

City Council Regular Business Meeting Agenda Bill

MEETING DATE: August 24, 2021 **ESTIMATED TIME:** 20 Minutes

AGENDA ITEM: (6:50 PM) Ordinance 2021-10 Amending Bonus Floor Area Ratio (FAR) Options, BIMC 18.12.030.E., Hold Public Hearing and Consider Approval - Planning,

SUMMARY: On July 29, 2021, the Planning Commission recommended approval of draft Ordinance No. 2021-10 to the City Council. The City Council discussed and considered the ordinance at their meeting on August 10, 2021.

This ordinance amends the City's Bonus Floor Area Ratio (FAR) regulations (BIMC 18.12.030.E.) to limit options for achieving Bonus FAR to the following: 1) providing affordable housing within a development; 2) purchasing Residential FAR from the Islander Mobile Home Park; and 3) in the Ferry Terminal District, relocating ferry surface parking to underground or within a building. Historic buildings would continue to not count toward a property's level of FAR. These changes essentially eliminate all ways of achieving bonus commercial FAR, unless a property has a historic building. Exhibit A to Ordinance No. 2021-10 modifies BIMC Table 18.12.020-3 to reflect the FAR reductions for commercial and mixed use projects in the Mixed Use Town Center and High School Road zoning districts. The Planning Commission has indicated that this ordinance is an interim step while the City works to improve its affordable housing and transfer of development rights programs, and updates the Winslow Master Plan. To that end, Section 8 of Ordinance No. 2021-10 provides for the ordinance to sunset after one year.

| AGENDA CATEGORY: Ordinance | PROPOSED BY: Planning & Community Development |
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| RECOMMENDED MOTION: Conduct public hearing. I move to approve Ordinance No. 2021-10. | |
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| STRATEGIC PRIORITY: Green, Well-Planned Community | |
| FISCAL IMPACT: | |
| Amount: | |
| Ongoing Cost: | |
| One-Time Cost: | |
| Included in Current Budget? | |

BACKGROUND: The City Council has engaged in multiple discussions regarding bonus floor area ratio ("FAR") options. The following is a chronological legislative history summary of discussions and decisions made by the Council and the Planning Commission thus far related to the current Interim Zoning Control, Ordinance No. 2020-10 and subsequent ordinances that have extended the term of the interim control, as well

as related to consideration of FAR density options more generally. This summary is based on the agenda packet materials and the minutes of the meetings as described below.

At the February 4, 2020 City Council study session, Councilmembers expressed an interest in discussing whether to eliminate the option to purchase bonus FAR from the City. The fees for FAR have been established by resolution (Resolution Nos. 2001-02 & 2006-50) and are included within the City's Fee Schedule. The fees are \$18 per square foot for residential development, \$25 per square foot for mixed use development, and \$34 per square foot for commercial development. The funds are split between public amenities (40%) and farm/agriculture (60%). Options considered by the Council at the February 4 meeting included pursuing a suspension of the bonus FAR regulations via adoption at a future meeting of an interim control ordinance that would be effective immediately (if adopted on an emergency basis) or five days after passage and publication (if enacted on a non-emergency basis). The Council also discussed the option of seeking to otherwise consider revisions to or elimination of the FAR bonus option by referring the matter to the Planning Commission for review and recommendation, and the Council would then consider that recommendation before taking action.

At the February 11, 2020 City Council business meeting, the Council passed a motion directing the City Manager to pursue an interim zoning control related to BIMC 18.12.030.E. to suspend that code section (relating to bonus FAR). A motion to direct the Planning Commission to review Chapter 18.12 BIMC relating to FAR and Chapter 18.21 BIMC relating to affordable housing was tabled. Following further discussion, the Council decided to revisit the first motion and approved a motion to reconsider that motion relating to the development of an interim control ordinance at the Council's February 25, 2020 meeting. At the February 25, 2020 City Council meeting, the Council reconsidered the motion directing the City Manager to develop an interim control ordinance related to suspending BIMC 18.12.030.E. regarding use of bonus FAR density. That motion failed. Other motions also failed related to directing the City Manager to pursue an interim zoning control that would suspend BIMC 18.12.030.E. in different ways.

However, the Council passed unanimously (6-0, with Councilmember Pollock absent) the following motion: "I move to direct the City Manager to work with the Planning Commission and any other appropriate City committees or commissions to bring back to Council as quickly as possible an ordinance that will reform the City's bonus FAR programs so as to only allow bonus FAR in relation to Affordable Housing, Historic Preservation, and Transfer of Development Rights."

At the February 27, 2020 Planning Commission meeting, City staff briefly discussed with the Planning Commission the City Council's action directing the City Manager to work with the Planning Commission to bring back to the Council as quickly as possible an ordinance to reform the City's bonus FAR programs so as to only allow bonus FAR in relation to affordable housing, historic preservation, and transfer of development rights.

