

**Community
Development**



**501 Delta Ave
Marysville, WA 98270**

**Planning Commission
Meeting Minutes**

March 12, 2024

CALL TO ORDER / ROLL CALL

Present:

Commissioners: Chair Steve Leifer, Commissioner Zhu, Commissioner Andes, Vice
Chair Whitaker, Commissioner Michal, Commissioner Jordan

Staff: Community Development Director Haylie Miller, Principal Planner
Angela Gemmer

Excused: Commissioner Kemp

APPROVAL OF MINUTES

February 27, 2024 Meeting Minutes

**Motion to February 27, 2024 Meeting Minutes moved by Commissioner Michal
seconded by Commissioner Jordan.**

VOTE: Motion carried 5 - 0

**AYES: Chair Steve Leifer, Commissioner Zhu, Commissioner Andes,
Commissioner Michal, Commissioner Jordan**

ABSTAIN: Vice Chair Whitaker

AUDIENCE PARTICIPATION (for topics not on the agenda)

None

OLD BUSINESS

**Draft Environmental Element for 2024 Comprehensive Plan (Postponed to next
meeting)**

NEW BUSINESS

Draft Housing Element for 2024 Comprehensive Plan

Principal Planner Gemmer reviewed the draft Housing Element for the 2024 Comprehensive Plan which is required to include:

- An inventory and analysis of existing and projected housing needs;
- A statement of the goals, policies, and objectives for the preservation, improvement, and development of housing, including single-family residences;
- Identification of sufficient land for housing; and
- Adequate provisions for existing and projected housing needs of all economic segments of the community. This is a new expectation under HB 1220.

The Housing Element is largely based on the Housing Action Plan which was adopted by Council in 2023 and addresses the new state laws related to housing (Section 5.1). Relevant public participation will be woven in throughout the document. Principal Planner Gemmer reviewed the existing housing conditions and future housing projections (Section 5.3) including demographics; household characteristics; income distribution; existing housing stock; residential development trends; where growth is occurring; housing market trends; housing affordability and attainability; socioeconomic vulnerability, displacement risk and racially disparate impacts; and providing housing for all incomes.

Section 5.4 covers the four key housing strategies proposed in the Housing Action Plan including the various actions associated with these strategies.

Strategy 1 - Increase Housing Diversity to expand rental and homeownership opportunities for a wider range of households.

HAP Action 1.1 - Increase residential density along SWIFT transit lines

HAP Action 1.2 - Create more flexibility for townhome development

HAP Action 1.3 - Expand and calibrate the existing Multi-family Tax Exemption (MFTE) program to stimulate program participation

HAP Action 1.4 - Consider Middle Housing best practices when complying with HB 1110

HAP Action 1.5 - Balance housing development among school districts

HAP Action 1.6 - Pursue Accessory Dwelling Unit (ADU) code amendments and incentives

HAP Action 1.7 - Create more flexibility for Planned Residential Developments (PRDs).

Strategy 2 - Create more housing stability for those at risk

HAP Action 2.1 - Conduct targeted outreach to better understand displacement risk

HAP Action 2.2 - Support the preservation of mobile home parks

Strategy 3 - Support the development of housing at all income levels

HAP 3.1 - Develop a land bank strategy and partnerships to support both low-income restricted and workforce housing development

HAP 3.2 - Coordinate with regional affordable housing partners

Strategy 4 - Take a proactive approach to addressing homelessness

HAP Action 4.1 - Partner with non-profits on permanent supportive housing

HAP Action 4.2 - Consider emergency shelter needs in Marysville

Section 5.4 outlines housing goals and policies which have not been updated yet but will be prior to the next Planning Commission review of this element.

Councilmember Leifer made a comment about the potential for a lot of density along the SWIFT bus routes (inaudible).

Vice Chair Whitaker referred to the very high-income housing category which appears to be the largest need. He asked how the new housing bills are going to influence Marysville's ability to try to meet the growth targets by 2044. Ms. Gemmer explained that about 40% of the growth that needs to happen by 2044 has already been entitled. The low-income level housing will be the more challenging options.

Commissioner Michal asked how the income levels were set and how the needs were determined for Marysville. Ms. Gemmer explained the County and State work together to set the levels. The County works with the jurisdictions through Snohomish County Tomorrow and the Planning Advisory Committee. There were three different approaches about how to distribute the income bands so there was much discussion among the jurisdictions. The County works with the member jurisdictions to determine how to allocate the different levels.

Commissioner Zhu referred to efforts to balance growth between the school districts and asked how Marysville will encourage opportunities for young families to live in the Marysville School District. Ms. Gemmer explained that the Housing Action Plan recommends that the City consider a way to balance it, but there are currently no incentives for this. Some ideas are to encourage multifamily housing in high-opportunity areas within the Lake Stevens School District to diversify the range of incomes in those neighborhoods and incentivizing housing development within the Marysville School District. This is one of the questions staff has for the Planning Commission to consider.

Commissioner Zhu asked about potential incentives for offsetting the developer risks for townhouse building. Ms. Gemmer noted that is another question that staff has for the Planning Commission. She discussed unit lot subdivision which allows fee simple ownership of attached housing. This is something that will likely be well received by the building community. A question that staff has for the Planning Commission is if they should also revisit other standards to help facilitate the townhouse fee simple ownership or if they should stick more with just implementing with what the State requires. Other things that have been brought up in the past are the width requirements and access requirements.

Commissioner Andes asked how the City is going to enforce strategies 1-4. Ms. Gemmer explained that there are actions associated with each strategy. Most of these are in the realm of regulatory changes, research, and incentives. Inclusionary zoning would likely be one that would be mandated.

Ms. Gemmer solicited feedback from the Planning Commission on whether to research changes to the MFTE threshold or outreach to developers to make sure they are aware of it. Commissioner Andes thought it could potentially turn developers away.

Chair Leifer commented on how all the new rules from Olympia will end up forcing the City to increase density and take control away from the City in a lot of ways. He asked if the Planning Commission really wants to try to provide all kinds of housing all over the place. How they move forward hinges on this question. He brought up a couple different locations with different circumstances and commented on challenges with providing smaller low-income homes all over the place.

Vice Chair Whitaker commented on the Planning Commission and Council's previously expressed desire to try to provide various forms of housing that are needed by people. They have also talked about locating higher density housing along transit routes so people can efficiently move from one place to another. He agrees that seems to be the most prudent way to address growth that is coming to Marysville while still trying to preserve what exists in Marysville.

Ms. Gemmer asked if the City should do anything to encourage ADUs like providing pre-approved plans. Chair Leifer did not think they were even close to figuring that out yet. He commented that from a developer standpoint tax incentives do make a difference. The fact that no one has taken advantage of this in the downtown area isn't necessarily because it doesn't work. It may just not be quite right yet.

Ms. Gemmer said the specific question for the downtown area is if they should look at lowering the threshold or expanding in the future to areas that are desired to have multifamily. Chair Leifer thought there would be a lot of input from different stakeholders in the city about this.

Commissioner Zhu wondered if staff had identified any other reasons that the MFTE incentive had not been utilized other than the threshold potentially being too high. Ms. Gemmer noted the housing consultant could not pinpoint a reason and had proposed that they consider additional analysis. She thought they might be able to look at what standards have been successful in other jurisdictions. There are a lot of different potential factors that could make it not attractive right now.

Russell Joe, Master Builders, (online) commented that there have been other cities, such as Issaquah, that have been successful at implementing MFTEs by putting it into a targeted area with certain restrictions. He agreed that consulting with other cities can be one way to find out what could work.

There was discussion about the current structure of the MFTE.

Commissioner Jordan referred to the map with the SWIFT lines and asked how many lots under current code are even developable at this time. How far is the City going to go to make them pencilable for low-income housing? Ms. Gemmer explained what the

map was attempting to show. Commissioner Jordan spoke in support of the City starting to do more research and working with Master Builders and other municipalities to see how they are making this work.

Chair Leifer wondered what the chances are that the State would tell them they have to build higher (several stories) if the lot is too small. He commented that there are a lot of different ways this could go. Ms. Gemmer acknowledged that there are a lot of unknowns because it is new to everybody, although some jurisdictions have charted a path. She thought in general they would just need to develop standards to what the State is requiring. Chair Leifer wondered how the other stakeholders and especially the City Council would want this to go. Ms. Gemmer thought that it was likely they would see the affordable housing in multifamily areas. As far as middle housing goes, she thought there was a fair amount of concern about how this is implemented in the near term. In 2030 there will be more significant changes with even higher densities. Right now, they mainly just have to allow the two units per lot throughout the city to conform to state law. She reviewed guidance that has come out from the State with three different ways cities can implement this.

