

TUMWATER PLANNING COMMISSION
MINUTES OF HYBRID MEETING
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CONVENE: 7:00 p.m.

PRESENT: Chair Elizabeth Robbins and Commissioners Grace Edwards, Terry Kirkpatrick, Michael Tobias, Brian Schumacher, Meghan Sullivan, Anthony Varela, and Kelly Von Holtz.

Staff: Planning Manager Brad Medrud and Land Use and Housing Planner Erika Smith Erickson.

CHANGES TO THE AGENDA: There were no changes to the agenda.

COMMISSIONER'S REPORTS: There were no reports.

MANAGER'S REPORT: Manager Medrud reported on a Sustainability Award from the American Planning Association received by the City for the Urban Forestry Management Plan.

Manager Medrud reported on his attendance to a planning conference in Philadelphia. The conference focused on housing and sustainability and featured many good speakers.

PUBLIC COMMENT: **Patricia Riley, 108 Roberts Road SE, Tumwater**, spoke to concerns about a plan for changing the route of the E Street crossing from Cleveland Avenue to Capitol Boulevard. The original plan reflected a straight crossing located north of a Department of Fish and Wildlife warehouse. The new route reflects a route approximately 100 feet from her backyard. She and her neighbors accepted the original proposal because the project retained a majority of trees and a buffer for wildlife. The crossing located closer to her home and to her neighbors would disrupt her life 24 hours a day. She is equally upset about the possibility of pushing wildlife out of the area for a four-lane road and eliminating all habitat. The neighborhood is home to at least 10 deer that roam the areas behind homes along with squirrels, raccoons, owls, and birds. The neighborhood will suffer from the constant noise of a four-lane road. Today, it is possible to hear the noise from Interstate 5. Having a road near homes would result in much more noise. She continually hears about the importance of preserving the environment, however, she continually sees forests cut down to make room for a small number of homes and larger areas of timbered land cleared. The loss of so many trees is heartbreaking as the trees are important for wildlife habitat. She asked for consideration of the original route for the crossing.

Thomas Doenitz, 126 Roberts Road SE, Tumwater, said he and his neighbors were happy with the original proposed route for the E Street

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crossing between Capitol Boulevard and Cleveland Avenue. He was informed that the City is attempting to fast track the project by changing the route because of survey results pertinent to the Carlyon Bridge, which may result in closing the bridge for repairs. If the bridge requires replacement, it may become a permanent problem. However, he was informed that the new route is a less costly route, as the City owns the property behind the neighborhood. When he constructed his home, he attended a Planning Commission meeting in which the Commission indicated the property would never be developed. Today, the plan is to build a road. He complimented the City for receiving the sustainability award; however, the proposed new route would destroy the most forested part of the hillside containing wildlife. The area represents a unique time capsule. Brewery employees can attest to the amount of wildlife living in the area. One reason the area is so pristine is efforts by the neighborhood to repair fences and chase vandals from the area. It makes no sense to route the road in that area. The new route will create noise in the Tumwater Valley based on the estimated amount of 28,200 vehicles each day traveling on the road. The original estimate was 25,000 vehicles. Should the City close the Carlyon Bridge, traffic will increase to over 60,000 vehicles each day. The E Street Extension was promised to solve traffic problems by enabling motorists to reach their destinations quicker. As he enjoys wildlife, he has taken many photographs of wildlife residing in the area. He urged the City to complete the crossing appropriately as the artist's rendition is insulting as it represents "piano music." No one wants the crossing in their backyard and at the end of the day, City employees will be able to go home to their quiet neighborhoods. The employees at the WDFW warehouse do not live in the neighborhood and likely do not reside in Tumwater. They too, will go home to their quiet home in their quiet neighborhood. He asked the City to enable his neighborhood to retain its quietness as well. According to City staff, employees at the warehouse were contacted about the proposed crossing alignment. Some employees did not support placing the road so close to the warehouse; however, no City employee ever contacted anyone in the neighborhood about the proposed crossing location. He asked why no one from the City has approached the neighborhood about the proposal.