At the March 3, 2020 City Council meeting, Councilmember Medina was absent and Councilmember Pollock, who was absent for the February 25 meeting, was present. Councilmember Pollock moved and Councilmember Deets seconded a motion to add a discussion regarding an interim zoning control related to BIMC 18.12.030.E. to that night's agenda under Unfinished Business. The Council approved the agenda as amended. The Council then unanimously passed a motion to suspend the rules for the purpose of taking up this motion again after having voted on it at the last meeting on February 25. The Council then unanimously passed the following motion: "I move to direct the City Manager to prepare an interim zoning control ordinance for consideration at the Council's March 10 meeting related to BIMC 18.12.030.E. to suspend the applicability and use of that Section E., except that subsections E.1. (related to Optional Affordable Housing) and E.6. (related to

Historic Structure Preservation) would not be suspended and waiving any procedural requirements that would otherwise apply to the motion that was passed."

At the March 10, 2020 City Council meeting, the Council considered the interim control ordinance that was prepared as directed by the Council at its March 3, 2020 meeting related to suspending the applicability and use of BIMC 18.12.030.E., except that subsections E.1. (related to Optional Affordable Housing) and E.6. (related to Historic Structure Preservation) would not be suspended. The ordinance was prepared as an emergency ordinance, meaning that it would be effective immediately upon passage. The ordinance also included suspension of the applicability and use of BIMC 18.27.080 and footnote three of Table 18.12.020-3 because those provisions relate directly to the provisions that were being suspended in BIMC 18.12.030.E. As part of that March 10, 2020 Council meeting, the Council passed various motions to revise the ordinance as drafted. The first such motion was to add an additional exclusion to the interim zoning control as follows: "I move to amend Ordinance No. 2020-10, Section 2.B., to add an exclusion to the interim zoning control for development projects that filed a complete land use permit application with the City and have purchased from the City or otherwise acquired development rights, including related to bonus floor area ratio, through an executed covenant. development agreement, or contract, prior to the effective date of this ordinance." The Council also adopted motions to remove two recital "Whereas" clauses in the draft ordinance. The Council then voted unanimously to approve Ordinance No. 2020-10 with the following motion: "I move to approve Ordinance No. 2020-10, relating to an interim zoning control to hereby suspend BIMC 18.12.030.E. and related provisions as described in the ordinance regarding floor area ratio bonus density options, except for Sections E.1. and E.6. of BIMC 18.12.030.E. as amended."

At the March 12, 2020 Planning Commission meeting, the Planning Commission ("Commission") had an item on their agenda entitled, "FAR Discussion." Planning Director Heather Wright introduced the interim zoning control ordinance to the Commission. Following, there was public comment, including from Councilmember Pollock. After the public comment, the Commission unanimously passed a motion that recommended changes to the interim control to the City Council. At the April 14, 2020 City Council meeting, the Council scheduled a public hearing regarding Ordinance No. 2020-10 for April 28, 2020. The Council took action to set the public hearing pursuant to RCW 35A.63.220 and RCW 36.70A.390, which require the Council to hold a public hearing within 60 days of adoption of Ordinance No. 2020-10 (i.e., by May 10, 2020) in order to take public testimony and to consider adopting further findings of fact. On April 28, 2020, the City Council held a public hearing on Ordinance No. 2020-10 and no changes to the Ordinance were made.

The Planning Commission formed a subcommittee of 3 members (Chester, Paar, Quitslund) to begin working on a revised FAR ordinance. The Planning Commission discussed the subcommittee's information and recommendations on changes to bonus FAR regulations on at their May 2020 meetings and on June 11, 2020. City staff integrated the June 11 recommendations into Draft Ordinance No. 2020-16 (now Ordinance No. 2021-10). Those changes were discussed and refined by the Planning Commission on July 9, August 27, September 10 and 24, and October 8, 2020. The Planning Commission sought City Council feedback on their recommendation to date on November 17, 2020. At the November 17 City Council meeting, the Council directed the City Manager to contact the Islander Residents Association (on behalf of the Islander Mobile Home Park) regarding potential purchase of the remaining mobile home park FAR. The City is continuing to consider that option. The Commission then debriefed on that Council discussion at the Planning Commission meeting on November 19, 2020, and indicated that proposed Ordinance No. 2021-10 should move forward without any changes to BIMC 18.12.030.E.1.b. related to the mobile home park FAR while discussion about a possible City purchase is ongoing. The Planning Commission discussed Ordinance No. 2021-10 on July 22, 2021, and then held a public hearing on the ordinance on July 29, 2021. After closing the Public Hearing, the Planning Commission voted to recommend approval of the ordinance to the City Council.

On August 10, 2021, the City Council discussed and considered Ordinance No. 2021-10 and amended the ordinance to reduce the "sunset" date of the ordinance from two years to one (see Section 8 of Ordinance No. 2021-10). The City Council also scheduled a public hearing on the ordinance for the August 24, 2021 Council meeting. During a separate discussion on August 10, the Council decided to let the current Interim Zoning Control expire on September 10, 2021. See attached staff memo and past staff memos and Draft Ordinance No. 2021-10 for additional information.

ATTACHMENTS:

Final CC Presentation.pptx

20210824 CC Staff Memo.docx

Ordinance No. 2021-10 - Public Hearing Draft - Revising Bonus FAR Regulations.docx

Exhibit A to Ordinance No. 2021-10.pdf

Tawresey 20210728 Comment to Planning Commission.pdf

MUTC and HS Rd Map.pdf

ORD 2021-10 PC Recorded Motion 072921.pdf

20200924 PC Staff Memo.pdf

WMP Goals & Policies Related to FAR.pdf

FISCAL DETAILS: N/A

Fund Name(s):

Coding: