Education Teacher at Shoreline School District

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
				Police Volunteer; Parks, Recreation & Cultural Services Board	
Carolyn Mayer	X		Ridgecrest	ABC Team; Trails Advisory Committee	Transportation/Environmental Planner for Pertteet Inc.
Richard (Dick) Pahre		X	Innis Arden		Board of CityBank, Eden Bioscience Corporation and Seattle Goodwill; Retired – was partner at Moss Adams; Certified Public Accountant
Rebecca Partman		X	Hillwood	ABC Team	Former small business owner – currently small business consultant
William Pierron	X		Ridgecrest		Ridgecrest Elementary School PTA; Attorney who is currently a stay-at-home Dad
Renee Pitra	X		Hillwood		Business Owner/CEO of a multi-state business; Previous experience with the Boys & Girls Club
Marcie Riedinger		X	Echo Lake		Shoreline YMCA Board; Shoreline Friends of the Library Board; Retired – Shoreline community College Event and Facility Coordinator
Paul Sutphen		X	Richmond Highlands		Certified Public Accountant
Shari Tracey		X	Echo Lake	Co-Chair Parks Bond Campaign Committee; ABC Team; Parks, Recreation & Cultural Services Board	Legislative Aide/Office manager to King County Councilmember Bob Ferguson
Jim Weber		X	Parkwood		Senior Engineer w/ King County Wastewater

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
					Treatment Division; Formerly Senior Manager of Sound Transit's Light Rail Program
Hiller West	X		Ridgecrest		Planning Director for City of Monroe

ATTACHMENT C

APPLICANTS TO THE COMMUNITY PRIORITIES/LONG-RANGE FINANCIAL PLANNING COMMITTEE

(Those with asterisk are recommended for appointment)

Gretchen Atkinson*
Gary Batch*
William Bear*
Gloria Bryce*
Martin Bunes
Wade Carter*
Keirdwyn Cataldo*
William Clements*
Kathie Crozier
Brian Doennebrink
Arthur Ellis
Ron Greeley*
Walter Hagen
Charlotte Haines
Patricia Hale*
David Harris
Paul Herrick
William Hickey
Robin McClelland
Carolyn Mayer*
Keith Miles
Richard (Dick) Pahre*
Rebecca Partman*
Virginia Paulsen
William Pierron*
Renee Pitra*
Mary Lynn Potter
Marcie Riedinger*
Robert Ransom
Tim Shriner
Rick Stephens
Dwight Stevens
Paul Sulphen*
Shari Tracey*
Jim Weber*
Hiller West*

Finance Advisory Committee

- ! Non-resident
Shoreline Resident

0 495 990 1,980 2,970 3,960 Feet
1 inch equals 0.568182 miles



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