

AGENDA

- 6:30 PM CALL TO ORDER
 Call to Order, Agenda Review, Conflict Disclosure
- 6:35 PM REVIEW AND APPROVE MINUTES
 October 25, 2018
 November 8, 2018
- 6:45 PM PUBLIC COMMENT
 Accept public comment on off agenda items.
- 6:50 PM INCLUSIONARY ZONING/TRANSFER OF DEVELOPMENT RIGHTS
 Briefing
 ECONorthwest and Forterra
 Jennifer Sutton, AICP, Long Range Senior Planner
- 7:20 PM SUBDIVISION UPDATE
 Study Session
 Christy Carr, AICP, Long Range Senior Planner
- 8:25 PM NEW/OLD BUSINESS
- 8:30 PM ADJOURN

***** TIMES ARE ESTIMATES****

Public comment time at meeting may be limited to allow time for Commissioners to deliberate. To provide additional comment to the City outside of this meeting, e-mail us at pcd@bainbridgewa.gov or write us at Planning and Community Development, 280 Madison Avenue, Bainbridge Island, WA 98110

**For special accommodations, please contact Jane Rasely, Planning & Community
Development 206-780-3758 or at jrasely@bainbridgewa.gov**

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CALL TO ORDER – Call to Order, Agenda Review, Conflict Disclosure
REVIEW OF MINUTES
PUBLIC COMMENT – Accept public comment on off agenda items
ORDINANCE 2018-30: FEE-IN-LIEU PROGRAM FOR AFFORDABLE HOUSING – Public Hearing
SMP AMENDMENT NONCONFORMING EXPANSION RATIONALE - Discussion
SUBDIVISION DESIGN GUIDELINES AND STANDARDS – Study Session
PLANNING COMMISSION CALENDAR
NEW/OLD BUSINESS
ADJOURN

CALL TO ORDER – Call to Order, Agenda Review, Conflict Disclosure

Chair William Chester called the meeting to order at 7:00 PM. Commissioners in attendance were J. Mack Pearl, Jon Quitslund, Lisa Macchio, Kimberly McCormick Osmond and Don Doman. Michael Killion was absent and excused. City Staff present were Planning Director Gary Christensen, Long Range Senior Planners Jennifer Sutton and Christy Carr and Administrative Specialist Jane Rasely who monitored recording and prepared minutes.

The agenda was reviewed. Commissioner Kimberly McCormick Osmond stated she would recuse herself for the Fee-in-Lieu Program for Affordable Housing public hearing.

REVIEW OF MINUTES

Commissioner Quitslund corrected the spelling of Michael Zigich in the August 30, 2018 minutes. Commissioner McCormick Osmond asked that the word “considering” be inserted in the sentence, “Commissioner McCormick Osmond asked that the Design Review Board be informed that the Planning Commission was [considering] recommending mandating the clustering of subdivisions,” from the September 27, 2018 minutes.

**I move approval of the minutes for August 23, September 13 and September 27, 2018 moving approval of those minutes as distributed.
Quitslund/Pearl: Passed Unanimously**

It was decided to hold off on approval of minutes from August 30, 2018 until the Commission could confer with Senior Planner Christy Carr.

PUBLIC COMMENT – Accept public comment on off agenda items

None.

**ORDINANCE 2018-30: FEE-IN-LIEU PROGRAM FOR AFFORDABLE HOUSING –
Public Hearing**

Commissioner McCormick Osmond recused herself for the public hearing.

Senior Planner Jennifer Sutton introduced the ordinance and Ms. Sally Koon, who spoke about the situation that led to this ordinance. Craig Clark from Housing Resources Board (HRB) also spoke in favor of the ordinance.

The public hearing was opened at 7:31 PM.

The public hearing was closed at 7:39 PM.

**Motion modified to: I move that we approve this option Fee-In-Lieu of as is.
Doman/Quitslund: Passed 3-2 (Pearl and Macchio)**

**Concern was expressed by the Planning Commission about this being applied for
any kind of future development.**

SMP AMENDMENT NONCONFORMING EXPANSION RATIONALE – Discussion

Chair Chester introduced the discussion on expansion of a nonconforming structure.

Commissioner McCormick Osmond provided a draft written rationale for expansion of nonconforming in a buffer (see attached).

SUBDIVISION DESIGN GUIDELINES AND STANDARDS.

Discussion centered around the dimensional standards table.

PLANNING COMMISSION CALENDAR

December meetings were set for the 13th and 20th.

NEW/OLD BUSINESS

None.

ADJOURN

The meeting was adjourned at 9:32 PM.

Approved by:

William Chester, Chair

Jane Rasely, Administrative Specialist

CALL TO ORDER – Call to Order, Agenda Review, Conflict Disclosure
REVIEW AND APPROVE MINUTES
ISLAND CENTER SUBAREA PLANNING BRIEFING
SMP AMENDMENT NONCONFORMING EXPANSION RATIONALE
SUBDIVISION DESIGN REVIEW PROCEDURES
NEW/OLD BUSINESS
ADJOURN

CALL TO ORDER – Call to Order, Agenda Review, Conflict Disclosure

Chair William Chester called the meeting to order at 7:00 PM. Commissioners in attendance were Jon Quitslund, Lisa Macchio and Don Doman. Kimberly McCormick Osmond, J. Mack Pearl and Michael Killion were absent and excused. City Staff present were Planning Director Gary Christensen, Long Range Senior Planner Christy Carr, Long Range Senior Planner Jennifer Sutton and Administrative Specialist Carla Lundgren who monitored recording and prepared minutes.

The agenda was reviewed. There were no conflicts disclosed.

REVIEW AND APPROVE MINUTES: August 30, 2018

MOTION: I'll move approval of the minutes as distributed, the minutes of August 30th.
Quitslund/Macchio: Passed Unanimously

PUBLIC COMMENT: Chair William Chester stated that public comments on “off agenda items” would be permitted, however, public comment on “agenda items” will not be allowed due to the length of the agenda. Commissioner Jon Quitslund asked that public comments be allowed on the Nonconforming Expansion Rationale agenda item, as there were members of the public in attendance with interest on that issue. Mr. Chester stated if time permitted, public comments would be allowed on agenda items.

No public comment on off agenda items were presented.

ISLAND CENER SUBAREA PLANNING

Briefing by Senior Long Range Planner Jennifer Sutton and ICSP Chair Maradel Gale

Senior Long Range Planner Jennifer Sutton explained that the committee have been meeting for about a year. The committee held a large public participation meeting in mid-June, conducted a survey, gathered a lot of information and identified many concerns and desires of the public. The committee is currently completely the “existing conditions chapter” of the Subarea Plan.

The next steps for the committee are working on draft goals and alternatives to responses to the draft goals. Ms. Sutton stated the completion of the next steps is targeted for January.

SMP AMENDMENT NONCONFORMING EXPANSION RATIONALE

Discussion led by Senior Long Range Planner Christ Carr

MOTION: I move the we send to the Council the written Rationale and accompanying numbered statements under primary residential structures and other specifics of the SMP. Sending forward the text as discussed and very slightly amended here.

Quitslund/Doman: Passed Unanimously

SUBDIVISION REVIEW PROCEDURES

Study Session led by Senior Planner Christy Carr

PLANNING COMMISSION CALENDAR

Discussion led by Planning Director Gary Christensen

Mr. Christensen recommended to focus on a few things that are priority items. Specifically, the items the Council is expecting some recommendation in the near future. Primarily items related to the moratorium, subdivision regulations, and the SMP. For the months of November and December, complete work on items related to the moratorium and have recommendations for the Council at the beginning of the year. Then moving on to work related to the SMP. Finally, Mr. Christensen encouraged the Commissioners to share how the staff can help them move through the technical process with ease.

NEW/OLD BUSINESS

None.

ADJOURN

The meeting was adjourned at 9:33 PM.

Approved by:

William Chester, Chair

Carla Lundgren, Administrative Specialist



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

MEMORANDUM

Date: December 13, 2018
To: Planning Commission
From: Jennifer Sutton, AICP
Senior Planner
Subject: Economic Analysis for Future Inclusionary Zoning and Transfer of Development Rights programs

I. MEETING PURPOSE

ECONorthwest and Forterra will provide an update to the Planning Commission on the progress of their analysis regarding a new inclusionary zoning program and revisions to the City's transfer of development rights ("TDR") program (Chapter 18.27 BIMC). For more information, see the attached memos and presentation.

II. BACKGROUND

Increasing affordable housing and promoting conservation of natural areas are goals that permeate several elements of the City's Comprehensive Plan. For example, Land Use Element High Priority Action #10 directs the City to evaluate why the City's TDR program has not been successful. In addition, on November 1, 2017, the Affordable Housing Task Force voted unanimously to recommend to the City Council that the City pursue an inclusionary zoning program.

On June 12, 2018, the City Council approved a professional services agreement with ECONorthwest to provide economic analysis regarding a new inclusionary zoning program and revisions to the City's TDR program (Chapter 18.27 BIMC). ECONorthwest has subcontracted with Forterra to assist with the work.

On June 19, 2018, the City Council heard a presentation from ECONorthwest and Forterra about the methodology to provide an economic market analysis and feasibility study regarding a new inclusionary zoning program and revisions to the City's TDR program (Chapter 18.27 BIMC).

On [October 2, 2018](#), ECONorthwest and Forterra provided an update to the City Council on the progress of their analysis. See attached memos, and [online City Council meeting resources](#). At that meeting, the City Council gave feedback on several policy choices. On [December 4, 2018](#), ECONorthwest and Forterra provided an update to the City Council on the progress of their analysis regarding a new inclusionary zoning program and revisions to the City's TDR program. For more information, see the attached memo and presentation.

DATE: September 26, 2018
TO: Jennifer Sutton
FROM: Morgan Shook, Erik Rundell, and Sophia Ahn
SUBJECT: REAL ESTATE MARKET ANALYSIS

1 Introduction

The City of Bainbridge Island is evaluating its inclusionary zoning and transfer of development rights (TDR) programs to understand how these programs can be better utilized to support citywide efforts for land conservation and affordable housing development. Many cities use regulatory and financial incentives to realize public benefits. However, designing and implementing incentive programs is a complex process. Primarily, real estate market conditions change over time, which make it a challenge to calibrate incentive programs. In addition, existing “base” zoning requirements, such as parking standards or height limits, may not align with the incentive program, making the program less effective. Lastly, private sector participants have different needs and goals making incentive program utilization inconsistent.

ECONorthwest and Forterra are working for the City of Bainbridge Island to evaluate the City’s transfer of development rights (TDR) and inclusionary housing programs, specifically. A key first phase of this effort is understanding the current real estate market conditions, which is critical to designing an effective development incentive program. Key questions for the real estate market assessment include:

- What uses and building types are in demand?
- What building forms and intensities are likely to be built in the current market?
- How much will likely be built on an annual basis?

Understanding the answers to these questions informs the evaluation of the City’s existing incentive provisions and informs the policy options the consultant team will analyze in subsequent tasks. The remainder of this memorandum is organized into three main sections.

- **Market Analysis** considers growth and development trends for different housing types and land uses.
- **Recent Development Examples** identifies recent comparable development in Bainbridge Island and their key characteristics.
- **Real Estate Demand Outlook** assesses the market readiness of different land uses and building types and their potential to utilize development incentives.

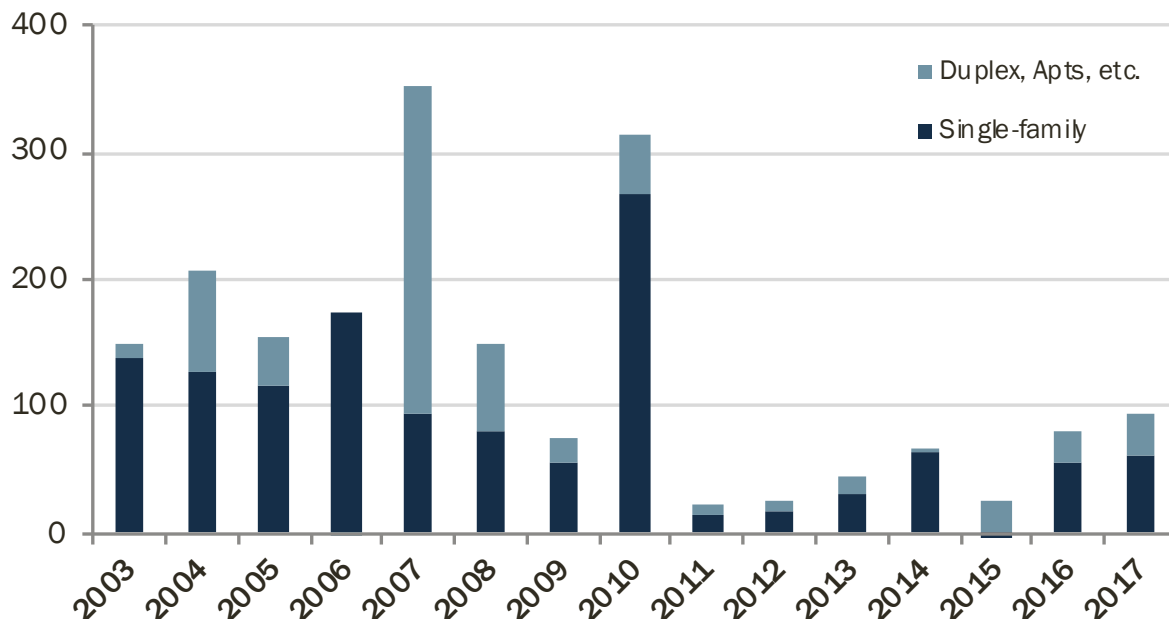
2 Market Analysis

This section summarizes the changes in real estate fundamentals for housing and office uses in Bainbridge Island.

Improving market conditions have spurred new real estate investment in the City

Bainbridge Island has realized increasing growth and stronger market fundamentals, particularly during the last five years. The annual changes in the annual number of housing units built has increased over the last seven to eight years. However, the number of housing units built the last several years is still below the pre-2008 recession averages. Since 2010, the city averaged about 50 new housing units a year. During the five years before the recession (2003-2008) the city averaged over 190 housing new units a year.

Exhibit 1. Annual Housing Units Change for the Last 15 Years, 2003-2017



Source: Washington Office of Financial Management, 2018

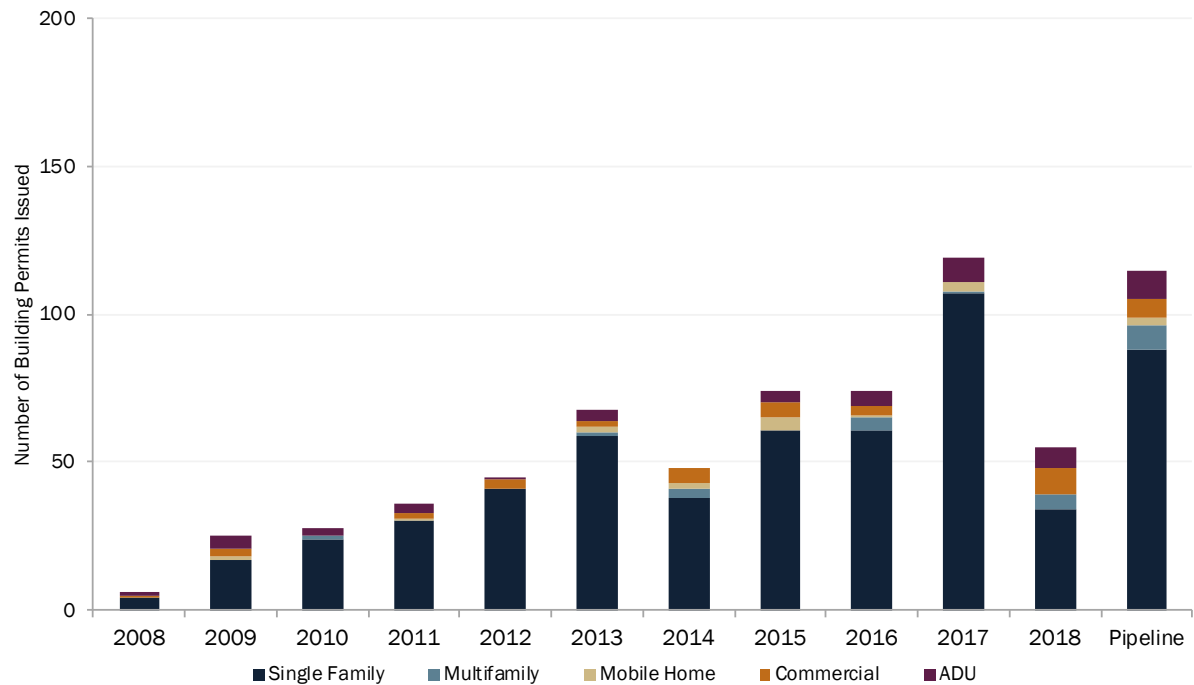
* Note, the 2010 estimate is likely excessively large to account for underestimates in previous years and to match the 2010 Census totals.

Building Permits Activity is Increasing

Building permit activity for new development in the City of Bainbridge has increased since 2008. During this period, the City of Bainbridge Island issued and finalized an average of approximately 58 permits annually, and 120 permits in 2017 alone. As of August 2018, the City has already issued 130 permits and finalized 55 of those permits. As a result, 2018 is likely to exceed the 2017 totals for building permits issued and finalized.

Single-family permits accounted for the greatest number of permits issued and finalized in a given year, with 75 percent of all permits issued. Exhibit 2 shows the number of permits issued for attached dwelling units, commercial, mobile homes, multifamily, and single-family units.

Exhibit 3. Permits Issued and Finaled* for All Uses, 2008-2018

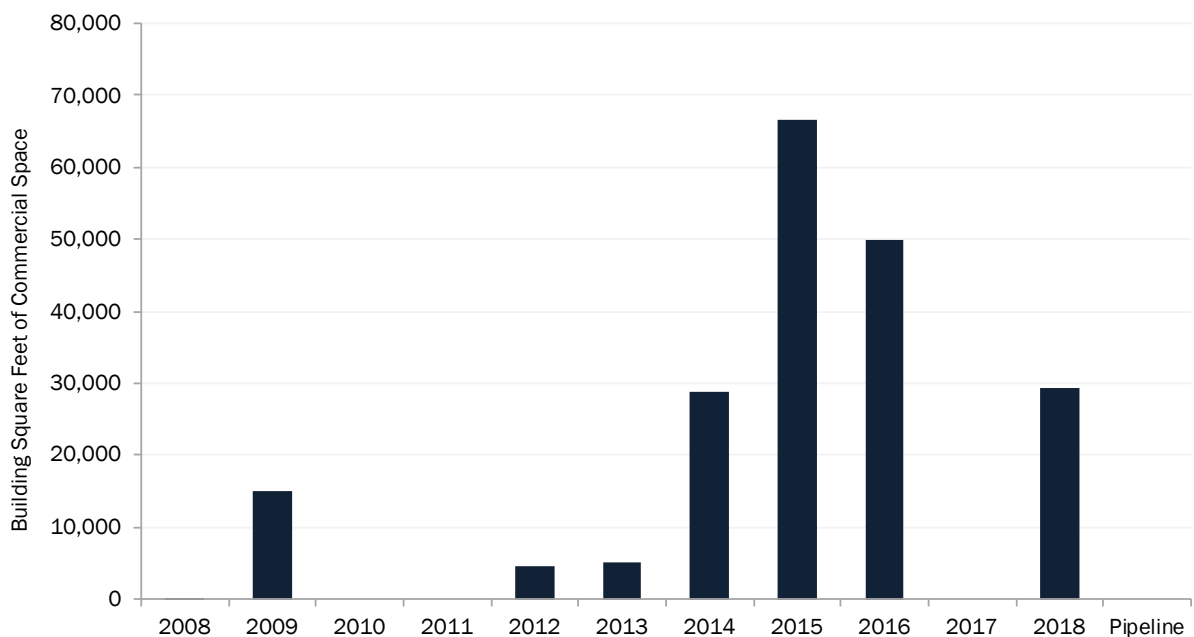


Source: City of Bainbridge Island

*Note: Pipeline includes permits that have been issued but not finalized.

