

**TUMWATER GENERAL GOVERNMENT COMMITTEE
MINUTES OF VIRTUAL MEETING
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CONVENE: 8:00 a.m.

PRESENT: Chair Michael Althausser and Councilmembers Joan Cathey and Leatta Dahlhoff.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Community Development Director Michael Matlock, Finance Director Troy Niemeyer, Planning Manager Brad Medrud, and Housing and Land Use Planner Erika Smith-Erickson.

**APPROVAL OF MINUTES:
GENERAL
GOVERNMENT
COMMITTEE,
SEPTEMBER 13, 2023:**

MOTION: **Councilmember Dahlhoff moved, seconded by Chair Althausser, to approve the minutes of September 13, 2023 as published. A voice vote approved the motion.**

Councilmember Cathey joined the meeting.

**2025 COMPREHENSIVE
PLAN PERIODIC UPDATE -
DEVELOPMENT CODE:** Manager Medrud reported the briefing covers recent state requirements to address as part of the development code update during the Comprehensive Plan Periodic Update process.

Generally, state requirements occur through the Growth Management Act and other processes and sources. Those requirements are translated at the local level into goals and policies within the Comprehensive Plan. The development code also includes development guidelines for construction and building codes.

A number of new state requirements include affordable housing changes, clean energy changes, climate change, critical areas, impact fees, and organic materials management.

A number of requirements pertain to affordable housing amendments. Some of the requirements create conflicting requirements as the changes were promulgated through different legislative bills with some lacking coordination during the legislative process.

A new requirement is accessory dwelling unit (ADU) legislation changing the complexity of residential neighborhoods in the City. The State Legislature has worked over recent years on how ADUs could be an easier way to promote the construction of more housing

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quickly and with less process. ADUs are considered a secondary use on a residential property built in addition to the existing use. Legislation now requires the allowance of up to two ADUs per lot throughout the City. The requirement increases the City's density but does not change the calculation of density. Density is calculated to determine the need for services, such as transportation, water, sewer, and fire and police service, etc. Additional calculations are necessary to determine the impacts of the new legislation and the anticipated number of constructed ADUs to capture all data to ensure proper planning. Another important change is the maximum size of an ADU can be no less than 1,000 square feet. The City's current limit is 800 square feet. Additionally, impact fees for ADUs cannot be greater than 50% of a single family home.

Other changes cover condominium and small residential uses. Impact fees must be proportionate to the impact of new housing units to include multifamily and condominiums requiring computation of square footage, number of bedrooms, and trips generated to ensure the scaling of impact fees appropriately. Another new requirement expands how the City addresses platting for condominiums.

The City is also required to review existing design review standards. New legislation requires jurisdictions to apply design standards that are clear and objective with no ambiguity. The current Citywide design standards meet the intent of the new legislation; however, staff is reviewing current standards to ensure there are no issues.

Legislation changed for manufactured housing requiring an amendment in the codes. The City is limited in how it regulates manufactured homes other than by location. New laws require manufactured homes to be treated equally as regular constructed homes. The City could require only new manufactured homes, installed on a permanent foundation, and conformance to any design standards applicable to regular single-family structures. However, some current codes would need to be eliminated.

Middle housing was the largest legislation passed resulting in more impacts. The primary change is allowing at least two dwelling units per lot in all residential parcels in the City. Essentially, the legislation erases single family zoning with duplexes and greater density housing units allowed under the new law. All provisions reviewed several years ago to enable duplexes in some residential zones will be replaced with the City now required to allow duplexes in all residential zones. Another provision applies to an

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existing affordable housing unit whereby the City must allow for at least four dwelling units per lot. The provision will be challenging, as it requires some type of monitoring program to ensure the permanently affordable housing unit is maintained.

Another provision in the legislation that does not apply to the City involves major transit stops. The provision addresses specific parking requirements. Although the City does not need to address the new provisions, the City must address new parking requirements as part of the ADU legislation. The new legislation applies primarily to dedicated lanes for buses and commuter rail transit.

