

| То: | Snohomish County Planning Commission |
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| From: | Snohomish County Council Ryan Countryman, Senior Legislative Analyst |
| Report Date: | January 8, 2024 |
| Briefing Date: | January 23, 2024 |
| Subject: | Staff Report on Proposal to Reduce Minimum Lot Sizes in Low Density Multiple Residential (LDMR) and Multiple Residential (MR) Zoning |

Introduction

By <u>Motion 23-540</u>, the Snohomish County Council is requesting review and recommendation by the Planning Commission on proposed code amendments to reduce the minimum lot size requirements in LDMR and MR zoning. County Council staff is providing this staff report to the Planning Commission for a briefing on January 23, 2024. The Planning Commission could potentially hold its public hearing on February 27, 2024.

Background

The proposed ordinance would reduce minimum lot sizes in LDMR and MR zoning to match the basic density of both zones. This would facilitate subdivision on sites where similar development must currently become condominiums. Financing for construction and for purchasing of condos is more complicated than financing for homes that have their own lot. Complications with financing can increase the eventual cost of housing.

Snohomish County Code (SCC) <u>30.21.025(1)(b)</u> classifies both Low Density Multiple Residential (LDMR) and Multiple Residential (MR) zoning as "multiple family residential" zones. This classification does not mean that housing must be in attached multiple family configurations. Instead, it is common for development in these zones to result in single family detached housing. However, development of such housing is generally as "Single Family Detached Units" (SFDUs) under <u>Chapter 30.41F SCC</u> which specifically prohibits subdivision at <u>SCC 30.41F.010(1)</u>. Even before adoption of Chapter 30.41F in 2007, detached unit developments in LDMR and MR could have a unit count that exceeds what was possible through a subdivision process. This is because both zones have a minimum lot size requirements of 7,200 square feet for new lots but allow higher base densities. LDMR allows a base density of one unit per 4,000 square feet and MR allows a base of one unit per 2,000 square feet.

The proposed ordinance would amend <u>SCC 30.23.032</u> to reduce the minimum lot size in LDMR and MR zoning to 4,000 square feet and 2,000 square feet, respectively. This would enable subdivision into new lots rather than development using the SFDU condominium process. Subdivisions could use lot size averaging provisions in <u>SCC 30.23.210</u> or a separate but related proposal regarding attached single-family dwelling provisions in Council <u>Motion 23-539</u>. This motion was concurrently referred to the Planning Commission and the relevant code section would be at SCC 30.23.270. Note that <u>Amended Council Motion 23-542</u> (Motion 23-542) includes a third proposal that is before the Planning Commission. The proposed ordinance with Motion 23-542 would revise SCC 30.23.210 in part to discontinue use of lot size averaging in MR zoning. If the ordinance from Motion 23-539 were to pass, then SCC 30.23.270 would allow attached single family dwellings in both LDMR and MR zoning with many of the design benefits currently available to developments using SCC 30.23.210.

The idea to reduce minimum lot sizes in LDMR and MR zoning comes from the "Opening Doors to Home Ownership" housing panel discussions sponsored by County Councilmember Nate Nehring from January 17, 2023, to April 18, 2023. The County Council passed Motion 23-540 referring the proposed amendments to the Planning Commission on January 3, 2024.

Proposed Ordinance

This ordinance would increase options to subdivide property. Subdivision lot yields including at SCC 30.23.210 and the separately proposed SCC 30.23.270 rely on minimum lot size to determine the number of allowed lots. When there is a difference between lot yield and allowed units, as is currently the case in LDMR and MR zoning, most applicants will choose to develop the higher number of units and develop as an SFDU/condominium rather than as a subdivision.

Ordinance Sections 1 to 3 include findings and conclusions to support the substantive changes in Section 4.

Ordinance Section 4 amends the minimum lot size requirements for LDMR and MR in SCC 30.23.032. Both zones currently have a minimum lot size of 7,200 square feet. The proposal would amend SCC 30.23.032 to reduce the minimum lot size in LDMR and MR zoning to 4,000 square feet and 2,000 square feet, respectively.

This section is a large table which provides the Urban Residential Bulk Matrix provisions for all urban residential zones. It includes minimum lot area, minimum lot width, maximum building height, setbacks, and lot coverage requirements for the R-9,600, R-8,400, R-7,200, Townhouse, LDMR and MR zones. Reproducing the table from the ordinance in this staff report would take up several pages. The only changes in the ordinance are to the minimum lot size in the LDMR and MR zones.

Ordinance Section 5 is a standard severability and savings clause.

Examples of Possible Use

Reducing minimum lot size requirements in LDMR and MR zoning would address inconsistencies between the allowed density and lot size. One likely major effect would be more development of subdivisions with homes on individual lots instead of similar looking condominium development using the "Single Family Detached Units" (SFDUs) under <u>Chapter 30.41F SCC</u> which specifically prohibits subdivision at <u>SCC 30.41F.010(1)</u>.

