

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, Brian Schumacher, Meghan Sullivan, Michael Tobias, and Anthony Varela.

Excused: Commissioner Kelly Von Holtz.

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

CHANGES TO THE AGENDA: Approval of minutes was removed from the agenda.

COMMISSIONER'S REPORTS: Commissioner Schumacher commented on construction of a new five-story apartment complex located off Tyee Drive.

MANAGER'S REPORT: Manager Medrud reported the next meeting is a joint briefing with the Tree Board to continue discussions on tree protection and vegetation amendments. Staff continues to work on code language. Information to be presented includes introduction to the contents of the amendments. The briefing will include a review of discussion topics for each of the three major code amendments during future meetings.

Commissioner Varela joined the meeting at 7:04 p.m.

PUBLIC COMMENT: There were no public comments.

SEPA CATEGORICAL EXEMPTION UPDATE: Planner Smith-Erickson reported the proposal is in support of the City's Housing Action Plan. Since 2018, the City has undertaken many actions to address homelessness and support affordable housing. In 2021, the City Council adopted the Tumwater Housing Action Plan. Strategy 3 within the Plan expands the overall housing supply by making it easier to construct all types of housing projects. Action 3C directs the maximum use of SEPA Categorical Exemptions allowed by law for residential and infill development. In 2022, the state amended the SEPA Categorical Exemption statute for minor construction related to residential and multifamily development. The exemptions also include agricultural buildings and some small-scale non-residential use buildings.

The State Environmental Protection Act (SEPA) was adopted by the state in 1971 with the intent to maintain and improve environmental quality. SEPA was implemented through expensive procedural requirements to ensure cities considered environmental issues when issuing decisions on development actions. SEPA review includes public

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notice, public comment periods, and adherence to all state requirements. In 1984, the City adopted an ordinance establishing the City's SEPA Categorical Exemptions. Since 1984, the City has continuously improved the protection of environmental resources and mitigation of impacts through a variety of regulations, such as critical area regulations, floodplain regulations, Shoreline Master Program, transportation impact fees, concurrency, and other regulations.

Commissioner Tobias asked about the areas in the City that would be considered floodplains. Manager Medrud said floodplains are located along the Deschutes River, at the golf course and Pioneer Park, as well as along Percival Creek, and some of the City's lakes.

Planner Smith-Erikson reported in 2012, the state amended the statute to include flexible categorical exemption levels for local agencies to raise exemption levels for minor new construction. In 2017, the City increased the SEPA Categorical Exemptions and the scope of public notification requirements under the notice of application process. In 2019, the City increased the SEPA Categorical Exemptions for multifamily dwellings from 25 units to 60 units. A project with up to 60 multifamily units no longer was required to complete the SEPA review process but was required to follow the notice of application requirements. The application notice is provided to other agencies, tribes, and other interested parties.

Councilmember Schumacher asked whether the notice of application process is a SEPA or a Growth Management Act requirement. Manager Medrud said the City is obligated to pursue the notice of application process as part of subsequent legislation to inform the public of exempt projects. Today the SEPA review is essentially a procedural process as the City has adopted other regulations that ensure projects meet SEPA requirements. Former Mayor Kmet wanted to ensure that with any changes in SEPA public noticing, the City would continue to issue public notices for all projects regardless of whether the project was subject to SEPA review.

Planner Smith-Erickson added that the state also requires agencies that have raised exemption levels to continue public noticing.

Chair Robbins asked whether the City has any data on the size and the type of applications that have been submitted for development since the City increased SEPA exemptions that were close to exceeding the exemption threshold. Manager Medrud said the City's notice of application thresholds ensures all development proposals are captured because of recent changes in SEPA. Although the City raised the SEPA level, the public is notified of all projects. The City has not experienced

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a dramatic change in public response. However, should the City cease issuing public notice, it is likely the City would receive feedback.

Chair Robbins inquired about the status of protecting the environment as the result of the changes in the exemption threshold. Planner Smith-Erickson responded that the City has updated all codes for environmental protection to capture all environmental considerations. Additionally, critical areas are not exempt from SEPA review.

Chair Robbins asked whether the City has experienced any greater efficiencies allowing for more affordable housing because of changes in SEPA thresholds. Manager Medrud explained that staff would need to review data but it is likely it has helped to develop affordable housing. The SEPA process typically adds approximately 45 days to the development process, which could be a factor to consider. Chair Robbins offered that the information would be important to document because the City completed some actions to improve the administration of codes and regulations for multiple goals and it would be important to document whether those actions were effective or whether there might be room for improvement.

