



CITY OF
BAINBRIDGE ISLAND

**CITY COUNCIL STUDY SESSION
TUESDAY, MARCH 21, 2023**

COUNCIL CHAMBERS
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA

AND

ZOOM WEBINAR

PLEASE CLICK THE LINK BELOW TO JOIN THE WEBINAR:
[HTTPS://BAINBRIDGEWA.ZOOM.US/J/92947338351](https://bainbridgewa.zoom.us/j/92947338351)
OR TELEPHONE: US: +1 253 215 8782
WEBINAR ID: 929 4733 8351

AGENDA

1. **CALL TO ORDER / ROLL CALL - 6:00 PM**
2. **APPROVAL OF AGENDA / CONFLICT OF INTEREST DISCLOSURE - 6:05 PM**
3. **REGULAR BUSINESS**
 - 3.A **(6:10 PM) Review and Discuss Development Impact Fees**, 30 Minutes
[Impact Fees Presentation.pptx](#)
 - 3.B **(6:40 PM) Receive Report on the Status of the Housing Action Plan and Winslow Subarea Plan - Planning**, 30 Minutes
[HB 1220 Update 3.17.23.pdf](#)
4. **COMMITTEE REPORTS - 7:10 PM**
5. **ADJOURNMENT - 7:20 PM**

GUIDING PRINCIPLES

Guiding Principle #1 - Preserve the special character of the Island, which includes downtown Winslow's small town atmosphere and function, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.

Guiding Principle #2 - Manage the water resources of the Island to protect, restore and maintain their ecological and hydrological functions and to ensure clean and sufficient groundwater for future generations.

Guiding Principle #3 - Foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources.

Guiding Principle #4 - Consider the costs and benefits to Island residents and property owners in making land use decisions.

Guiding Principle #5 - The use of land on the Island should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.

Guiding Principle #6 - Nurture Bainbridge Island as a sustainable community by meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Guiding Principle #7 - Reduce greenhouse gas emissions and increase the Island's climate resilience.

Guiding Principle #8 - Support the Island's Guiding Principles and Policies through the City's organizational and operating budget decisions.



City Council meetings are wheelchair accessible. Assisted listening devices are available in Council Chambers. If you require additional ADA accommodations, please contact the City Clerk's Office at 206-780-8604 or cityclerk@bainbridgewa.gov by noon on the day preceding the meeting.



CITY OF
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City Council Study Session Agenda Bill

MEETING DATE: March 21, 2023

ESTIMATED TIME: 30 Minutes

AGENDA ITEM: (6:10 PM) Review and Discuss Development Impact Fees,

SUMMARY: Staff will present an overview of development impact fees, with a focus on an update to the City's traffic impact fees (TIFs.) See the attached slide presentation for additional information.

AGENDA CATEGORY: Discussion

PROPOSED BY: Executive

RECOMMENDED MOTION: Discussion only.

COMMUNITY ENGAGEMENT AND OUTREACH: None planned at this time.

FISCAL IMPACT:

Amount:	N/A
Ongoing Cost:	N/A
One-Time Cost:	N/A
Included in Current Budget?	No

BACKGROUND:

ATTACHMENTS:

[Impact Fees Presentation.pptx](#)

FISCAL DETAILS: N/A

Fund Name(s):

Coding:

Impact Fee Discussion

Blair King, City Manager
Christopher Wierzbicki, PE Public Works Dir.

March 12, 2023



Agenda

- Overview of impact fees permitted in Washington State
- Overview of updated Traffic Impact Fee (TIF) proposal
- Q&A

What are impact fees?

One-time charges assessed by a local government against a new development to help pay for new or expanded public capital facilities that will directly address the increased demand for services created by that development.



What can impact fees be used for*?

- Public streets and roads (traffic)
- Publicly owned parks, open space, and recreation facilities
- School facilities
- Fire protection facilities.

*[RCW 82.02.050-.110](#) and [WAC 365-196-850](#) authorize counties, cities, and towns planning under the [Growth Management Act](#) (GMA)

What can impact fees NOT be used for?

- Correcting existing deficiencies
- Projects that are not reasonably related to new development
- Disproportionate cost sharing



How are impact fees developed?