Permits for commercial development increased by over 244,000 square feet from since 2008. As of August 2018, 32,732 square feet commercial square footage has been permitted.

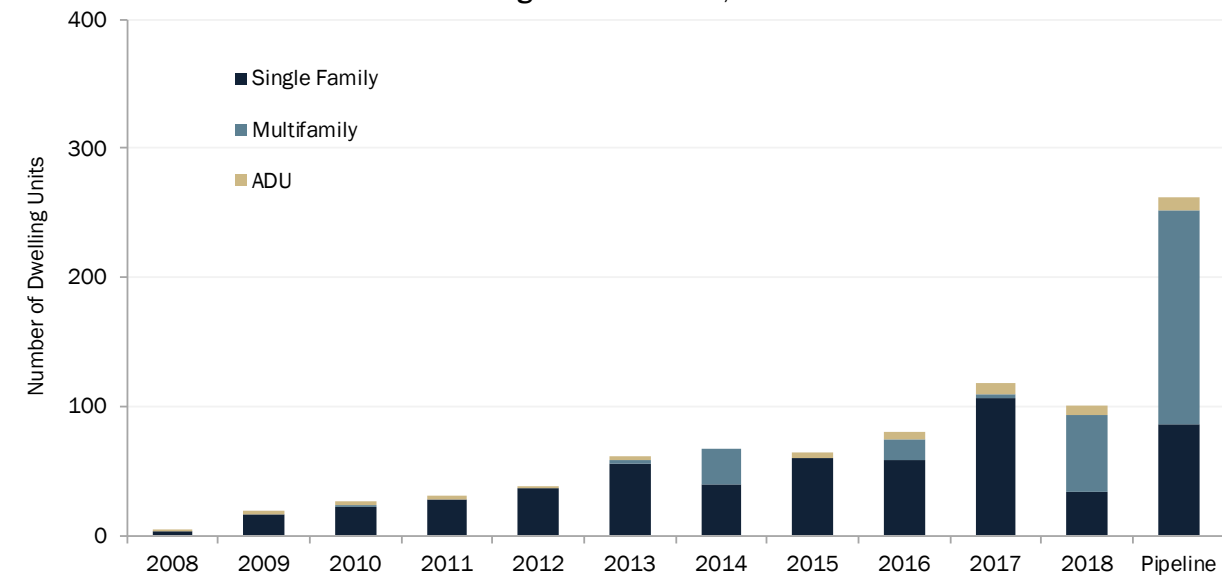
Exhibit 4. Commercial Space Permitted, 2008-2018



Source: City of Bainbridge Island

Exhibit 5 illustrates the trends for residential permits. Permits for single-family units steadily increased while multifamily dwelling units varied by year. In 2017, 120 housing units were permitted. As of August 2018, 101 total units have been permitted, and 60 multifamily units have been permitted, exceeding the multifamily total for the previous ten years. Accessory dwelling units (ADUs) have remained consistent with fewer than 10 permits a year. The development pipeline (projects where permits have been issued but not finalized) is sizably larger, particularly for multifamily development, than the number of permits finalized in recent years.

Exhibit 5. Number of Residential Dwelling Unit Permitted, 2008-2018

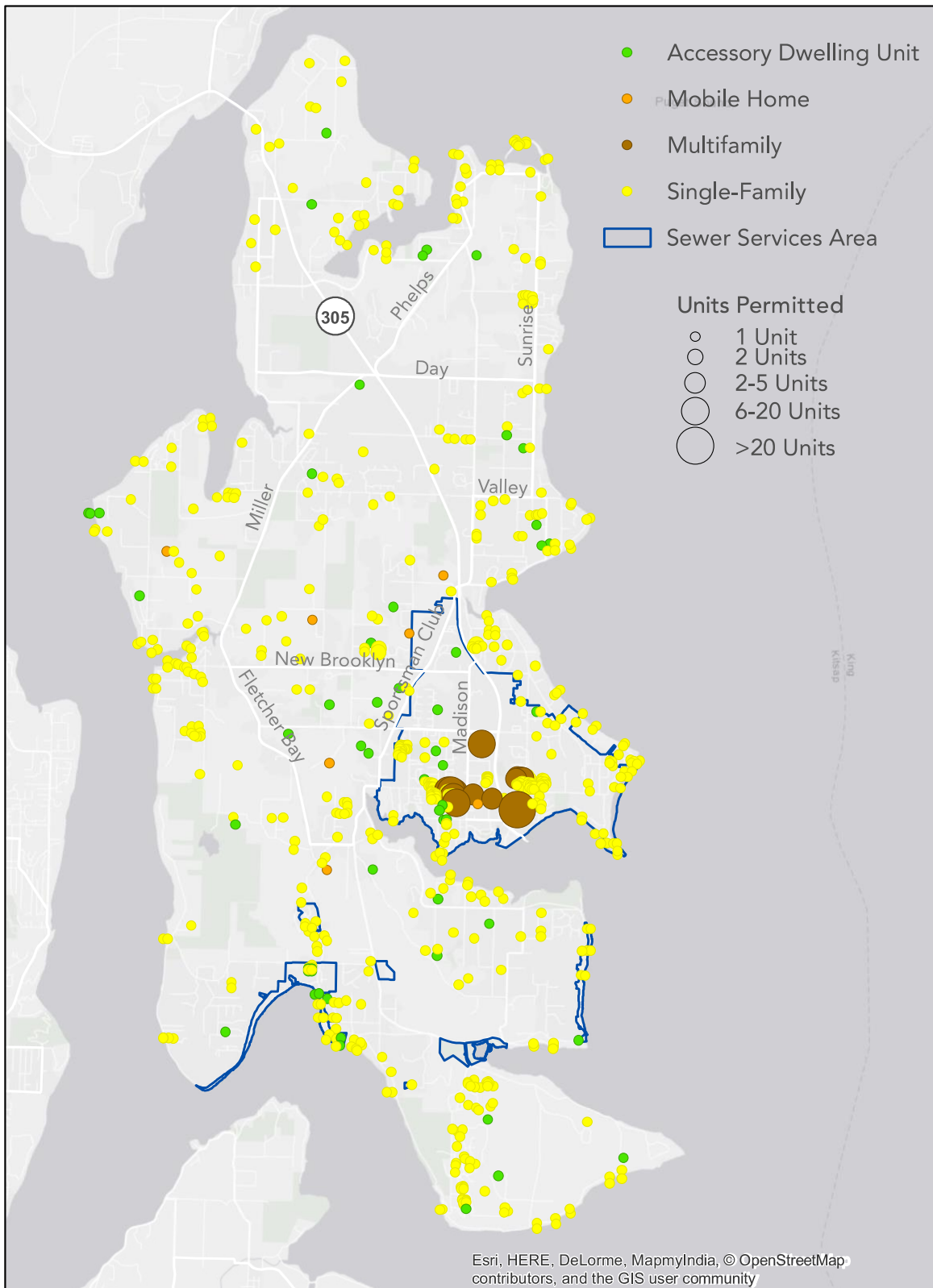


Source: City of Bainbridge Island

Note: Pipeline includes permits that have been issued but not finalized.

Exhibit 6 shows the geographic distribution of residential building permits. Permits for single-family homes and accessory dwelling units are distributed throughout the island. Multifamily permits are concentrated in Winslow where the zoning allows denser residential uses.

Exhibit 6. Location of Building Permits by Type, 2008-2018

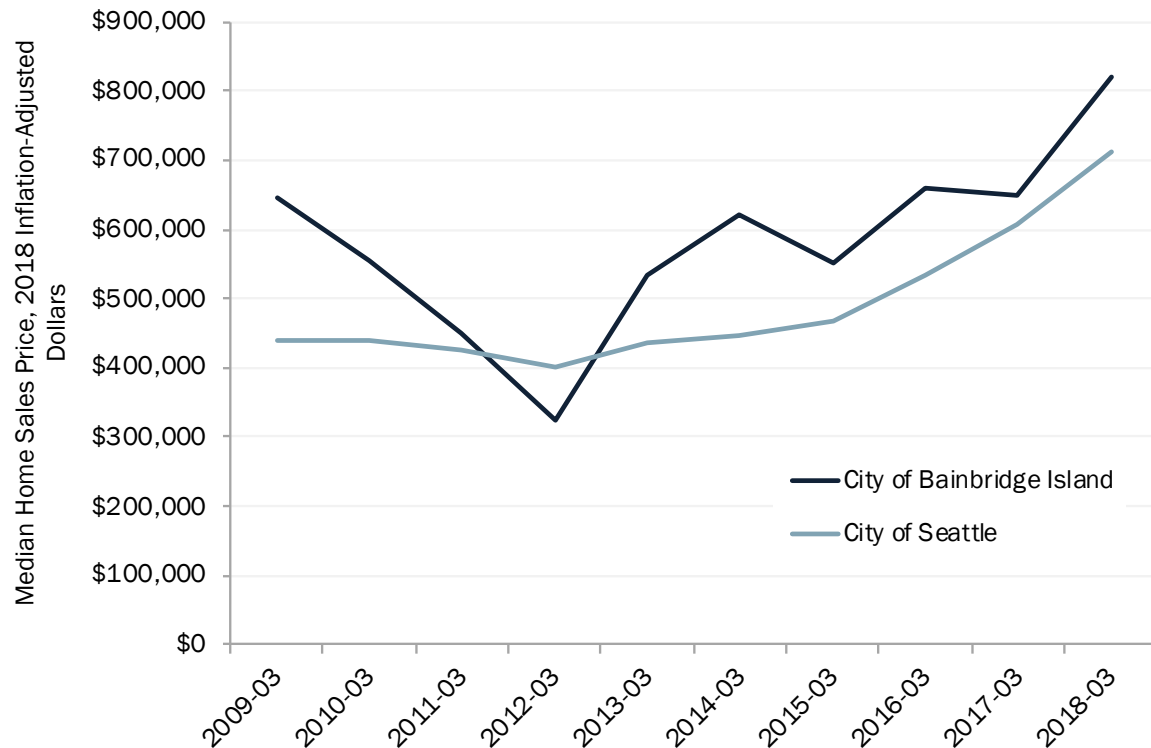


Source: City of Bainbridge Island

Large Increase in Home Prices

In inflation-adjusted dollars, the median sales price for a home in Bainbridge Island has increased 27 percent in the last ten years, from \$719,000 in 2009 to \$820,000 in 2018. Exhibit 2 compares the changes in adjusted sales prices in the month of March of each year to median sales prices in Seattle. While the adjusted sales price in Seattle is lower, with the exception of 2012, than the annual median sales price for Bainbridge Island, the sales prices in both cities follow a similar trend.

Exhibit 7. Adjusted Sales Prices in Bainbridge Island and Seattle MSA (2018 \$)



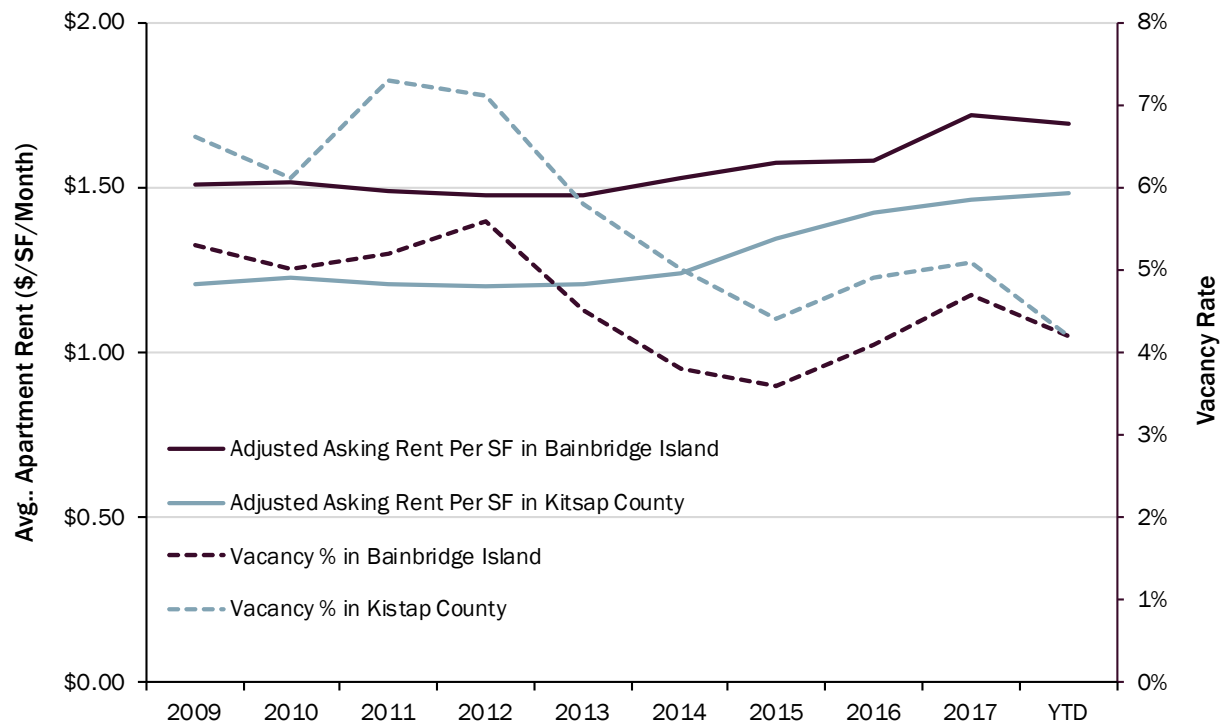
Source: Property Radar, 2018 & Zillow Research, 2018.

Apartment Market has Strong Fundamentals

The market fundamentals for apartments indicate a tightening market as vacancies have declined and average rents have increased. In 2009, the vacancy rates for multifamily housing units in Bainbridge Island and Kitsap County were over five percent and six percent, respectively, but both decreased to 4.2 percent in 2018. As vacancy rates have declined, competition for a limited supply of housing has increased, resulting in a rise in average rents.

In Bainbridge Island, the average asking rent per square foot a month has increased from \$1.51 per square foot to \$1.69 in 2018 adjusted for inflation. This represents a 12 percent increase in average rents in the last 10 years. A \$1.69 per square foot per month rent is equivalent of \$1,690 a month for a 1,000 square foot two-bedroom apartment. Average rents in Bainbridge Island are about 15 to 20 percent higher than those in Kitsap County, overall.

Exhibit 8. Average Apartment Rent Per SF and Vacancy, 2009 – 2018 (2018 \$)



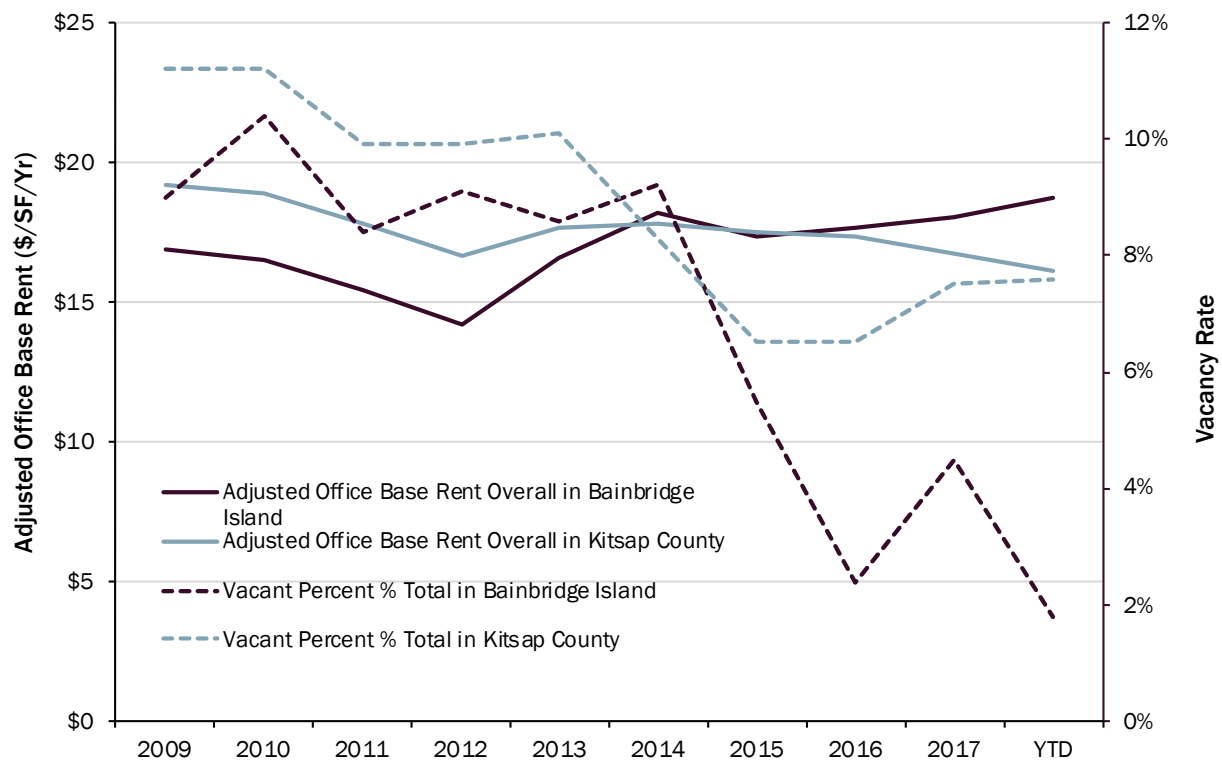
Source: CoStar, 2018

Office Market is Improving

The office market in Bainbridge Island has also shown improving fundamentals. Most notably, the vacancy rate for office units in Bainbridge Island dropped over eight percentage points from 2009 to 2018; the current vacancy rate is less than two percent. In response, average office base rents, as shown in Exhibit 9, have increased from a low of \$14.14 per square foot per year in 2012 to \$18.70 in 2018.

While the office vacancy rate also fell for Kitsap County, office rents have also declined. As of 2018, average office rents in Kitsap County are \$16.08 per square foot, which is now less than in Bainbridge Island.

Exhibit 9. Change in Vacancy and Adjusted Office Base Rent Overall, 2009 – 2018 (2018 \$)



Source: CoStar, 2018.

3 Recent Development Examples

Recent development projects in Bainbridge Island provide a benchmark on the scale and intensity of building the current market can support. Below are examples of projects recently built or currently under construction in Bainbridge Island.

Office Developments

Bainbridge Island CrossFit

9440 Sportsman Club Rd NE, Bainbridge Island

Year Built: 2017

Stories: 2

Size: 12,000 SF

Rent: \$13.00- \$16.00 / NNN

Current Tenants: CrossFit



Island Gateway

204 Ravine Ln NE, Bainbridge Island

Year Built: 2010

Stories: 3

Size: 37,626 SF

Rent: \$20.00 – 24.00 / SF

Vacancy Rate: 0%

Current Tentants: NA



Multifamily Developments

Bainbridge Landing

259 Ferncliff Ave., Bainbridge Island

Year Built: Under construction (delivers April 2019)
Units: 107
Stories: 4 | Buildings: 8
Parking: Ground-level and surface parking
Total Floor Area: 100,000 SF
Average Unit Size: 763 SF
Unit Mix: 70% (1-Bed)
30% (2-Bed)



Grow Community – Condos (The Tsuga)

221 Wyatt Way NE, Bainbridge Island

Year Built: 2015
Units: 15
Stories: 3 | Buildings: 1
Rent: NA
Total Floor Area: 21,174 SF
Parking: Ground-level and Surface Parking
Average Unit Size: 1,412 SF
Unit Mix: 100% (1-Bed)



Single Family Developments

Grow Community - Townhomes

Ambrose Lane NW, Bainbridge Island

Year Built: 2013
Square Feet: 1,500 – 1,800
Sales Price: \$600,000 - \$800,000



Winslow Grove

NE Winslow Grove Court, Bainbridge Island

Year Built: 2018
Square Feet: 3,000 – 4,200
Sales Price: + \$1.1 million



These project examples indicate:

- Office and commercial developments are likely to be modest in size (both height and total area).
- Current apartment rents and sales prices can support multi-story buildings with a mixture of ground-level and surface parking.
- A variety of single-family home types are in demand from larger single-family homes to smaller, more compact options, such as townhomes.

4 Demand Outlook

The real estate market trends and recent development examples point to a city that is seeing an increase in demand, primarily for housing development of all types. This uptick in demand has occurred relatively recently. For much of the 2010's the city did not realize much new development following the effects of the recession in 2008. As a result, housing supply has been lagging housing demand and rents and sales prices have been increasing, particularly the over the last five years.

A continuation of these growth trends and historically low vacancies indicate there will likely be demand for more housing (single-family and multifamily) in the future. The resulting increase in population will also drive the demand for additional commercial space to provide goods and services.

4.1 Outlook by Use

- **Single-Family Outlook.** Demand for single-family homes in Bainbridge Island is likely to continue. The city has a high quality of life and has direct access to downtown Seattle. As the region continues to grow and home prices in Seattle increase, Bainbridge Island will potentially see even greater demand.

As land values increase Bainbridge Island, the market for single-family homes will increasingly be for both smaller housing forms (such as townhomes and small-lot homes) and larger, higher-end homes to justify the higher cost of land.

- **Multifamily Outlook.** Low vacancies and increasing rents indicate increasing demand for apartments as well. Recent multifamily developments are three- to four-stories with parking integrated into the ground level. As land values increase, taller apartment or mixed use buildings will likely be viable.
- **Office Outlook.** The office market in Bainbridge Island has also shown improving fundamentals. Office vacancies have decreased sizable from over ten percent in 2010 to less than two percent in 2018. In response, office rents in Bainbridge Island have increased at a rate of 2.1 percent a year to \$18.70 per square foot per year by 2018. Future office development will likely not be a primary driver of growth, and it is also likely to be oriented to smaller office users. As a result, future projects will likely continue to be small in scale.

4.2 Implications for Development Incentives

For a development incentive program to be effective it needs to align with where development is occurring, the uses that are demanded, and the intensity of that development. The real estate market conditions in Bainbridge Island indicate there is an opportunity for the utilization of development incentives.

Winslow has the most potential for future development

Winslow has realized much of the new growth in Bainbridge Island, which aligns with the City's comprehensive plan. Winslow has the infrastructure, specifically water and sewer service, to accommodate future growth. Winslow is also an attractive location for development because of the proximity to the ferry terminal.

Neighborhood Centers have Limited Potential Due to a Lack of Infrastructure

In the comprehensive plan, neighborhood centers are designated for more intense development. With the exception of Lynwood Center, a lack of infrastructure (primarily water and sewer service) limit the development potential of these areas. The capacity and use of development incentives within these areas will be tied to the provision of the necessary infrastructure.

Residential uses present the best opportunity for utilizing development incentives

Most of the recent development and permit activity in Bainbridge Island is for single-family housing. More recently, multifamily housing, particularly in Winslow, is also realizing sizable new developments. As a result, development incentives should focus on leveraging demand for these uses.

Residential projects will want to maximize density

Future projects may be looking to increase densities (i.e. smaller lots and more units per acre for single-family homes and more height and building area for multifamily projects). This demand can be leveraged to support both the purchase of development rights and the creation of affordable housing as part of a City's development incentive programs.

DATE: September 26, 2018
TO: Jennifer Sutton
FROM: Morgan Shook and Erik Rundell, ECONorthwest; Nick Bratton and Bree Nicoletto, Forterra
SUBJECT: TDR AND INCLUSIONARY ZONING TASKS 2-4 SUMMARY

Introduction

Assessing the prospects for TDR and inclusionary zoning requires real estate market and policy understanding

The City of Bainbridge Island is evaluating its inclusionary zoning and transfer of development rights (TDR) programs to understand how these programs can be better utilized to support citywide efforts for land conservation and affordable housing development. Development incentive programs are complex and must be responsive to a constantly changing real estate market. The purpose of this study is to understand the real estate market conditions, evaluate the City's existing incentive provisions, and to recommend potential changes to the existing provision based on thorough analysis of different policy options and development feasibility.

The consultant team of ECONorthwest and Forterra have been working on the initial phases of work (Tasks 2–4) over the last three months. The project is currently at a mid-point, and the consultant team is seeking to brief the City Council on initial research and findings from these tasks. Secondly, the consultant team is seeking input and direction on the priorities and questions to address through the remaining analytical tasks of the study.

This memorandum summarizes the work on Tasks 2–4, which includes:

- Current real estate market conditions and trends;
- Existing city policies related to growth, land conservation, and development incentives;
- An evaluation of opportunities for TDR; and
- Key issues for the subsequent tasks and remainder of the study.

Near-term next steps for the study include the analysis of incentives and policy options, which the consultant team will complete by the next project check-in with City Council. These tasks include:

- Establishing the building types and the related zoning provisions to include in the analysis (i.e. single-family homes, multifamily housing, multi-story mixed use projects, or office buildings).
- Specify the public benefit component of development incentives, such as the number and income levels for affordable housing or development rights.
- Analyze baseline feasibility of the established building types with the current incentive provisions and effects of the policy changes to the incentives.

Real Estate Market Overview

Understanding the current real estate market conditions is critical to designing an effective development incentive program. Key questions for the real estate market assessment include:

- What uses and building types are in demand?
- What building forms and intensities are likely to be built in the current market?
- How much will likely be built on an annual basis?

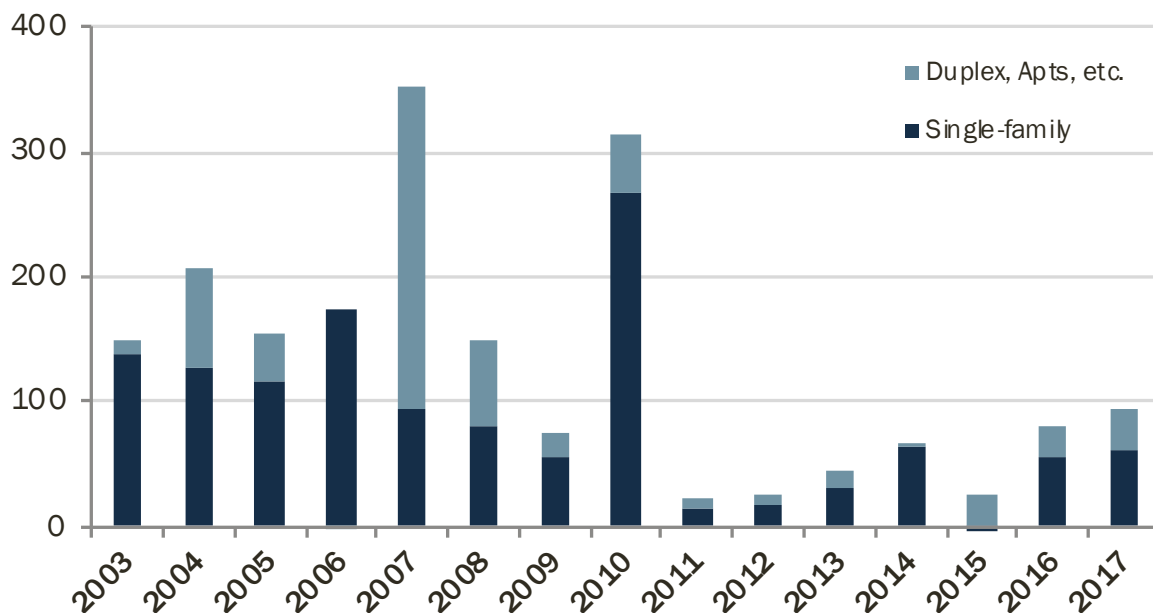
Understanding the answers to these questions informs the evaluation of the City's existing incentive provisions and informs the policy options the consultant team will analysis in subsequent tasks.

Key Real Estate Market Trends

Improving market conditions have spurred new real estate investments.

Bainbridge Island has realized increasing growth and stronger market fundamentals, particularly for housing, during the last five years. However, the number of housing units built over the last several years is still below the pre-2008 recession averages. Since 2010, the city averaged about 50 new housing units a year. During the five years before the recession (2003–2008) the city averaged over 190 housing new units a year. Exhibit 1 below shows the annual number of housing units built, which has lagged demand.

Exhibit 1. Annual Housing Units Change for the Last 15 Years, 2003–2017



Source: Washington Office of Financial Management, 2018

* Note, the 2010 estimate is likely excessively large to account for underestimates in previous years and to match the 2010 Census totals.

During this period prices for housing (both sales price and rents) have increased and exceeded pre-2008 recession levels. The increases in price reflect increasing demand and lagging supply for rental housing and for-sale housing. Key market trends are summarized below.

- **Building Permits.** Building permit activity for new development in the City of Bainbridge Island has increased since 2008. Single-family permits accounted for the greatest number of permits issued in a given year, with 75 percent of all permits issued since 2008, and have steadily increased since 2008. In 2017, 120 housing units were permitted. As of August 2018, permits have been issued for 327 total units. Over 200 of those permitted units been multifamily units, far exceeding the multifamily total for the previous ten years.
- **Home Prices.** In inflation-adjusted dollars, the median sales price for a home in Bainbridge Island has increased 18 percent since 2008 to \$785,280 in 2018. A variety of single-family home types have been built in the city from large single-family homes to smaller, more compact options, such as townhomes.
- **Multifamily Use.** The market fundamentals for apartments indicate a tightening market as vacancies have declined and average rents have increased. Based on CoStar (a proprietary commercial data source), as of 2018, average apartment rents in the city are \$1.69 per square foot per month of rent, which is equivalent to \$1,690 a month for a 1,000 square foot two-bedroom apartment. The vacancy rate is 4.2 percent. Current apartment rents and sales prices can support multi-story buildings with a mixture of ground-level and surface parking.
- **Office Uses.** The office market in Bainbridge Island has also shown improving fundamentals. Office vacancies have decreased sizably from over ten percent in 2010 to less than two percent in 2018. In response, office rents in Bainbridge Island have increased at a rate of 2.1 percent a year to \$18.70 per square foot per year by 2018. Recent office developments have been modest in size totaling 12,000 to 15,000 square feet.

The real estate market trends and recent development examples point to a city that is seeing an increase in demand, primarily for housing development of all types. This uptick in demand has occurred relatively recently. For much of the 2010s, the city did not realize much new development following the effects of the recession in 2008. As a result, the housing supply has been lagging housing demand and rents and sales prices have been increasing, particularly over the last five years.

A continuation of these growth trends and historically low vacancies indicate there will likely be demand for more housing (single-family and multifamily) in the future. The resulting increase in population will also drive the demand for additional commercial space to provide goods and services.

Implications for Development Incentives

For a development incentive program to be effective it needs to align with where development is occurring, the uses that are demanded, and the intensity of that development. The real estate market conditions in Bainbridge Island indicate there is an opportunity for the utilization of development incentives.

Winslow Has the Most Potential for Future Development

Winslow has realized much of the new growth in Bainbridge Island, which aligns with the City's comprehensive plan. Winslow has the infrastructure, specifically water and sewer service, to accommodate future growth. Winslow is also an attractive location for development because of the proximity to the ferry terminal.

Neighborhood Centers have Limited Potential Due to a Lack of Infrastructure

In the comprehensive plan, neighborhood centers are designated for more intense development. With the exception of Lynwood Center, a lack of infrastructure (primarily water and sewer service) limit the development potential of these areas. The capacity and use of development incentives within these areas will be tied to the provision of the necessary infrastructure.

Residential Uses Present the Best Opportunity for Utilizing Development Incentives

Most of the recent development and permit activity in Bainbridge Island is for single-family housing. More recently, multifamily housing, particularly in Winslow, is also realizing sizable new developments. As a result, development incentives should focus on leveraging demand for these uses.

Residential Projects Will Want to Maximize Density

Future projects may be looking to increase densities (i.e. smaller lots and more units per acre for single-family homes and more height and building area for multifamily projects). This demand can be leveraged to support both the purchase of development rights and the creation of affordable housing as part of a City's development incentive programs.

Current Policy Context

In addition to being responsive to real estate market conditions, a development incentive program needs to be responsive to the City's existing goals and policies related to growth. This section summarizes the City's growth policies with a focus on those most relevant to the TDR program and affordable housing incentives.

Comprehensive Plan and Growth Management

The City's growth strategy—embodied in its comprehensive plan—is to concentrate growth in designated centers, which include Winslow, Lynwood Center, Rolling Bay, and Island Center. The types of housing and commercial uses prioritized through comprehensive plan policies in these areas include mixed-use development, small to mid-size single-family housing units, multifamily, tiny houses, accessory dwelling units, and cottage housing. The City is yet to adopt code enabling all these housing types, however. These areas also have or are planned to have the infrastructure to accommodate growth. Winslow specifically is intended to have denser residential and commercial development, as it is located near the ferry terminal and is the city center. The other designated centers are intended to offer housing and small-scale commercial uses and services outside of Winslow.

The lands outside of these designated centers are conservation areas, which minimize the impact of the built environment and protect aquifers, surface waters, and fish and wildlife habitat. Many of the City's conservation priorities are driven by the desire to protect the island's drinking water and aquifer system. Infrastructure and access to utilities also inform much of where Bainbridge Island directs growth.

Conservation Policies

The City has undertaken policies and actions to support resource conservation on the island.

- The TDR program establishes all properties located outside of designated centers, i.e. conservation areas, as development rights sending areas.¹ The program also permits agricultural land to be designated as a sending area through sale or transfer of development rights (at a higher rate), as well as allows property owners to donate all or a portion of their development rights to the city.
- The City updated its Critical Areas Ordinance earlier this year to better address priorities identified in the Comprehensive Plan and recommendations provided by the Washington Department of Fish and Wildlife.
- The City prepared an open space plan in 2008, which focused on identifying priority open space lands based on biodiversity values, ecological integrity, recreation, and historical/cultural values. Many of the higher-ranked priority lands are those adjacent to

¹ Bainbridge Island Municipal Code (BIMC) Chapter 18.27.020 *Development Rights Sending Areas*.

existing open spaces and dedicated parks, providing connected, high-quality habitats and working lands.

- The City also emphasizes the importance of protecting conservation areas through the public acquisition of certain properties, and tools such as aquifer conservation zoning and conservation villages to minimize development footprints.

Zoning and Development Incentives

The City's zoning code is one of the primary methods for implementing the City's growth strategy, and development incentives are a zoning-based tool. The City has a range of development incentives to support open space, affordable housing, the Purchase of Development Rights (PDRs), provision of public infrastructure, ferry parking, and the preservation of heritage trees and historic structures. As a tool for the City's growth strategy, existing development incentives encourage growth in areas identified as Designated Centers to leverage desired community benefits. The incentives relevant to this study are those for the TDR program and affordable housing.

Incentives for Using the TDR Program

For the TDR Program, existing receiving sites for development credits include Winslow, High School Road, and other neighborhood centers.

- **Neighborhood Centers.** In the neighborhood centers, incentives focus on additional density, providing an additional one to two units per acre with use of TDR and public sewer and water.²
- **Winslow and High School Road Districts.** These areas are eligible for density increases (via a higher FAR) up to the maximum bonus limit through purchasing development rights.

Incentives for Providing Affordable Housing

The City currently has multiple incentive provisions in place to increase the production of affordable rental or for-sale housing units. All the affordable housing related incentive programs are voluntary, and the mechanisms and bonuses allowed depend on the specific zone.

- **Residential Density Bonus Provisions.** The City allows increased density (through more units or floor area) above the base requirements with the provision of affordable housing units.
 - Residential Zones: Residential subdivisions in residential zones can receive a density bonus³ (higher units per acre) for every affordable unit provided above the base density requirements. Housing developments can receive density increases up to 50 percent above the base limit. All additional (or bonus) units must be affordable to

² BIMC 18.12.030.D *Bonus Density in NC District*.

³ BIMC 18.21

households at or below the defined low-income threshold (51-80 percent of area median income, or AMI).

- Neighborhood Centers: Projects within designated Neighborhood Centers can receive a density bonus of an additional one to two units per acre by providing affordable housing for low income households (51-80 percent of AMI).
- Winslow Mixed Use and High School Road Districts: Projects within either of these two districts may receive bonus floor area above the base Floor Area Ratio (FAR) up to the maximum FAR limit for additional floor area dedicated to affordable housing units. The level and mix of affordability depend on the overall size of the project. Projects less 10,000 square feet have to provide units affordable to at least moderate income households (81-95 percent of AMI). Larger projects, those over 60,000 square feet, must provide at least 10 percent of the bonus area for at least low income households 60 percent for moderate income households, and the remaining 30 percent of the bonus area for middle income households (96-120 percent of AMI).
- **Housing Design Demonstration Projects (HDDP)**. The HDDP is an optional development process that provides more flexible design standards as well as density bonuses for residential housing projects that provide a diversity of unit sizes, meet green building standards, and where all units are designated affordable units.

The program has four tiers of density incentives based on the level of green building and affordable housing provisions met. Projects qualifying for Tier 1 do not receive any density bonus, while Tier 4 projects can receive a bonus of up to 2.5 times the base density or the maximum FAR allowed.

Single-family subdivisions and multifamily developments (including mixed use buildings) within the Winslow Study Area of the Winslow Master Plan and Winslow Sanitary Sewer System Service Area are eligible to participate in the program.

TDR Opportunity Evaluation

The real estate market conditions and City's growth policies provide the framework for optimizing the development incentives, including the TDR program. The evaluation of opportunities for the TDR program addresses how and where TDR can work within Bainbridge Island. This section summarizes three key topics from the evaluation and lists policy options for the City Council to consider for further analysis.

What areas should be prioritized for conservation?

