



CITY OF
BAINBRIDGE ISLAND

**PLANNING COMMISSION SPECIAL MEETING
THURSDAY, FEBRUARY 11, 2021**

THE PLANNING COMMISSION WILL HOLD THIS MEETING USING A VIRTUAL, ZOOM WEBINAR PLATFORM, PER GOVERNOR INSLEE'S "STAY HOME, STAY HEALTHY" ORDERS. MEMBERS OF THE PUBLIC WHO DO NOT WISH TO VIEW THE MEETING VIA THE BKAT BROADCAST OR THE CITY'S WEBSITE STREAMING WILL BE ABLE TO CALL IN TO THE ZOOM MEETING.

PLEASE CLICK THE LINK BELOW TO JOIN THE WEBINAR:

[HTTPS://BAINBRIDGEWA.ZOOM.US/J/93919490652](https://bainbridgewa.zoom.us/j/93919490652)

OR IPHONE ONE-TAP :

US: +16699009128,,99093163225# OR +12532158782,,99093163225#

OR TELEPHONE:

DIAL (FOR HIGHER QUALITY, DIAL A NUMBER BASED ON YOUR CURRENT LOCATION):

US: +1 669 900 9128 OR +1 253 215 8782 OR +1 301 715 8592 OR +1 312 626 6799 OR +1 346 248 7799 OR
+1 646 558 8656

WEBINAR ID: 990 9316 3225

INTERNATIONAL NUMBERS AVAILABLE: [HTTPS://BAINBRIDGEWA.ZOOM.US/J/93919490652](https://bainbridgewa.zoom.us/j/93919490652)

AGENDA

1. **CALL TO ORDER/AGENDA REVIEW/CONFLICT DISCLOSURE - 6:00 PM**
2. **PLANNING COMMISSION MEETING MINUTES - 6:05 PM**
Review and approve minutes from January 28, 2021 meeting.
 - 2.a **Meeting Minutes for January 28, 2021** 5 Minutes
[Planning Commission Meeting Minutes DRAFT 012821.pdf](#)
3. **PUBLIC COMMENT - 6:10 PM**
Public comment on off-agenda items.
4. **UNFINISHED BUSINESS - 6:25 PM**
 - 4.a **(6:25 PM) - Policy Recommendations for Future Multifamily Property Tax Exemption Program** 30 Minutes
[Transmittal Message MFTE to Council](#)
[Background Multifamily Tax Exemption PSRC](#)
[Excerpt Use Table 18.09.020](#)
[MUTC HS Rd Undeveloped Parcels](#)
[Greater Winslow Area Undevelopd Parcels](#)

Lynwood Center Area Undeveloped Parcels

5. NEW BUSINESS - 6:55 PM

5.a **(6:55 PM) - Discuss the Public Participation Meeting: A Step in the Pre-application Meeting Phase**
30 Minutes

[RES 2010 32 Public Participation Program](#)

5.b **(7:25 PM) - Planning Commission Subcommittee and Liaison Assignments, 2021** 20 Minutes
[Planning Commission Liaison Roles.docx](#)

5.c **(7:45 PM) - Noise Variance for PSE Utility Pole Replacement on NE Wardwell Road - Planning,**

15 Minutes

[Noise Variance Application PSE Wardwell Rd Project.pdf](#)

[Vicinity Map PSE Wardwell Rd Project.pdf](#)

6. FOR THE GOOD OF THE ORDER - 8:00 PM

7. PLANNING DIRECTOR'S REPORT - 8:10 PM

8. ADJOURNMENT - 8:15 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.



Planning Commission meetings are wheelchair accessible. Assisted listening devices are available in Council Chambers. If you require additional ADA accommodations, please contact the Planning & Community Development Department at (206) 780-3750 or pcd@bainbridgewa.gov by noon on the day preceding the meeting.

Public comment may be limited to allow time for the Commissioners to deliberate. To provide additional public comment, email your comment to pcd@bainbridgewa.gov or mail it to Planning and Community Development, 280 Madison Avenue North, Bainbridge Island, WA 98110.



CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: February 11, 2021

ESTIMATED TIME: 5 Minutes

AGENDA ITEM: Meeting Minutes for January 28, 2021

AGENDA CATEGORY: Minutes

PROPOSED BY: Jane Rasely

**PREVIOUS PLANNING COMMISSION
REVIEW DATE(S):**

PREVIOUS COUCIL REVIEW DATE(S):

RECOMMENDED MOTION:

I move to approve the minutes from January 28, 2021.

SUMMARY:

BACKGROUND:

ATTACHMENTS:



Planning Commission Special Meeting January 28, 2021

Meeting Minutes

1) CALL TO ORDER/ROLL CALL/AGENDA REVIEW

Chair Kimberly McCormick Osmond opened the meeting at 6:00 PM. Commissioners in attendance were Vice-chair Joe Paar, William Chester, Jon Quitslund, Lisa Macchio, Sarah Blossom and Ashley Mathews. City Staff present were Planning & Community Development Director Heather Wright, Senior Planners Jennifer Sutton and Peter Best, and Administrative Specialist Jane Rasely who monitored recording and prepared minutes.

The agenda was reviewed. Chair McCormick Osmond announced there would be an addition to the agenda toward the end of every meeting entitled, "For the Good of the Order." Commissioner Blossom disclosed she had a financial interest in the Lynwood Center area.

2) PLANNING COMMISSION MEETING MINUTES

2.a Review and Approve Meeting Minutes

[Cover Page](#)

[Planning Commission Minutes DRAFT 111920.pdf](#)

[Planning Commission Minutes DRAFT 121020.pdf](#)

[Planning Commission Minutes DRAFT 121720.pdf](#)

[Planning Commission Minutes DRAFT 011421.pdf](#)

Motion: I move to approve the meeting minutes from November 19, 2020, December 10, 2020, December 17, 2020, and January 14, 2021.

Quitslund/Paar: Passed Unanimously

3) PUBLIC COMMENT

Dick Haugan - Wanted to comment on the SMP but agreed to wait until that agenda item.

4) UNFINISHED BUSINESS

4.a Policy Recommendations for Future Multifamily Property Tax Exemption Program

[Cover Page](#)

[Transmittal Message, MFTE to Council from PC](#)

[Background Multifamily Tax Exemption PSRC](#)

[Excerpt Use Table 18.09.020](#)

[MUTC HS Rd Undeveloped Parcels](#)

[Greater Winslow Area Undeveloped Parcels](#)

[Lynwood Center Area Undeveloped Parcels](#)

Commissioner Quitslund presented his draft transmittal to the Commissioners. It was decided to bring a revised transmittal back at the February 11, 2021 meeting for Commission approval.