- Established through a rate schedule using a formula or other calculation
- Collected during permit issuance
- They may be indexed for inflation
- Limited exemptions, waivers or reductions are allowed (ex. low income-housing)

The City of Bainbridge Island History of Impact Fees

- Parks – City has never had a fee
- Schools – In place 1993-2011
- Fire Protection – City has never had a fee
- Traffic – In place since 2015



City of Bainbridge Island Traffic Impact Fees (TIFs)

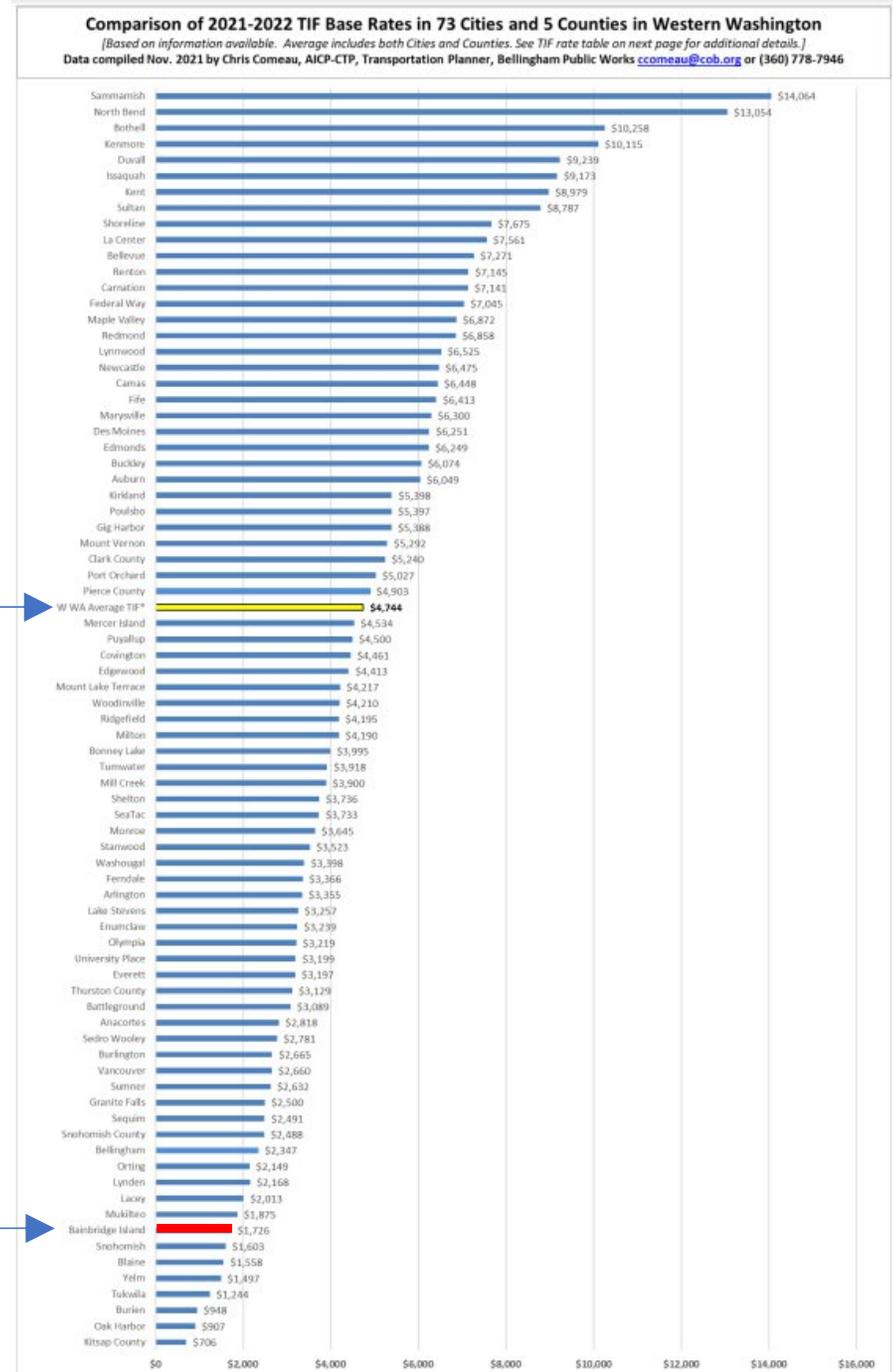
- Initiated October 1, 2015 with a project list and fee schedule for development types
- Adjusted every 2-years
- Last adjustment in 2021 to \$1811.82 per new peak PM trip (single-family)