Currently, the entire island outside of designated centers is designated as a potential sending site (referred to as "conservation areas" in the comprehensive plan). As a result, all potential properties are assumed to have comparable conservation value. When developers seek to purchase TDR credits, they typically look for the best value, all else being equal. If a sending site is defined too broadly, developers (i.e. the market) will gravitate towards less expensive credits that may not result in protecting land with the greatest conservation value or may result in fragmented conservation. To better achieve conservation priorities, sending sites should be evaluated based on conservation value and be clearly defined. Alternatively, the City could maintain a wider array of sending sites to expand the range of participants while specifying priorities within eligible lands. This improves predictability for program users, as the market is more clearly delineated. It also provides the opportunity for coordinated outreach to those who may be interested in selling their development rights and conserving their land.

Opportunities for Collaboration

Recently, the Bainbridge Island Land Trust (BILT) compiled a Conservation Value Index that brings together data from twenty-two sources to inform which lands have high ecological value. Due to the breadth and depth of this project, the City may consider aligning its TDR program conservation goals in part with the priorities identified by the land trust.

Generally, Bainbridge Island Land Trust prioritizes shorelines and "wildlife networks" (intact areas that provide ecological services). Roughly 40 percent of these areas feature some level of development. As of now, there are thirty-five large parcels remaining on the island (minimum ten acres in size). The Land Trust is focusing on protecting these large parcels, but it will need to address the assemblage of smaller parcels in the future. Furthermore, the Land Trust anticipates to no longer have the category of undeveloped or unprotected lands by 2028, meaning all lands will either be built out or protected by that time.

Options for Revising Sending Site Priorities

The City may consider the following options for changing what areas are prioritized for conservation:

- Categorize sending sites based on zoning, current use, or conservation value. For example, all lands zoned R-0.4 with a minimum acreage to enroll.

-
- Refine sending sites to reflect a more nuanced approach to conservation. This could include retaining existing sending site classifications but prioritizing areas with special attributes, such as:
 - Land currently in agricultural use,
 - BILT's conservation priorities,
 - Defined critical areas (see BIMC 16.20),
 - Land adjacent to protected property.

Where Should Development Credits Go?

Receiving sites are those areas that the City considers appropriate for additional growth and where it wants to encourage the use of TDR. One of the challenges identified in the 2006 Makers/Community Attributes TDR program review was a need for additional receiving area capacity. As a market-driven tool, having sufficient demand is an essential component for TDR success. One factor for leveraging demand is providing sufficient opportunities for developers to use the tool.

Through outreach and interviews with the development community, we learned where demand for growth is concentrated, what kinds of products are desirable, and what constraints limit their ability to provide projects that meet market demand and are consistent with the City's vision. The main themes we heard from the development community were:

- A need for additional building area, height, or FAR (in Winslow particularly, more density in general),
- Design flexibility, and
- Regulatory streamlining to facilitate permitting of projects.

Opportunities for How Development Credits Can be Placed

The Council may consider certain changes to existing incentives to increase the utilization of the TDR program, which varies by the receiving area. The table below lists potential incentives that could be implemented.

Receiving site	Potential incentives	Example of use
Winslow	Residential Density (FAR) Increased height Design flexibility	X addl. s.f. up to max FAR X addl. feet up to max height Off-site parking, setbacks, lot coverage
Neighborhood Centers	Additional units/density	Allow 50% density increase in Lynwood R-12 zone
Industrial/commercial	Commercial floor area	Development rights transferred to commercial floor area - X addl. s.f. up to max %
Single-family zone (island-wide)	Additional units/density	Allow an upzone from R-2 to R-2.9 or R-3.5
Single-family zones (in or near Winslow)	Reduced lot size	Within higher SF zones, allow for smaller lot sizes with TDR—similar to a cluster provision
ADUs	Expedited permitting/larger area	Use of TDR allows additional floor area and expedited permitting
Other	Special provisions/Development agreement	Bethany Lutheran Church project

As an alternative to developers buying TDR credits for additional density in receiving areas, the program could charge a density fee. A density fee could be practical if the market economics require a large exchange rate, which would make it impractical for smaller projects to use TDR. Instead of buying TDR credits from sending sites, developers pay a fee to the City and the City manages the funds. The City can then either purchase conservation easements from willing sending site landowners or pass the funds to a third party (i.e. public-private partner model) to pursue conservation acquisitions. This would simplify the program considerably for the users but would shift transaction costs to the City or a partner. The findings of the economic analysis of this study will inform the viability of this approach.

Options for Expanding Demand

- Introduce incentives that developers value and will pay for that reflect the desired development types in each receiving area.
- Expand demand by creating new opportunities for achieving higher densities through upzones in portions of Winslow.
- Pursue a portfolio approach to generating demand for TDR. It is unlikely that any individual category of receiving area will drive significant demand, so expanding the range of potential opportunities to use the tool across a range of receiving sites will increase the chances of program success.
- Implement a density fee approach to ease barriers to participation in the TDR program.

How Should the TDR Program be Administered?

An administrative model provides the mechanism by which parties in a marketplace can buy and sell TDR credits. The administrative model does not drive marketplace activity, rather it

creates a process for the market to function. Beyond the basic roles that a city should perform in operating a TDR program, there are three general types of administrative models:

- Private market with public support,
- Complete city ownership, and
- Public-private partnership.

Currently, the City's TDR program is through private market interactions (administrative model 1).

Under all three models, the essential functions of a city remain the same in administering a TDR program:

- Determination of sending site eligibility—Under the terms of the program, can an interested landowner sell development rights from a property? Do the property attributes of an interested landowner meet the conservation goals and eligibility criteria of the program?
- Processing program applications and certification of credits for sending site landowners—How many TDR credits should a property be granted based on its attributes?
- Processing TDR credit use in receiving site projects in conjunction with permitting—When and how should a developer submit TDR credits to the city during the development process?
- Credit extinguishment and tracking—Which credits have been used? How is the program performing?

Options for Program Administration

Beyond these elements, there is a continuum of how actively involved the City may choose to be in the operation of the program. Each administrative model is described in more detail below.

- **Let the private market lead and the City provide support.** In this model the buyers and sellers of credits complete transactions within the private market. The City could take a greater role in supporting the marketplace. Examples of additional steps the City might take include:
 - Creating an informative website detailing the program and how to participate from both a buyer's and seller's perspective.
 - Creating online program applications and providing links to resources to help landowners certify their credits (assessor website, parcel maps, etc.).
 - Maintaining a public register of landowners who are willing to sell credits and developers seeking to buy credits.

-
- Actively recruit participants, marketing the opportunity to landowners and developers, architects, land use attorneys, and development consultants.

This approach has been successful in other programs around the region (Tacoma, King County, Redmond, Bellevue) and it provides the essential services of informing prospective users of how the tool works and encouraging participation. These steps can be substantial investments in time, effort, and resources to set up with no guarantee that they will yield increased program activity.

- **The City plays an active role in administering the program.** In this model the City would act as buyer and seller of TDR credits, effectively becoming a public TDR bank. If the City adopts a density fee transaction model (discussed below), the public sector could be an appropriate administrator of the funds and manager of transactions.

The City has the financial tools to play this role and already manages public assets. This administrative model requires a higher capacity to operate and by extension would likely have higher operating costs than other models. In other communities, landowners have expressed a preference for working with private entities on conservation transactions. King County uses this model successfully.

- **The City creates a public-private partnership.** Under this scenario the City retains basic program functions but contracts a portion of administrative responsibility to an external, private entity. The partner could perform roles such as marketing, recruiting participants, buying and selling credits, and stewarding conservation easements.

The Bainbridge Island Land Trust and Parks District expressed openness to playing such a role in an expanded TDR program. There is alignment between the conservation goals of these organizations and the TDR program. However, the purview of an expanded TDR program could potentially have a broader mandate than the land trust's or district's individual missions.

Organizations such as land trusts have real estate transaction expertise and could potentially play a role in the stewardship of easements. However, the City must ensure that the private partner is acting in the public interest and that valuation methodologies are fair and do not constitute gifts of public funds. All of these can objectives be managed through clear guidance. Depending on the number of properties conserved, it may be more effective for the City to hold, monitor, and enforce easements.

Key Issues for Future Tasks

Based on the findings from the initial phases of work, the remainder of the study will examine the specific changes to incentive program mechanisms and potential regulatory changes to optimize the utilization of incentive programs for both TDR and affordable housing. These tasks will require working with City staff and the City Council to get input and direction on several key questions and assumptions for the analysis, including 1) the types of buildings to analyze for the feasibility analysis and 2) the policy options to evaluate.

Building Types to Analyze

The first item for the analysis will be determining building types and site considerations to be included in the financial feasibility evaluation. Based on the findings from the market analysis, the consultant team recommends focusing on residential uses including:

- Single-family developments,
- Multi-story, multifamily developments, and
- Residential mixed use developments.

Policy Options to Analyze

In addition, the evaluation of the TDR program and inclusionary zoning for affordable housing each has their own individual policy questions to address. Below are the key policy questions for the analysis of the TDR program and inclusionary zoning and the consultant team recommendations.

TDR Analysis Questions

- Should the City keep the existing sending sites or reprioritize sending areas?
 - Recommendation: Refine priorities to emphasize protection of lands with the highest conservation values while retaining a sufficiently large pool of potential sites.
- Should the City expand demand opportunities in receiving sites? If so, where and through what mechanisms?
 - Recommendation: Better connect the TDR program to development demand by pursuing a portfolio approach as outlined in the receiving area table above.
- What development incentives – such as increased density, more FAR, commercial floor area, etc. – should the analysis evaluate?
 - Recommendation: Tailor the incentive to the development type and receiving area growth objectives. For example, more units/smaller lot sizes in single-family zones, increased height and/or FAR in multifamily zones, and more commercial floor area in commercial/industrial zones.
- What type of TDR administrative model is the City interested in using, and how active a role should the City have in that model?

-
- Recommendation: Explore a potential public-private partnership to operate the program where the City performs essential public functions and a private partner is responsible for marketing, engagement, and real estate transaction. The upcoming feasibility analysis will inform potential decisions about whether the program should focus on the purchase and sale of TDR credits in a private marketplace (status quo) or shift to a fee-in-lieu approach.

Inclusionary Zoning Questions

- What incentive zoning mechanisms, such as more height, more density, less parking required, should the analysis evaluate?
 - Recommendation: City code already allows an increase in height and density for bonus area, which will be included in the base analysis. However, additional maximum height or density levels may better incentivize development. City input on the maximum thresholds (height and/or density) would establish parameters for the analysis.
- What levels of affordability (percent of area median income) should the analysis include?
 - Recommendation: City code also establishes levels for affordability. Inclusionary zoning is best suited for providing low income (affordable to 51-80 percent of AMI) to moderate income housing (affordable to 81-95 percent of AMI).
- Should the inclusionary zoning program be voluntary or mandatory?
 - Recommendation: This policy question can be addressed later after the results of the financial feasibility analysis are presented.

Based on direction from the City on these questions, the consultant team will conduct a financial analysis to estimate baseline development feasibility of a select number of building prototypes and test the effect of different development assumptions and policy choices on financial feasibility.

Lastly, the consultant team will use these results and input and direction from the City Council to make recommendations related to program specifications for a TDR program and/or an inclusionary zoning program.

DATE: November 28, 2018
TO: Jennifer Sutton, City of Bainbridge Island
FROM: Morgan Shook and Erik Rundell
SUBJECT: DEVELOPMENT ANALYSIS SUMMARY

Project Update and Overview

ECONorthwest is evaluating Bainbridge Island's inclusionary zoning and transfer of development rights (TDR) programs to understand how these programs can be better utilized to support citywide efforts for land conservation and affordable housing development. In October, the consultant team of ECONorthwest and Forterra presented our evaluation of current real estate market conditions and TDR program policies opportunities.

At the October meeting, we received guidance from City Council to assess the potential of the current incentive program to provide "workforce" affordable housing (affordable to households earning 60-80% of the median income) and use TDR credits. The Council was mainly interested in focusing on Winslow Village area with mixed use zone and zones allowing greater densities than the R-2 zone. Specifically, there was some interest in the development potential of the High School Road district and zones near the ferry terminal. Overall, there was a desire to better understand what building types would make the affordable housing incentives work and understand the implications of a mandatory versus voluntary incentive program.

The development analysis evaluated the financial feasibility of three different building types in the context of the appropriate zone. These prototypes included single-family housing (R-2.9 zone), garden apartments (HSR-1 zone), and residential mixed use building (Central Core overlay zone). The analysis assessed development feasibility under base zoning conditions and the value of different development incentives, including:

- The effect of the current incentives under city code (more building area or units),
- The effect of changes to the current incentives to allow greater density, and
- The effect of a Multifamily Tax Exemption (MFTE) and other incentives.

Key Findings

Overall, the development analysis found that current base zoning and available incentives will likely not support the dedication of public benefits for TDR or affordable housing. While the current incentives increase the value of each of the building types analyzed they do not create enough value to capture to public benefits for the City in the land use code (e.g. land conservation and affordable housing). Further, the price for property in Bainbridge Island is relatively high due to the scarcity of infrastructure and limited development sites. Vacant properties typically cost less than developed parcels and are more likely to be financially feasible to develop at similar market conditions. As a result, the building type analyzed are not financially viable (even with the current incentives) on more costly, developed sites.

To improve financial feasibility on costlier sites, development projects need more physical scale, primarily through increasing the amount of building square feet and potentially increased building heights. To allow more scale, the City would need to allow more density through increasing floor area ratios (FAR) in zones such as High School Road-1 and Central Core. Additional incentives, such as a multifamily tax exemption program or reduced parking requirements, may be necessary to make incentives more appealing and increase the public benefits realized.

The City has several strategic options for refining its incentive zoning program. One broad option is to consider expanding the areas where denser development can be built to increase the number lower cost development sites available where projects would be financially viable. Second, the City can optimize its zoning provisions to increase the potential for development and the realization of TDR purchases and/or affordable housing units. The City can approach this in a few ways. The City can adjust and streamline the base zoning, it can increase density allowed under the current incentive program, and/or the City can add a voluntary MFTE program or other additional incentives, such as reduced parking requirements.

December 4, 2018

City of Bainbridge Island TDR / IZ Development Analysis

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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Key Study Questions

- What is the current opportunity to use the land use code to achieve public benefits (e.g. TDR and Affordable Housing)?
- What code changes limit or could support public benefit desires?
- What other incentives could be used to support public benefit desires?

Zones

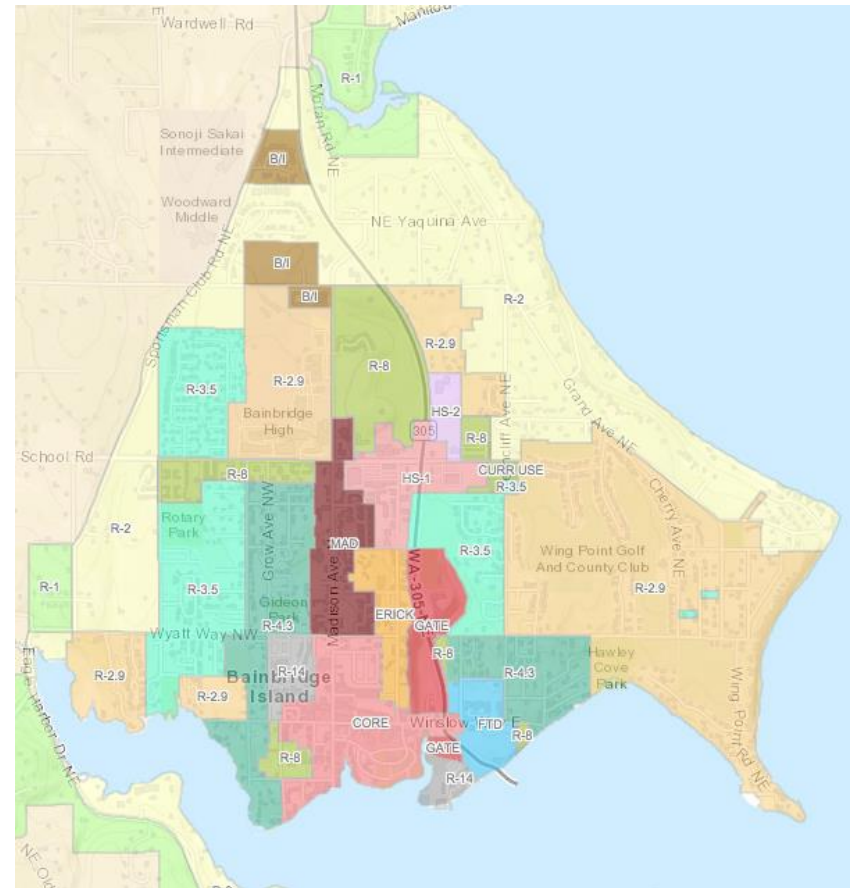
- > R-2 zoning and near ferry terminal
- Opportunities in HS Road district

Public Benefits

- Focused on “workforce” affordable housing (60-80% of median HH income)
- Assess what building types make affordable housing work
- Prioritize conservation island-wide

Program Options

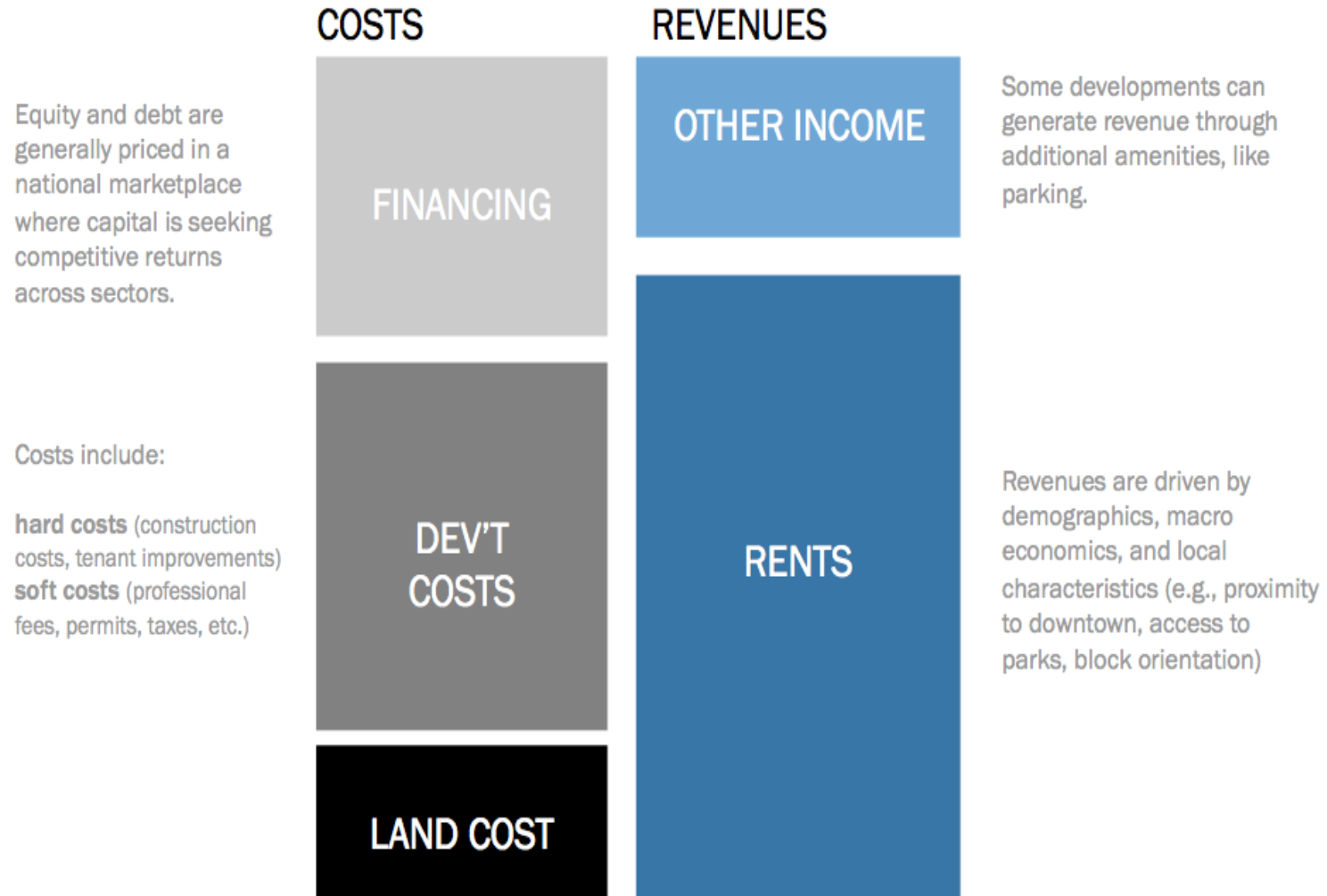
- Open to range of TDR admin models
- Implications of voluntary v. mandatory requirements



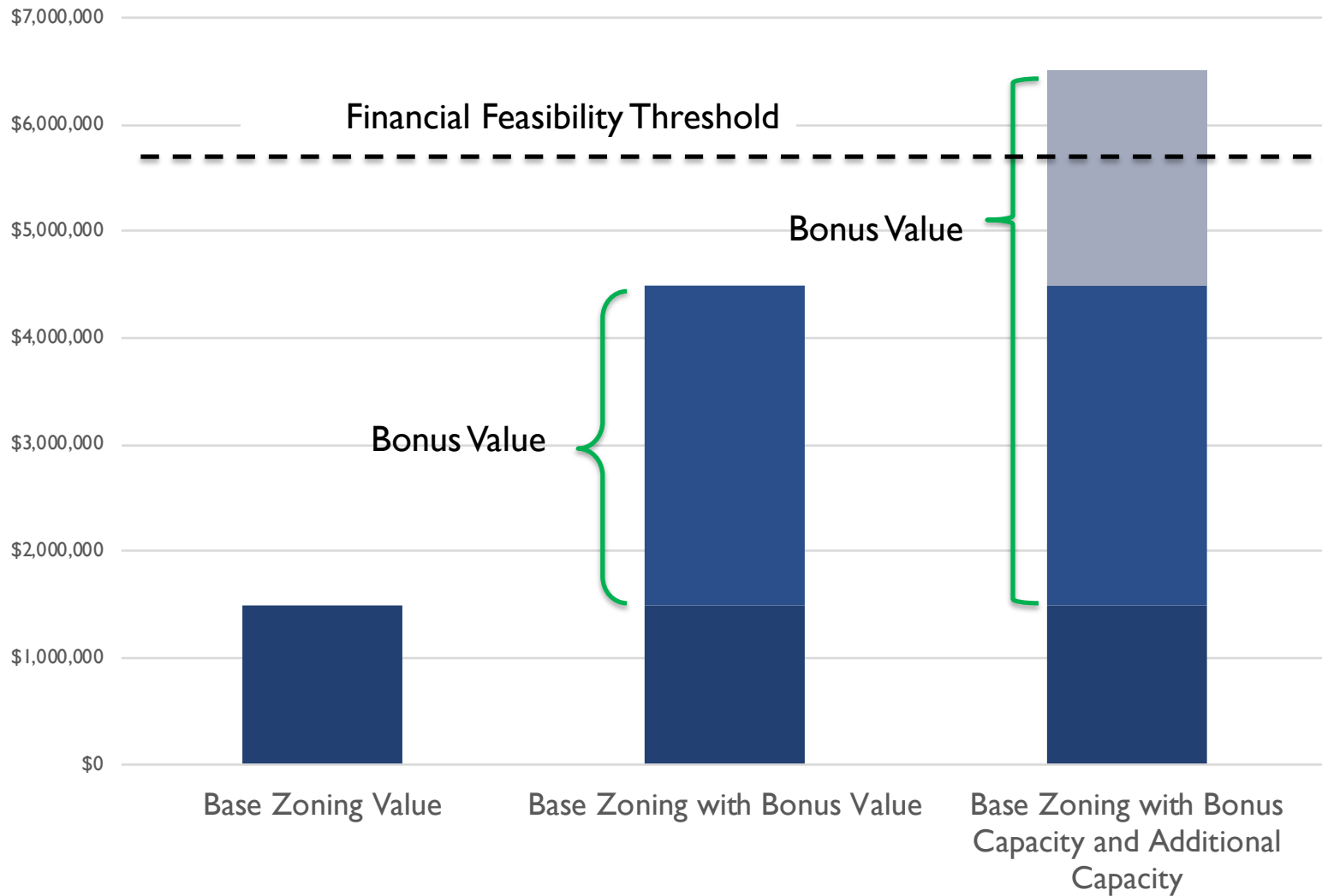
Development Analysis Summary

- TDR and affordable housing incentives will work; the current incentive zoning system creates value for development projects.
- However, given the high price for property, it's currently a challenge to work at scale. Projects need to get more scale (building area and potentially height) for projects to pencil at higher property costs.
- Incentives should focus on land conservation and affordable housing to be as impactful as possible. Additional incentives (MFTE, reduced parking) may be necessary to make utilizing current incentives more appealing .

How Development Happens



Current Incentive Zoning



Building Types Modeled



Building Type Single-family short plat



Building Type Garden Apartment Building



Building Type Vertical Mixed Use Building

Zone R-2.9

Zone HS-I

Zone Central Core

Development Incentives Evaluated

- Current incentive - additional building area (FAR or units)
- Current incentive AND Multifamily Tax Exemption (MFTE)
- Current incentive with greater density

Single-family

Base Density: 15,000 sf lot size

Height Limit: 25 feet

Incentives

- Current – None
- Scenario I - 11,250 sf lot size

Feasibility Findings

Base Zoning	Current Incentive	Larger Incentive
Yes	Yes	Yes



Garden Apartments

Base Density Limit: 0.3 FAR

Base Height Limit: 35 feet

Incentives

- Current – 0.6 FAR
- Scenario 1 – 0.6 FAR and MFTE
- Scenario 2 – 1.0 FAR

Feasibility Findings

Base Zoning	Current Incentive	Larger Incentive
No	Maybe	Yes



Vertical Mixed Use

Base Density Limit: 1.0 FAR

Base Height Limit: 35 feet

Incentives

- Current – 1.5 FAR
- Scenario 1 – 1.5 FAR and MFTE
- Scenario 2 – 2.0 FAR

Feasibility Findings

Base Zoning	Current Incentive	Larger Incentive
No	No	Yes

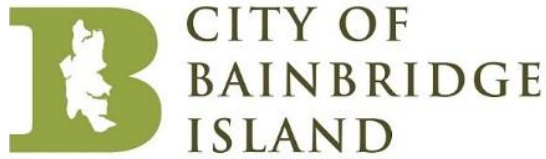


Key Take-aways

- Increased density supports increased project value
- Base zoning is restrictive and current bonus density doesn't fully allow maximum development capacity, which limit feasibility on higher priced sites
- Multifamily buildings have the most potential to utilize both TDR affordable housing incentives
- Single-family developments likely can only support TDR purchases

Strategic Options

- Expand zone designations that allow multifamily buildings
- Optimize incentive zoning provisions
 1. Keep current base and bonus (status quo)
 2. Keep current base AND expand bonus AND calibrate benefits
 3. Keep current base AND expand bonus AND mandatory MFTE
 4. Increase base zoning AND no bonus AND voluntary MFTE



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

MEMORANDUM

Date: December 13, 2018
To: Planning Commission
From: Christy Carr, AICP, Senior Planner
Subject: Subdivision Update Overview

I. INTRODUCTION

Beginning in early 2018, the City began a comprehensive update to its subdivision regulations. This project originated to address the City Council's expressed concerns related to development and growth in adopting a temporary moratorium on the acceptance of certain development applications, including subdivisions. The primary focus of this project is to implement the vision of the City's Comprehensive Plan by translating goals and policies related to residential growth and development patterns into specific guidelines and standards for subdivision development.

The purpose of this memorandum is to provide additional context for the Planning Commission to better understand the relevant policy and regulatory framework, identified issues with recent subdivisions; that is, what are we trying to fix, and the proposed approach and tools proposed to address those issues and implement the City's Comprehensive Plan. **Section V, Next Steps (see page 9), poses a number of questions for the Planning Commission to consider. It may be useful to read these questions first.**

II. RECENT SUBDIVISION DEVELOPMENT -- WHAT ARE WE TRYING TO FIX?

Recent subdivision development across the island has been deeply inconsistent with the City's 2017 Comprehensive Plan, particularly Guiding Principal #1, *"Preserve the special character of the Island -- winding, narrow and vegetated roadways and forested areas, meadows, farms, containing much of the Island's wetlands and streams, aquifer recharge areas and fish and wildlife habitat."* Members of the City Council and community expressed general concerns regarding the adverse impacts of subdivisions due to threatened harm to the island's fresh water aquifers; the loss of trees, forests, native vegetation and soils and their ecosystem services; and the serious challenge of promoting affordable housing.

The broad concern is that the City's existing subdivision regulations allow for indiscriminate clearing and grading followed by development of subdivisions wholly out of context with existing roadside and neighborhood character. Examples of recent subdivisions and a summary of specific identified issues of concern related to subdivisions are provided on the following pages.

Examples of recent subdivisions

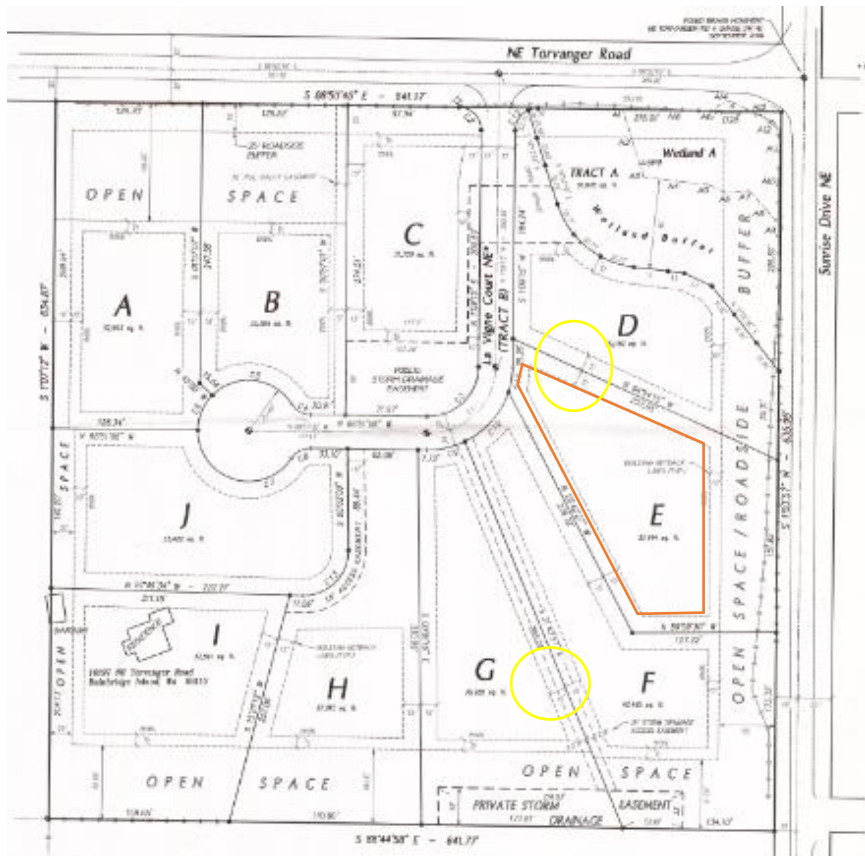


Additional photos



Identified issues of concern

- Excessive site disturbance, natural contours and vegetation not retained
- Excessive lot coverage (large houses on small lots)
- Tree removal throughout site
- Fences at street and stormwater ponds
- Isolated stormwater ponds – not enough infiltration/dispersion
- No variety in housing type/size
- Emphasis on garages
- No native vegetation retention in buffers
- Structures/signs/fences allowed in buffers
- No maximum impervious surface area
- Road widths too wide
- Doesn't fit roadside/neighborhood character



Example outcomes of existing subdivision standards

Wetland and buffer protected

29% open space provided

Community space (tot lot) provided

Roadside buffer included in open space

Open space at perimeter – not prioritized or integral to site

Native vegetation replaced with lawn/landscaping

Dimensional standards create development/building area

Development/building area nearly same as lot size (31-42,000 square feet) – all cleared

Little planning went into lot configuration – not based on site analysis; results in long driveways and large cleared areas



III. EXISTING SUBDIVISION STANDARDS – BIMC TITLE 17

The City's existing subdivision standards require use of a "flexible lot design process" or "flexlot" that is intended to promote "the preservation and consolidation of open space and clustering of development within residential subdivisions ... maintain the current character of the city, encourage efficient and cost-effective provisions for infrastructure, limit the development impact area, and minimize impervious surface area..." While the intent of the flexible lot design process is still valid, and reflective of the City's current Comprehensive Plan, the existing standards often result in traditional or "cookie-cutter" subdivisions.

The flexlot design process requires use of either the "open space" or "cluster" option. Requirements for designated open space or maximum homesite size and separation are included within these existing subdivision standards. The open space option requires retention of only up to 25 percent of the site's valued open space features. The cluster option requires no open space retention and has maximum homesite size and homesite separation (the maximum distance apart homesites can be). Both options must locate lots and infrastructure outside of critical areas and their buffers with density calculated based on the total site area (critical areas and their buffers are not subtracted from the site area when determining density). Recent examples of the two flexlot options are shown below.

Open space option



Winslow Grove

- R-2 zoning, 19 lots (19 allowed)
- 28% open space – comprised of required stream and wetland buffers
- All trees outside of open space and buffers removed
- Isolated and fenced stormwater ponds
- Solid board fencing at road
- Large houses on small lots
- Alternative road standard used (12 feet wide)

Cluster option



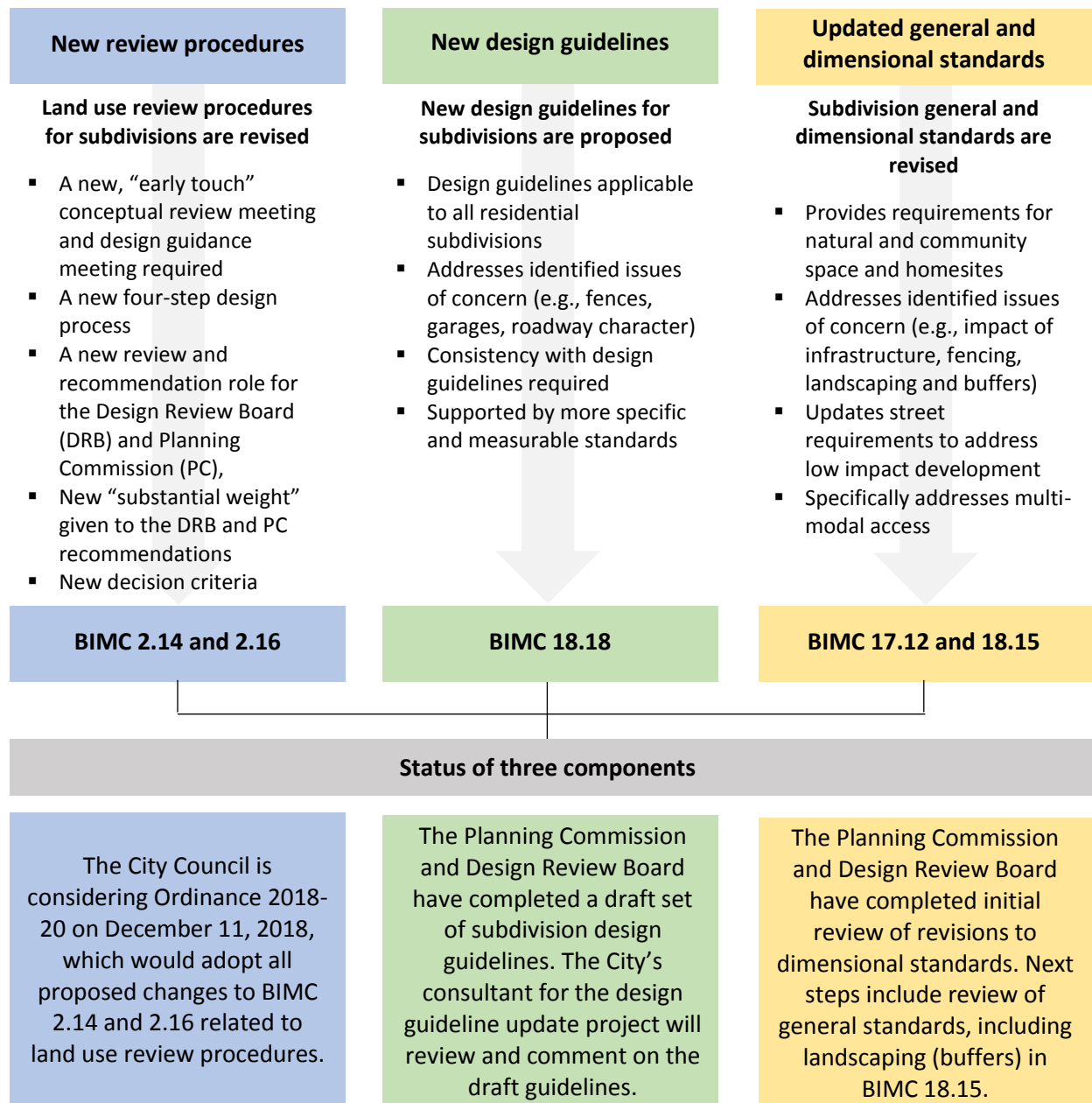
Ashbury Court

- R-4.3 zoning, 18 lots (19 allowed)
- No open space requirement
- All trees except a few locusts removed
- Isolated and fenced stormwater ponds
- Solid board fencing at road
- Large houses on small lots

IV. A NEW APPROACH

Given that recent subdivision development is inconsistent with the Comprehensive Plan yet compliant with the City's subdivision standards, it is obvious that the standards need to be fixed. But how? As stated earlier, the primary focus of the subdivision update is to implement the vision of the City's Comprehensive Plan by translating goals and policies related to residential growth and development patterns into specific guidelines and standards for subdivision development. In addition, while the City's Housing Design Demonstration Projects (HDDP) program has not met expectations in producing affordable or "green" housing and will likely be discontinued, it was recognized that several the program's requirements to receive incentives are worth retaining and should be integrated into the subdivision update.