Planner Smith-Erikson reported in 2022, the Legislature adopted Senate Bill 5818 allowing for an increase in SEPA Categorical Exemption levels for residential development. The proposal is based on that recent legislation. Since 2013, outside of specific transportation impacts, SEPA review is a procedural process, rather than the primary means to mitigate environmental impacts. She shared a graph of SEPA Threshold Determinations issued from 2013 through 2023 for Determination of Non-Significance and Mitigated Determination of Non-Significance. A Mitigated Determination of Non-Significance is in lieu of preparing an Environment Impact Statement where there is assurance that a specific enforceable mitigation will acceptably reduce impacts to a non-significant level.

The proposed amendments in the code pertaining to notice of application (NOA) thresholds include a table for Notice of Application Thresholds:

	NOA Not Required	NOA Required	NOA & SEPA Required
Single Family Dwellings	Under 4 units	5-30 units	Over 30 units
Single Family Residential Units under 1500 square feet	Under 4 units	5-100 detached units	Over 100 units

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Multifamily Dwellings	Under 4 units	5-100 multifamily units	Over 100 units
Agricultural	Under 10,000 square feet	10,000-40,000 square feet	Over 40,000 square feet
Office, School, Commercial, Recreational, Service, or Storage Buildings and Associated Parking Structures	Under 10,000 square feet and 30 parking spaces	10,000-30,000 square feet and 90 parking spaces	Over 30,000 square feet and 90 parking spaces
Landfills and Excavations	Under 100 cubic yards	100-1,000 cubic yards	Over 1,000 cubic yards

The second proposal would amend TMC 16.04.055-SEPA categorical exemptions to the maximum allowed under state law:

	Current City SEPA Categorical Exemptions	Maximum SEPA Categorical Exemption Allowed Under State Law 2022
Single Family Dwellings	9 detached units	30 detached units
Single Family Residential Units under 1500 square feet	N/A	100 detached units
Multifamily Dwellings	60 multifamily units	100 multifamily units
Agricultural	20,000 square feet	40,000 square feet
Office, School, Commercial, Recreational, Service, or Storage Buildings and Associated Parking Structures	10,000 square feet and 30 parking spaces	30,000 square feet and 90 parking spaces
Parking Lots	30 spaces	Removed
Landfills and Excavations	250 cubic yards	1,000 cubic yards

Manager Medrud cited an example of a development proposal for a 36-unit preliminary plat for single family dwelling units, which would require a SEPA review despite landfill and excavation of less than 1,000 cubic yards. The Single Family Dwelling category prevails over the category for Landfills and Excavations because the proposal is a development proposal. A single-family development of eight dwelling units with movement of 1,200 cubic yards would be exempt from SEPA as the primary category is single family dwelling units. The City does not allow excavation of land without a project.

Commissioner Edwards questioned the reason the state imposed the maximum numbers, as the changes are drastic from current codes. Manager Medrud advised that he is unsure as to how the Legislature established the numbers. The Legislature's intent was to identify ways

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to construct more multifamily housing.

Commissioner Kirkpatrick questioned whether the definition of a duplex is a single family detached unit or a multifamily dwelling unit. Planner Smith-Erickson advised that a duplex is considered a single family dwelling unit.

Manager Medrud noted that the state definitions for different kinds of housing often differ from the City's definition. He believes the state definition for single family includes duplexes. However, staff can research the information and follow-up.

Chair Robbins commented that with the exception of the category specifying less than 1,500 square feet, all other housing units could be of any size. A subdivision of large single-family houses would encompass a larger area with more environmental impacts. Planner Smith-Erickson advised of other regulations in the zoning code that regulate lot coverage and lot size, which would be considered for a development proposal. Staff would also review zoning and subdivision standards. Chair Robbins commented on the possibility of losing the ability to manage the issue when size is not specified.

Discussion ensued on the type of homes of 1,500 square feet or less. Manager Medrud cited some older neighborhoods in the City than include many homes 1,500 square feet in size or less. Many homes in that square footage range include three bedrooms and two bathrooms according to several Commissioners who previously lived in smaller homes.