Manager Medrud advised that he would follow up with the City's Transportation Manager and obtain an update on the project. He advised residents to share their concerns with the City Council.

Commissioner Schumacher joined the meeting at 7:06 p.m.

**CITY OF
TUMWATER
AFFORDABLE**

Manager Medrud said the update is in response to a request by the Commission for information on City actions to address the need for affordable housing. Additionally, the information will be useful in

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HOUSING ACTIONS: preparation for the update of the Housing Element in the City's Comprehensive Plan.

The issues of affordable housing are numerous and range from insufficient housing in the City to meet demand, wages not rising as fast as housing costs, the lack of housing driving up prices and making housing less affordable to more people, and while the private market continues to supply most of the City's new housing in the future, there is a need for public funding of permanently affordable housing.

Manager Medrud reviewed a summary of the City's actions to date to address affordable housing:

1. Adoption of Resolution No. R2018-016
2. Formation of the Regional Housing Council (RHC)
3. WSDOT Right-of-Way Initiative Process
4. Creation and adoption of Tumwater Housing Action Plan
5. Implementation of the City's Multifamily Tax Exemption (MFTE) Program
6. Housing Text Amendments
7. Housing Fee Amendments
8. Rental Housing Code

Appendix B within the Staff Report is a timeline of the actions completed since 2018.

The City Council adopted Resolution No. R2018-016; Actions to Address Homelessness and Increase Affordable Housing in the City in 2018. In 2018 and 2019, the Planning Commission and City Council undertook a significant effort to create Housing Affordability Work Plans. Since then, the City has worked on actions to reduce homelessness, increase affordable housing, and collaborate on regional solutions.

The Regional Housing Council (Lacey, Olympia, & Tumwater & Thurston County) was organized in 2020 with the primary purpose to leverage resources and partnerships through policies and projects to promote equitable access to safe and affordable housing. The RHC considers issues specifically related to funding a regional response to homelessness and affordable housing. The RHC implements the County's five-year Homeless Crisis Response Plan by setting priorities and making funding decisions on projects and programs. Councilmember Althausen and Cathey serve on the RHC representing the City. The City committed 0.25 FTE in staff resources to support the work of the RHC.

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Chair Robbins asked whether there has been any consideration for including and collaborating with the smaller cities and towns in Thurston County. Manager Medrud explained that the members of the RHC represent all jurisdictions within Thurston County with the exception of the Town of Bucoda, City of Tenino, and the City of Rainier. County staff coordinates with staff from those jurisdictions on issues but none of those jurisdictions formally joined the RHC. There are options available if the jurisdictions elect to join. The City of Yelm is represented on the RHC.

Chair Robbins noted that often the smaller cities and towns include more options for affordable housing. Manager Medrud affirmed that based on statistics from Thurston Regional Planning Council (TRPC), the Town of Bucoda and the cities of Tenino and Rainier all have more affordable housing.

Chair Robbins added that the affordability is a combination of the housing stock as well as transportation and employment needs of the residents. Manager Medrud replied that discussions to date with the RHC and the City have generally not addressed issues on wages and income support. The focus to date has been on the supply of housing. The Tumwater Comprehensive Plan and housing developed since 1980s in the area speak to the goals of building a community of sufficient density to support an active transit service. The intent is addressing those multiple factors in different ways.

Washington State's Rights of Way Initiative is directed by the Governor to the Departments of Transportation and Commerce to address homeless encampments along interstate interchanges. The issue of homeless encampments is dictated by a recent decision by the United States Courts for the Ninth Circuit in 2018. If a jurisdiction decides to move people from city public property, the city must ensure those individuals have adequate housing. For the state's recent initiative to remove encampments along interstate right-of-ways, housing is required for individuals living in the encampments. The initiative includes processes on how to provide housing to those affected individuals with a short-term goal of transitioning people from specific prioritized state rights-of-way into housing. The initiative is an agreement between the Washington State Department of Commerce, the Washington State Department of Transportation, the Washington State Patrol, and the cities of Lacey, Olympia, and Tumwater, and Thurston County. The parties have coordinated since May 2022 to work on providing housing and to coordinate the logistics of each encampment.