4.b SMP Periodic Review - Briefing

Cover Page

Public Participation Program/Work Plan (Updated 9/1/2020)

Senior Planner Peter Best introduced himself and provided an overview of the work plan including the public participation program.

Public Comment

Dick Haugan - Spoke about Christy Carr's 10-point memo from 2018 and asked for the shoreline homeowners to be listed as stakeholders.

5) PLANNING COMMISSION SUB-COMMITTEE UPDATES

6) PLANNING DIRECTOR'S REPORT

Director Heather Wright provided an update on upcoming Committee meetings, future Council and Planning Commission meetings as well as the Pre-application Amendment (Triage Phase II).

7) For the Good of the Order

Commissioner Quitslund stated he hoped the Commissioners would give thought to having three meetings a month in the future. He also spoke about adding an Inclusionary Housing chapter to the Bainbridge Island Municipal Code.

Commissioner Macchio asked whether there would be a Planning Commission retreat to formulate a workplan and if they should think about revisiting the assignment of liaisons and if partially served terms counted toward the three-term limit.

Commissioner Mathews provided 2020 real estate statistics including median home pricing for Kitsap County and Bainbridge Island.

8) ADJOURNMENT

The meeting adjourned at 7:52 PM.

Kimberly McCormick Osmond, Chair

Jane Rasely, Administrative Specialist



CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: February 11, 2021

ESTIMATED TIME: 30 Minutes

AGENDA ITEM: (6:25 PM) - Policy Recommendations for Future Multifamily Property Tax Exemption Program

AGENDA CATEGORY: Review and
Recommendation

PROPOSED BY: Jennifer Sutton

PREVIOUS PLANNING COMMISSION

REVIEW DATE(S): December 17, 2020
January 14 and 28, 2021

PREVIOUS COUCIL REVIEW DATE(S): October 13, 2020
January 5, 2021

RECOMMENDED MOTION:

Planning Commission would confirm and make policy recommendations to the City Council.

I move to forward the following policy recommendations and attached supporting memo to the City Council related to adopting a Multifamily Property Tax Exemption program:

1. That the following areas be considered for the MFTE designation/eligibility areas: All properties within the Winslow Master Plan Study Area, the Winslow Sewer System Service Area, and within the Lynwood Center area, properties zoned Neighborhood Center (NC), NC/R-12 and R-5.
2. That the project eligibility threshold be four multifamily residences, and not raised from the state minimum threshold RCW 84.14.030.
3. That a future City MFTE program be applicable to both rental and ownership units in the target areas, as provided for in state law.

SUMMARY:

Washington State provides for a MFTE program in RCW 84.14. In order to adopt a MFTE, there are policy questions that need to be answered, and some specific steps that are required by RCW 84.14, in addition to the standard ordinance process.

At the January 14, 2021 meeting, the Planning Commission discussed potential MFTE designation areas and MFTE project threshold- what minimum number of multifamily units will be required in order to enroll in a future MFTE program. At that meeting, the commission came to the following preliminary recommendations, that will be discussed and confirmed at the January 28, 2021 meeting.

1. That the following areas be considered for the MFTE designation/eligibility areas: All properties within the Winslow Master Plan Study Area, the Winslow Sewer System Service Area, and within the Lynwood Center area, properties zoned NC, NC/R-12 and R-5.

2. That the project eligibility threshold be four multifamily residences, and not raised from the state minimum threshold.

The subcommittee submitted a memo for review by the full Planning Commission at the January 28 meeting. The memo would support the Planning Commission policy recommendations to the City Council. At that meeting, Commissioners requested revisions to the memo prior to finalizing their policy recommendations.

The Affordable Housing subcommittee has revised the DRAFT memo from the Commission to the City Council (see attached Transmittal Message) to forward to the City Council along with the policy recommendations.

Additional information on the Washington MFTE program is provided for background.

BACKGROUND: The Joint City Council/Planning Commission land use subcommittee presented a list of recommended priority code changes to the Council on October 13, 2020. The Council approved the list and recommended it be forwarded to the Commission for immediate legislative work. The subcommittee requested, with Council's approval, that the Planning Commission complete its piece of the required legislative work as follows:

1. Miscellaneous code revisions December 31, 2020
2. Major projects decision criteria January 31, 2021
3. Multifamily Property Tax Exemption (MFTE) program December 31, 2020

NOTE: #1 work is underway with work on Ordinance 2020-40 (Planning Commission recommended approval of ordinance on December 10) and ongoing Planning Commission/Design Review Board collaboration on modifications to the early phases of the land use permit process, to be integrated into a future ordinance.

The Planning Commission's Affordable Housing Subcommittee (Commissioner's Quitslund, Blossom and Paar) has been meeting and discussing how the City could adopt a MFTE program. See attached memo from Commissioner Quitslund. At their meeting on January 5, 2021, the City Council confirmed that they would welcome Planning Commission recommendations on the MFTE policy questions prior to Council development of the program, including holding a public hearing of the MFTE designation area.

ATTACHMENTS:

A Multifamily Property Tax Exemption Program for Bainbridge Island
For discussion and decision February 11, 2021

The members of the Planning Commission are pleased to forward to the City Council a DRAFT of a *MULTIFAMILY TAX EXEMPTION PROGRAM*, for the Council's review and further action. This transmittal message contains, along with an account of the measure's development and its scope and purpose, the Commission's recommendations in response to policy questions posed by Planning Department staff.

Ordinarily, the Planning Commission does not have jurisdiction in matters covered by Title 3 in the Municipal Code. For this reason, and because the City Council is responsible for holding a public hearing and deciding upon the specific areas where provisions of this program are applicable, the Commission leaves several aspects of the Program to be determined by the Council, in consultation with Planning Department staff and the City Attorney.

Background

Development of a Multifamily Tax Exemption Program was among the measures recommended by the Affordable Housing Tax Force in their *Final Report* dated July 11, 2018, and it has been an item on the City Council's Workplan for some time. Within the Planning Commission, the Affordable Housing subcommittee discussed this task as something eminently do-able, at a time when there was no authorization from the Council to undertake such an ambitious project as Inclusionary Housing regulations.

Commissioner Paar, as a developer of multifamily housing in Seattle, is familiar with the effectiveness of MFTE regulations; Commissioner Blossom served on the AHTF and has been eager to see the Council's long-term interest in this measure acted upon. Commissioner Quitslund studied the enabling legislation (Chapter 84.14 RCW) and looked into the regulations governing programs in Bremerton, Lacey, Shoreline, and Bellingham. At the end of October, Commissioner Quitslund sent a brief account of his findings to members of the Planning Commission and the Joint Subcommittee of the Council and P C. Further work by the Planning Commission was greenlighted by the City Council.

