



CITY OF
BAINBRIDGE ISLAND

**SPECIAL JOINT CITY COUNCIL AND PLANNING COMMISSION MEETING
MONDAY, JUNE 22, 2020**

ZOOM WEBINAR PLATFORM

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WEBINAR ID: 980 4112 3380

AGENDA

1. **CALL TO ORDER/ROLL CALL - 5:00 PM**
2. **APPROVAL OF AGENDA / CONFLICT OF INTEREST - 5:05 PM**
3. **CLARIFY APPROACH FOR AFFORDABLE HOUSING INITIATIVES, FLOOR AREA RATIO (FAR) REVISIONS, AND RELATED LAND USE POLICY INITIATIVES**
 - 3.A **(5:10 PM) Clarify Approach for Affordable Housing Initiatives, Floor Area Ratio (FAR) Revisions, and Related Land Use Policy Initiatives,**
90 Minutes
[Presentation_Joint_Session 22 June 2020.pdf](#)
[Planning Commission Recommendations on FAR 061120.pdf](#)
[List of Supporting Documents \(hyperlinks\)](#)
4. **CLARIFY PRIORITIES FOR LAND USE CODE REVIEW**
 - 4.A **(6:40 PM) Land Use Code Priorities,** 90 Minutes
[CM Hytopoulos, CM Carr, Mayor Schneider Land Use Priorities](#)
[CM Nassar Land Use Review PC CC Joint Meeting.docx](#)
[CM Pollock BIMC Land Use Code Update Process Proposal2.docx](#)
5. **FOR THE GOOD OF THE ORDER - 7:50 PM**

6. ADJOURNMENT - 8:00 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.



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CITY OF
BAINBRIDGE ISLAND

Special Joint City Council and Planning Commission Meeting Agenda Bill

MEETING DATE: June 22, 2020

ESTIMATED TIME: 90 Minutes

AGENDA ITEM: (5:10 PM) Clarify Approach for Affordable Housing Initiatives, Floor Area Ratio (FAR) Revisions, and Related Land Use Policy Initiatives,

SUMMARY: The City Council has launched several related land use amendments to further the Comprehensive Plan. The goal of this agenda item is to clarify the most efficient order and priority given that the topics overlap. The discussion objective is to understand each program, how they relate, and confirm prioritization. Topics to be covered include: Inclusionary zoning (IZ), multifamily tax exemption (MFTE), transfer of development rights (TDR), and floor area ratio, base and bonus. In alignment with recommendations received to date, Staff is presenting 6 options for Council discussion purposes. Each option has a complexity and timing score as well as a list of potential pros and cons to be built upon and discussed.

AGENDA CATEGORY: Discussion

PROPOSED BY: Planning & Community Development

RECOMMENDED MOTION: Discussion.

STRATEGIC PRIORITY: Green, Well-Planned Community

FISCAL IMPACT:

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

BACKGROUND: See list of supporting background documents.

ATTACHMENTS:

[Presentation Joint Session 22 June 2020.pdf](#)

[Planning Commission Recommendations on FAR 061120.pdf](#)

[List of Supporting Documents \(hyperlinks\)](#)

FISCAL DETAILS:

Fund Name(s):

Coding:

City Council Planning Commission Joint Session

JUNE 22, 2020

FACILITATOR: MAYOR,
LESLIE SCHNEIDER

PRESENTERS:
JENNIFER SUTTON,
SENIOR PLANNER &
HEATHER WRIGHT,
DIRECTOR

Goals for the Evening



Understand each concept, including current Code language and any interim zoning control



Review each initiative and how they relate to each other



Review recommendations received to date



Agree on which policy choices to pursue

Overlapping Initiatives

Affordable Housing Programs

**2020 Bonus
FAR Interim
Control
Ordinance
2020-10**

Inclusionary Zoning (IZ)

*Improve Transfer of
Development Rights Program*

*Incomplete: IZ, MFTE &
ADU Common Ownership*

*Complete: CAO, 2018 Land Use
Process & 2019 Subdivision
Code and Design Guideline
Updates*

**2018
Development
Moratorium
Workplan**

Land Use Code Updates (TBD)

The Comprehensive Plan *Vision* and *Guiding Principles* inform this discussion of downtown development, affordable housing and conservation.



Fig. IN-6 Sustainable Community

Comprehensive Plan Implementation

LU Action #1 Complete a thorough review of all Bainbridge Island codes to ensure that they implement and are consistent with the Comprehensive Plan.

LU Action #10/ EN Action #7 Evaluate the reasons why the City's PDR and TDR programs have not been successful and explore ways to make them functional to meet City objectives.

EN Action #2 Integrate sustainability and conservation into regulations.

HO Action #2 HS Action #3 Amend the City's development code to facilitate an increase in the diversity of housing types and supply of affordable housing.

HO Action #4 Consider actions that can be taken to reduce financial barriers that inhibit the desired increase in diverse and affordable housing.

HO Action #5 Create a short-term (60-90 days) citizen *affordable housing* task force to consider the revised Housing Element and provide specific recommendation for near-term action.