The subdivision update includes three major components:



V. SUMMARY OF KEY CHANGES

The overall purpose of the proposed revisions is to craft a subdivision ordinance that directs the planning and design of future residential developments in a manner that respects the natural resources of the land and preserves the character and function of the landscape. A further purpose is to develop regulations that result in livable neighborhoods -- a mix of housing types designed with pedestrians and non-motorized transportation in mind, where spaces exist for safe play and recreation, and for neighbors to gather and socialize.

Changes are proposed for each of the three major components outlined above: review procedures, design guidelines, and standards. The City's existing subdivision and general standards are located in BIMC 17.12, BIMC 18.12 (dimensional standards), and BIMC 18.15 (landscaping). One organizational change proposed is to consolidate all standards related to subdivisions into one title of the municipal code (Title 17). The majority of proposed changes to Title 17 are to Chapter 17.12, subdivision design standards. Due to the extent of proposed changes, it is anticipated that Chapter 17.12 will be "repealed and replaced." With this approach, the changes will not be shown (in strikethrough/underline format) in draft documents. **It will likely be useful for the Planning Commission to review this existing chapter to better understand what is changing** (access the municipal code here:

<https://www.codepublishing.com/WA/BainbridgeIsland/#!/BainbridgeIsland17/BainbridgeIsland1712.html#17.12> . A draft outline of Chapter 17.12 is provided at the end of this memorandum.

A summary of key changes is provided below. For reference, Comprehensive Plan goals/policies they are intended to implement are provided at the end of this memorandum.

Review Procedures

A number of new and revised review procedures are proposed to specifically address Comprehensive Plan policy LU 6.8:

Review and specify the authority and the role of the Design Review Board, Hearing Examiner, Planning Commission and City Council in the land use development review and decision-making process. Land use actions can be ministerial, quasi-judicial and legislative in nature. As part of this review, consider a role for the Planning Commission and/or Design Review Board in reviewing preliminary long subdivisions.

In addition to revisions to the role for the Planning Commission (PC) and Design Review Board (DRB), a number of changes are proposed to implement new, more robust, and comprehensive land use review procedures, including new required "early touch" conceptual and design guidance meetings, narrative language around the new review and recommendation roles for the DRB and PC, and new requirements, at the City Council's request, that these recommendations carry "substantial weight" with the decision-maker. Proposed revisions include:

Conceptual review meeting: A new conceptual review meeting is added as the first step in the review process. The conceptual proposal review meeting is a means of screening subdivision proposals in their earliest stages of design before costly engineered plans are completed and proponents are committed to a particular design. This early touch allows review bodies to dialogue in an informal manner with the applicant, review the design guidelines and comprehensive plan goals and policies applicable to the site, and explore design concepts and/or options. Submittal requirements include a statement of intent, site

analysis, and context map. The site analysis and context map show existing features on which to base design decisions. *A waiver from this review requirement may be requested.*

Design guidance meeting: A new design guidance review meeting is added as the second step in the review process (this meeting is currently optional for other types of major projects). The design guidance review meeting is intended to provide input and guidance to an applicant on consistency with applicable design guidelines and comprehensive plan goals and policies, including recommendations for how the project could be revised to achieve greater consistency. Submittal requirements include a schematic design, documentation of the four-step design process (described below), and completed design guidelines checklist.

Four-step design process: As part of the design guidance meeting, subdivision proponents are required to document use of the four-step design process. A key feature to conservation design, this process reverses the conventional site planning approach which typically begins by laying out the streets, lot lines, and building footprints as the first part of the process. Instead of first identifying development areas, the four-step conservation design process begins by identifying what areas are best for preserving and those areas of the site that can best accommodate development. The four steps include: (1) delineate natural space, (2) locate homesites and community space, (3) define access, and (4) draw lot lines.

Community meeting: As part of the pre-application phase, applicants are currently required to “host” a community meeting. This requirement is not changing, except that the meeting will now be held by the Planning Commission. The intent is to give the public a more formal venue for getting information and providing input and give the Planning Commission an earlier look at the proposed project.

Review and recommendation role for the Design Review Board and Planning Commission: A new review and recommendation meeting for each of these land use review bodies is required. These meetings are currently required for other types of major projects. The intent of adding them as a requirement for subdivisions is to better ensure a proposed project’s consistency with applicable design guidelines, BIMC Title 17 and 18, and the Comprehensive Plan.

“Substantial weight” given to the DRB and PC recommendations: New review procedures require that the Design Review Board’s recommendation must hold substantial weight in the consideration of the application by the Planning Commission and the Planning Commission’s recommendation must hold substantial weight in consideration of the application by the Director and Hearing Examiner. Any deviation from the recommendations must be documented in written findings and conclusions.

Decision criteria: Several new decision criteria are added that the Hearing Examiner must determine are met, including safe routes to school, consideration of existing physical characteristics, and requirements for common space maintenance.

Design Guidelines

A new set of design guidelines was created for residential development within subdivisions. These design guidelines do not apply to residential development outside of subdivisions. The purpose of the design guidelines is to define the qualities of subdivisions that make for successful projects and neighborhoods within the context of the City’s Comprehensive Plan, and to serve as a tool for guiding applicants to meet those expectations through the City’s design review process.

The guidelines are separate and in addition to mandatory standards (such as setbacks, homesite size and separation). The guidelines are less quantitative than standards and may be interpreted with some

flexibility for specific applications while assuring conformance with the community's vision and goals for development.

Design guidelines are organized by topic, ranging from island – neighborhood – site – infrastructure – homesite. Each topic includes an intent and guideline. Draft subdivision design guidelines are provided at the end of this memorandum.

Updated general and dimensional standards

Subdivision standards effectively shape the “look and feel” of subdivision development and ultimately have long term impacts on the character and function of the landscape and surrounding neighborhood. Many of the identified issues of concern (see bottom of page 2) can be tied directly to one or more standards. As such, a focus of the subdivision update project is a revision to these standards so that they result in subdivision development reflective of Comprehensive Plan goals and policies.

Subdivision standards are scattered throughout the municipal code, including dimensional standards (BIMC 18.12 -- Table 18.12.020-1 Flexlot Subdivision Dimensional Standards for Residential Zone Districts), general standards (BIMC 17.12.040), and landscape standards (BIMC 18.15). Work to date includes revisions to dimensional and general standards, while future work will review and revise landscape standards as needed.

The most significant change to the general standards is the elimination of the flexlot design process.

There will no longer be an “open space” or “cluster” option – all residential subdivisions will follow the same set of standards. The new, single standard will essentially merge the two options, and require both the designation of open space (renamed “natural space”) and the clustering of homesites. The approach borrows key concepts from “conservation design” and “conservation subdivisions” dating back over 40 years to Ian McHarg’s seminal book *Design with Nature* (1969) and Randall Arendt’s books *Rural by Design* (1994; updated 2015) and *Conservation Design for Subdivisions* (1996). This type of “conservation design” differs from “conventional design” by first protecting the important natural features of a site and then placing homesites on the remaining area instead of dispersing the development area throughout the site without regard to the site’s existing physical landscape. The City’s proposed approach, however, is not a strict adherence to all principals of conservation design – it is a tailored approach intended to meet the City’s unique regulatory and physical landscape and address specific planning goals and policies and identified issues of concern. As with the City’s current subdivision standards, the new approach must locate lots and infrastructure outside of critical areas with density calculated based on the total site area (critical areas and their buffers are not subtracted from the site area when determining density). There is no decrease in allowable density (number of lots). This approach includes new and revised subdivision standards, including:

Increased/decreased natural space requirement: The current “open space option” requires retention of up to 25 percent of the site’s “valued open space features”. The term “open space” is changed to “natural space” to reflect that the space is not “open” to all uses. The proposal includes revised requirements across the range of zoning districts. Natural space requirements are increased in the island’s conservation area (R-0.4, R-1, and R-2 zoning districts) to 55, 45, and 30 percent, respectively, and remain the same or are decreased in other districts. A site’s required aquifer recharge protection area (ARPA) would serve as its natural area; therefore, a site may have more than its required natural area.

New community space requirement: In order to “create community” instead of simply divide land, a new community space requirement is proposed. The intent is to achieve the creation of more livable neighborhoods, with shared active use community space (vs. more passive use/protected natural space). The amount of required community space varies, again, across the range of zoning districts and

is mandatory in all districts except for R-0.4, where the required amount of open space can be, at the applicant's option, added instead to the natural space area.

Required (not optional) homesite clustering and maximum homesite area (size): A homesite is essentially the development area within a residential subdivision lot. As noted earlier, the current "cluster option" has maximum "homesite" size and homesite separation (the maximum distance apart homesites can be). The proposed change is that clustering of homesites is not optional, it is required in all zoning districts. The maximum homesite size for the R-0.4 zoning district (10,000 square feet) is not changing. The maximum homesite size for all other districts is being slightly reduced. The maximum homesite separation (25 feet) is not changing. Currently, the homesite size is effectively created by other dimensional standards such as "building to lot line" or "building to street." This is illustrated by the orange lines on the subdivision aerial view on page 3 – everything within the orange line is the "development area" and can be cleared. Limiting development to a maximum homesite size (in the example it would be 7,500 square feet) would reduce the overall disturbance and development area by over 75 percent (the development area in the example is over 30,000 square feet on each lot).

Particularly in the island's conservation area (R-0.4, R-1, and R-2 zoning districts), the mandatory homesite clustering and maximum homesite area (size) will serve to consolidate the development area within a smaller footprint. Segregating (i.e., not clustering) building sites requires that longer roads and utilities connect them – increasing site disturbance as well as impervious surface area (roads), which, in turn, increases the size of required stormwater facilities. There is also a beneficial fiscal impact for the City when infrastructure footprint is minimized (roads, stormwater), because the City has to own and maintain it in perpetuity.

To support this approach, a number of **new and revised dimensional standards** are proposed. Some existing standards are revised to better reflect home size (e.g., sideyards and distance to exterior boundary line) and some new standards are proposed to support new general standards (e.g., shared garage sideyard). These dimensional standards follow the same format as the existing BIMC 18.12 -- Table 18.12.020-1 Flexlot Subdivision Dimensional Standards for Residential Zone Districts. Draft proposed dimensional standards are included at the end of this memorandum.

New and revised general standards are also proposed to provide more specificity related to other City standards and plans (e.g., City of Bainbridge Island Design and Construction Standards, Island-Wide Transportation Plan) and/or provide measurable standards that are more quantitative than design guidelines. These include, in part, revised standards for streets and vehicle access, septic systems, and landscaping, and new standards for remote/shared parking, multi-modal access, and fencing. To date, the Planning Commission has discussed general standards but has not reviewed them in depth. Draft proposed general standards are included at the end of this memorandum.

Additional background information regarding applicability of this approach to the R-0.4 zoning district is provided at the end of this memorandum, in the form of questions and answers.

VI. NEXT STEPS

After review of this memorandum, staff requests Planning Commission feedback/input on the following:

- Are there any questions on the existing subdivision regulations?
- Does the memo accurately explain and support the intent of the subdivision update?
- Are there any missing "identified issues of concern" that should be added?
- Does the memo accurately reflect the Planning Commission's work to date?
- Are there any topics that should be added to (or deleted from) the draft general standards?

It is anticipated that future work by the Planning Commission will include:

- Final review of design guidelines
- Final review of dimensional standards
- Review of general standards, including landscaping (BIMC 18.15)
- Review of Title 17 in its entirety

Comprehensive Plan Goals and Policies

Land Use Element

Policy LU 1.2

Outside of Winslow and the Designated Centers, the Island has a rural appearance with forested areas, meadows, farms and winding, narrow, heavily vegetated roadways. These characteristics represent an important part of the Island's special character that is so highly valued by its residents.

As important as preserving Island character is to its residents, of equal importance is the protection of the Island's environmentally sensitive areas. These outlying areas contain much of the Island's sensitive areas – the major recharge areas for the Island's aquifers, wetlands and streams that serve a variety of important functions. Much of the area serves as fish and wildlife habitat. There is strong public support to encourage a pattern of development that preserves and protects this portion of the Island.

GOAL LU-4

As part of a long-term Island-wide Conservation and Development Strategy, focus residential and commercial development in designated centers, increase a network of conservation lands, maximize public access while protecting the shoreline, minimize impacts from the SR 305 corridor and conserve the Island's ecosystems and the green and open character of its landscape.

Policy LU 4.1

Focus development and redevelopment on the Island over the next fifty years in designated centers that have or will have urban levels of services and infrastructure while increasing conservation, protection and restoration on the Island, including shorelines, especially where there is interaction between the fresh and saltwater environments.

Policy LU 4.10

Lands shown on Fig. LU-3 as "Conservation Areas" are appropriate for residential, recreational, agricultural, habitat and open space uses. The City will use a variety of conservation tools, including public acquisition of certain properties, regulatory protection of critical areas and innovative tools such as aquifer conservation zoning and conservation villages to minimize the development footprint within these Conservation Areas.

Policy LU 4.11

To the greatest degree practical, prohibit clearcutting and grading of the natural landscape.

GOAL LU-5

Focus Urban Development in Designated Centers

The Plan focuses residential, commercial, and industrial growth in Winslow and other designated centers with urban services such as the Neighborhood Centers, and the industrial centers at Day Road, and Sportsman Triangle. Collectively, Winslow, the Neighborhood Centers, and the two industrial centers constitute Bainbridge Island's designated centers.

This is a change from the 1994 and 2004 Plans both of which specified a numeric growth strategy as follows: accommodate 50% of the population growth in Winslow through the year 2012 and accommodate 5% of population growth in the Neighborhood Centers. The balance of the growth was to be absorbed throughout the remainder of the Island.

Policy LU 5.1

Winslow is the urban core of the Island while the Neighborhood Centers are smaller-scale mixed-use centers. In order to achieve the goals of the GMA this Plan:

- Encourages development in areas where public facilities and services exist or can be provided in an efficient and effective manner.
- Provides a vibrant, pedestrian-oriented core.
- Reduces sprawl.
- Provides choice of housing location and lifestyle.
- Maintains and protects environmentally sensitive and resource lands.
- Encourages the retention of open space.
- Maintains and enhances fish and wildlife habitat.

GOAL LU-6

Ensure a development pattern that is true to the Vision for Bainbridge Island by reducing the conversion of undeveloped land into sprawling development. Encourage improvement of aging or underutilized developments over development of previously undeveloped property.

Policy LU 6.1

Land use designations reflect the priority of Bainbridge Island to remain primarily residential and agricultural with nonresidential development concentrated in the designated centers.

Policy LU 6.5

Process applications for development approval on Bainbridge Island within the timelines established in the City's land development regulations in order to ensure affordability, fairness, citizen notification and predictability in the land development process.

Policy LU 6.8

Review and specify the authority and the role of the Design Review Board, Hearing Examiner, Planning Commission and City Council in the land use development review and decision-making process. Land use actions can be ministerial, quasi-judicial and legislative in nature. As part of this review, consider a role for the Planning Commission and/or Design Review Board in reviewing preliminary long subdivisions.

GOAL LU-12

Conserve ecosystems and the Island's green, natural, open character.

Policy LU 12.1

Preserve the conservation area outside designated centers through a land use pattern which will enhance the character of the area – forested areas, meadows, farms, scenic and winding roads that support all forms of transportation – and the valuable functions the conservation area serves on the Island (i.e., aquifer recharge, fish and wildlife habitat, recreation).

Policy LU 12.2

Protect open space, critical areas and agricultural uses through public and private initiatives such as open space tax incentives, conservation villages, PUDs, transfer and purchase of development rights, public land acquisition, greenways, conservation easements, landowner compacts or limiting the amount of lot coverage.

Policy LU 12.3

Encourage the aggregation of nonconforming lots of record and undeveloped subdivisions and short plats in order to achieve a development pattern that is consistent with goals of the Plan to preserve open space, provide greenways through the Island, protect environmentally sensitive areas and protect water resources.

Policy LU 12.6

Work with Kitsap Public Health District to allow innovative solutions for on-site sewage treatment including community septic and grey water systems.

Policy LU 12.7

Consider allowing a density bonus in exchange for dedicating a portion of property into conservation as open space, farmland or public access. Priority should be given to conserving these lands near more densely developed areas.

Develop context-sensitive regulations for residential development in areas designated R-2, R-1 or R-0.4, in order to limit clearing, soil disturbance, promote low impact development and reconcile development and conservation.

Policy LU 14.1

The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.

Policy LU 14.2

Encourage residential development that is compatible with the preservation of open space, forestry, agricultural activities, and natural systems. Accessory farm buildings and uses are allowable.

Policy LU 14.3

Maintain the natural and scenic qualities of the Island by limiting residential density.

Housing Element**GOAL HO-1**

Make steady progress toward the following aspirational targets for increasing the diversity of housing types and the supply of affordable housing.

GOAL HO-3

Promote and maintain a variety of housing types to meet the needs of present and future Bainbridge Island residents at all economic segments in a way that is compatible with the character of the Island and encourages more socio-economic diversity. Partner with community non-profit organizations and local and regional private and public entities in carrying out the following policies.

Policy HO 3.1

Encourage innovative zoning regulations that increase the variety of housing types and choices suitable to a range of household sizes and incomes in a way that is compatible with the character of existing neighborhoods. Examples of innovative approaches are cottage housing development, conservation villages, stacked or common-wall housing, tiny houses and accessory dwelling units.

Policy HO 3.6

Develop standards to encourage development of small to mid-size single-family housing units. These provisions may include a framework to permit small-unit housing development such as tiny houses, micro units and cottage housing.

GOAL HO-6

Facilitate the provision of a diverse affordable housing stock in all geographic areas of the community.

Policy HO 6.6

Consider the merits of programs and regulations pioneered by other communities to discourage the land, energy and natural resource consumptive pattern of large single-family homes. Adopt amendments to City programs and development regulations as appropriate.

Policy HO 6.7

Support the development of livable neighborhoods.

Environmental Element**Goal EN-4**

Encourage sustainable development that maintains diversity of healthy, functioning ecosystems that are essential for maintaining our quality of life and economic viability into the future.

Policy EN 4.1

Employ conservation design methods and principles such as low impact development techniques for managing storm and waste water, green building materials, high-efficiency heating and lighting systems.

Policy EN 5.3

The protection and enhancement of mature trees, and fish and wildlife habitat are important criteria used when evaluating the preservation of open space as part of development techniques such as clustering, flexible lot design subdivisions and transfer of development rights (TDRs).

Policy EN 15.3

Where land that had historically been used for agriculture is being subdivided for residential development, a portion should be reserved for agricultural use or community gardens. Existing traditional agricultural lands should be included in the open space of clustered development.

Policy EN 18.2

When acreage classified as timberlands or forest land is being converted to residential or agricultural use promote protection of the most valuable trees and forested area and compact development to limit the extent of clearing and soil disturbance.

Policy EN 19.3

In pre-application conferences and as part of the review of development applications, encourage property owners to maximize the preservation of trees and to maintain and enhance the cohesive

quality of tree groves through appropriate site design and construction methods as well as open space dedication of areas that contain these resources.

Incentives such as a building height bonus could be used to encourage tree preservation greater than the preservation required by code during site design. Update Guidelines for Commercial and Mixed Use Projects including Guidelines for Lynwood Center, Island Center and Rolling Bay to incorporate tree preservation practices and policies.

Glossary

Cluster Development: A development design technique that concentrates buildings in specific areas on a site to allow the remaining land to be used for recreation, common open space, and preservation of environmentally sensitive areas. Cluster development allows the reduction of lot sizes below the zoning ordinance's minimum requirements if the remaining land is preserved as permanent open space.

Conservation Villages: A development form that concentrates housing on a relatively small portion of the total site, with the larger portion of the site left untouched as dedicated conservation easement. The housing may take the form of common wall structures and/or detached units placed close by one another, situated to minimize the cost of running roads and serving utilities and maximizing the retention of scenic views, open space, natural contours, and vegetation. The techniques used to concentrate buildings may include reduction in lot sizes, building setback and/or bulk requirements. An increase in density may be considered only if appropriate limitations are placed on building footprint, bulk, shape, location, orientation, or other site or building design details.

Context Sensitive Design: Site, landscaping, architectural, or engineering design that is compatible with a development's setting, the contours of the land and natural systems on-site and immediately off-site, and that is compatible with the character, location and configuration of improvements and uses on adjacent properties.

Cottage Housing: A grouping of small, single family dwelling units clustered around a common area and developed with a coherent plan for the entire site. Cottage units typically have a shared common area and coordinated design and may allow densities that are somewhat higher than typical in single-family neighborhoods. Cottage housing offers a degree of privacy and some of the benefits of single-family housing combined with the lower cost and maintenance of attached housing. The clustered arrangement can contribute to a sense of community.

Island Character: For purposes of the Bainbridge Island Comprehensive Plan the term is used to describe the special character of the Island - winding, narrow and vegetated roadways and forested areas, meadows, farms, and which contain much of the Island's wetlands and streams, aquifer recharge areas and fish and wildlife habitat.

Livable Neighborhood: Livable neighborhoods are places that are affordable to diverse populations with a mix of housing types. They are designed with pedestrians and non-motorized transportation in mind, where children can play safely outdoors, and where public spaces exist for recreation and for neighbors to gather and socialize.

DRAFT

17.12.040 General residential subdivision standards.

ADD DIMENSIONAL STANDARDS TABLE AND PARAGRAPH ON DESIGN GUIDELINES

All residential short, long, and large lot subdivisions shall comply with the following standards.

A. All subdivisions shall comply with BIMC 17.12.040 Table 1, Subdivision Dimensional Standards and applicable sections of BIMC Titles 16 and 18. Compliance with BIMC Titles 16 and 18 and RCW Title 58. Lot areas, dimensions, and other characteristics shall comply with the requirements of BIMC Title 18 applicable to the zone district where the land is located, including landscaping and/or vegetated buffers. In addition, each subdivision plat shall comply with all applicable provisions of RCW Title 58 (Boundaries and Plats) or its successors. Subdivisions including sensitive areas or their required buffers shall also comply with the provisions of BIMC 17.12.060.

B. Natural Space Required. All residential subdivisions shall provide natural area consistent with BIMC 17.28, Definitions, BIMC 17.12.040 Table 1, Subdivision Dimensional Standards, Preferred Natural Area Table, and the following standards:

1. Natural Space Objectives

2. Natural Space Design Guidelines

3. Prioritization of Natural Space

4. Amount of Natural Space Required

5. Natural Space Ownership

6. Natural Space Maintenance

7. Allowed Uses in Natural Space

C. Community Space Required. All residential subdivisions shall provide community space consistent with BIMC 17.28, Definitions, BIMC 17.12.040 Table 1, Subdivision Dimensional Standards, and the following standards:

1. Community Space Objectives

2. Community Space Design Guidelines

4. Amount of Community Space Required

5. Community Space Ownership

6. Community Space Maintenance

7. Allowed Uses in Community Space

D. Homesites Required. All single-family residential subdivisions require homesites located and designed consistent with BIMC 17.28, Definitions, and BIMC 17.12.040 Table 1, Subdivision Dimensional Standards, and the following standards:

1. Homesite Area.

a. A homesite area with the maximum area provided in BIMC 17.12.040 Table 1 shall be provided for each lot and shall be depicted on the face of the plat.

b. The homesite area shall include the primary residential dwelling, accessory buildings, and on-site parking, if provided for each lot within the subdivision.

b. Other allowed uses and structures include residential landscaping, pathways, and turf; individual water, stormwater, and septic infrastructure; and fences.

c. Homesites shall not contain any critical areas or their buffers or setbacks, shoreline buffers, or any portion of required natural areas.

2. Homesite Clustering. The purpose of clustering is to facilitate the efficient use of land by reducing disturbed areas, impervious surfaces, utility extensions and roadways. Homesites shall be located in cluster groupings and the efficient location of infrastructure shall be used to maximize the undeveloped area.

a. Four or more homesites shall constitute a cluster grouping in a long subdivision, and two or more homesites shall constitute a cluster grouping in a short subdivision.

b. All homesites in a cluster grouping shall adjoin or be located the maximum distance apart from another homesite provided in 17.12.040 Table 1, Subdivision Dimensional Standards.

c. The city encourages design of homesite cluster groups that create open areas large enough to accommodate crop agriculture, when such areas are created. The applicant shall record covenants making it clear to lot buyers that crop agriculture may take place on the open areas.

d. Homesite cluster groups shall be located to minimize adverse impacts to adjacent, previously existing residential development.

e. The location of homesite cluster groups is not required to be located near any existing home on the property.

~~B. Homesites. Residential homesites shall be located consistent with the design standards of BIMC Title 17 and Chapter 18.12 BIMC.~~

E. Water Supply Systems. Locations of individual or community water supply systems and associated wellhead protection areas required by the Kitsap Public Health District ~~health district~~ shall comply with all applicable standards established by the health district.

F. Septic Systems. Locations of individual or community drainfields and associated reserve drainfields shall comply with all applicable standards established by the Kitsap Public Health District ~~health district~~ or Washington Department of Health. Reserve drainfield areas shall remain undisturbed until such time their use is required. This standard shall be noted on the face of the preliminary and final plat.

H. ~~Roads~~ Streets and Pedestrian Vehicle Access.

1. Subdivisions shall comply with all applicable standards of the "City of Bainbridge Island Design and Construction Standards and Specifications," unless modified within this subsection or by the City Engineer.

2. Public and private streets within subdivisions with 20 or fewer lots shall meet the requirements of Table 7.2 "Optional Suburban Street Requirements" of the "City of Bainbridge Island Design and Construction Standards and Specifications," unless modified within this subsection or by the City Engineer or Fire Marshal.

3. Public streets within subdivisions with more than 20 lots shall meet the requirements of Table 7.1 "Street Requirements" of the "City of Bainbridge Island Design and Construction Standards and Specifications," unless modified within this subsection or by the City Engineer or Fire Marshal.

4. Each lot in a residential subdivision shall have direct access to a public or private street, except for those with shared driveways or alternative lot designs that provide shared or clustered parking outside of individual lots.

5. Deviations from the "City of Bainbridge Island Design and Construction Standards and Specifications" may be granted by the City Engineer upon evidence that such deviations are in the public interest and that they are based on sound engineering principles and practices. All requirements for safety, function,

appearance and maintainability must be fully met. Desired deviations must be requested during the pre-application phase of the project.

6. The street system of proposed subdivisions shall be designed to connect with existing, proposed, and planned streets outside of the subdivision. Wherever a proposed development abuts unplatted land or other land with the capability of being further subdivided, street stubs shall be provided to allow access to future abutting subdivisions if deemed practicable by the City Engineer.

7. Interior street layout shall be oriented on the east/west axis, if feasible, to maximize active and passive solar access.

8. To minimize impervious surfaces, public rights-of-way, access easements, private streets, and driveways shall not be greater than the minimum dimensions required to meet standards.

9. Street names and traffic regulatory signs shall be provided, and their locations shall be indicated on the plat/plan. The location of mailboxes and traffic regulatory signs is only required to be indicated on the plat/plan when other public improvements are required.

10. Transit stops shall be provided as recommended by Kitsap Transit.

I. Parking and Garages.

1. Parking shall be provided consistent with BIMC 18.15.010.XX and BIMC 17.12.040 Table 1, Subdivision Dimensional Standards except as modified by this subsection.

2. Parking may be located outside of individual homesites in individual or shared garages. Parking located outside of homesites is limited to five spaces.

3. Garages located on individual homesites facing a public street are limited to two vehicles.

J. Multi-Modal Access.

1. ~~Pedestrian and bicycle~~ Multi-modal circulation and access within a subdivision and onto the site shall be provided through walkways, paths, sidewalks, or trails. Special emphasis shall be placed on providing ~~pedestrian~~ non-vehicular access to proposed natural areas and/or community spaces.
2. Multi-modal facilities shall be consistent with the applicable standards of the "City of Bainbridge Island Design and Construction Standards and Specifications."
3. Subdivision layout shall consider providing dedicated access easements if one or more "trail connection zones" are located on the site as shown on Map C and D (Non-Motorized System Plan) of the Island-Wide Transportation Plan.
4. Pursuant to RCW 58.17.110(1) sidewalks shall be provided, where necessary, to assure safe walking conditions for students who walk to and from school. Special emphasis shall be placed on providing pedestrian access to proposed recreational and/or open space areas.

K. Fencing.

1. Solid board fencing is prohibited at the exterior boundary of a subdivision along a public right of way.

2. Fencing at the exterior boundary of a subdivision along a public right of way shall not exceed 3 feet, 6 inches in height.

3. Fencing around surface stormwater ponds shall not exceed 3 feet, 6 inches in height unless required by the city engineer for safety reasons.

L. Landscaping.

Minimum amount of native vegetation in homesite or lot landscaping, maximum amount of turf allowed, native vegetation requirement in roadside and perimeter buffers.

Roadside buffer required.

Perimeter buffer required.

M. Architectural Diversity.

F. No City Maintenance of Streets in Short Subdivisions. Streets within a short subdivision shall not be maintained by the city unless such streets have been dedicated as a right-of-way, improved to current city standards, and accepted as part of the approved short subdivision. Therefore, unless accepted, the responsibility for maintenance shall lie with the owners of the lots.

G. Improvements.

1. Where the buildout of a subdivision is divided into phases, land dedications and infrastructure development will be required on a pro rata basis as each phase is developed unless the applicant negotiates an alternative phasing schedule with the city. This will be required to be documented on a plat note.
2. On any approved large lot, no further lot divisions shall be approved until the required improvements are installed by the applicant and approved by the city.
3. All large lot subdivisions shall have the following improvements developed and/or installed prior to recording:
 - a. Streets shall be cleared, grubbed, and rocked or graveled to provide adequate year-round passage.
 - b. Appropriate drainage, including erosion control, facilities shall be provided consistent with a plan approved by the city engineer prior to clearing and construction of any plat improvements. (Ord. 2017-02 § 20, 2017; Ord. 2011-02 § 2 (Exh. A), 2011)

Subdivision Design Guidelines

Subdivision design guidelines will be located with the rest of the City's design guidelines, in BIMC Chapter 18.18. Chapter 17.12 will provide a reference to Chapter 18.18 and the design guidelines document, "Design Guidelines for Residential Subdivisions." Existing language from BIMC 18.18:

18.18.030 Specific design regulations and guidelines.

All development shall comply with the design regulations and guidelines applicable to that type of development as set forth in this section and the reference documents, which are adopted as part of this title by reference. In the event of a conflict between two or more design standards or regulations, the more specific shall apply.

Proposed new section in BIMC 18.18.030 to support this structure:

A. Residential Subdivision Development. Residential developed in accordance with BIMC 17 shall comply with those design guidelines contained in "Design Guidelines for Residential Subdivisions."

Proposed new section in BIMC 17.12.040 to support this structure:

The purpose of these design guidelines is to define the qualities of subdivisions that meet the guiding principals, goals, and policies of the City's Comprehensive Plan and to serve as a tool for guiding individual projects to meet those expectations through the city's land use review procedures. The design guidelines offer a forum for the public to participate in discussions about new subdivisions in their neighborhood, and as a means of allowing flexibility in the application of development standards and zoning requirements. An applicant may be granted a departure from the development standards and zoning requirements by demonstrating that an alternative design better meets the intent of the design guidelines.

All residential subdivisions shall comply with the residential subdivision design guidelines, and shall also comply with the standards of BIMC 17.12.040 (General residential subdivision standards) and with the standards of BIMC 17.12.060 (Special requirements for critical and shoreline areas and designated resource lands) as applicable.

DESIGN GUIDELINES FOR RESIDENTIAL SUBDIVISIONS – Draft as of August 30, 2018

Topic	Design Guideline
	Words/phrases in bold will have a definition in Title 17.
Island Character	Intent: Preserve and maintain Island character. Guideline: Subdivisions should reflect the special character of the island which includes downtown Winslow’s small town atmosphere and function, neighborhood centers, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.
Neighborhood Context	Intent: To reflect and/or enhance the context provided by existing roadway character and neighboring properties. Guideline: Site design should support the purpose of the zoning district in which the development is located, complement the existing character of specific neighborhoods, provide continuity with adjoining properties and, where necessary, provide transition between land uses and protect privacy of residents on adjacent properties.
Natural Area	Intent: To incorporate forested and/or other natural areas into site design in such a way that ecological and aesthetic integrity, qualities, and values are preserved or restored. Guideline: The required natural area shall be treated as a feature intrinsic to the subdivision design in order to maintain existing on- and off-site ecological processes and provide an asset of value to subdivision residents.
Natural Site Conditions	Intent: To preserve and integrate existing natural site patterns and features throughout the site. Guideline: Site development should be designed to preserve and integrate the natural conditions of the site, including existing topography, native trees and vegetation, drainage patterns, and ecological features based on an inventory and analysis of existing conditions. Homesite and infrastructure placement should complement natural topography and retain native vegetation to the maximum extent feasible.
Historic and Cultural Resources	Intent: To preserve important historic and cultural resources. Guideline: Site design should maximize opportunities for preserving historic and cultural structures, and retain historic landscape features and connections.
Stormwater	Intent: Integrate stormwater facilities in site design with emphasis on infiltration and dispersion practices. Guideline: Stormwater facilities shall utilize existing drainage patterns and be designed as a site amenity, where feasible. Low impact development practices shall be used throughout the site to minimize the size of ponds or vaults. Open stormwater facilities (ponds and bioswales) shall provide a natural appearance through layout, design and landscape treatment, including shallow side slopes, curvilinear configuration, and use of native vegetation.
Septic Systems	Intent: To minimize impact of septic facilities. Guideline: Design and locate sewage facilities to minimize site disturbance and native vegetation removal and utilize shared systems where feasible.

Topic	Design Guideline
Water Conservation	Intent: To protect the Island’s finite groundwater resources and adapt to the impacts of a changing climate. Guideline: Water conservation measures shall be considered in site design including use of native and drought tolerant vegetation, rainwater capture, and water reuse.
Community Space	Intent: To promote a shared sense of community. Guideline: Community spaces should function as an integral part of the development and be located adjacent to as many homesites as is feasible.
Cluster Homesites	Intent: To promote interaction within the community and facilitate the efficient use of land by reducing disturbed areas, impervious surfaces, utility extensions and roadways. Guideline: Homesites shall be located in cluster groupings and, to the extent feasible, the efficient location of infrastructure shall be used to maximize the undeveloped area.
Solar Access	Intent: To provide solar access for wellbeing and energy production. Guideline: Site design, including street, lot, and homesite layout and orientation, should allow for passive and active solar access. Massing of buildings, tree retention, and introduced vegetation should take into account the effects of shade.
Access and Circulation	Intent: To provide a practical and pleasant network of multi-modal circulation. Guideline: Adequate provisions for pathways and other pedestrian/bicycle amenities connecting various parts of the development, the surrounding road or trail network, and adjacent parcels should be included in site design.
Motor Vehicles	Intent: To minimize the prominence of motor vehicle use and storage. Guideline: Site design and features related to motor vehicle use and storage should be minimized. Site design shall consider shared driveways, minimum road widths, traffic calming measures such as Woonerfs and chicanes, and shared or clustered parking areas or structures.
Homesite Design	Intent: To efficiently configure building footprint(s) and allowed uses within a homesite. Guideline: Homesite configuration should consider compact and energy-efficient home and site design with massive houses on small lots strongly discouraged.
Diversity in House Design	Intent: To provide a range of home sizes and designs to achieve diversity in visual appearance and affordability. Guideline: House designs should be varied in size, massing, and frontage character using methods such as varied floor plans, staggered front yard setbacks, building modulation, and changes in exterior materials. Houses should display shared architectural features to establish continuity and harmony.
Facing Public Streets	Intent: To reinforce neighborliness of homes along a public street. Guideline: Houses along interior public streets should orient the entry toward the street and avoid the use of solid walls and fences. Garages along the front façade should be de-emphasized by recessing vehicular entrances or locating the garage behind or on the side of the house.

Subdivision Dimensional Standards

The table of subdivision dimensional standards as originally proposed is attached. The Planning Commission and Design Review Board have completed their initial review of the dimensional standards. Changes proposed by the Planning Commission are summarized below. The Design Review Board subsequently made several useful suggestions for revisions/clarifications that will be incorporated into the draft dimensional standards related to garage setbacks, parking, and shared garages. In addition, the consultants who originally developed the proposed dimensional standards more recently suggested some additional revisions to better reflect site layout goals, specifically related to homesite dimensional standards. **A revised table of dimensional standards will be provided to the Planning Commission for review at a future meeting.**

Two tables are provided to reflect changes to the attached dimensional standards table. While all standards were discussed, some at length, these tables show the only changes that were agreed to by Planning Commission members.

The following changes to the dimensional standards table were made by the Planning Commission at the September 13, 2018 Planning Commission meeting:

Standard	Shown on table	Changed to
Natural space	R-0.4 – 25% R-1 – 25% R-2 – 25%	R-0.4 – 55% R-1 – 45% R-2 – 30%
Homesite	R-2 – 7,500	R-2 – 6,500
Home Site Separation	R-0.4 – none	R-0.4 – 25 feet Add footnote that homesite separation may be increased if applicant demonstrates a clear increase in conservation value.
Community space	R-0.4 – 5%	In R-0.4 zone, the applicant has option to provide 5% community space <u>or</u> add 5% to the required natural space.

The following changes to the dimensional standards table were made by the Planning Commission at the September 27, 2018 Planning Commission meeting:

Standard	Shown on table	Changed to
Home sideyards	R-0.4 – 0 feet Attached (1600 sf or less)	R-0.4 -- N/A (not applicable) Results in no allowance for zero lot line (attached units) in the R-0.4 district. Note: This <u>reverses</u> the Planning Commission recommendation, subsequently adopted by City

Standard	Shown on table	Changed to
		Council in February 2017 via Ordinance 2017-02 (see Exhibit B) in a set of updates to development regulations to make them consistent with the Comprehensive Plan, that changed the building to building setback <u>from 10 feet to 0 feet in all zoning districts:</u> Bldg. to <u>0 ft.</u> 10 ft., or minimum required by bldg. the fire code, whichever is greater
Home to street	Home to street	Home to interior street Clarification only
Home to SR 305 ROW	Home to SR 305 ROW	Deleted
Home to arterial and ROW	Home to arterial and ROW	Home to residential street ROW Clarification only

Revision to Table 18.12.020 - Dimensional Standards for Residential Zone Districts

revised 7-6-18

Zone		R 0.4	R 1	R 2	R 2.9	R 3.5	R 4.3	R 5	R 8	R 14	NC 6	MUTC 6
Site Area per Home	minimum	100,000 sf	40,000 sf	20,000 sf	15,000 sf	12,500 sf	10,000 sf	8,500 sf	5,400 sf	3,100 sf	8,500 sf	See FAR table
Natural Space	minimum - percent of site	25%	25%	25%	25%	25%	20%	15%	10%	5%	15%	5%
Community Space 1	minimum - percent of site	5%	7.5%	10%	15%	15%	15%	15%	15%	10%	15%	10%
Homesite	maximum	10,000 sf	7,500 sf	7,500sf	5,500 sf	4,500 sf	3,500 sf	3,500 sf	3,000 sf	2,250 sf	3,500 sf	2,250 sf
Home Site Separation 2	maximum		25 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft
Home Sideyards 3,6	Net Bldg sf: attached, min/combined min/combined 1,600sf or less 1,601sf or more	0 ft, 5/10 ft 15/50 ft	0 ft, 5/10 ft 15/25 ft	0 ft, 5/10 ft 10/20 ft	0 ft, 5/10 ft 10/20 ft	0 ft, 5/10 ft 10/20 ft	0 ft, 5/10 ft 5/15 ft	0 ft, 3/10 ft 5/15 ft	0 ft, 3/10 ft 5/10 ft	0 ft, 3/10 ft 5/10 ft	0 ft, 3/10 ft	0 ft, 3/10 ft
Home to Street 4	minimum	10 ft	10 ft	10 ft	10 ft	10 ft	5 ft	5 ft	5 ft	5 ft	5 ft	5 ft
Home to Community Space, Trail	minimum	10 ft	10 ft	10 ft	10 ft	10 ft	5 ft	5 ft	5 ft	5 ft	10 ft	5 ft
Home to Exterior Plat Boundary Line 6	Net Bldg sf: 1,600sf or less 1,601sf or more	25 ft 25 ft	15 ft 25 ft	15 ft 25 ft	10 ft 25 ft	10 ft 25 ft	5 ft 10 ft	5 ft 10 ft	5 ft 10 ft	5 ft 10 ft	5 ft	5 ft
Building to SR 305 ROW	minimum	75 ft	75 ft	75 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft	25 ft
Home to Arterial and ROW	minimum	25 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft
Garage to Alley 5	minimum	0 ft	0 ft	0 ft	0 ft	0 ft	0 ft	0 ft	0 ft	0 ft	0 ft	0 ft
Shared Garage Sideyard	minimum	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft
Shared Garage Size	maximum length	60 ft all zones										
Home Size 6	maximum								1,600 sf	1,600 sf	1,600 sf	1,600 sf
Building Height		Height requirements for standard lots apply										

FOOTNOTES:
1 Not required for 3 lots or less
2 May be modified by staff based on merits of design.
3 Attached not allowed if home size exceeds 1600sf
4 Setbacks do not replace lesser requirements within MUTC
5 Applies to garage only.
6 1,600sf maximum home size in Designated Centers

Additional Background for Creating Conservation Subdivisions in R-0.4 Zoning

1. The Comprehensive Plan's First Guiding Principle Must Guide Subdivision Design

Comprehensive Plan Guiding Principle #1

Preserve the special character of the Island, which includes downtown Winslow's small town atmosphere and function, historic buildings, extensive forested areas, meadows, *farms*, marine views and access, and scenic and winding roads supporting all forms of transportation.

Yes, but there are a number of additional goals and policies that must also guide subdivision design (see end). Current residents, for the most part, expressed strong support for the Comprehensive Plan update, which includes a number of goals and policies related to the development pattern in the residential district inclusive of the R-0.4, 1 and 2 districts. "Cluster development" and "conservation villages" are both provided as tools to achieve the preferred development pattern in the residential district (see definitions at end of comprehensive plan goals and policies).

2. How Will Scenic Views and Scenic and Winding Roads Be Protected?

Rural By Design states that "Conservation design can be used to protect scenic viewsheds along roads where maintaining rural character is a policy goal." Pg. 312. How will that be accomplished through our subdivision site plan guidelines and standards? Requiring that subdivisions in R-0.4 located homes in close proximity to proposed or existing roads will result in multiple homes being built along the roadways. This can wall off the natural area views, thereby changing the rural character of the R-0.4 areas of the island

It is unclear where the notion that clustering is required to be close to existing roads came from. That has never been proposed, and the ARPA specifically includes a provision that allows driveways to go *through* the ARPA in order to access the area of a site most suitable for development.

Additionally, it is not anticipated that the existing requirement for roadway buffers will be eliminated or decreased. Subdivisions in R-0.4 will not be required to be located in close proximity to existing "frontage" roads. Homes within subdivisions will be required to be located close to the interior road to minimize impervious surface area and tree removal. "Scenic viewsheds" do not include interior subdivision roads.

3. How Would Mandatory Conservation Design Requirements Be Satisfied In Light Of Mandatory ARPA and Other CAO Requirements?

Conservation subdivision design is intended to protect natural resources. How will these design guidelines be integrated into our mandatory ARPA and other CAO provisions, and which guidelines and standards will control when there is a conflict?

As with the current (existing) subdivision standards, conservation subdivisions would require that all provisions of the CAO are met. See BIMC 17.12.060:

A. Critical Areas.

1. Any portion of a short or long subdivision, large lot subdivision, nonresidential or multifamily subdivision that contains a critical area as defined in Chapter 16.20 BIMC must conform to all requirements of that chapter.

2. Any portion of a short or long subdivision, large lot subdivision, or a nonresidential or multifamily subdivision shall comply with the fencing and signage requirements of BIMC 17.12.030.A.8.a or B.2.g, as applicable.

As with the current (existing) subdivision standards, natural space/area (conservation area) will be prioritized. See existing BIMC 17.12.030:

3. Prioritization of Valued Open Space. The relative desirability of different types of open space is ranked in Table 17.12.030-2, and proposed open space subdivisions shall design open spaces to include areas with higher priority rankings if possible. If a subdivision site contains a particularly exceptional or rare open space feature that is lower in priority, the applicant and/or city may choose to preserve that feature over those higher in the table. Where valued open space features are present and some portion of those features is adjacent to the same or other listed valued features in Table 17.12.030-2, the protected open space should be designed to include those areas contiguous to valued open space features on adjacent properties.

Table 17.12.030-2: Valued Open Space Features for Open Space Short and Long Subdivisions

Priority	Open Space Feature	Notes
1.	Critical Areas (as defined in Chapter <u>16.20</u> BIMC), Areas Contiguous with Critical Areas and Their Buffers	All critical areas and their associated buffers shall be preserved. [The ARPA would be added here.]
2.	Native Forests and Significant Trees	Significant trees identified consistent with the standards of the landscaping ordinance (BIMC <u>18.15.010</u>) should be preserved. [This would be revised or deleted because it is included in the ARPA.]
3.	Trails and Greenways	Trails and greenways should be preserved.
4.	Pastures, Meadows, Orchards, and Farmland	Pastures, farmland and land areas currently or traditionally used in agriculture should be preserved. Where possible, the size and configuration of pasture and farmland areas should permit commercially viable farming.
5.	Shoreline View Areas	Shoreline areas identified consistent with the provisions of the shoreline management plan (Chapter <u>16.12</u> BIMC) that are suitable for public access and habitat area should be considered.
6.	Mature Vegetation on Ridgelines	Mature vegetation found on ridgelines of community significance (as viewed from off site) should be preserved. [This would be revised or deleted because it is included in the ARPA.]
7.	Wildlife Corridors	Designated wildlife corridors as adopted by Resolution No. 2001-12 should be preserved.

The Planning Commission's recommendation for required natural space in the "ARPA zones" is below the maximum ARPA requirement (R-0.4, 55%; R-2, 45%; R-1; 30%). There are at least two potential scenarios: 1) The required ARPA area is more than the required natural space area and 2) the required natural space area is less than the required ARPA area. In scenario 1, the ARPA would govern, because all subdivisions must comply with the CAO. In scenario 2, the natural area would be the ARPA + whatever priority open space features are present on the site. It should be noted that using the existing subdivision standards, some subdivisions end up with more than the required open space due to the presence of critical areas and their buffers. This would not change.

4. Why are we proposing to make conservation subdivision design mandatory in R-0.4? What does it accomplish in light of our mandatory ARPA and CAO requirements?

Rural by Design acknowledges that some jurisdictions mandate conservation design, at least in some districts, but that such an approach can be politically difficult to adopt. One option the author proposes is to make conservation design permitted as a matter of right but require conventional design to obtain a conditional use permit. This seems cumbersome and unnecessary when we already have mandatory ARPA requirements that will accomplish much of what conservation design is intended to do in the rural areas – conserve the most valuable natural space. A second option is described as allowing full density only in conservation design districts, and restricting conventional design to half that number of house lots. This seems very controversial with little gain in light of our ARPA and CAO requirements.

Recent legislative history does not indicate that the City Council is shying away from adopting regulations that are politically difficult. We are currently in the middle of a development moratorium, they passed an emergency landmark tree ordinance, and passed the critical areas ordinance, which includes several politically difficult provisions. That aside, it has never been suggested that the conservation subdivision approach would include downzoning – allowing fewer lots than the underlying density.

The ARPA preserves native vegetation to maximize groundwater recharge. Subdivision development has impacts beyond vegetation removal – soil compaction and removal, or eliminating upper soil layers, shallow depressions, and natural drainage patterns. All of this can and does occur outside of preserved open space and, the bigger that area gets, the bigger the adverse impact. Clustering reduces the overall impervious surface area because developed lots are sited relatively close together which minimizes the length of streets and sidewalks to connect them, as well as utility infrastructure. Clustering limits the size of the area of disturbance, reducing impacts.

Segregating (i.e., not clustering) building sites requires that longer roads and utilities connect them – this increases site disturbance as well as impervious surface area (roads), which, in turn, increases the size of required stormwater facilities. It is important to consider all of the site features of a subdivision – including roads, stormwater, septic – when thinking about site layout. We want to minimize all of these. There is also a beneficial fiscal impact for the City when infrastructure footprint is minimized (roads, stormwater), because the City has to own and maintain it in perpetuity.

There is also the potential that a site may have little natural space (for example, 30% in the R-2 zone, as currently proposed by the Planning Commission) or that an applicant may elect to use the recharge module and would effectively have no ARPA – in these cases, clustering becomes even more important.

In other parts of the country where conservation subdivisions are optional, a very small percentage of subdivisions end up being conservation subdivisions. By making them mandatory, the City can ensure that progress toward achieving the development pattern envisioned in the Comprehensive Plan is more certain, and not based on voluntary action. In other communities where cluster (conservation) subdivisions are optional, it is generally because some sort of incentive is offered (e.g., increased density, approval by right, etc.). The City, to date, is not contemplating offering incentives in exchange for clustering. An improved TDR program or inclusionary zoning program may or may not change that. If there is no incentive, would people choose it? If they didn't choose it, would we maximize the opportunity to "limit clearing, soil disturbance, promote low impact development and reconcile development and conservation" as articulated in the Comprehensive Plan for the R-0.4 zoning district?

5. Why are we requiring community space in the R-0.4 zoning areas?

It is unclear to me why we would mandate community space in a low density area where many, if not most, of the subdivisions are likely to be short plats of 4 homes or less. If the goal of conservation design is to preserve the highest amount of natural area, mandating some of that as community space seems to be inconsistent. And if community space is required, it should be in an open area located within natural space, to preserve as much natural space as possible. Perhaps one option would be to mandate community space in subdivisions of 10 homes or more.

There are other goals of the subdivision update than just preserving the highest amount of natural area. The Comprehensive Plan includes a number of goals and policies that speak to housing diversity and creating livable neighborhoods:

Policy HO 3.1

Encourage innovative zoning regulations that increase the variety of housing types and choices suitable to a range of household sizes and incomes in a way that is compatible with the character of existing neighborhoods. Examples of innovative approaches are cottage housing development, conservation villages, stacked or common-wall housing, tiny houses and accessory dwelling units.

Policy HO 3.6

Develop standards to encourage development of small to mid-size single-family housing units. These provisions may include a framework to permit small-unit housing development such as tiny houses, micro units and cottage housing.

GOAL HO-6

Facilitate the provision of a diverse affordable housing stock in all geographic areas of the community.

Policy HO 6.7

Support the development of livable neighborhoods.

Livable Neighborhood: Livable neighborhoods are places that are affordable to diverse populations with a mix of housing types. They are designed with pedestrians and non-motorized transportation in mind, where children can play safely outdoors, and where public spaces exist for recreation and for neighbors to gather and socialize.

Cluster Development: A development design technique that concentrates buildings in specific areas on a site to allow the remaining land to be used for recreation, common open space, and preservation of environmentally sensitive areas. Cluster development allows the reduction of lot sizes below the zoning ordinance's minimum requirements if the remaining land is preserved as permanent open space.

6. How Will Drainfield Location Be Selected To Ensure They Are Located on the Most Suitable Soils?

Rural by Design describes one of the advantages of a conservation subdivision as using the most permeable and suitable soils on a site for drainfields, either on individual lots or grouped in a common area. This technique avoids compaction of other soils on the site and enhancing stormwater infiltration and groundwater recharge. How will this be accomplished in our proposed subdivision standards and other mandatory requirements, such as ARPA/CAO?

A site analysis is required as part of the conceptual proposal meeting. The analysis will indicate where suitable soils are for drainfields. There are many options for on-site septic facilities which take more or less space or result in more or less site disturbance – some of these options are allowed within the ARPA. The site analysis should dictate where all site development occurs, including drainfields.

7. Does Mandatory Conservation Design Reduce Flexibility To Work With Natural Features of the Land?

By requiring adoption of conservation design and restricting the location of homes, flexibility to work around natural features of the land – significant trees, wetlands, geotechnically hazardous areas, wildlife corridors, natural vegetation, etc. – seems to be reduced or potentially eliminated.

For example, 4 homes could be built in a subdivision on a 10-acre parcel in the R-.04 zone. If they must be clustered together, there has to be a suitable building site that excludes all of the above natural features, is not included in an ARPA, does not include critical areas or trees that are required to be retained, and is close to an existing or proposed road. Those are a lot of criteria to meet, and the natural areas on that parcel of land may dictate that the homes be placed in different areas on the land to protect the existing natural areas.

Mandatory conservation design that adopts “clustering” reduces or eliminates the flexibility to place the homes where protection of the natural areas suggests they should be built. It also could require that an existing home on a parcel to be subdivided would have to be “clustered” with any additional homes, even if the existing home is not located in an ideal place for such clustering. This is particularly important because most subdivisions in the R-0.4 zoning will be short subdivisions or 4 or fewer homes, with many occurring on land that already has a home on it.

This example assumes that all natural areas must be preserved. This is not true, there does not have to be a building area that is outside of all natural areas. [The development area must be outside of all critical areas. The number of allowed lots may be reduced if there is not enough room outside of critical areas. This is not a change, this is a current requirement.] Only that portion of the site that is required to be preserved must be preserved (either 65% per ARPA or 55% per the Planning Commission’s current recommendation for required natural area). As such, there will most likely be natural area/features that are not preserved. The point of the 4-step design process is that you delineate the natural areas first and, using the site analysis, preserve the most important natural features.

The location of any existing home will not necessarily dictate the location of additional homes. Other jurisdictions include a specific provision that this would not be a requirement (that new homes would need to be clustered around an existing home). The City’s existing flexlot cluster option already includes this standard: The location of homesite cluster groups is not required to be located near any existing home on the property.

The subdivision potential in the R-04 zone does include largely 4-lot subdivisions; however, no analysis has been done to determine how many of these lots already have an existing home.

Existing Number of Parcels	Unit Potential/ Lot Through Subdivision
R-0.4	
2	20+ lots
2	15-20 lots
1	10-14 lots
25	5-9 lots
46	4 lots

8. Conservation Design Could Produce Development Not Anticipated By Current Residents in R-0.4 Zoning

Current residents in the R-0.4 zone do not anticipate that multiple homes could be built on adjacent lots, based on the City's zoning code and the Comprehensive Plan, which seeks to preserve the open, pastoral nature of the R-0.4 areas on the island. Currently, existing residents can anticipate one home will be built on each 2.5-acre lot. On a 10-acre lot, leaving 7.5 acres in open space and building 4 homes on a single 2.5-acre lot does not mitigate the impact to neighboring residents of those 4 homes on 2.5 acres, particularly if those 4 homes are located on an adjoining lot line. This is particularly of concern because most subdivisions in R-0.4 are likely to be short subdivisions, and the location of any existing home could dictate the location of additional homes if conservation design is mandatory.

Existing residents cannot realistically anticipate that one home will be built on each 2.5-acre lot because the City's current subdivision regulations rarely result in one home being built on a 2.5-acre lot due to the flex lot design standards:

Hidden Cove Estates – No 2.5 acre lots; only one over 2 acres

Sunny Hill (off Fort Ward Hill Road) – One over 2.5 acre; average 1.95 acre

Bristle Ridge – No 2.5 acre lots; none over 2 acres

Yankee Girl – No 2.5 acre lots; none over 1 acre

Quitslund – No 2.5 acre lots; largest lot 1.1 acre

The location of any existing home will not necessarily dictate the location of additional homes. Other jurisdictions include a specific provision that this would not be a requirement (that new homes would need to be clustered around an existing home). The City's existing flexlot cluster option already includes this standard: The location of homesite cluster groups is not required to be located near any existing home on the property.

Perimeter buffers are required for the City's existing cluster subdivision option. The Planning Commission has discussed increasing these buffers, which would mitigate any impact to neighboring residents. The entire subdivision update cannot be designed on the assumption that some share of existing residences in the R-0.4 zone are sitting on the property line they may someday share with a

subdivision and that no buffer would be required. Further, those existing homes should be outside of the required yard setback on their property (rear or side – 25 or 15 feet, respectively).

Additionally, the Planning Commission has discussed a design guideline that addresses neighborhood context, including adjacent residences:

Intent: To reflect and/or enhance the context provided by existing roadway character and neighboring properties.

Guideline: Site design should support the purpose of the zoning district in which the development is located, complement the existing character of specific neighborhoods, provide continuity with adjoining properties and, where necessary, provide transition between land uses and protect privacy of residents on adjacent properties.

9. Perpetual Management Of Mandatory Large Open Space Areas Must Be Addressed.

As acknowledged in *Rural by Design*, open space in conservation subdivisions must be owned and maintained in perpetuity by an entity, such as a homeowners association, or deeding the open space to the City or Parks to manage, where it presumably would become public open space. This requires time and money, and it should be addressed in the Site Plan Design Guidelines and Subdivision Standards. This issue also goes directly to the question of lot lines and tax parcels – what would homeowners in a conservation subdivision in the R-0.4 zone actually own and be legally and financially responsible for?

This is not a new issue. The City's current open space subdivision option includes required open space that must be owned and maintained in perpetuity by an entity. This is prescribed in the current subdivision standards. Open space can be owned by one person, and HOA, or another entity. An open space management plan, and full set of covenants, conditions, and restrictions (CC&Rs) – outlining ownership, easements, and maintenance – are required to be submitted at the preliminary plat phase. Maintenance and CC&R references are required to be shown on the face of the plat. This would not change and could be revised to address any specific issues of concern.