Initiative strategies include:

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- Promptly identifying shelter and housing for people living in rights of way
- Engaging people living in rights of way to assess their needs and refer them to identified services prior to the clearing of rights of way
- Identifying and implementing strategies to keep cleared sites uninhabited
- Implementing a more comprehensive long-term approach to individuals and families living in public places

The Tumwater Housing Action Plan was the next step in the process of identifying ways to increase housing in the City. The Plan is long-term planning document with regional data and local analysis to identify specific strategies and actions to preserve existing housing and create more housing. The Plan focuses on preserving and creating permanent housing rather than emergency actions to address homelessness. Equity is an overarching lens within the Plan. The Plan does not address household income and wage strategies. Affordable housing equates to 80% of the area median income (AMI).

Manager Medrud reviewed some products of the joint effort:

- Regional Housing Needs Assessment
- Gap Analysis
- Landlord Survey
- Template for the Housing Action Plan

Commissioner Tobias asked whether any efforts were undertaken to contact local homeowner associations to discuss the potential removal of rental caps within a subdivision. He cited his subdivision as an example, which imposes an 80% owner occupancy, which would restrict his ability to rent his home. He suggested that in addition to surveying the rental market, it would be important to learn about the occupancy rates within homes. Some occupancy rates could entail only one individual living in a three-bedroom home, which might benefit from a shared housing services model. Some examples include non-profit housing programs or senior services that are geared to seniors and retirees who have single-family homes with multiple vacant bedrooms. Many of those owners rent out rooms to help cover the costs of higher property tax. The Tacoma program matches owners with renters to provide affordable housing rental options. He suggested the RHC should consider adding that type of strategy.

Manager Medrud acknowledged the information as the discussions have primarily focused on what actions the City has pursued on zoning and land use to address housing affordability. A number of other groups in

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the community are actively pursuing similar issues to include the Housing Action Team under Thurston Thrives. Councilmember Dahlhoff is an active member of the Housing Action Team. Some of the current issues being addressed are homelessness and senior housing and the shared housing services model.

Commissioner Kirkpatrick commented on the number of military landlords in the community who likely plan on returning after completing their military service. Those types of landlords are different from the companies that buy homes to rent.

Commissioner Von Holtz asked whether the efforts include exploring wraparound services such as mental health and job training. The City of Seattle has invested many resources in the homeless with limited results because of the failure to address the issue of why some people are willing to live outside along the freeway.

Manager Medrud commented on the importance of having annual funding for staffing to assist people who want to move to the next level or provide the opportunities to the homeless to move up.

Councilmember Schumacher reported he recently read a very comprehensive traffic analysis as part of a development proposal. He asked about the level of development requiring a traffic analysis. Manager Medrud reported the City requires a traffic analysis for any development that generates more than 50 vehicle trips during the peak hour. Traffic analysis is required by the Growth Management Act because development must consider the impacts to the environment, transportation system, parks, and schools. As growth occurs, those impacts are addressed. Additionally, the location of new development may trigger transportation improvements. Traffic studies consider impacts and whether improvements are needed as well as determining the level of any impact fees.