HO Action #8 Look for ways to reduce the cost of multifamily housing, particularly affordable housing.

Winslow Master Plan – Overall Land Use Goal WMP 2-1

Strengthen Winslow—the Island’s commercial, cultural and commuter hub—as a sustainable, affordable, diverse, livable and economically vital community, by:

- Encouraging downtown living;
- Providing an enhanced pedestrian experience, with linked access to retail shopping, the ferry, major public facilities, open space and residential areas, and promoting and retaining visual access to Eagle Harbor;
- Promoting the efficient use of land;
- Encouraging the retention and expansion of retail that serves the needs of community members and visitors;
- Providing opportunities for business expansion and private reinvestment;
- Promoting development that is sustainable and supports community values; and
- Developing strategies that result in the creation of less expensive housing and retail space, thereby increasing diversity while minimizing dependence on the automobile.

Affordable housing

Inclusionary Zoning

Multifamily Tax Exemption

Transfer of Development Rights

Floor Area Ratio

Tonight's
Objective:

Understand each
Concept, How
They Relate and
Confirm
Prioritization

Describe Each Concept & Recommendations to Date

Inclusionary Zoning

What: Require a percentage of residential units to be constructed as 'Affordable Housing' at defined income levels.

Current Code Language: Voluntary Inclusionary Zoning (BIMC 18.12.030.E & 18.21) has not been used

Moratorium Requirement: 10% of total proposed residential units required for SPR & CUP permits in the MUTC/HSR districts (excluding Core district) as affordable

Moratorium Work Plan: Yes

Recommendations to Date:

- Mandatory Inclusionary Zoning in Designated Centers(AHTF Report PR 1.A)
- Pursue adopting Inclusionary Zoning in Gateway, Ferry Terminal and High School Road zoning districts, using bonus FAR, reduced parking and building height increases as incentives (City Council, 2/4/2020)
- Require Bonus FAR to be obtained with a combination of IZ and TDR's (City Council, 2/4/2020).

Questions about IZ?

Multifamily Tax Exemption

What: Exemption from property tax for any qualifying multi-family project of four units or more. The multifamily property tax exemption uses a time limited property tax exemption. The 12-year program in WA requires 20% of homes set aside to low- and moderate-income households.

Code Language: None

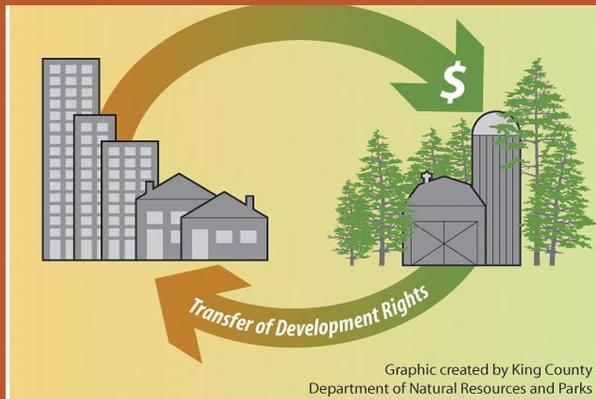
Moratorium Work Plan: Yes

Recommendations to Date:

- Adopt MFTE to promote development of rental housing units that are designated affordable (AHTF Report PR 1.C)
- Utilize with TDR changes while increasing the maximum FAR (City Council, 2/4/2020).

Questions about MFTE?

Transfer of Development Rights



What: A voluntary, incentive-based program that allows landowners to sever development rights from land that City desires to conserve and sell or transfer to a developer or other interested party who then can use these rights to increase the density of development at the City's designated centers

Code Language: Island comprised of properties that are sender (Conservation Area) and receiver sites (Designated Centers). Sender are properties located outside of designated centers and receivers are in the MUTC/HS Rd., R-8, R-14 & NC Zones.

Recommendations to Date:

- Require Bonus FAR to be obtained with a combination of IZ and TDR's in Gateway, FTD and HS Road zones (City Council, 2/4/2020).

City's Current TDR Program Doesn't Work

- Awareness of the program is limited
- Resources for participants are limited, Buyers and Sellers must find each other
- Pricing of TDR credits is not clearly defined, BIMC missing conversion from units/acre to FAR
- Value of the incentive isn't big enough to justify use of the program

(ECONorthwest/Forterra Analysis, February 2019)

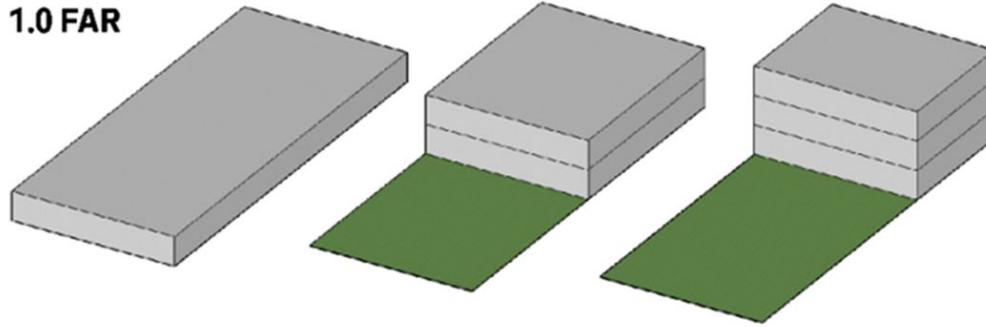
Questions about TDR?

Floor Area Ratio

What: A figure that expresses the total floor area as a multiple of the lot area. This figure is determined by dividing the floor area of all buildings on a lot by the lot area prior to removal of lot area for dedication. Portions of parking located underneath a building footprint are not counted in floor area ratio calculations.

Illustrations of FAR Limits

1.0 FAR

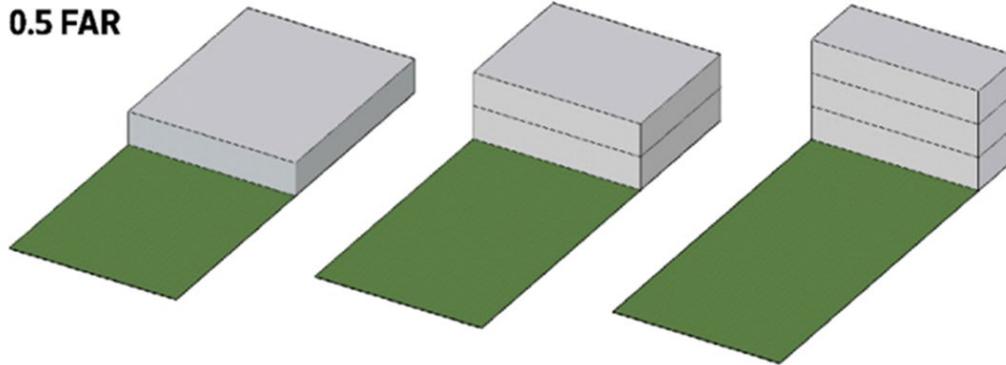


1 story
(100% lot coverage)

2 stories
(50% lot coverage)

3 stories
(33% lot coverage)

0.5 FAR



1 story
(50% lot coverage)

2 stories
(25% lot coverage)

3 stories
(17% lot coverage)

Excerpt BIMC Table 18.12.020-3		Winslow Mixed Use Town Center					HSR I and II
ZONING DISTRICT	Central Core Overlay	Madison Avenue Overlay	Ericksen Avenue Overlay	Gateway Overlay	Ferry Terminal Overlay		
Base FAR							
Commercial and Other Nonresidential Uses	0.6	0.4	0.3	0.15	0.1	0.3	
Residential	0.4	0.4	0.3	0.5	0.4	0.3	
Mixed Use	1.0	0.5	0.5	0.5	0.5	0.3	
Max. FAR with Bonus: Bonus FAR requires compliance with BIMC <u>18.12.030.E</u>							
Commercial and Other Nonresidential Uses	1.0	0.6	0.6	0.3	0.2	0.6	
Residential	1.0	0.6	0.6	1.0	1.1	0.6	
Mixed Use	1.5	1.0	1.0	1.0	1.3/1.5	1.0	

Bonus Floor Area Ratio

What: Created in 1999 to implement WMP as a means to receive community values in exchange for density

Code Language: Various options based on community values

Most popularly used option: Purchase

Council adopted Interim Development Ordinance to only allowed for affordable housing, TDR & Historic Preservation (March 10, 2020)

Recommendations to Date:

AHTF Report: Create Affordable Housing Incentives in Designated Centers including using bonus density/FAR (AHTF Report PR 1)

EcoNorthwest Analysis: Increase in Maximum Bonus FAR necessary to achieve Affordable Housing and/or TDR (City Council, 2/4/2020)

City Council: Limited to affordable housing, historic preservation and transfer of development rights

PC Recommendation: Revise to achieve specific community benefits (see June 11, 2020 Recommendation)

Questions about FAR?

Options on How to Proceed

COMBINATION OF RECOMMENDATIONS RECEIVED TO DATE
FOR DISCUSSION PURPOSES



Each Option has different **Complexity** and **Timing** value



Complexity: Low, Medium or High



Timing: (In Months)



Pros and Cons

Options on
How to
Proceed

Option 1 –
Modest Changes
to Bonus FAR,
Revamp TDR

Complexity = Low
Timing = 4
months

- Proceed with Bonus FAR IDO and adopt Ordinance that implements permanent revisions to bonus FAR Options*
- Address underbuilding parking*
- Evaluate Bonus FAR for affordable
- Revamp TDR program

*Implements June 11, 2020 Planning Commission Policy Direction

Option 1 – Modest Changes to Bonus FAR, TDR: Pros and Cons

Pros

Recommendation received by Planning Commission and could be quickly implemented

Forward movement on TDR program changes

Cons

Without other program changes may result in little to no increase in affordable housing or TDR usage