Chair Robbins asked about the relationship to affordable housing with respect to the categories of agriculture and commercial and industrial uses. Manager Medrud noted the categories were included in the SEPA regulations adopted in 1971 and the recent state law changes included amendments to these sections.

Planner Smith-Erickson reported the proposal also amends Tumwater Municipal Code 15.48 as needed to address SEPA Categorically Exemption projects and traffic concurrency requirements. The issue addresses traffic mitigation fees, which are different then traffic impact fees. Currently, the City collects mitigation fees for any development that generates a vehicle trip in the area of the Tumwater Boulevard/I-5 Interchange. Staff is exploring a solution for assessing mitigation fees without pursuing a SEPA review.

Chair Robbins commented that mitigation fees are intended to mitigate impacts. Planner Smith-Erickson responded that traffic concurrency is

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to ensure the City's level of transportation service standards are achieved in any development proposal. Projects that reflect degradation in level of service below indicated level of service are subject to mitigation fees. Street improvements could be included as mitigation or the developer would pay the mitigation fee.

Chair Robbins asked whether a time component is included where service of level is anticipated to be maintained for a specific period after mitigation of impacts. Planner Smith-Erickson said City transportation staff establish interchange areas within the City that will require concurrency or might need to be updated in the future during the City's Comprehensive Plan Update. Manager Medrud affirmed that the Transportation Plan within the Comprehensive Plan establishes level of service for all major interchanges in the City. Traffic concurrency is the process whereas the applicant proposes a solution and the transportation manager evaluates the proposal against all other projects in the queue to determine the standard for the specific project area. There are time limits that apply for the assessment of fees, such as a five or six-year period.

Chair Robbins remarked that her concern surrounds the cumulative impact of numerous development proposals over time and the impact to the level of service over time. Manager Medrud noted that the City amended the code last year as part of the housekeeping amendments to address affects caused by smaller projects. The City discovered a number of small projects in the vicinity of the Tumwater Boulevard Interchange and each one of the projects contribute vehicle trips and need to account for level of impact to service level.

Planner Smith-Erickson advised that the proposed amendments are intended to eliminate duplicative environmental reviews that the City captures through the municipal code, reduce project review timeframes for SEPA, notice of application, comment period, and completeness review, and to ensure proper noticing and comment opportunities when exemption levels are increased. The proposal would help to increase affordability of housing within the City. Staff continues to review how the proposed SEPA Categorically Exemption amendments relate to traffic concurrency and potential mitigation. A 60-day public notice will be published for the proposed draft ordinance to agencies, tribes, jurisdictions, Department of Ecology, Washington State Department of Transportation, and the public. The City will complete a SEPA non-project review process and issue a 60-day notice of intent process.

Manager Medrud said that because of changes to the SEPA codes, state law requires specific notice requirements that are beyond typical code change noticing requirements.

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Planner Smith-Erickson said the Commission's next review of the proposal is scheduled on May 23, 2023. A public hearing is tentatively scheduled for June 17, 2023 followed by a briefing to the General Government Committee on July 12, 2023 and a City Council worksession on July 25, 2023 with the proposal included on the Council's consent calendar at its July 31, 2023 meeting.

Commissioner Schumacher said he supports changes that improve the efficiency of the development process while ensuring protections are maintained.

Commissioner Tobias referred to the advantages of the efficiencies from the changes and whether there might be any anticipated resistance or concerns from any public stakeholders who might consider the changes as environmental rollbacks. Manager Medrud responded that based on changes implemented by the City in 2017 and 2019, staff does not anticipate any issues other than continuing to ensure all projects abide by environmental protections and protection of natural resources.

Manager Medrud added that following his additional review of SEPA codes, single family and multifamily housing are not defined; however, he believes the SEPA code calls out detached and attached single family, which would be deemed a single family house that does not include common walls or a townhouse that has common walls but in different ownership. He interprets the code as those housing types falling under the single family category whereas duplexes, triplexes, and quads would fall under multifamily.

Chair Robbins asked staff to provide a map of City zones for a discussion on potential areas that would be most affected by the proposed changes during the worksession scheduled in May.

**NEXT MEETING
DATE:**

A joint meeting is scheduled with the Tree Board on May 9, 2023 at 7 p.m.

ADJOURNMENT:

Commissioner Edwards moved, seconded by Commissioner Schumacher, to adjourn the meeting at 7:46 p.m. A voice vote approved the motion unanimously.