

Approved

CITY OF BREMERTON
PLANNING COMMISSION
MINUTES OF REGULAR MEETING
July 15, 2019

CALL TO ORDER:

Chair Tift called the regular meeting of the Bremerton Planning Commission to order at 5:42 p.m.

ROLL CALL

Commissioners Present

Chair Tift
Commissioner Davis
Commissioner Nerf
Commissioner Pedersen

Staff Present

Andrea Spencer, Director, Department of Community Development
Allison Satter, Senior Planner, Department of Community Development

Commissioners Excused

Commissioner Jones
Vice Chair Wofford

Quorum Certified

APPROVAL OF AGENDA

COMMISSIONER NERF MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER DAVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

APPROVAL OF MINUTES

COMMISSIONER DAVIS MOVED TO APPROVE THE MINUTES OF JUNE 17, 2019 AS AMENDED. COMMISSIONER NERF SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC MEETING

Ms. Satter referred to a letter to the editor in *THE KITSAP SUN* that talked about how the City is considering increasing the density for multifamily residential areas from R-20 (20 dwelling units per acre) to a proposed R-40 (40 dwelling units per) or something similar. Staff has discussed the idea with the Commissioners at two workshops, and environmental review is currently in progress. However, she explained that this topic will not be part of the Commission's workshop discussion on Affordable Housing Initiatives. The proposal to change density in existing multifamily areas will be discussed at the Commission's September 16th meeting. She encouraged members of the audience to sign up to receive copies of the Staff Reports that were prepared for the April and May Commission meetings so they can see how the conversation has progressed. She will also provide links to the City's website where regular updates are provided. She emphasized that the proposed amendment would not change the boundaries of the existing multifamily zones, but it would increase the density for those

areas. The Commission and staff will appreciate comments and feedback from the public. She provided her contact information, as well.

Call to the Public (public comments on any item not on the agenda)

Chair Tift asked if there were any comments from citizens. Seeing none, he closed the public portion of the meeting.

Public Workshop: Affordable Housing Initiatives – Work Plan Recommendations

Ms. Satter reviewed that the Mayor and City Council have determined that it is important for the City to consider changes to the Bremerton Municipal Code (BMC) in relation to affordable housing. She referred to Attachment A, which is an Assessment of Bremerton's Affordable Housing Policies and Regulations. She explained that the document provides common affordable housing terminology for Bremerton, documents existing Comprehensive Plan housing policies, identifies current success to removing housing barriers, and outlines multiple potential amendments to the BMC to support affordable housing.

Ms. Satter advised that the purpose of the workshop is to obtain feedback and direction from the Commission on which proposed amendments should be considered first in the City's work plan. The goal is to present a priority-order list of potential affordable housing initiatives to the City Council that will have the greatest impact to the City and be acceptable to their constituents.

Ms. Satter explained that potential Zoning Code (BMC Title 20) amendments fall within the Commission's purview and include updates to provide more affordable housing, reduce impediments and extra costs associated with development and improve and streamline the permitting process. As part of their discussion, they should consider whether potential amendments would hinder or help quality affordable housing. She acknowledged that no single amendment will address the issue adequately. It will require a combination of actions. She reviewed potential topics for the Commission's consideration.

- A. Manufactured Homes.** The City currently allows one manufactured home per lot, and the size limitations are consistent with State code. The Planning Commission provided a recommendation to the City Council in May of 2019, but the City Council expressed a desire to look at the whole packet of affordable housing options before making a decision. A potential amendment would be a reduction in the minimum unit width which would allow more manufactured homes within the City.
- B. Accessory Dwelling Units (ADUs).** ADUs are smaller units on a piece of property that is already developed with a single-family home. The proposal is to review the code and consider updates that remove impediments to allow more ADUs. The ADU code was updated in 2017. The Planning Commission recommended to add design criteria but remove the owner-occupancy requirement. The City Council supported the additional design criteria, but they did not support removing the owner-occupancy requirement. Requiring both owner occupancy and additional design criteria has resulted in an even greater impediment. The situation is somewhat different now, and other jurisdictions are trying to do more to encourage ADUs. For example, the City of Seattle no longer requires parking for ADUs and they are outright allowed on all residential lots. The Kitsap Building Association is pushing a potential citizen initiative that would reduce the parking requirements for ADUs and allow one ADU outright on all residential lots. Lastly, the State Legislature is considering changes that would allow more ADUs as an affordable housing option.
- C. Cottage Housing.** A proposed amendment would allow more cottage housing as an infill option. The current code requires a subdivision, with only one principal use per lot. The City could consider allowing multiple units on one lot, typically with a communal area, without requiring a subdivision. There would need to be requirements to protect existing neighborhoods.
- D. Subdivision Code.** Potential changes to the subdivision code could include allowing residential cluster development or unit lot subdivisions. Residential cluster development would require developers to subdivide to the minimum density, but the lots could be clustered in one area in order to protect a critical area on the property or provide communal space. Something to consider is whether or not cluster development must be single-family homes or if they could be duplexes, townhomes, etc. A unit lot subdivision is typically a parent lot that is governed by a homeowner's association. The communal area is shared by all of the residents of the development, but the property

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where the actual units are located is subdivided into small sections that are privately owned. The City does not currently refer to unit lot subdivisions, but other jurisdictions are using them as a way to encourage development.

- E. Incentivizing Smaller Housing Options.** Smaller housing options include tiny homes, micro apartments, single-room-occupancy homes and boarding houses. This option could be tied into the discussion about ADUs, but they could also focus on just allowing smaller housing as infill. Currently, tiny homes on wheels are regulated as recreational vehicles. If they are not on wheels, they are regulated by the City's development code that applies to all types of residential development.
- F. Inclusionary Zoning.** This is a complicated option, but the Department of Commerce and State of Washington have provided additional funding to help cities implement affordable housing initiatives. It may be appropriate to seek funding for a consultant to assist the City in evaluating this option. Inclusionary zoning provides an opportunity for a developer to get additional density, height, etc. if affordable housing is included as part of the project. For example, the City of Seattle allows a base height of four stories, and builders must pay into a fund in order to build above the base height. The funds collected are used to build affordable housing in a different venue. The City of Seattle also allows additional floor area or height if affordable housing is provided in the project, itself.
- G. General Facility Cost (GFC) Reduction.** The Revised Code of Washington (RCW) allows for GFC's to be waived, reduced or deferred for low-income development. Whenever a new single-family home is built, a developer must pay a GFC (about \$7,000 for sewer and \$10,000 for water). The GFC covers the cost of hookup, as well as the anticipated impact the use will have on the system during the lifetime of the home. As per the State code, the City could waive, defer or reduce the GFC for projects that provide affordable units. This would result in a significant savings for each affordable single-family unit that is created.

Chair Tift opened the meeting for public comments regarding the affordable housing options.

Kate Wilson, Bremerton, said she was present because she understands the proposed changes would impact Shorewood Drive. She pointed out that both Ostrich and Oyster Bays are compromised from many years of pollution. She voiced concern about the types of development that is being considered for this location. Again, **Ms. Satter** referred to *THE KITSAP SUN* opinion piece about the potential increase in density in the multifamily zone, which will be the topic of discussion at the September 16th meeting. The purpose of this workshop is to discuss general ideas for promoting affordable housing. There are no specific proposals at this time.

Fred Drewien, Bremerton, asked if the affordable units would be considered permanent. If so, he asked if the quality of construction would result in units that last over the long term. He referred to the project near the YMCA (Eastpark) that is very dense and noted that some of the houses that were built just a few years ago are already starting to deteriorate and look ragged. Because of the transient nature of people buying and selling the houses, there is a lot of turnover and the quality of the homes is going down. If the Commission decides to recommend some of the housing options outlined by staff, they should carefully consider requirements related to construction quality.

Commissioner Nerf said some of his neighbors have been having problems with ADUs and even some stand-alone homes being used for short-term rentals. He understands the purpose of the owner-occupancy requirement, but he questioned how the City would enforce the requirement and if it could become an impediment to the future sale of a property. He observed that the owner-occupancy requirement for ADUs places an additional burden that does not exist for a property owner who owns multiple properties on the same street. While he understands the annoyance factor, ADUs offer a way to increase the housing stock. He questioned why the City should focus the owner-occupancy requirement on just ADUs when a bad renter in any type of unit could be a disturbance to neighbors.

Commissioner Nerf said he lived in a single-room-occupancy building in New York years ago. An elegant hotel was converted so that each person could have their own bedroom, but they shared the kitchen and bathroom areas. From his experience, he favors allowing this housing type in the City to serve people who cannot afford or don't want a full apartment.

Commissioner Nerf asked who would monitor the bonus that is offered as part of the inclusionary zoning option. For example, who would determine whether three parking spaces are the equivalent of four affordable apartments? He suggested this option could open the door for cronyism and he predicts it will also raise public concern, as well.

Commissioner Davis said he is glad to see GFC reductions as an option for affordable housing because roughly 1/3 of construction costs (minus labor) for a single-family home are regulatory. Not only the cost of the infrastructure, but permit costs are onerous, too. He said that when he served on the City Council, he supported elimination of the owner-occupancy requirement for ADUs, not only because it is an impediment to a property owner's ability to move freely amongst his/her property, but he also questioned how the City could enforce the requirement without police action.

Commissioner Davis said he would be interested in exploring the cottage housing concept further, and he suggested they consider a deed restriction that requires that 80% of the units be owner-occupied. He observed that, in the modern market place, supply and demand is not impacting the cost of rent, especially in Seattle and other built-up areas where the vacancy rate is 25% yet studio apartments are still renting for \$1,800.

Commissioner Pedersen said he is in favor of reducing the parking requirement as an incentive for inclusionary zoning.

Chair Tift asked what happens if the zoning code is changed to allow more than one unit per residential lot, but a homeowner's association limits development to only one unit per lot even if the lots are sufficient in size to support ADUs. Would the association's rules take precedence over the City's zoning requirements? **Director Spencer** answered that City doesn't enforce homeowner association requirements, and the matter would become a private issue between the homeowner's association and the property owner.

Chair Tift said he supports Commissioner Nerf's comments related to the owner-occupancy requirement for ADUs, particularly the analogy that applies the requirement to someone who owns multiple residences on the same street. He expressed his belief that ADUs are a good alternative for affordable housing. Considering that is one of the Mayor's top priorities, ADUs are at the top of his list of options. He also agreed with Commissioner Davis that utility hook-up costs can kill a project, and GFC reductions seem like a good option to focus on.

Director Spencer summarized that ADUs and GFCs are priorities the Commission would like to work on first. Staff will carry these two options forward to the City Council as priorities, but emphasize that the other options are also important. The City Council will review the Commission's recommendation and direct staff to work on the amendments over the next several months. The amendments will then be presented to the Planning Commission for review, public hearing and a recommendation to the City Council. She emphasized that no specific decisions are being made at this time.

Director Spencer explained that, while the other options are important, staff does not have the capacity to work on all of them at the same time. She advised that inclusionary zoning is a very complicated topic and the City does not have the staff needed to deal with it at this point in time. If the City is successful in obtaining a grant, they could hire an outside consultant to help develop the program. However, it is not likely to be a priority at this time, given the City's existing resources. She commented that there is no pressure for inclusionary zoning at this point. No one is building to the limits in areas where the City already allows greater density and height. She suggested this option should be the last priority.

BUSINESS MEETING

Chair Report

Chair Tift announced that the Commission's August meeting was cancelled. He said he appreciates the public's attendance at the meeting, and he looks forward to them coming to the September 16th meeting to provide comments and feedback.

Director Report

Director Spencer announced that the Mayor has selected Bill Mosiman to fill the vacant Commission position. He was confirmed by City Council, but he was unable to attend the July meeting.

Director Spencer recalled that the City tracks permit statistics, including measuring the value of approved construction. She reported that through mid-2019, the City has approved \$32 million of value of construction. There is another \$32 million worth of construction value waiting in the permit queue, too. This combined amount is close to the City's record of \$83 million, which was set in 2015 when the City approved one of the very expensive buildings on the Olympic College Campus. She suspects they will break that record in 2019.

Old Business

There was no old business.

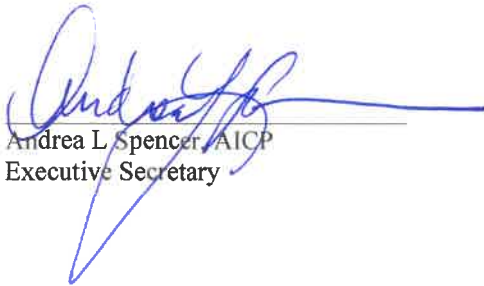
New Business

There was no new business.

ADJOURNMENT

The meeting was adjourned at 6:18 p.m.

Respectively Submitted by:


Andrea L. Spencer, AICP
Executive Secretary


Rick Titt, Chair
Planning Commission