Pauses IZ & MFTE efforts

Eliminates most bonus FAR options for commercial development

Option 2 – Medium Change -1

Increase FAR, IZ, MFTE
& TDR

Complexity = Medium
Timing = 6 months

- Increase Base Residential FAR in all MUTC/HS Rd. zones to match Maximum BONUS Residential FAR
 - Bonus FAR earned through 10% Affordable Housing (IZ) OR Modest Change 1 Bonus FAR options
- Adopt MFTE program
- Revamp TDR program

Madison Ave District Example	Current Madison Avenue Overlay	Medium Change -1
Base FAR		
Commercial/Other Nonresidential Uses	0.4	0.4
Residential	0.4	<u>0.6</u>
Mixed Use	0.5	<u>0.6</u>
Max. FAR with Bonus		
Commercial and Other Nonresidential Uses	0.6	0.6
Residential	0.6	<u>1.0</u>
Mixed Use	1.0	1.0

Option 2 –Increase FAR, IZ, MFTE & TDR: Pros and Cons

Pros

Increases amount of potential residential development without increasing overall FAR.

Has a 10% requirement when choosing BONUS FAR, simplifying current affordable housing bonus FAR option

Cons

Without other FAR increases, may result in only slight increase in affordable housing or TDR usage.

Option 3 – Medium Change – 2

Increase FAR to limited districts, IZ, MFTE & Revamp TDR

Complexity = Medium
Timing = 9 months

- Increase Residential FAR to match FAR for Mixed Use, and increase FAR by .2 for Mad, Ericksen, Core, Gateway (AHTF PR 1-A)
- Increase FTD & HS FAR to CORE Residential and Mixed-Use density (AHTF PR 1-B)
- Require 10% of units as affordable to achieve max bonus FAR. (AHTF PR 1-A)
- Adopt MFTE program
- Revamp TDR program

Example	Madison Ave. Overlay (0.2 increase)	Ferry Terminal (to Core)	HS Road (to Core)
Base FAR			
Commercial and Other Nonresidential Uses	0.4	0.1	0.3
Residential	0.4 / <u>0.7</u>	0.4	0.3 / <u>0.4</u>
Mixed Use	0.5 / <u>0.7</u>	0.5 / <u>1.0</u>	0.3 / <u>1.0</u>
Max. FAR with Bonus			
Commercial and Other Nonresidential Uses	0.6	0.2	0.6
Residential	0.6 / <u>1.2</u>	1.1	0.6 / <u>1.0</u>
Mixed Use	1.0 / <u>1.2</u>	1.3 / 1.5	1.0 / <u>1.5</u>

Option 3 – Increase FAR to limited districts, IZ, MFTE & TDR : Pros and Cons

Pros

Increases potential for housing and affordable housing throughout Winslow.

Has a 10% requirement when choosing BONUS FAR, simplifying current affordable housing bonus FAR option

Adopts MFTE program

Improves TDR program

Cons

Without larger FAR increases, unlikely to increase housing stock, affordable housing or TDR usage.

Option 4 – Extensive Change 1, Limited Area

Increase FAR & height
in limited districts, IZ,
MFTE & TDR

Complexity = High
Timing = 9 months

- Increase Bonus FAR in limited zoning districts (Gateway, HSR & FTD) based on EcoNorthwest discussion with Council and Council policy direction
- Increase maximum building height
- Require 10% of units as affordable
- Adopt MFTE
- Revamp TDR program and

Option 4: Example from EcoNorthwest

Current Land Use

Current Bonus Max

Proposed Bonus Max 2/4/2020 City Council Discussion



Base (Residential):
HS Road: 0.3 FAR, 35 feet
Gateway: 0.5 FAR, 35 feet
Ferry: 0.4 FAR, 35 feet

Current Max (Mixed Use):
HS Road: 1.0 FAR, 45 feet
Gateway: 1.0 FAR, 45 feet
Ferry: 1.3/1.5 FAR, 45 feet

Proposed Max (Res./Mixed Use):
HS Road: 3.0 FAR, 55 feet
Gateway: 4.5 FAR, 65 feet
Ferry: 4.5 FAR, 65 feet

Option 4 – Increase FAR & height in limited districts, IZ, MFTE & TDR: Pros and Cons

Pros

Increases amount of residential and affordable housing in FTD, Gateway and HS Rd. Districts

Adopts MFTE program

Simplifies current voluntary affordable housing bonus option.

Promotes conservation of land through a healthy TDR program.

Increases opportunity for TDR in FTD, Gateway and HS Rd. Districts

Cons

Likely community concern for height & FAR increase

Change in community character

Option 5 – Extensive Change 2, Winslow Area

Increase Residential
FAR & height in all
districts, IZ, MFTE &
TDR

Complexity = High
Timing = 12 months

- Increase Bonus FAR for all Zoning Districts in the MUTC & HSR districts (see February 4, 2020 ECONorthwest presentation)
- Require 10% of units as affordable
- Adopt MFTE
- Revamp TDR Program, and require combination of TDR & Inclusionary Zoning for Maximum Density throughout MUTC/HS Road zones

Extensive Change 2- Continued

Current Land Use

Current Bonus Max

Proposed Bonus Max 2/4/2020 City Council Discussion



Base (Residential):
HS Road: 0.3 FAR, 35 feet
Gateway: 0.5 FAR, 35 feet
Ferry: 0.4 FAR, 35 feet
Core: 0.4 FAR, 35 feet
Madison: 0.4 FAR, 25 feet
Ericksen: 0.3 FAR, 25 feet

Current Max (Mixed Use):
HS Road: 1.0 FAR, 45 feet
Gateway: 1.0 FAR, 45 feet
Ferry: 1.3/1.5 FAR, 45 feet
Core: 1.5 FAR, 45 feet
Madison: 1.0 FAR, 35 feet
Ericksen: 1.0 FAR, 35 feet

Proposed Max (Res. & Mixed Use):
HS Road: 3.0 FAR, 55 feet
Gateway: 4.5 FAR, 65 feet
Ferry: 4.5 FAR, 65 feet
Core: 4.5 FAR, 65 feet
Madison: 3.0 FAR, 55 feet
Ericksen: 3.0 FAR, 55 feet

Option 5 – Increase FAR & height in all MUTC/HS Road districts, IZ, MFTE & TDR: Pros and Cons

Pros

Increases amount of residential and affordable housing in Winslow and HS Rd. Districts

Biggest potential for conserving land through a healthy TDR program

Adopts MFTE program

Simplifies current voluntary affordable housing bonus option.

Cons

Likely community concern for height & FAR increase

Change in community character

Option 6

Winslow Master Plan Update

Complexity = High,
Timing = 24 months)



Originally adopted in 1998,
updated in 2006



Winslow Master Plan is part of
2017 Comprehensive Plan



Identified in PCD 2020 Workplan as
a 2021 Workplan item

Option 6 – Winslow Master Plan Update: Pros and Cons

Pros

Provides opportunity for a holistic, community conversation on each of these concepts before proceeding on any isolated or combined pieces.

Cons

Delays implementation of interim initiatives

Delay results in loss of affordable housing and conservation opportunities in the interim



Goal for Tonight: Council Direction on Priorities and Approach

Planning Commission Recommendations on FAR Bonus Density Provisions in the Bainbridge Island Municipal Code

In response to the City Council's request for Planning Commission evaluation of existing FAR bonus density provisions in the Bainbridge Island Municipal Code, the Planning Commission makes the following recommendations for immediate revisions to those code provisions.

1. We recommend reducing reliance on Bonus FAR and limiting the use of this incentive to projects that will achieve specific community benefits. The amounts of Base and Bonus FAR currently allowed in the several MUTC and HSR zoning districts should be studied and revised where appropriate. A project that is well suited to its zoning overlay context, and that meets our design guidelines and standards, should be feasible within the limits set by Base FAR allowances.
2. Within limits yet to be determined, Bonus FAR should be allocated in order to achieve, within the project itself, specific community benefits that would otherwise not be feasible. Such community benefits may include:
 - a. Parking alternatives to reduce or eliminate the need for parking on the street or in a dedicated surface lot.
 - b. Housing for income-qualified tenants, combined with moderately priced market-rate housing.
 - c. Preservation of a historic structure in such a way that it becomes a functional part of the re-development.
3. Re: BIMC 18.12.030.E, most of the current provisions for Bonus Density (i.e., Bonus FAR) in this subsection should be discontinued.
4. Re: 030.E.1.a (Optional Affordable Housing FAR Bonus) and Table 18.12.030, these provisions, revised, may become part of BIMC 18.21 (Affordable Housing) when that chapter is revised; provisions in BIMC 18.12 and 18.21 will complement one another.
5. Re: 030.E.1.b (Preservation of the Islander Mobile Home Park), we recommend that any remaining units of value held by the owner(s) of the mobile home park be purchased by COBI and transferred to a "development bank" account, to be used in a T D R program.
6. Re: 030.E.2 (Purchase of Development Rights), noting that current provisions in BIMC 18.27 have seen very little use, we support instituting an effective T D R program, which may be pertinent to development in some parts of the Winslow Study Area.
7. Re: 030.E.3.a & .b (Public Amenities and/or Infrastructure), we recommend discontinuing a policy that awards Bonus FAR for meeting a requirement.
8. Re: 030.E.4 (Community Open Space in the ferry terminal district), we recommend, again, discontinuing a policy that awards Bonus FAR for meeting a requirement.
9. Re: 030.E.5 (FAR Transfers), we don't believe that any "development potential" in parcels that contain critical areas should be converted into Bonus FAR.
10. Re: 030.E.6 (Historic Structure Preservation), we recommend that when a historic structure is preserved and incorporated in redevelopment of the site, that structure's floor area shall be, in effect, Bonus FAR.
11. Re: 030.E.7 (Under-building Parking in the Ferry Terminal District), we recommend retaining this provision, subject to change in revised Bonus FAR regulations.
12. After revision, in BIMC 18.12 and its Table of FAR-Based Dimensional Standards, the allowances for Base and Bonus FAR should not be regarded as permanent, or as conferring a right to develop to the limit. They should be reviewed periodically and revised in the light of experience, as circumstances in the community and the built environment change.
13. Next steps in the implementation of these recommendations remain to be determined. Further work can be done in the Planning Commission on the basis of policy guidance from the City Council. An Ad Hoc Committee or a Task Force might be formed. A consultant might contribute expertise that is not available within our community.



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

BACKGROUND & SUPPORTING INFORMATION FOR
JUNE 22 JOINT CITY COUNCIL PLANNING COMMISSION MEETING

[Winslow Master Plan \(2006\)](#)

[Comprehensive Plan \(2017\)](#)

[City Affordable Housing Resources Website](#)

[Affordable Housing Task Force Report/Recommendations \(2018\)](#)

[COBI Transfer of Development Rights & Inclusionary Zoning Assessment \(ECONorthwest/Forterra 2019\)](#)

[February 4, 2020 City Council Meeting re: Inclusionary Zoning & MFTE](#)

[2018 Development Moratorium \(Current Ordinance 2020-09\)](#)

[2020 Bonus FAR Interim Control Ordinance 2020-10](#)

[BIMC Chapters 18.12 *Dimensional Standards* & 18.27 *Transfer of Development Rights*](#)

Planning Commission Recommendation (see agenda bill)



CITY OF
BAINBRIDGE ISLAND

Special Joint City Council and Planning Commission Meeting Agenda Bill

MEETING DATE: June 22, 2020

ESTIMATED TIME: 90 Minutes

AGENDA ITEM: (6:40 PM) Land Use Code Priorities,

SUMMARY: Councilmembers were asked to provide their land use code priorities for discussion (attached).

AGENDA CATEGORY: Discussion

PROPOSED BY: City Council

RECOMMENDED MOTION: Discussion.

STRATEGIC PRIORITY: Green, Well-Planned Community

FISCAL IMPACT:

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

BACKGROUND:

ATTACHMENTS:

[CM Hytopoulos, CM Carr, Mayor Schneider Land Use Priorities](#)

[CM Nassar Land Use Review PC CC Joint Meeting.docx](#)

[CM Pollock BIMC Land Use Code Update Process Proposal2.docx](#)

FISCAL DETAILS:

Fund Name(s):

Coding:

Priority Land Use Items

Councilmember Hytopoulos

- *Those sections of BIMC chapters 2 and 18 relating to major CUPs
- *BIMC 18.21
- *Those sections of BIMC 18.12 relating to bonus FAR

Councilmember Carr

- Audit and update of BIMC 18.09 and BIMC 18.12 to optimize desired outcomes of land use and housing elements of the Comprehensive Plan.
- Work plan items related to all moratoria and interim zoning controls with goal of no further extensions.

Mayor Schneider

- High School Road zones 1 & 2: What vision, amenities, and incentives will bring about redevelopment for a residential/commercial village that is attractive, walkable, livable (and integrates a healthy dose of affordable housing!)? Toward Sustainable Transportation goals: can we plan transportation and infrastructure so that residents don't need a car? Rethink parking requirements?
- Business industrial uses:
 - What uses do we need on the island and want to attract? Composting? Recycling of waste/plastics? Innovations for food production and processing? Where could they go?
 - Businesses that have moved off island because of expansion: Grounds for Change, Watson Furniture, Mora
 - Do we have enough appropriate zones for these uses? Preserve Day Road for manufacturing and warehousing (where size and nature can't co-exist in other zones, e.g. with delivery trucks, noise...).
- Affordable Housing
 - Inclusionary zoning/MFTE: How do we validate the report of EcoNorthwest (or come up with new analysis) and agree on a set of facts that will result in an EFFECTIVE mandatory or incentivized inclusionary zoning?
 - Evaluate changing zoning-by-unit to zoning-by-FAR outside of Winslow (With a climate change lens? With a carbon budget?)
 - Disallow subdivisions for single family in Winslow? (reversal of recent change)
 - Allow conversion of existing large homes into duplexes outside of Winslow (not for new duplexes, but also not restricted by ADU requirement of 900 sf)

- Evaluate options/flexibility/innovation for zoning to allow more affordable housing
- Add affordable housing as a conditional use? If yes, require a review process?
- Planned unit development/innovation (propose a creative solution, require more process)? Replace HDDP?
- The cost and public benefit of FAR
 - A review of base densities for infill in Winslow: are we providing enough base to support Comp Plan goals?
 - Evaluate and possibly raise the price of FAR? (But beware of disincentivizing infill)
 - Buy out the mobile home park FAR? What happens if the Winslow Hotel doesn't happen? Can they sell their FAR?
 - Re-think allowable public benefit trade-offs for bonus FAR? (affordable housing, TDRs, historic preservation, bring an innovative context-sensitive public amenity proposal to council)
- Form-based code for Winslow (do not restrict uses; evaluate context, look and feel)

Special Joint City Council and Planning Commission Meeting

Council Member Nassar - June 22, 2020

Land Use Review: Proposed Code Sections for Review – [2.14, 2.16, 18.19, 16.26]

Code Sections 2.14, 2.16, 18.19; specific areas of focus are listed below.