Other provisions require the City to allow for more types of middle housing in residential zones, such as triplexes and fourplexes. Design review is also limited for middle housing similar to single family requirements.

Parking requirements also changed with the City allowed to require only one parking space for lots less than 6,000 square feet and two spaces for lots larger than 6,000 square feet. In areas where on-street parking is not available, the City could complete a transportation study to document that the provision should not apply in some areas of the City.

During the periodic update, staff and the Council will review the Capital Facilities Plan for an update in 2026 and 2027 accounting for all new provisions in state law for housing.

Moving forward, homeowner associations cannot prohibit implementation of the new requirements. Staff plans to review the new provisions to determine if the requirement is retroactive or applies only to new development.

New parking requirements for affordable and multifamily housing located within a quarter mile of a transit stop will affect two transit routes within the City by restricting parking spaces to one space per bedroom per unit. It is likely the market will continue to provide sufficient parking, but more parking would likely occur on adjacent streets that would need to be addressed by the City.

For seniors and individuals with a disability living within a quarter mile of a transit stop, the City is prohibited from imposing a parking requirement for bedrooms. The City can require parking requirements for staff and visitors. The provision would only affect the Capitol Boulevard corridor.

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New requirements for parking also affect market rate housing located within a quarter mile of a transit stop. The change will affect the City along Capitol Boulevard.

A major change affecting all permits issued by the City is a new requirement for timely completion of development review of a project requiring a more advanced permit tracking system to enable the City to pause a review process because documentation was not provided or additional time is necessary for completion of studies related to the development proposal. If the City does not complete the development review process within the required timeframe, the applicant is entitled to a refund of the permit application fee. Project proposals submitted to the City that are complete are not the issue; the new provisions will create issues for those development proposals received by the City with encumbered issues or lacking appropriate information.

Chair Althausen asked whether incomplete project applications submitted to the City would be subject to the timeline. Manager Medrud said those situations generally stop the clock; however, the problem is when a developer submits a stormwater report and as staff reviews the report discovers some outstanding issues to be resolved. It would be more difficult to argue that the application was not complete, which can create some timing issues associated with the mandatory turnaround time to complete the review process.

Chair Althausen asked whether an investment would be necessary for infrastructure technology to manage the timelines. Manager Medrud advised that the City is transitioning to a new system within the next several years; however, the new provisions would be effective prior to the City implementing the new tracking system.

Manager Medrud reported several religious sponsored housing bills require the City's review. One pertains to the exclusion of density bonuses for housing sponsored by a religious organization. The provision is currently not within the City's code. However, the new requirement must be included in the City's code. Another issue is a review of homeless encampment codes. If an encampment is sponsored by a religious organization, new rules apply.

New affordable housing legislation will require a review of the City's zoning density, SEPA categorical exemptions, and use of existing buildings for residential purposes. To accommodate housing targets, more multifamily units would be necessary to meet

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the income requirements resulting in more density development in the City. SEPA categorical exemptions are currently included in this year's work program. Staff delayed efforts as new legislation was passed. Staff is exploring the possibility of increasing categorical exemptions for residential projects in areas governed by sufficient environmental regulations.

Chair Althausen asked whether the provision exempts all housing within the UGA from SEPA review. Manager Medrud explained that the new legislation increases the level but does not exempt the use completely from SEPA review. If the requirements of SEPA are currently addressed in other City codes, the applicant could demonstrate that an additional SEPA review is unnecessary. The change does not result in the City losing environmental protection as most forms of environmental review have been enacted through other legislation and within the Growth Management Act.

Councilmember Cathey commented that the SEPA process associated with new development often provided a venue for the public to either oppose or support a project. The new requirements would likely entail some difficulty in explaining the change to the public. Manager Medrud said most of the public is aware of SEPA reviews. When the City increased SEPA review exemptions in 2017 and 2019, staff expanded the notice of application process so the public would be informed of pending projects and have the ability to provide comments. The intent of the proposed changes is removing a redundant process rather than an exemption from protections.