Chair Leifer had more comments about wanting to get more of a pulse on what the City wants. Ms. Gemmer clarified they are only looking at options to explore, not making any decisions at this point.

Commissioner Michal expressed appreciation to staff for the guidance in the memo with the different strategies and the questions. She referred to the need for high end housing and wondered where the higher income housing opportunities might be in Marysville. Ms. Gemmer spoke to the importance of school districts when families are buying homes. She noted that as Marysville School district continues to improve there might be more attractive opportunities along the waterfront or along Sunnyside Boulevard. Lake Stevens School District might appeal to people who are a little more affluent. Commissioner Michal compared demographic data from Marysville School District to Marysville in general and noted it is very different. She thought the idea of multifamily up by Highway 9 was an interesting idea. She agreed with Vice Chair Whitaker that one of the things that is attractive about Marysville is that it is mostly a single-family city and relatively affordable. Concentrating multifamily along the SWIFT corridors seems to make sense. She wondered if multifamily up on Whiskey Ridge also makes sense. Regarding emergency shelter, she noted that in the Marysville School District 4.7% of kids qualify as homeless which is about 470 kids. She wondered if family shelters might be something to look at for the other extreme.

Commissioner Jordan said he knows of at least 200 single-family houses that will meet that upper echelon of income up behind Costco. He thinks the infill that they talk about would be good for that more affordable housing. Regarding the emergency shelter, he thinks that would probably be towards the downtown area because that seems to be where it presents itself.

Commissioner Zhu agreed with increasing density at certain areas but preserving single family as much as possible.

Commissioner Jordan wondered about getting input from the public about what they think. He thinks they need to do more outreach. Ms. Gemmer referred to the housing survey done in the last year or so which had over 300 respondents. Staff could bring that feedback back to the Commission but some of these topics weren't addressed because they weren't issues at that time. In the last survey with the Housing Action Plan they had extensive outreach to various stakeholder focus groups as well as an open house, mailers, social media publications, and printed materials. The draft Housing Element will be on the website and will be advertised through social media, mailers, and other publications. They can possibly look into doing a survey, neighborhood meetings, or other outreach. She invited any ideas to promote public involvement.

Chair Leifer asked Commissioner Michal's opinion about allocating the various levels of housing with consideration of how it impacts the classroom. Commissioner Michal said it would be ideal to have relatively even mixes of all the different income levels and a more equal share of households that have kids coming into schools. She reviewed more of the striking demographic differences between the school district and the city. Chair Leifer added that in a perfect world they would also have all the different job levels in the city as well. The costs for building would also be lower for everybody.

Russell Joe, Master Builders of King and Snohomish County, thanked the group for the discussion and noted they are not alone in their struggles with the laws that have been foisted on them by the State. He commended them for the rich conversation and for really thinking about these ideas. He asked them to think about housing attainability as they are looking at this. He referred to Section 5.4, Strategy 1. He was in favor of continuing to study increasing residential density along future SWIFT transit lines. This would support transit, would provide a more walkable community, and could help reduce traffic congestion and daily trip totals. He also asked them to continue to wrestle with the idea of middle housing because it will increase the supply of housing and potentially increase the housing types offered. He discussed ADUs as a way to give elders a way to age in place and help the younger generation obtain housing in the community. He spoke in support of townhomes as a way of providing a more affordable home ownership option and making the most of the limited available land. Adopting unit lot subdivision codes is important to allow townhomes to be developed and sold as individual units rather than rental units. He commended the Planning Commission on their work. Master Builders looks forward to continuing the conversation at a future time.

Quarterly Development Update Presentation (continued)

DIRECTOR'S COMMENTS

None

ADJOURNMENT

**Motion to adjourn the meeting at 8:01 p.m. moved by Vice Chair Whitaker
seconded by Commissioner Michal.**

AYES: ALL

NEXT MEETING – March 26, 2024