The provisions in RCW 84.14 are clear, detailed, and prescriptive. Per RCW 84.14.040 and .010.(18), a City must designate eligible areas for the MFTE that are within an urban center, which the statute defines as "a compact identifiable district where urban residents may obtain a variety of products and services," including "shops, offices, banks, restaurants, governmental agencies; adequate public facilities including streets, sidewalks, lighting, transit, domestic water and sanitary sewer systems, and a mixture of uses and activities that may include housing, recreation, and cultural activities."

In the programs developed in other jurisdictions there are some variations, but all closely follow the RCW requirements. Drafting the program for Bainbridge involved choosing a prototype to follow and adapting each section to suit our circumstances. The City of Lacey's program was the principal model for our program, subject to some streamlining and with nuances lifted from other programs.

Discussion in a meeting of the Affordable Housing subcommittee on November 18 made it possible to complete a DRAFT of the proposed MFTE program, which was discussed with Planning Director Heather Wright and Senior Planner Jennifer Sutton on December 3. The Planning Commission discussed the MFTE program on December 17, 2020, including the

proposed text, a memo directing attention to several decision points, a document from the Puget Sound Regional Council explaining MFTE policies, and maps of potential areas suitable for MFTE designation. Staff directed the Planning Commission to discuss specific policy questions on which they would offer recommendations to the Council.

In the Planning Commission meeting on January 14, 2021, the MFTE Program was the principal item of business. The agenda packet included maps that showed overlay district boundaries and vacant parcels, and an excerpt from the Use Table in BIMC 18.09.020 showed the zoning designations where multifamily dwellings are either a Permitted or a Conditional use. In approximately an hour of discussion, the Commission arrived at consensus on policy recommendations, responding to the topics presented by Planning staff in the Agenda Bill. Commissioner Quitslund was tasked with drafting a message to the City Council that would accompany the proposed MFTE Program, providing background and an explanation of the Planning Commission's recommendations; this draft was reviewed and approved by the other two members of the Affordable Housing subcommittee. Discussion in the Planning Commission meeting on January 28 focused on this message, prompting a number of revisions, in anticipation of final action on the package by the full Commission on February 11, 2021.

Policy Questions to Answer

1. MFTE-eligible areas: Consider all zones where multifamily housing currently is a permitted use – (a) MUTC (all zones), (b) High School Road 1 & 2, R-8, R-14, and (c) Lynwood Center NC, R-12 and R-5 areas (since Lynwood Center is the only NC area currently served by sewer). The City Council would hold a public hearing on the proposed MFTE-eligible areas, as the next step in completion of the MFTE plan.
2. Project threshold: Under state law (RCW 84.14.030), a project must be creating at least 4 multifamily units in order to be eligible for the MFTE program. Other jurisdictions have raised this eligibility threshold in their local regulations; for instance, Bremerton's threshold is 10 units.
3. State law provides for MFTE programs that support development of both rental and ownership units, and the DRAFT text provides for both possibilities. The affordable housing subcommittee has asked whether the program should be limited to rental projects.

Recommendations

In discussion, the Planning Commission considered the first and second topics together, looking at maps showing vacant parcels in (1) the MUTC and High School Road districts; in (2) the larger area defined by two partially overlapping boundaries, the Winslow Master Plan Study Area and the Sewer Service Area; and in (3) the Lynwood Center neighborhood area.

Regarding the designation of residential target areas, the Planning Commission decided, first, to recommend designating the target area in and around Winslow by two established boundaries, to include parcels that are within either the Winslow Master Plan Study Area or the Winslow Sewer Service Area (or both). The Planning Commission also considered the map showing zoning designations in the Lynwood Center area, and recommends designation of those parcels zoned NC, NC/R-12, and R-5 as a target area for MFTE-eligible development.

The Planning Commission finds these recommendations to be consistent with the goals and policies of the Comprehensive Plan, and with the Zoning Code. The proposed MFTE program makes no changes in the current Code's zoning designations and density provisions, and it takes steps toward implementation of goals and policies in the Housing Element of the Comprehensive Plan.

Regarding the minimum *Size of an MFTE project* (see subsection 3.36.050.B), the Planning Commission recommends allowing MFTE for four or more housing units. It was noted that some parcels in the proposed MFTE-eligible areas might be developed (or redeveloped) with 10 or more units of multifamily housing, but there may be more opportunities for infill development on a smaller scale, providing some housing in mixed-use development, with commercial space and/or space for a service provider on the ground floor, thereby dispersing affordable housing and integrating residential development with other uses.

Regarding the third topic, whether the MFTE program should be restricted to projects producing rental units, the Planning Commission recommends that the MFTE program be applicable to both rental and ownership units in the target areas. There is an acute shortage of housing on Bainbridge Island that is available for rental at affordable rates, and the MFTE program will offer an attractive incentive to developers who provide multifamily rental units. Multifamily projects that provide for owner occupancy in all or a portion of the development may be few and far between, but the Planning Commission did not see a reason for excluding such projects from consideration. All of the programs in other jurisdictions that were studied provide for both possibilities.

Other Matters to be Determined

RCW 84.14.040 provides guidance on designation of a targeted area or areas, the required public notice of a hearing, and subsequent action to be taken by the Council.

As defined in RCW 84.14.010.(11), "Multiple-unit housing" (also "multifamily housing") is inconsistent with "Multifamily development" as defined in BIMC 18.36, #170.

Several details in the provisions for application, fees, review, certification, appeal procedures, contractual commitments, and reporting remain to be given final form. (Presumably, the hearing on designation of the MFTE-eligible areas can be scheduled, noticed, and conducted before these details are finalized.)

What the MFTE Program Does and Does Not Do

Effective use of the MFTE Program will depend on revision of BIMC 18.12 (Dimensional Standards) and 18.21 (Affordable Housing), presumably to include inclusionary housing provisions.

Adoption of the MFTE Program will have no immediate impact on revenues from residential taxes. To the extent that the program incentivizes development and some long-term net increase in population, revenues will be increased, but there will be a twelve-year lag in ad valorem property taxation.

As a condition of participation in the program, at least 20% of the housing units being provided must be affordable by income-qualified households. This has the effect of setting a high standard for an Inclusionary Housing program, which has yet to be designed. However, the

requirement of such affordability lapses at the end of twelve years. Longer-term affordability will depend upon regulations in the Inclusionary Housing chapter or elsewhere in the Code.

In 84.14 RCW and in this program, the definitions of Low-income and Moderate-income households are simpler than the categories currently found in BIMC 18.21, and this will have the effect of defining somewhat more broadly the income-qualified population eligible for affordable housing.



Multifamily Tax Exemption

Under state law, cities may exempt multifamily housing from property taxes in urban centers with insufficient residential opportunities. The city defines a residential target area or areas within an urban center; approved project sites are exempt from *ad valorem* property taxation on the residential improvement value for a period of eight or 12 years.

The 12-year exemption requires a minimum level of affordable housing to be included in the development (at least 20% of the units or 100% if the building is solely owner-occupied). The eight-year exemption leaves the public benefit requirement—in both type and size—to the jurisdiction’s discretion. The eight-year exemption carries no affordable housing requirement. Cities must pass an enabling ordinance to enact the MFTE and to allow applications for the exemption.

WHAT ISSUES DOES A MULTIFAMILY TAX EXEMPTION (MFTE) ADDRESS?

This tool encourages multifamily development and redevelopment in compact mixed-use districts (urban centers) where housing and affordable housing options are in short supply. Through the multifamily tax exemption, a jurisdiction can incentivize dense and diverse housing options in urban centers lacking in housing choices or affordable units. MFTE can also apply to rehabilitating existing properties and redeveloping vacant or underused properties.

TOOL PROFILE

Objectives

[Housing in Centers and Near Transit](#)

[Housing Options in Expensive Markets](#)

[Mitigate Residential Displacement](#)

Type of Tool

Incentives

Project Type

Multifamily

Rental

Affordability Level

Market-rate incentives and tools

Most effective for units <80% AMI

WHERE IS THE MULTIFAMILY TAX EXEMPTION MOST APPLICABLE?

Cities planning under the Growth Management Act ([RCW 36.70a](#)) that have designated urban centers with a deficiency of housing opportunities are eligible to implement this tool. In King, Pierce, Snohomish and Kitsap counties, cities must have at least 5,000 in population. Cities must designate eligible areas that contain urban centers.

Urban centers—in the context of the MFTE-enabling legislation—have a specific meaning:

“ ...a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

- a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;
- b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and
- c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.” (RCW 84.14.010)

Based on the state law, designated districts are commercial or business districts with some mix of uses. Such areas may exist in downtowns, commercial corridors, or other intensively developed neighborhoods. Examples of designated districts throughout the central Puget Sound region are listed in the model policies, regulations, and other information section.

MFTEs have been effective in producing multifamily units in the region’s larger cities. Since its inception, the MFTE law has been expanded to include smaller cities. PSRC’s [2019 Housing Incentives Survey](#) found that MFTE produced the greatest number of new units of the tools surveyed. [State legislative review](#) similarly found that the tool was widely used in the central Puget Sound region, but that some changes may be needed to ensure effectiveness of the program. The success of this tool in larger jurisdictions could make it an attractive tool for smaller and moderate-sized cities that meet the population threshold.

Multifamily tax exemptions can encourage relatively dense attached flats or townhomes in mixed-use projects or residential complexes, which makes this tool particularly useful in urban centers and transit-oriented developments. Dense development is also economically efficient in expensive housing markets and can reduce housing costs.

WHAT DO I NEED TO KNOW ABOUT USING OR DEVELOPING A MULTIFAMILY TAX EXEMPTION?

The MFTE implementation process is guided by state law in [RCW 84.14](#). In general, the process includes preparing a resolution of intent to adopt a designated area, holding a public hearing, and adopting and implementing standards and guidelines to be utilized in considering applications for the MFTE. Among other criteria, the designated area must lack “sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center, if the affordable, desirable, attractive, and livable places to live were available” (RCW 84.14.040).



A property owner applying for an MFTE must meet the criteria (per RCW 84.14.030) summarized here:

- The new or rehabilitated multiple-unit housing must be located in city-designated residential target areas within the urban center.
- The project must meet local government requirements for height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements.
- At least 50% of the space in the new, converted, or rehabilitated multiple-unit housing must be for permanent residential occupancy. Existing occupied multifamily developments must also provide a minimum of four additional multifamily units.
- New construction of multifamily housing and rehabilitation improvements must be completed within three years from approval.
- The applicant must enter into a contract with the city containing terms and conditions satisfactory to the local government.

The exemption is recorded with the County Assessor. Developments that violate the terms of the exemption are required to pay back the exempted tax amounts, plus interest, and a penalty fee.

Cities considering the program need to weigh the temporary (8-12 years) loss of tax revenue against the potential attraction of new investment to targeted areas. MFTE projects could be catalysts for other private investment if they help prove an area is desirable.

Pairing the MFTE with other tools that affect density and cost reductions may help the city achieve higher density and affordable housing in designated mixed-use and commercial areas. These tools include [density bonuses](#), [TOD overlays](#), [parking reductions](#), [mixed-use development](#), and a [planned action EIS](#).

CREATING A MULTIFAMILY TAX EXEMPTION PROGRAM

A typical planning process (gathering information, conducting public outreach, and considering ordinances), together with the specific requirements of state law, will guide the development of an MFTE program:

Determine Residential Target Areas

Cities will need to consider the state law's "urban center" definition which addresses existing commercial businesses, mixed uses, and infrastructure.

Analysis

To support the urban center and residential target area designations, a jurisdiction should map or collect data on current uses, services, and capital facilities. The data and analysis should demonstrate that the area lacks sufficient residential housing, including affordable housing.

Estimating the tax revenue and other cost-benefit implications of the MFTE program can help to determine whether the program would help achieve housing goals. In terms of other cost-benefits, jurisdictions can calculate the short-term construction and sales tax revenues and employment gains that stem from the development.



Conduct Public Outreach

The MFTE statute suggests that a jurisdiction considering an MFTE program issue a resolution of intention to designate an urban center and residential target area(s). The resolution should also identify the time and place of a hearing. Cities must hold a public hearing on the proposed MFTE ordinance and follow notification schedules listed in the statute. While crafting the ordinance, cities will also want to involve stakeholders, including developers of multifamily and condominium housing, affordable housing developers and advocacy groups, and major landowners and businesses in the residential target areas. See [Build Community Support](#) for strategies to involve the public and stakeholders.

Determine Standards

The state affords jurisdictions wide latitude to design their MFTE laws to meet local planning goals. Proposals must meet local zoning and development standards and any affordability and occupancy criteria the jurisdiction sets. Based on the intent of the MFTE, key decisions to shape the ordinance include:

- **Encouraging more versus less participation from developers**

The threshold number of units to qualify for the exemption and public benefit requirements could influence the level of participation by developers. A low threshold and limited public benefit requirements, for example, might make the program more accessible to developers, but yield a smaller return in public benefit for foregone revenue. A high threshold and demanding public benefit requirement, however, might make the program unattractive to developers. Striking a balance between requirements, goals and attractiveness is essential to a successful MFTE program.

- **Encouraging affordable housing versus market-rate housing**

RCW 84.14 allows cities to provide a bonus for affordable housing provision by allowing 12 years of tax exemption, versus the eight years offered for market-rate developments. Cities could further encourage developers to opt for the 12-year exemption by setting a threshold number of units or public benefit to attract development. Offering other incentives, such as [density bonuses](#) and [flexible development regulations](#), along with the MFTE can strengthen interest in affordable development in the city.

- **Ensuring that affordability endures**

Affordable units are at risk of losing their affordable status both at the end of the MFTE time period and during its existence if a developer decides to opt out of the program. Requiring [affordability covenants](#) for these units is one method for preserving affordability.

Implementation

State law requires an application process and procedures. Cities will need to allocate staff and resources to reviewing applications. A fee may be charged for the request. The agency has 90 days to approve or deny the application.



Monitoring

The law requires regular reporting by applicants and by cities. Upon construction and annually thereafter, the property owner must file reports containing information such as occupancy, vacancy, and other items required by the city.

Cities will also want to make sure that these requirements are not too onerous. In some cases, partnerships between non-profits and for-profits to ensure secure income certifications and monitoring may be helpful.

Cities must annually report to the Washington State Department of Commerce the number of certificates granted, unit types, monthly rent and sales costs, and other information. Cities can use these regular reports to monitor the success of the program and build supporting data for future program goals. Some cities adopt a sunset clause by which time the city may re-adopt or let expire the tax exemption program.

MODEL POLICIES, MODEL REGULATIONS, OTHER INFORMATION

State of Washington: [RCW 84.14](#)

See adopted ordinances of the following cities at: <http://www.mrsc.org/codes.aspx>

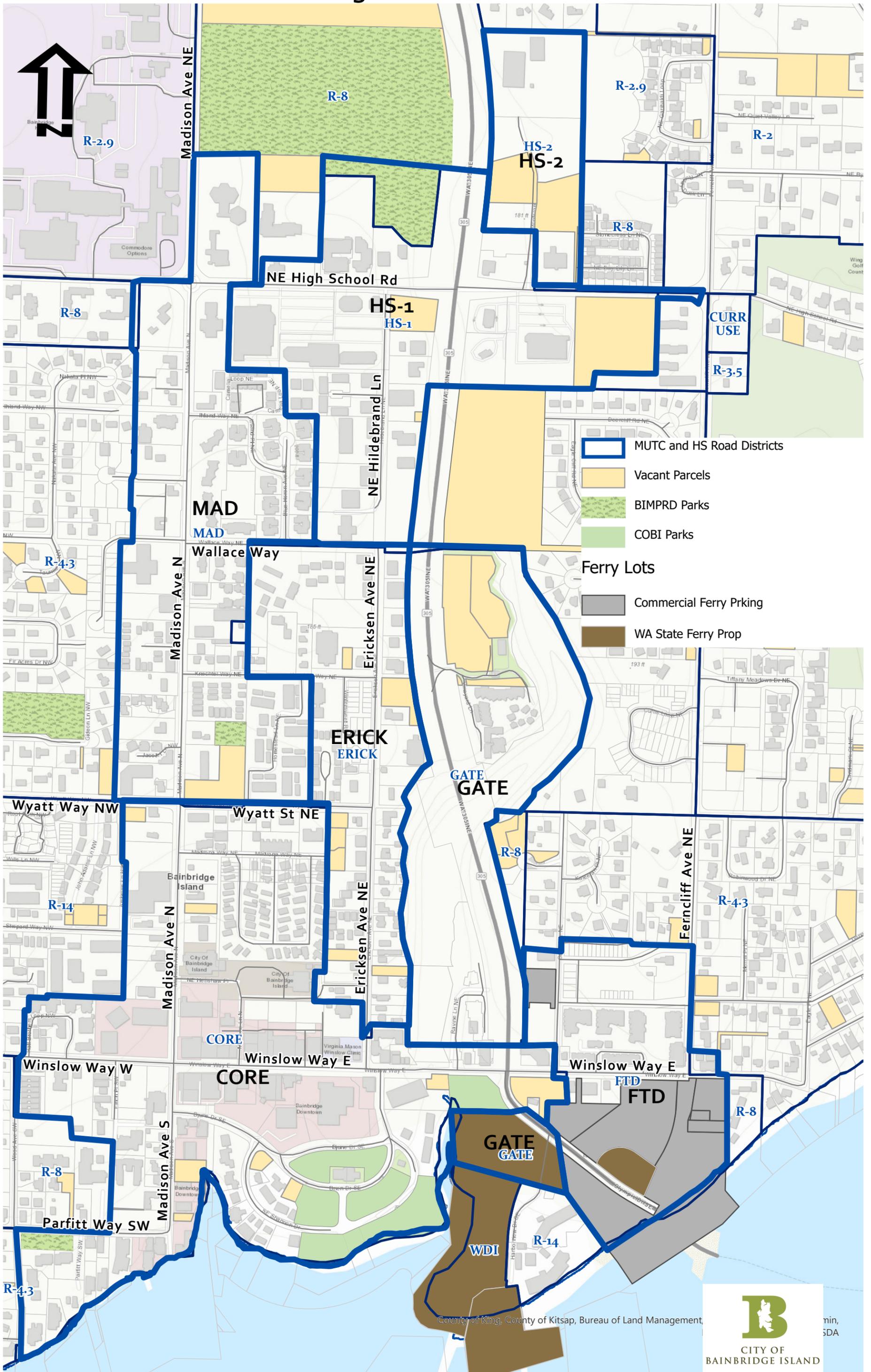
- Bremerton: Downtown Core and Multiple Residential Zones
- Burien: Downtown Commercial Zone
- Everett: Downtown and vicinity
- Kirkland: Central Kirkland/Houghton; Totem Lake and North Rose Hill; Juanita; and NE 85th Street
- Lynwood: City Center
- Puyallup: central business district (CBD) and certain areas south of the CBD
- SeaTac: 154th Street and SeaTac/Airport Station Areas
- Seattle: 39 neighborhoods or districts
- Shoreline: Ridgecrest District
- Tacoma: 17 mixed-use centers designated on the Generalized Land Use Plan and in the Comprehensive Plan



Excerpt Table 18.09.020 Use Table

"P" = Permitted Use		"A" = Accessory Use										Additional use restrictions for Chapters 16.12 and 16.20 BIMC may apply to shoreline or critical area properties									
"C" = Conditional Use		"CA" = Conditional Accessory Use																			
Blank = Prohibited Use		"T" = Temporary Use																			
ZONING DISTRICT		R- 0.4	R-1	R-2	R- 2.9	R- 3.5	R- 4.3	R-5	R-6	R-8	R-14	Winslow Mixed Use Town Center					HSR I and II	NC	B/I	WD-I	Use-Specific Standards BIMC 18.09.030
USE CATEGORY/TYPE												CC	MA	EA	Gate	Ferry [1]					
RESIDENTIAL																					
Single-Family Dwelling	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P			B-1
Multifamily Dwellings	C	C	C	C	C	C	P	C	P	P	P	P	P	P	P	P	P	P			B-2
Commercial/Residential Mixed Use Developments									P	P	P	P	P	P	P	P	P				B-3

MUTC & High School Road Districts

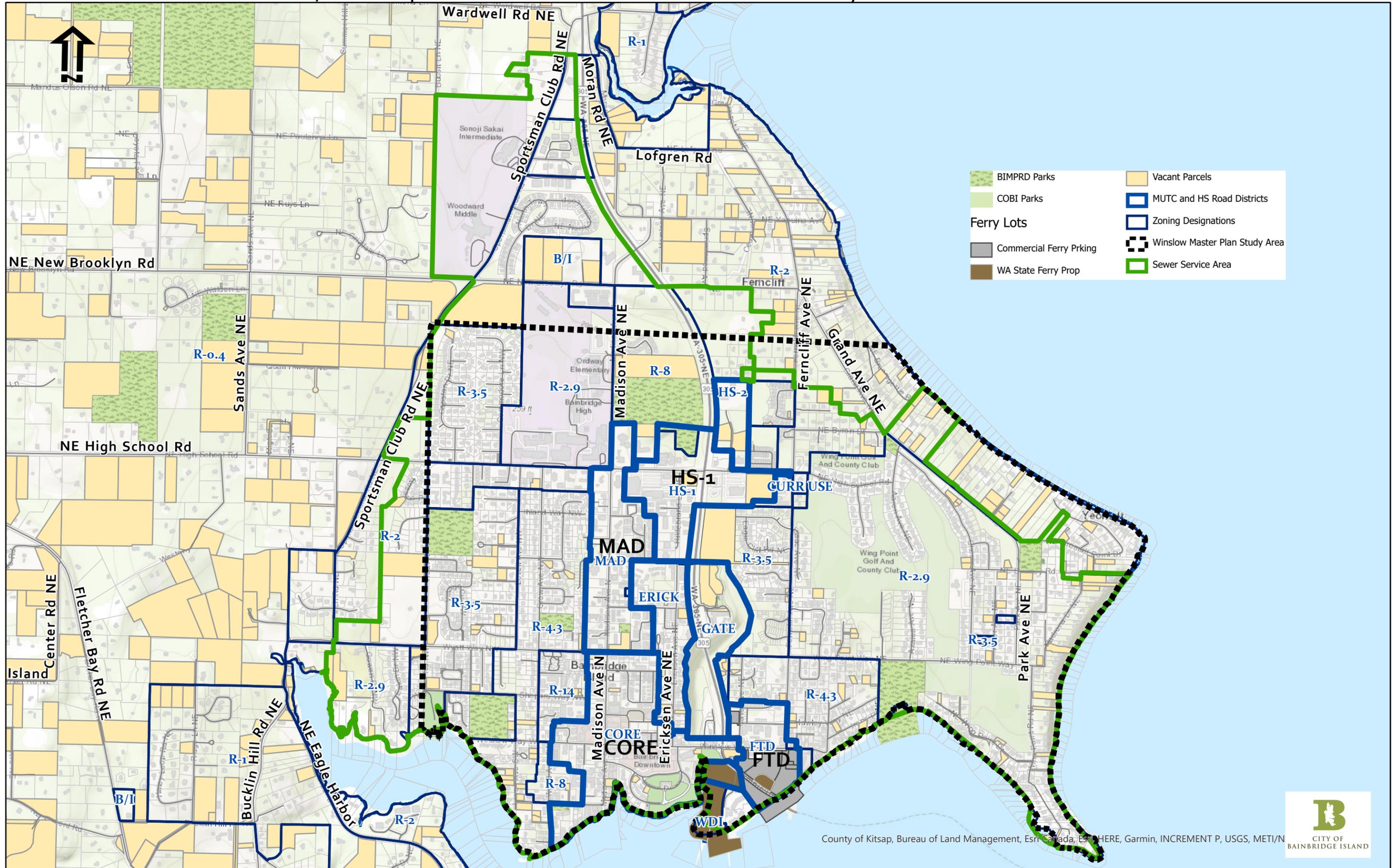


County of King, County of Kitsap, Bureau of Land Management



min,
SDA

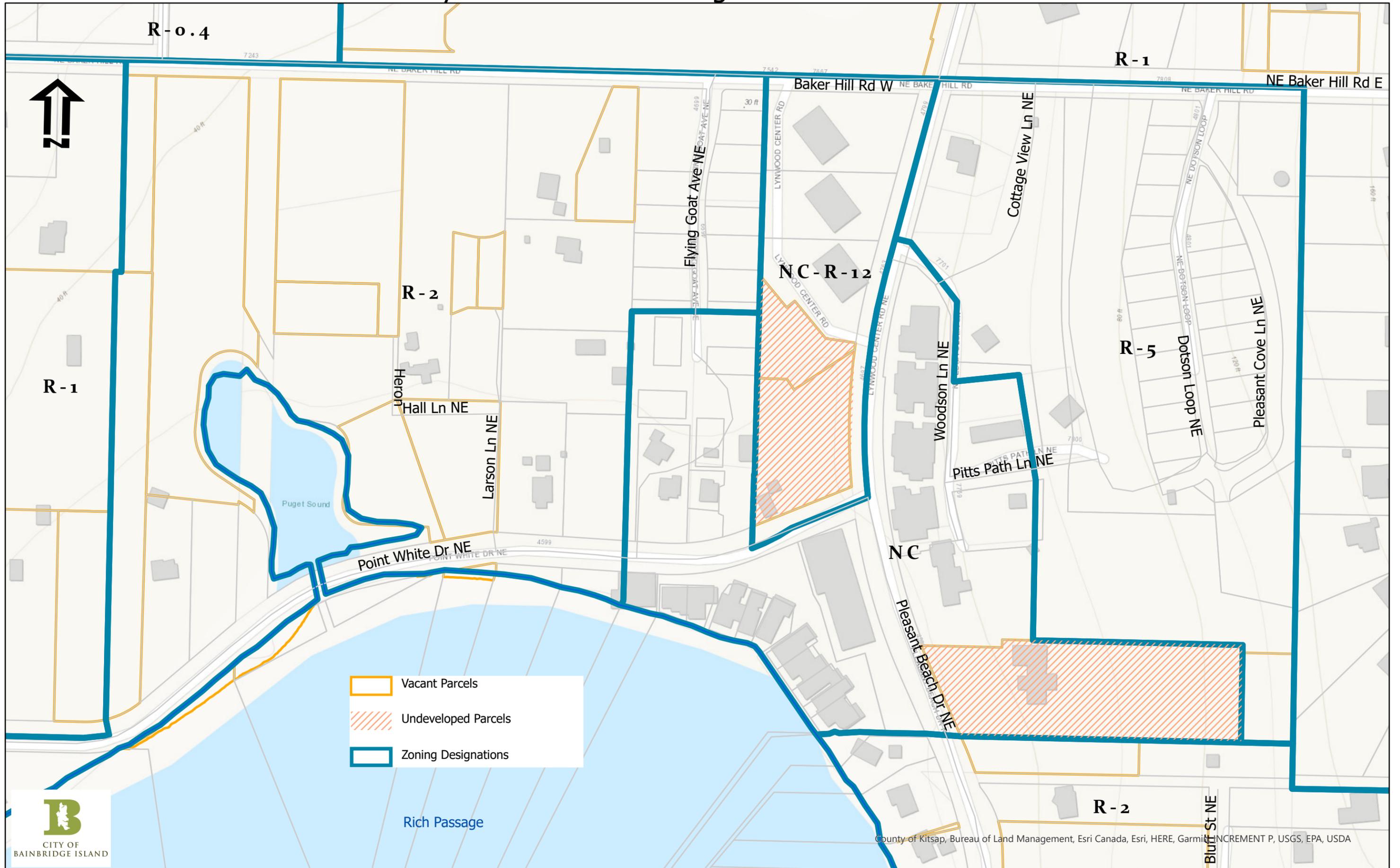
Vacant/Undeveloped Lands within the Winslow Master Plan Study Area & Sewer Service Area



County of Kitsap, Bureau of Land Management, Esri, Canada, Esri, HERE, Garmin, INCREMENT P, USGS, METI/N



Lynwood Center Zoning & Vacant Lands





CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: February 11, 2021

ESTIMATED TIME: 30 Minutes

AGENDA ITEM: (6:55 PM) - Discuss the Public Participation Meeting: A Step in the Pre-application Meeting Phase

AGENDA CATEGORY: Resolution

PROPOSED BY: Heather Wright

PREVIOUS PLANNING COMMISSION

REVIEW DATE(S): None.

PREVIOUS COUCIL REVIEW DATE(S): None.

RECOMMENDED MOTION:

Discussion on Planning Commission Expectations for the Public Participation Meeting

SUMMARY:

As part of the Triage Phase II, Pre-application Meeting Ordinance; Staff recommends that the Resolution for Public Participation Meetings (2010-32) be amended along with the Bainbridge Island Municipal Code Changes, the Administrative Manual and Design for Bainbridge.

The Planning Commission has been hosting Public Participation Meetings for over a year, and Staff wants to amend the Resolution to reflect any changes in duties for staff, planning commission and the applicant, as well as address any submittal items and the potential need for a second meeting.

BACKGROUND: In 2010, the City Council established a Land Use Public Process small steering group that identified several ways to better solicit public participation in the land use process. The City's Public Participation Program had been voluntary up to this point, and then became mandatory for certain larger development projects.

According to the Resolution, the program was intended to bring the developers and community members together early in the development process so that the residents can learn about proposed developments in the community, and the applicant can be aware of their concerns. It was designed to be "simple, informal and mutual benefits to all the participants. It is to happen either before or after a pre-application conference was held". It also provided the format for the meetings and the City's role.

Since the passage of this Resolution, the Public Participation Meetings are now held at Planning Commission meetings. The Resolution should be amended to identify this practice and also amended to reflect the ideal format and city's role in the meetings.

ATTACHMENTS:

RESOLUTION NO. 2010-32

A RESOLUTION of the City of Bainbridge Island, Washington,
to amend the City's public participation program.

WHEREAS, Framework Goal 7 of the City of Bainbridge Island Comprehensive Plan calls for the development of a meaningful process for citizen participation; and

WHEREAS, in 2001, the City Council adopted Resolution No. 2001-11 establishing a voluntary public participation program in order to inform citizens of proposed projects in their neighborhood, and to provide the development community with an awareness of public concerns; and

WHEREAS, on April 7, 2010, the City Council established the Land Use Public Process small steering group, charged with analyzing and reviewing policies and procedures regarding public involvement in land use permits; and

WHEREAS, the steering group began meeting in May 2010, and quickly identified several ways to better solicit public participation in the land use permit process; and

WHEREAS, upon the recommendation of the steering group, the City Council directed staff to develop an ordinance (Ordinance No. 2010-25) making the City's "Public Participation Program," as outlined in Resolution No. 2001-11, mandatory for certain larger development projects; and

WHEREAS, the steering group wanted the public participation program to involve the community at large for development projects of Island-wide significance; and

WHEREAS, the City has decided to adopt a new "Public Participation Program" resolution, instead of amending Resolution No. 2001-11; now therefore,

THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

The City Council of the City of Bainbridge Island, Washington, approves the amendments to the City's public participation program, making the program mandatory for larger development projects. The program will be administered by the Department of Planning and Community Development, and is described in Exhibit A attached hereto and made a part hereof by this reference.

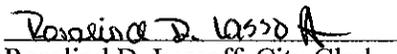
PASSED by the City Council this 13th day of October, 2010.

APPROVED by the Mayor this 13th day of October, 2010.



Bob Scales, Mayor

ATTEST/AUTHENTICATE:


Rosalind D. Lassoff, City Clerk

FILED WITH THE CITY CLERK: October 5, 2010
PASSED BY THE CITY COUNCIL: October 13, 2010
RESOLUTION NO: 2010-32

The City of Bainbridge Island's Public Participation Program

Purpose: The program is intended to bring developers and community members together early in the development application process, so that the residents can learn about proposed developments in the community, and the applicant can be aware of their concerns, if any.

Format: The program is designed to be simple, informal and of mutual benefit to all the participants. It involves one meeting between the applicant and the neighbors, typically right before or after a pre-application conference is held. The focus of the meetings is the specific development project and its possible impacts. The meetings are intended to be neighborhood-oriented, but larger projects may be appropriate for a larger public outreach effort. The applicant makes a short presentation on the development project, which is followed by a question-answer session.

City's Role: The meetings are organized and advertised by Planning staff. The City will mail notice of the meeting to property owners within 500 feet of the subject property. Additionally, staff identifies the targeted neighborhood (s) on a case-by-case basis, taking into account the size and type of development project, and may mail the meeting notice more widely. The City will provide the applicant with a sign to post on the property, and publish a display ad in the paper of record. A staff member will serve as a neutral facilitator of the meetings. Current Planning staff attends the meeting to answer questions about the City's code and development regulations. Staff also prepares a written summary of the meeting, which is sent to the meeting participants and to the appropriate City reviewing body (Design Review Board, Director, Planning Commission, City Council, Hearing Examiner). A member of the Design Review Board is encouraged to attend the Public Participation meeting to hear the discussion.

Benefits:

- Several recent development projects have shown that good communication between the developer and the neighborhood resulted in general public support and a smoother approval process. This program is designed to increase trust and communication, and to diffuse potentially adversarial situations.
- Recent experience has also shown that some development projects have run into public opposition because neighbors feel they hear "too little, too late." In some cases, their concerns could have been addressed fairly easily if they had been raised early in the process. This program provides the public with accurate and timely information, and allows them to have more input into developments in their neighborhoods. It provides the applicant with the opportunity to understand and possibly address any neighborhood issues.
- This program is not a "hearing" or a separate approval process. It is an informal dialogue, and any modifications that an applicant chooses to make as a result are voluntary.
- The program provides educational opportunities for the public to learn about City development regulations and their relationship to the Comprehensive Plan. In turn, it helps City staff and officials keep abreast of existing and emerging community concerns.



CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: February 11, 2021

ESTIMATED TIME: 20 Minutes

AGENDA ITEM: (7:25 PM) - Planning Commission Subcommittee and Liaison Assignments, 2021

AGENDA CATEGORY: Discussion

PROPOSED BY: Heather Wright

**PREVIOUS PLANNING COMMISSION
REVIEW DATE(S):**

PREVIOUS COUCIL REVIEW DATE(S):

RECOMMENDED MOTION:
Determine Assignments for 2021

SUMMARY:
Attached is the list of Planning Commission Liaison and Subcommittee appointments.

BACKGROUND: At the January 28, 2021 meeting, the Planning Commission discussed looking at the terms of the members and the liaison appointments for the year.

The terms for each Commissioner is as follows:

Kimberly McCormick Osmond, June 2023

Sarah Blossom, June 2023

Ashley Mathews, June 2021

Jon Quitslund, June 2021

William Chester, June 2022

Lisa Macchio, June 2022

Joe Paar, June 2022

All members shall serve without compensation for three-year terms, which begin on July 1st and end on June 30th three years later. Members shall be appointed to a position number, and the terms are to be staggered, with no more than three

positions expiring in any given year. Members may be reappointed to additional terms. No member shall serve more than three consecutive terms on the commission unless the city council determines that special expertise is required or there are no other qualified applicants.

ATTACHMENTS:

Planning Commission Liaison Roles

Planning Commissioner	Subcommittees	Liaison
Kimberly McCormick Osmond (Chair)		
Joe Paar (Vice-chair)	PC Affordable Housing	
William Chester	CC/PC Joint Land Use Committee	
Jon Quitslund	PC Affordable Housing	Design Review Board
Lisa Macchio	CC/PC Joint Land Use Committee	
Sarah Blossom	PC Affordable Housing	
Ashley Mathews		



CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: February 11, 2021

ESTIMATED TIME: 15 Minutes

AGENDA ITEM: (7:45 PM) - Noise Variance for PSE Utility Pole Replacement on NE Wardwell Road - Planning,

AGENDA CATEGORY: Review and Recommendation

PROPOSED BY: David Greetham

PREVIOUS PLANNING COMMISSION REVIEW DATE(S):

PREVIOUS COUCIL REVIEW DATE(S):

RECOMMENDED MOTION:

"I move to approve PSE's noise variance request for utility pole replacement and tree wire installation on NE Wardwell Road during night time hours for a duration of 20 working days, and less than 30 calendar days, starting February 15, 2021 through March 13, 2021."

SUMMARY:

Puget Sound Energy (PSE) requests a noise variance to replace utility poles and install tree wire along NE Wardwell Road during night time hours (9:00 PM - 7:00 AM) for a duration of 20 working days, and less than 30 days, from February 15, 2021 through March 13, 2021. Temporary night time road closures are required due to limited right-of-way width in the project vicinity. PSE has coordinated planned road closures with Public Works, emergency service providers, and the Wardwell community.

BACKGROUND: BIMC 16.16.030 grants the planning commission authority to approve noise variances for a duration of up to 30 days without a public hearing. No variance shall be granted for longer than 30 days, except after a public hearing has been held. The planning commission may, in its discretion, hold a public hearing on any application when substantial public interest is shown.

ATTACHMENTS:

Master Land Use Application

Supporting documents are required for project review.

See the [Administrative Manual for Planning Permits](#) and [Fee Schedule](#) for permit submittal requirements and fees.

Please schedule an appointment at [Planning and Building Submittal Appointments](#).

Property Owner(s)

Site Address

Parcel Numbers

Select Application Type

Select Application Type

Consolidated Review Requested ([BIMC2.16.070](#))

Project Description

Project Contacts

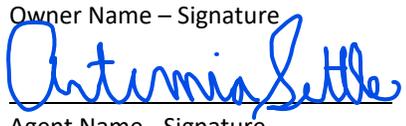
Applications must be submitted by the property owner or the owner’s designated agent.
A notarized [Owner/Agent Agreement](#) must accompany this application if submitted by a designated agent.

Property Owner _____ Mailing Address: _____ _____ Email: _____ Phone: _____
Name of Authorized Agent (Notarized Owner/Agent Agreement form required) _____ _____ Mailing Address: _____ _____ Email: _____ Phone: _____

Statement of Affirmation REQUIRED

I affirm, under penalty of perjury, that all answers, statements, and information submitted with this application are correct and accurate to the best of my knowledge. I also affirm that I am the owner or designated agent of the subject site. Further, I grant permission to any and all employees and representatives of the City of Bainbridge Island and other governmental agencies to enter upon and inspect said property as reasonably necessary to process this application.

Owner Name - Print	Owner Name - Signature	Date
Owner Name - Print	Owner Name – Signature	Date
Agent Name and Business Name - Print	Agent Name - Signature	Date



City of Bainbridge Island
 Department of Planning & Community Development
 280 Madison Ave N
 Bainbridge Island, WA 98110

PSE Vicinity Map - Wardwell System Reliability Project