1. Require participation by Planning Commission and Design Review Board at the pre-application conference with project applicant and staff¹.
2. Eliminating Conditional Uses and/or narrowing definition of allowable conditional uses in the Central Core and other zoning districts to reflect changes pursuant to evolving community population needs and necessitated by climate change, such as self-storage unit facilities.
3. Strike hotel as a *conditional use* in the Central Core from BIMC 18.09 Use Regulations.
4. Amend code section 2.16.110.E.4 to give Planning Commission recommendations primacy by:
 - a. Requiring the Planning Director to follow the recommendation of the Planning Commission.
 - b. Grant the City Council ultimate decision-making authority in the land use review process by changing the effect of the Hearing Examiner's decisions from the current final decision to a recommendation to the Council.²
 - c. Grant the City Council ultimate decision-making authority in the land use review process by changing the effect of the Hearing Examiner's decisions from the current final decision to a recommendation to the Council.³
5. Empower citizens to be more active collaborators in the land use planning process.
6. Revise the Hearing Examiner ordinance⁴ to clarify to the Hearing Examiner their authority to remand, should the Council elect to maintain the Hearing Examiner as the final decision-maker or the first appeals court in the land use review process.

Code Section 16.26 – Right to Farm Ordinance

1. Agricultural Lands Designation

¹ March 5, 2020 Memo to City Council, City Manager, and Planning Director Wright: "Last year the Planning Commission proposed an early preapplication meeting that included the DRB and Planning Staff, but this proposal was not adopted by the City Council." – PC Chair Chester, Vice Chair McCormick, Past Chair Pearl.

² June 8, 2018 Memorandum to City Council, Planning Commission, Design Review Board, Hearing Examiner, Planning Director, City Manager: '*Roles of City Council, Planning Commission, Design Review Board, and Hearing Examiner in Land Use Permits*', page 3.

³ June 8, 2018 Memorandum to City Council, Planning Commission, Design Review Board, Hearing Examiner, Planning Director, City Manager: '*Roles of City Council, Planning Commission, Design Review Board, and Hearing Examiner in Land Use Permits*', page 3.

⁴ RULES OF PROCEDURE FOR PROCEEDINGS BEFORE THE HEARING EXAMINER OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON

2. Consider adopting a more comprehensive Agricultural Code borrowing from Kitsap County's Agricultural Code⁵

Additional Code Review Items (Already on the Planning Commission Draft Workplan)

Conditional Use Permits

Bonus FAR

18.21 (Affordable Housing)

Clarify Approach for Affordable Housing Initiatives, Floor Area Ratio (FAR) Revisions, and Related Land Use Policy Initiatives

When considering the value of improving access to affordable housing through the lens of equity and effectiveness, the return on public investment and subsidy (density, funds, etc.) should be examined through *the development of a strategic evaluation framework* with the intent to develop a more complete evidence base for understanding the benefits of public investment for each of the available housing policies and programs currently being considered by the Council. Essentially, any policy or program should be subject to a benefit-cost analysis to assist Council in prioritizing the approach that yields the highest number of affordable housing units created per public dollar spent. At the same time, consideration of the highest number of affordable units created per unit of density increase above underlying zoning should also be a consideration in the development of this framework. In terms of equity, we should seek to maximize the expenditure of public dollars spent on affordable housing that provides the most direct benefit to low-income recipients (cutting out the “middle-men”). This framework should be developed within the context of the Island's projected population growth numbers through 2050⁶.

All affordable housing initiatives, programs, and policies currently being considered by the Council should be examined through this strategic affordable housing evaluation framework; additionally, I propose adding consideration of the following:

Additional Dwelling Unit Subsidy Program⁷

Tiny Homes and RVs as Additional Dwelling Units⁸

Transfer of Development Rights Program⁹

Develop an incentive-based and market-driven approach to preserving land in the Island's conservation areas (R1, R2, R0.4 zones) by transferring density to the Island's designated growth center (Winslow).

Consider whether all bonus density opportunities for affordable housing should be offset by the transfer of density from the rural residential zones. TDRs allow rural landowners to receive financial

⁵ <https://www.codepublishing.com/WA/KitsapCounty/html/Kitsap17/Kitsap17455.html>

⁶ February 6, 2020 staff memo, Planning Director Heather Wright, *Update on Vision 2050 and Population Forecast – PSRC Vision 2050 Plan* https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/527004/PC_Staff_Memo_on_PSRC_Vision_2050_Plan.pdf

⁷ <http://planning.lacounty.gov/secondunitpilot>

⁸ [https://tinyhouseexpedition.com/city-of-la-moves-forward-with-tiny-house-zoning/#:~:text=The%20Accessory%20Dwelling%20Unit%20\(ADU,accessory%20dwelling%20units%20\(ADU\).&text=LA's%20zoning%20ordinance%20provides%20a%20clear%20path%20forward%20for%20large%20urban%20communities.](https://tinyhouseexpedition.com/city-of-la-moves-forward-with-tiny-house-zoning/#:~:text=The%20Accessory%20Dwelling%20Unit%20(ADU,accessory%20dwelling%20units%20(ADU).&text=LA's%20zoning%20ordinance%20provides%20a%20clear%20path%20forward%20for%20large%20urban%20communities.)