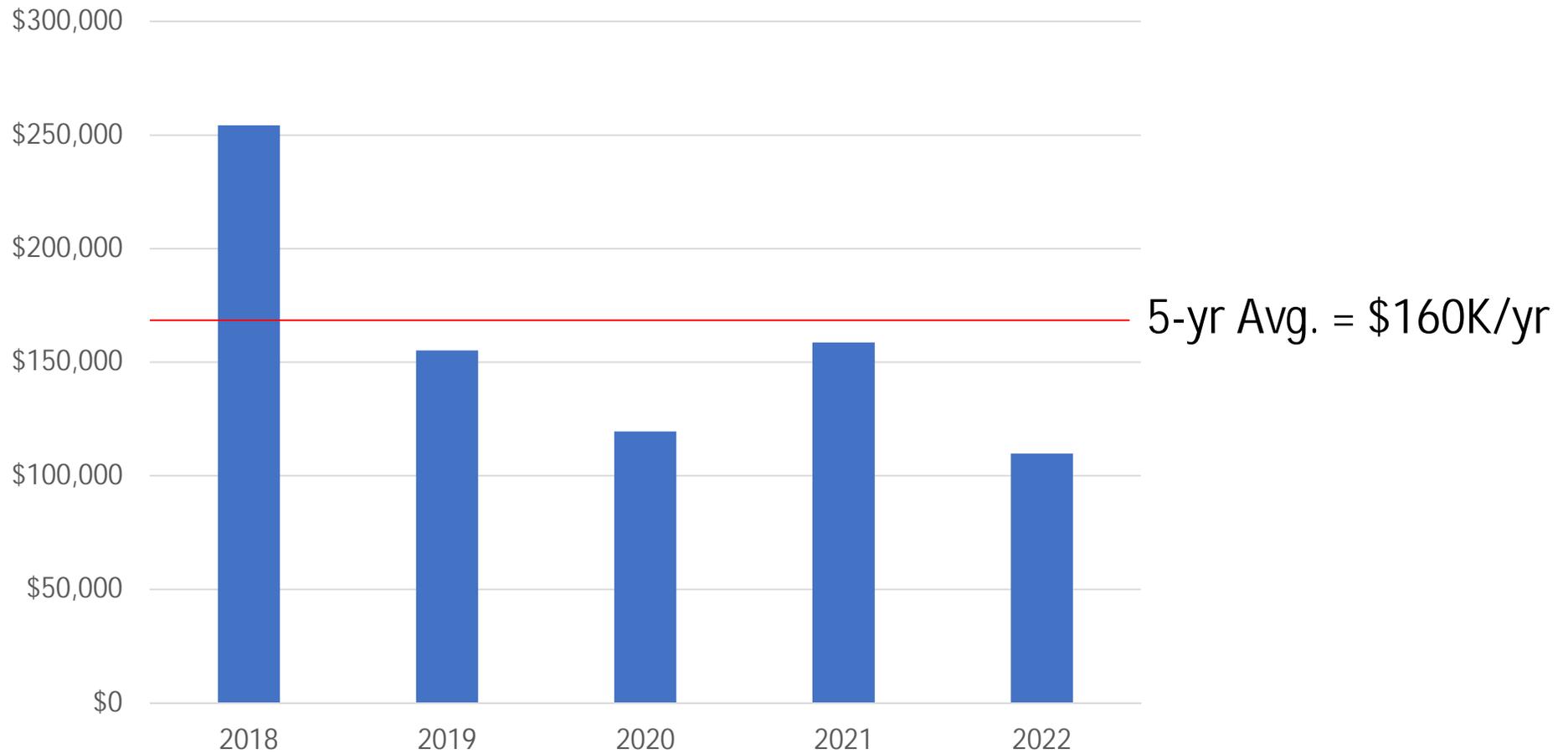
City of Bainbridge Island Traffic Impact Fee (TIFs) - Comparison

Average- \$4,744 (2021)

Bainbridge - \$1,726 (2021)

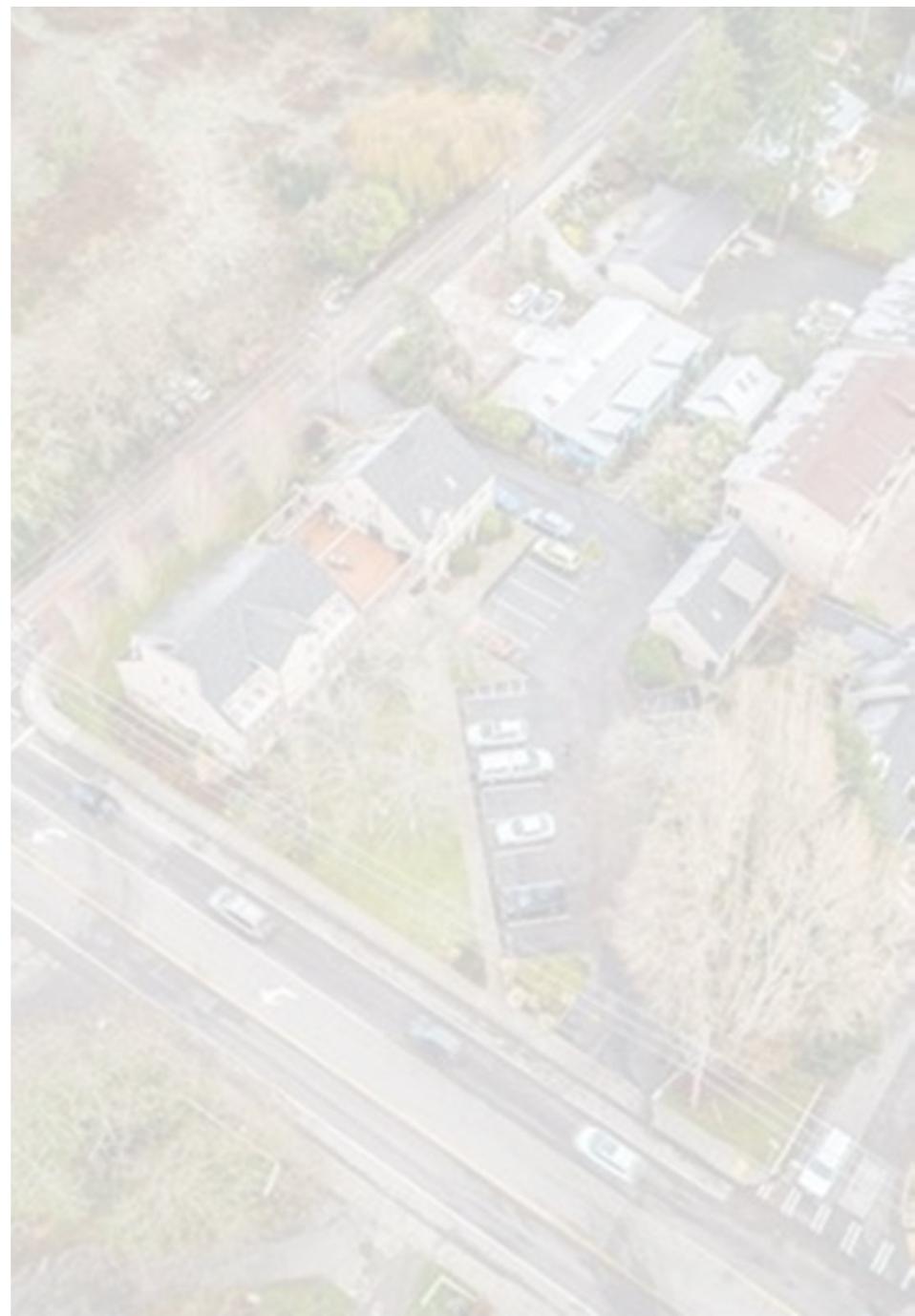


City of Bainbridge Island Traffic Impact Fees (TIFs) – Revenue Collection



City of Bainbridge Island Traffic Impact Fee (TIFs)

- TIF needs to be updated as majority of current project list completed
- New project list based on Sustainable Transportation Plan can likely substantiate more than the current \$1,811 fee
- New calculation based on “person trips” not “vehicle trips” to emphasize investment in multi-modal facilities



City of Bainbridge Island Traffic Impact Fee (TIFs) – Revised Calculations

Old Method

“Vehicle trip” generation based on land-use type

New Method -

“Person-trip” conversion based on regional vehicle trip data

Better suited to address multi-modal trips, not just car trips

City of Bainbridge Island Traffic Impact Fee (TIFs) – Revised Calculations

Using the city's current base TIF rate:

Old Method

“Vehicle trip” generation based on land-use type

Ex: Single Family Home = 1 new trip per unit = \$1,811

Ex: Townhouse = .60 new trips per unit = \$1,086

New Method -

“Person-trip” generation based on land-use type

Ex: Single Family Home = 1.4 new trips per unit = \$2,535 (+40%)

Ex: Townhouse = .60 new trips per unit = \$1,086

City of Bainbridge Island Traffic Impact Fee (TIFs) – Revised Calculations

Using the city's current base TIF rate:

Old Method

“Vehicle trip” generation based on land-use type

Ex: Quality restaurant = 4.2 new trips per unit per 1,000 square feet = \$7,606

New Method -

“Person-trip” generation based on land-use type

Ex: Quality restaurant = 5.5 new trips per unit per 1,000 square feet = \$9,960 (30%)

City of Bainbridge Island Traffic Impact Fee (TIFs) – Next Steps

- Evaluate TIF update using “person trips”
- Determine potential annual revenue based on historical/projected development patterns
- Council review and consider adoption by ordinance



Impact Fee Discussion

Q&A

Blair King, City Manager
Christopher Wierzbicki, PE Public Works Dir.

March 21, 2023





CITY OF
BAINBRIDGE ISLAND

City Council Study Session Agenda Bill

MEETING DATE: March 21, 2023

ESTIMATED TIME: 30 Minutes

AGENDA ITEM: (6:40 PM) Receive Report on the Status of the Housing Action Plan and Winslow Subarea Plan - Planning,

SUMMARY: Several ongoing projects and efforts have overlapping impacts for City of Bainbridge Island long range planning work. The work of the Land Use Technical Advisory Committee (LUTAC) on House Bill 1220 housing allocations has recently coalesced into a set of actionable numbers based on final guidance from the Department of Commerce. These numbers have some bearing on the Winslow Subarea Plan, and are complemented by the Housing Action Plan's many strategies related to affordability, but ultimately will need to be adhered to through the Comprehensive Plan update. Staff will present an overview of the housing allocation process, allocation methodology and results for Bainbridge, relationship to other plans, and answer questions.

Additionally, staff will give an update on the Planning Commission's recommendation on Title 2 based on the outcomes of the March 16th public hearing, which will likely be on the Council agenda for March 28th.

AGENDA CATEGORY: Report

PROPOSED BY: Planning & Community Development

RECOMMENDED MOTION: Discussion only.

COMMUNITY ENGAGEMENT AND OUTREACH: project scope and contract discussion and approvals at council meetings, dedicated web page, numerous public meetings and outreach, posted meeting notes

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	Yes

BACKGROUND: In 2021, the Legislature made changes to the Growth Management Act that amended planning requirements for the housing elements of comprehensive plans. Jurisdictions must now plan for and accommodate a 20-year projection of housing need by household income and a projection of emergency housing and permanent supportive housing. The projections do not represent what a jurisdiction is responsible for building or achieving over the planning period. Rather, they represent the housing needs a jurisdiction must plan for and accommodate during the planning period. This means that jurisdictions must show that they have adequate capacity for their allocated needs at appropriate levels of density as well as policies in place for supporting and enabling housing production at each affordability level, including those that are below market rate.

The Washington State Department of Commerce has provided 2044 projections at the county level and guidance to counties and cities on how to allocate these housing needs to local jurisdictions; Kitsap County's primary workgroup on the allocations is the Kitsap Regional Coordinating Council Land Use Technical Advisory Committee (LUTAC), comprised of planning staff from all jurisdictions in Kitsap County. LUTAC has been meeting throughout the winter to discuss housing allocations and develop a recommendation for the Land Use Planning Policy Committee of the Kitsap Regional Coordinating Council to consider in advance of a Board vote.

In parallel to the state and regional directives of growth targets and housing allocations, Bainbridge Island and many other jurisdictions have embarked on Housing Action Plans, funded by the Department of Commerce. A draft of the Housing Action Plan is nearly ready for Council review; previous Council presentations included much of the framework for the plan--the principles, strategies, and actions (January 24, and February 14, 2023), community engagement results (November 15, 2022), and the housing needs assessment (October 18, 2022).

ATTACHMENTS:

[HB 1220 Update 3.17.23.pdf](#)

FISCAL DETAILS:

Fund Name(s):

Coding:



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

MEMORANDUM

Date: March 17, 2023
To: Blair King, City Manager
From: HB Harper, Planning and Community Development Manager
Subject: Kitsap Regional Coordinating Council (KRCC) work through the Land Use Technical Advisory Committee (LUTAC) on House Bill (HB) 1220 requirements for affordable housing

Over the course of the winter, LUTAC had been discussing the limitations of the housing allocation methods provided by the Department of Commerce for implementing HB 1220. LUTAC members are made up of planning leaders from Kitsap County and all four Kitsap County cities as well as tribal representatives, Kitsap Transit, and others. LUTAC had been pursuing a more customized allocation method than Commerce has provided. Further dialogue with Commerce has yielded an understanding that there is significantly less flexibility and more risk to diverging from Commerce’s guidance on allocation methods than originally thought. LUTAC is therefore recommending to KRCC’s Planning Policy group (PlanPOL) that Kitsap County adopt Allocation Method A, in line with Commerce’s guidance, into the Countywide Planning Policies.

Why LUTAC is recommending Allocation Method A

Allocation Method A assumes all housing needs are accommodated through new housing production, in equal proportions for each jurisdiction—in other words, each jurisdiction is assigned the same percentage of new housing growth at each income band (“everyone does the same thing”). Commerce originally produced an Allocation Method B as well, which assumed all jurisdictions accommodate equivalent shares of total countywide housing need at each income level and took into account existing housing stock (“everyone tries to reach the same goal”). Later guidance indicated this method was intended more for discussion purposes and should not be used. With jurisdictions diverging in their opinions on these two methods, LUTAC was pursuing a concept of a more customized allocation method, based mainly on two factors:

1. Several Kitsap County jurisdictions initially preferred Allocation Method B due to more significant existing stock, and
2. Several Kitsap County jurisdictions had concerns about household size assumptions.

Further dialogue with Commerce indicated a lack of support for a customized method, a misunderstanding about household size assumptions, an unwillingness to provide jurisdictions all the methodology details that would have enabled a custom methodology, and more emphasis on the defensibility of Allocation Method A (and Allocation Method A alone).

Where we are in the process

The KRCC PlanPOL agendas for March 21st and April 18th include review of the housing allocation process, method, and resultant numbers. The full KRCC Board is scheduled to review the housing allocations on May 2nd, with a vote to adopt the allocations into the Countywide Planning Policies scheduled for June 6th.

As of March 2nd, Commerce has provided final countywide allocations, so with this information and a chosen allocation method in mind, the City of Bainbridge Island can begin considering what compliance with HB 1220 will truly look like, in advance of the official adoption process.

What Allocation Method A means for Bainbridge Island

Utilizing Allocation Method A, the total number of units the City must plan for to comply with HB 1220 is **1,977 units**.

Of that total, **1,140 units** must be housing affordable to those making under 80% AMI, which the City would need to demonstrate capacity for primarily through **multifamily zoning**.

The Buildable Lands report from 2020 showed the City's multifamily capacity at **258 units**. Therefore, as part of the Comprehensive Plan, the City will need to demonstrate additional capacity for **882 multifamily units**.

Why Allocation Method A may be preferable for Bainbridge Island

Bainbridge Island staff on LUTAC have been advocating for Allocation Method A from the beginning of the process, based on the inherent unworkability of Allocation Method B. Allocation Method B would have produced negative numbers in the upper income categories, and significantly higher numbers of affordable units, which would have presented major challenges in implementation. The customized methodology LUTAC originally pursued would also have had higher numbers of affordable units and lower numbers of market rate units than Allocation Method A, which again would have presented implementation challenges, although staff was working collaboratively on the concept based on initial resistance to Allocation Method A by other jurisdictions. Now that the other jurisdictions have agreed to Allocation Method A, Bainbridge's charge is clear and actionable, and discussions within Bainbridge can proceed. In conclusion, **the ability to implement the housing allocations produced by Allocation Method A is more achievable for Bainbridge than if any other method were chosen or developed.**

How the allocations affect ongoing city projects

Assuming that the City continues to desire multifamily development primarily within the Winslow subarea, the Winslow Subarea Plan will need to consider these housing allocation requirements in its alternatives related to density. Staff propose that all alternatives developed through the Winslow Subarea Plan process be denoted as to whether or not they facilitate compliance with HB 1220. This is in keeping with how other jurisdictions in the Puget Sound region are planning relative to HB 1220. It is important that the public understand that if an alternative is chosen that does *not* comply with HB 1220, and the City's preferred alternative for Winslow cannot demonstrate a total of 1,140 units of MF capacity, Bainbridge will need to demonstrate that multifamily capacity *outside* of Winslow as part of the Comprehensive Plan update.

Please note that the numbers may still change slightly; until adopted into the CPPs, all numbers should be considered draft.