Manager Medrud reported another bill passed is the use of existing buildings for residential purposes by allowing for existing commercial, industrial, or institutional buildings to be converted to residential uses. Legislation allows for the reuse of the buildings at approximately 50% more than the maximum zoning density. The City would be unable to require additional parking for those units and any design standards would not be subject to the conversion of buildings to residential uses. The occurrence of conversion of existing uses in the City would be uncommon in the City other than the code must accommodate the legislation.

Councilmember Cathey asked about the potential of converting vacant office space in the City. Manager Medrud said staff has been approached by individuals interested in converting some properties in the City.

Chair Althausen asked whether the new requirements could be used as a tool for redevelopment of the brewery property. Manager

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Medrud affirmed that it could be applied but unlikely for existing buildings on the brewery property.

Manager Medrud cited clean energy changes. New legislation for siting clean energy infrastructure likely applies countywide rather than in the City. Climate change amendments will be reviewed as the new Climate Element is drafted. Some issues to address pertain to open space and green space. Critical areas amendments will be addressed as part of the periodic update, such as minor updates to the wetland code. Guidance has not been received from the Department of Commerce on Growth Management Act requirements to protect and enhance critical areas.

Staff is also updating the City's floodplain ordinance to meet current FEMA and Department of Ecology requirements. Department of Ecology representatives visited the City in the spring and conducted a community assistance visit to review all permits issued by the City. The representatives suggested some minor changes to the floodplain overlay codes to meet current FEMA requirements.

Some specific changes affect City impact fees for early learning facilities and completion of an impact fee study on the impacts of bicycle and pedestrian facilities for potential inclusion of some level of impact fee calculation to address those facilities.

Organic materials management applies to the handling of composting requiring some changes to the City's essential public facilities code.

Three City sponsored amendments reviewed by the Council and the Planning Commission over the last several years but deferred pertained to density bonuses. Staff is revising proposed changes to increase the ease in taking advantage of density bonuses.

General amendments as part of the update process are included as placeholders as staff reviews changes in legislation.

Preliminary discussions in 2022 surrounding inpatient substance abuse facilities locations will be included as part of the update process in terms of the location of the facilities and the potential of expanding locations dependent upon the proximity to transit and other factors.

Chair Althaus asked whether inpatient facilities are entitled to an expedited process because they are considered as essential public facilities. Manager Medrud said the use would not subject to an

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expedited process; however, under regulations for essential public facilities, facilities must be allowed in the City with locations established by the City and a review process that includes a conditional use permit. As part of the update, the review would focus on the potential expansion of the use in the City.

Chair Althausen referred to recent legislation allowing community facilities, such as a reentry facility for young people exiting the state's juvenile system. Manager Medrud responded that there are several new laws pending review by staff as part of the checklist.

Councilmember Cathey asked about new changes to wetlands. Manager Medrud said the City is required to update the development code and ensure critical areas codes are updated. The Department of Ecology is responsible for issuing guidance to jurisdictions on the regulation of wetlands. The City has kept pace with changes from the state for critical areas; however, some new changes in state guidance change how wetlands are typed, which will be captured as part of the amendments.

Councilmember Cathey inquired about the City's responsibility for wetlands on or near the Isabella Bush Park property. Manager Medrud explained that the state wetland code includes exemptions for ongoing agricultural use of properties allowing the continuation of farming even if impacts occur to wetlands. If the City pursues additional improvements to the park property, such as widening access or adding a parking lot, the action(s) would trigger the requirements in the City's code for protection of wetlands. If existing conditions were permitted under a previous permit, the City would not be required to retrofit the conditions to meet current code unless additional improvements are constructed on the property.

Manager Medrud said the Council has scheduled a work session on the general Comprehensive Plan and the update process. The committee's next briefing will focus on the Climate Element, a new requirement by the state and the Conservation Element addressing critical areas in the City as well as resource lands. Changes will also be introduced as part of the housing needs allocation process.

Councilmember Cathey asked about the status of endangered species and the specific codes addressing those issues. Manager Medrud advised that endangered species are addressed in the Conservation Element as well as habitat protection, prairie protection, and wetland complexes for the Oregon spotted frog. The last update did not address endangered species in 2016, as the listing was concurrent with the adoption of the element.

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Discussions encompassing all recent changes will be part of the Conservation Element briefing.

Councilmember Dahlhoff asked whether the update process includes a lessons learned discussion or some type of tracking mechanism to document different outcomes, complaints, or challenges that might have resulted in different outcomes. Manager Medrud said staff maintains a list of all comments received that are tracked over time. The intent is to ensure the update of the code improves processes and codes and is implemented easier; however, in practice, because of many moving parts, there may be unintended actions or consequences that often occur requiring continual adjustments to City codes.

Councilmember Cathey asked about the entity responsible for removing the checkered spot butterfly from the City's endangered species list within the HCP. Manager Medrud advised of a process completed earlier during as the plan was drafted to identify all potential species that could be covered within the HCP. Staff evaluated known locations of the species and the ability for the City to provide conservation. At that time, the count of endangered species was nearly 28 different species. The checkered spot butterfly was one of those species. As part of the process, a determination was rendered that within the City, the ability to identify habitat land and the ability to mitigate would be minimal. The Thurston County Habitat Conservation Plan addresses the species in its plan as the county has areas much more conducive as mitigation for the species. During the evaluation of species for protection within the plan, the evaluation considered whether the butterfly would benefit from improvements for the gopher by increasing native prairie land. Based on that analysis, sufficient improvements could be achieved for the species without including the species in the plan. The HCP includes species the City added to address and mitigation measures for those species. If impacts occur beyond the plan, the federal permitting system would apply.

**LETTER OF
COMMITMENT WITH
STATE DEPARTMENT OF
COMMERCE FOR 2025
COMPREHENSIVE PLAN
PERIODIC
UPDATE CLIMATE
PLANNING GRANT
APPLICATION:**

Manager Medrud reported the request is to forward the proposed application to the Council for consideration on the consent calendar during the October 17, 2023 meeting. The Department of Commerce released a number of grants to update comprehensive plans. The City received two grants with the second grant for middle housing. A component of the letter from the Mayor included in the application was a commitment to complete the work. The application is similar except the climate planning grant is the largest grant of \$500,000 enabling the City to create the plan and some implementation actions. As part of the application, a letter from the Mayor is required committing the City to complete

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the project.

MOTION:

Councilmember Dahlhoff moved, seconded by Councilmember Cathey, to recommend the City Council place on the October 17, 2023, City Council consent calendar authorization for the Mayor to sign the Letter of Commitment with the State Department of Commerce for 2025 Comprehensive Plan Periodic Update Climate Planning Grant Application. A voice vote approved the motion.

**THIRD AMENDMENT TO
THE PHASE 2 SERVICE
PROVIDER AGREEMENT
FOR THE BUSH PRAIRIE
HABITAT
CONSERVATION PLAN
(HCP):**

Manager Medrud requested the committee's consideration to recommend the City Council add the proposal to the consent calendar on October 17, 2023. The proposed amendment includes a component for environmental review for the HCP. The amendment preserves the grant received through the Washington Department of Fish and Wildlife in 2018 until staff can complete the environmental review. The proposed amendment lengthens the term of the service provider agreement from 2023 to the end of 2024 and aligns the amounts contained within the agreement with the current grant. With approval from WDFW, some funds were shifted from preparation of the HCP to environmental review. The service provider agreement requires an update to reflect those actions.

MOTION:

Councilmember Cathey moved, seconded by Councilmember Dahlhoff, to recommend that the City Council add the Third Amendment to Phase 2 Service Provider Agreement for the Bush Prairie Habitat Conservation Plan (HCP) to the consent agenda for approval at the Council's October 17, 2023 meeting. A voice vote approved the motion unanimously.

ADJOURNMENT:

With there being no further business, Chair Althausen adjourned the meeting at 8:59 a.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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