⁹ <https://www.kingcounty.gov/services/environment/stewardship/sustainable-building/transfer-development-rights.aspx>

compensation without having to sell or fully develop their land, achieving an additional affordability benefit by providing financial relief for property owners who may otherwise be compelled to sell due to the rising cost of land on Bainbridge Island.

Developer Incentives for Affordable Housing (Other Than Increased Density)¹⁰

For example, the following: parking reductions, fee waivers or exemptions, expedited permitting, assistance with infrastructure, adjustment of lot coverage, open space or street standards, adjustments of design standards, rebate local sales tax paid on construction of affordable and bonus units.

Hire Lobbyist to Identify and Overcome State and County Obstacles to Affordable Housing

Currently, state law dictates that affordable housing can only be required or obtained through density bonus provisions. Courts have also made it clear that jurisdictions cannot unreasonably downzone property and then upzone again with an affordability requirement attached. At the County level, legislative barriers challenge municipal efforts to diversify housing stock with innovative and/or “off-grid” affordable housing options; for example, Kitsap County requires a 2BDR septic approval for ADUs and tiny homes on wheels¹¹. Council, at some point, may want to consider hiring a lobbyist to identify legal constraints at the state and county level and advocate our position to the appropriate representatives.

¹⁰ For possible inclusion into BIMC 18.21

¹¹ KITSAP COUNTY BOARD OF HEALTH ORDINANCE 2008-01

I. Clarify Approach For Affordable Housing Initiatives, Floor Area Ratio (Far) Revisions, And Related Land Use Policy Initiatives

Integrate and Optimize Land Use Codes related to Affordable Housing, TDRs and PDRs, so that they work well together and implement and are consistent with the Land Use Element of the Comprehensive Plan.

Integrate the Affordable Housing, Transfer of Development Rights, Bonus Density/PDR and Agriculture Resource Lands programs into a functional system that is consistent with the Land Use Element of the Comprehensive Plan.

Specifically, integrate:

1. Affordable Housing program, with an initial emphasis on Accessory Dwelling Units ADUs (BIMC 18.21, 18.03 and related).
2. Bonus Density/Purchase of Development Rights program (BIMC 16.24, 18.12, 18.21, 2.16).
3. Transfer of Development Rights program (BIMC 18.27, 16.24, 18.12.010).
4. Agriculture Resource Lands designation, Right to Farm, (BIMC 16.24, 16.26, 15.19).
5. Land use review procedures (e.g. BIMC 2.16, 2.14, 2.19).
6. Revisit triaged Conditional Use Permits including decision criteria (BIMC 18.09, 18.03, 18.12, 2.16.110)
7. Winslow Master Plan update.

Method: Create Joint City Council-Planning Commission ad hoc committee, meet twice monthly. Include Planning Department and City Attorney's office on a limited basis as needed to develop detailed policies that Planning Department can easily convert into Municipal Code. Ad hoc committee members would report to full Council and Commission after every meeting for input from other Councilmembers and Commissioners.

II. Top land use priorities

1. Develop Legislative Processes for Making Changes to Land Use Codes

Goal is to create a cohesive process or processes for modifying land uses codes that can be understood and followed by the City Council, Planning Commission, Planning Department and the Public.

Specifically, synthesize, integrate and modify as appropriate:

- "Process for Preparing Legislation or Policies for Adoption" in Section 8.5 of the Governance Manual with,
- "Legislative Review of Land Use Regulations and Area-Wide Rezones" BIMC Section 2.18.180

Include workplan timelines synchronized to legislature (city council) election cycles (e.g. 18-24 months), and include feedback and communication loops between City Council, Planning Commission and Planning Department.

Method: Create Joint City Council-Planning Commission ad hoc committee, meet twice monthly. Include Planning Department and City Attorney's office on a limited basis as needed to develop detailed policies that Planning Department can easily convert into Municipal Code and/or the Governance Manual. Ad hoc committee members would report to full Council and Commission after every meeting for input from other Councilmembers and Commissioners.

2. Triage Land Use Code to Identify Codes with "Immediate" Need

Immediate: Land Use Code Sections that fall into the "immediate" category are:

- Conditional Use Permits, including decision criteria (BIMC 18.09, 18.03, 18.12, 2.16.110).
- Bonus Density Program (BIMC 16.24, 18.12, 18.21, 2.16)

Method: Create Joint City Council-Planning Commission ad hoc committee, meet twice monthly. Include Planning Department and City Attorney's office on a limited basis as needed to develop detailed policies that Planning Department can easily convert into Municipal Code. Ad hoc committee members would report to full Council and Commission after every meeting for input from other Councilmembers and Commissioners.