Manager Medrud reported that as result of collaborative efforts, the City developed a Housing Action Plan in conjunction with the other jurisdictions. Each plan was adjusted to reflect local issues. Each Action Plan identified seven housing gaps to address:

1. Affordability - Reduce housing costs for low-income and cost-burdened households
2. Supply - Increase the overall housing supply
3. Variety - Increase the variety of housing sizes and types
4. Seniors - Increase senior housing options
5. Improvements - Maintain in good condition and improve the existing housing stock

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6. Stability - Provide safe, stable options for both renters and homeowners
7. Supportive Housing - Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness

To address the seven housing gaps, the Plan identified six strategies for addressing housing needs in the City:

1. Increase the supply of permanent, income-restricted affordable housing
2. Make it easier for households to access housing and stay housed
3. Expand the overall housing supply by making it easier to build all types of housing projects
4. Increase the variety of housing choices
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies
6. Establish a permanent source of funding for low-income housing

Under each of the six strategies, 50 specific actions were identified for the City to implement. The City has implemented an additional 31 actions identified in the Plan. While the Plan outlines actions the City can take to address housing gaps, needs, and equity, barriers also exist at the state and federal levels. The largest barrier is a lack of funding for low-income and income-restricted housing, whether it is construction, improvement, rehabilitation, or rental subsidies.

The City adopted the Multifamily Tax Exemption program in 2017. The program exempts property taxes on improvements made for multifamily development within designated areas of the City. Exemptions can be eight years with market rate housing or 12 years if at least 20% of the units are affordable housing. The MFTE program is intended to provide an economic development tax incentive to encourage the development of multifamily housing units in targeted areas of Tumwater. The tax exemption applies to the new housing improvement portion of the property taxes. The MFTE program was established to promote residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor. Each plan identified actions to pursue to achieve the level and type of desired development. The City's subarea plans adopted in 2015 indicated varieties of financial incentives were needed for redevelopment as envisioned by the plans. Adding residents was intended to encourage development of retail, services, and employment.

In 2019, the MFTE program was expanded to the Town Center and the Littlerock Road Subareas. City Resolution No. R2018-016 encouraged

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more housing to be built overall in the City to meet demand and to provide some level of affordable housing. Within the Town Center and the Littlerock Road Subareas, the MFTE program was limited to the 12-year option requiring 20% of units to be affordable.

To date, 441 total units in the City received MFTE conditional approval requiring the completion of the project within three years of conditional approval. Two projects are located in the Brewery District approved in late 2022. Those projects are under construction. Another project approved in March is located near Littlerock Road and Tyee Drive. Another project has received a certificate of occupancy and can begin renting units. That project was completed in November 2022 and is located near Littlerock Road.

Commissioner Tobias asked whether the development were multifamily high or medium density. Manager Medrud said he would follow-up but believes that some of the projects are located in the General Commercial zoning districts. Multifamily high-density zoning is limited in the City. The developments are above the density for multifamily medium. The City's zoning code includes many provisions allowing for residential uses in commercial areas. The City has not experienced much development in areas requiring a component of both residential and commercial use in the building. However, several project proposals have been submitted to the City. Typically, the City receives only residential or commercial project proposals rather than a mix. A mix of uses is desired by the City; however, the market is not responsive to that type of development.

Discussion ensued on the difficulty of acquiring transit service in areas lacking sufficient density to support the service. The City has discussed service levels with Intercity Transit over the years. The City is focusing the MFTE programs and other affordability efforts in areas that have existing transit service. Unfortunately, housing density is required before Intercity Transit can provide transit service. The City and Intercity Transit are discussing areas that are developing, such as the corridors along Littlerock Road and Old Highway 99.

Chair Robbins asked about any other equivalent incentives that could be applied to other types of development to promote more mixed-use development. Manager Medrud said staff is exploring those types of options as part of the City's efforts to promote economic development in the City. Recent successful projects include development within the Craft District. Previous conversations have spoken to live-work workspaces; however, the demand has not materialized to support those types of development.

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Manager Medrud said although the MFTE program is a good start, it is not the solution as affordable units expire after 12 years. The state has altered the MFTE program over the last several years by increasing incentives and the length of the MFTE program. The City's MFTE program is scheduled to expire at the end of 2026 affording an opportunity for the City to evaluate if the program is doing what was intended. The General Government Committee is scheduled to review the MFTE program at its June 2023 meeting.

The City's housing text amendments were adopted to increase the amount of residential development in the City and to bring the supply and demand for housing more into balance. Additionally, some of the housing affordability text amendments were intended to increase the amount of affordable housing units in the City through inclusionary zoning for households with incomes less than or equal to 80% AMI. The amendments included incentives for permanently affordable housing units, amendments to the senior housing facility definition, more specific dwelling definitions to allow for more flexibility, expansion of where "duplexes" were allowed, and expansion of where "townhouses and rowhouses" are allowed. Other amendments included reducing zone districts where "single family detached dwellings" are allowed, expansion of where "cottage housing" is allowed, reducing minimum lot sizes, other changes to residential uses, and amendments to required off-street parking.

Manager Medrud cited a recommendation by Commissioner Kirkpatrick to eliminate parking requirements entirely within the City. Staff is exploring the option; however based on the City of Olympia's experience, it is unlikely all parking requirements would be eliminated because the City of Tumwater does not have the multimodal transportation system to support the entire removal of parking standards. The community relies on cars. However, in those areas with close and easy access to transit, staff is recommending some adjustments to parking requirements by reducing the minimum parking requirements.

The amendments adjusted impact fees, connections charges, and permit fees for permanent low-income housing and included a fee reduction for smaller homes as a way to encourage a variety of homes available Citywide.

Commissioner Varela asked whether there have been any discussions on tiny homes or whether that option has been considered. Manager Medrud said tiny homes are included in the text amendments for accessory dwelling units. At one time, ADUs were subject to a minimum square footage requirement, which has been eliminated. Today, the City relies on the Building Code for minimum requirements

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for a livable unit. The issue surrounding tiny homes is the market definition versus the Building Code definition. The Building Code includes specific requirements. Some tiny homes on the market do not meet code requirements.

Commissioner Varela said his question pertained to a dedicated area within the City utilizing a standard to provide affordable housing with shared amenities. Manager Medrud responded that the cottage housing ordinance was an attempt to address that type of situation. Cottage housing entails a single parcel with ownership of each unit within the parcel with parking and open space shared.

Commissioner Kirkpatrick said his perspective of a tiny home includes small homes on a parcel with shared space for restroom/showers, kitchen, and eating areas. The City of Tumwater currently does not permit that type of development, as each dwelling unit is required to include a restroom and a kitchen. Tiny homes are essentially a communal living arrangement with shared space for eating and hygiene needs.

Manager Medrud cited the tiny home village in Olympia off Plum Street as an example of a tiny home development comprised of individual units with shared communal bathroom and a kitchen. The City has not revised its homeless encampment code, which is not flexible for allowing a tiny home village in the City.

Specific amendments related to fees included a 50% transportation impact fee discount if the dwelling unit is within one-half mile to public transit for permanent low-income housing, 50% park impact fee discount if an active park/open space area at least one-half acre in size is included in the development or the dwelling unit is within one-half mile of a park at least one-half acre in size for permanent low-income housing, 25% off transportation impact fee and park impact fee for new single family houses less than 1,200 square feet in size, 50% water connection fee discount for permanent low-income housing, and a discounted building permit fee and plan review fee of 50% for permanent low-income housing. Many of the fee amendments are contingent on providing permanent affordable housing.

As part of the work on Resolution No. R2018-016, staff reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed. The City Council reviewed potential actions the City could undertake alone or on a regional basis to address tenant protection. In 2022, the City Council requested ordinances to address tenant protections in Title 5 Business Taxes, Licenses and Regulations, an ordinance to establish a

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rental registration program to communicate with tenants and landlords about rental regulations, and contracting with the Thurston County Dispute Resolution Center for tenant and landlord conflict resolution services specifically for Tumwater residents. The contract was executed in March.

Other actions included working with the Tumwater School District and nonprofit partners to house homeless students/families, continue participating in the homeless count each year, meeting with Tumwater faith leaders to explore with the faith community its potential role in addressing homelessness, continue to pursue grants for affordable housing, promoting more development of accessory dwelling units using pre-approved building plans, assessing actions for ensuring mobile home parks continue to provide affordable housing with a goal of residents securing property ownership, and encouraging the process of moving abandoned houses into active housing inventory.

Commissioner Kirkpatrick commented on a parcel housing numerous RVs that receive sewer and electric service. It appears the use is not included in the City's code. Manager Medrud said that although he cannot speak to the specific site, the City's code allows for the use of RVs within an existing manufactured home park provided the RV can connect to utility services. It is likely the parcel with RVs is not a permitted use.

Manager Medrud reported in 2021, the State Legislature amended the Growth Management Act to mandate planning for comprehensive plans to accommodate housing affordable to all economic segments of the population. Staff is working with other jurisdictions on the allocation of population and housing and likely will contract with TRPC to assist in the process based on previous assistance on population and housing allocation processes. The projections for Tumwater should be received by September 2023. The next step is exploring ways for the City to accommodate the numbers. The City is required to demonstrate in the plan how the City accommodates growth. Staff plans to identify specific actions, such as identifying sources of funding or other objectives to meet the projections.

Chair Robbins asked about the timeline for the process. Manager Medrud said the efforts are included as part of the Comprehensive Plan Update. Staff plans to present a proposed ordinance in May for updates to the SEPA process. The SEPA environmental review process has been in effect since 1971 to address environmental impacts from new development and projects. Recent changes in state law enable jurisdictions to increase the threshold before a SEPA review is required provided the City can demonstrate that the environmental issues are

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covered by other City code requirements. Essentially, because of numerous changes and updates throughout the years, all environmental issues are addressed within City codes. The proposal to the Commission addresses the proposed threshold levels moving forward.

Commissioner Sullivan asked about the plan to accommodate all income levels because some individuals have no source of income. She asked how income levels are defined. Manager Medrud said the levels are identified by percentages of the area median income. Individuals with minimal or no income would be factored as well.

Commissioner Kirkpatrick remarked that as City projects move through the various planning, design, and construction phases it is very difficult for the community to address issues with a project, such as addressed during public comments. Manager Medrud said he was unsure of what generated the concerns but later learned project information was published on the City's website. He plans to speak to staff about the drawing and whether it is current or only a representation.

Commissioner Kirkpatrick replied that the City awarded a contract three years ago for completion of a preliminary design. There was no opportunity for the Commission to offer feedback on the outcome of the design. Manager Medrud explained that the role of the Commission is to provide policy feedback on specific processes. The next step of the E Street Extension project is the final design, which occurs in a different venue and not through the Planning Commission. The Commission is responsible for recommending broader policies in the Comprehensive Plan, zoning code, and development regulations. He plans to follow up with the Transportation Manager to obtain information on the status of the preliminary design process for the E Street Extension project.

Chair Robbins offered the possibility of providing other public involvement opportunities for the community as projects move through different phases. Manager Medrud affirmed the role of staff to ensure comments received are directed to the appropriate staff.

Commissioner Sullivan commented on some possible confusion as the website references the Brewery District Plan and includes a page for the Tumwater E Street Extension project. At some point in the email exchange between Transportation Manager Ames and community members, Manager Ames indicated it was not necessary to attend a City Council meeting to talk about the project at this time. Manager Medrud said he plans to speak to Transportation Manager Ames about the exchange and the status of the project design. Commissioner Sullivan added that the information also links to a two-year old video.

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NEXT MEETING The next meeting is scheduled on April 25, 2023.
DATE:

ADJOURNMENT: **Commissioner Varela moved, seconded by Commissioner Sullivan,**
to adjourn the meeting at 9:02 p.m. Motion carried unanimously.

Prepared by Puget Sound Meeting Services, psmsoly@earthlink.net