This section provides two examples of possible uses of the proposed ordinance. Both are duplex developments where sale of individual units was by condominium. Current provisions did not allow each duplex half to have its own lot. Both examples include identification of some minor design differences that would result from existing codes.

Example 1 – Single Family Units, Maximizing Density.

Survana Condominiums (Project File Number (PFN) 2017-107039 SPA) consists of four single family detached units on a 19,166 square foot site. Development followed the Single Family Detached Unit (SFDU) process. Survana Condominiums achieves the maximum base density allowed in the applicable zoning of LDMR. While configured much like a subdivision, the SFDU process and other requirements currently make this configuration ineligible for subdivision and fee-simple ownership.

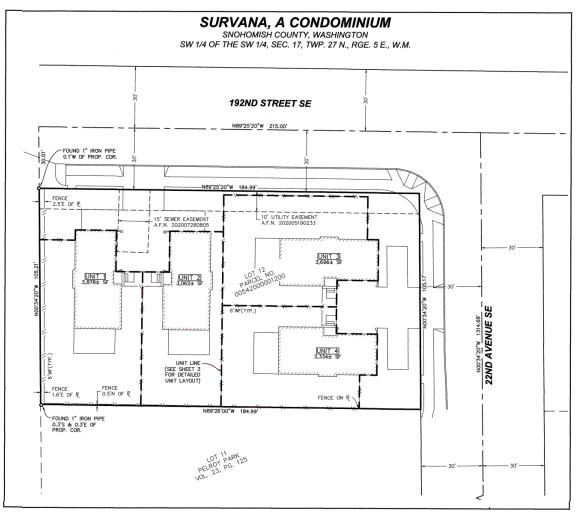


Figure 1 – Survana Condominium Site Plan (adapted from AFN 202009115005)

Effect of Ordinance: The minimum lot size reduction in LDMR would enable a site like Survana Condominium to subdivide into four lots to match the unit count. This would not be an exact match. The lot lines would likely be in different locations than the unit lines in the condo such that the common element for driveway and landscaping in the condo would become parts of the lots instead.

Subdivisions using the proposed lot sizes in LDMR zoning could use Lot Size Averaging (LSA) provisions in <u>SCC 30.23.210</u> because SCC 30.23.210(5) uses the minimum lot area requirement (in SCC 30.23.032) to determine the maximum number of lots.¹ The current 7,200 square foot minimum lot area in SCC 30.23.032 means that more units are approvable through the SFDU condominium process on a typical site. The proposed changes to the minimum lot area in SCC 30.23.032 would change this math by enabling the same number of lots under SCC 30.23.210(5)² as can result from using the SFDU provisions in Chapter 30.41F.³

Design Differences: Tree canopy and parking are two areas identified as having minor design differences between SFDU and subdivision requirements.

Tree canopy requirements in Table 30.25.016(3) SCC are based on the type of development and number of lots or units. Since Survana Condominiums is a 4-unit SFDU, the Table 30.25.016(3) required a 15% tree canopy. If Survana was a 4-lot short subdivision as would be possible combining the proposed amendments to lot sizes in SCC 30.23.032 with existing the lot size averaging provisions in SCC 30.23.210, then the tree canopy requirement would have been 20%.

Parking differs between SFDU development and subdivisions in two ways. First, is the number of spaces required by <u>SCC 30.26.030</u>. This section requires:

- Two spaces per single family dwelling in a subdivision (plus driveway dimensions that can accommodate at least one more vehicle)
- Two spaces per dwelling unit in an SFDU, plus guest parking at one space per four units (in part to address that driveways can be too short to park on)

Single-family buildings in subdivisions thus have lower mandated parking than identical buildings in an SFDU. The second difference is that SFDUs can have guest parking that serves a neighborhood rather than individual houses in a subdivision with guest parking on the driveway.

¹ The same would also be true for MR zoning under the current provisions for LSA. However, one of the changes in a separately proposed ordinance referred to the Planning Commission by County Amended Motion 23-542 would revise LSA provisions to make MR zoning ineligible for continued use of LSA.

² The ordinance referred by Motion 23-542 would change this reference to SCC 30.23.210(2).

³ By combining proposed revisions to SCC 30.23.032 and the proposed new section SCC 30.23.270, an applicant could, in theory, achieve more attached single-family units than detached units under present-day regulations. Such lots could be as small as 1,500 square feet. Although this hypothetical combination may result in some projects with higher overall densities than what code currently allows, the seeming potential to double densities is not likely to be fully achievable. This is because in most cases these higher potential densities would require physically attaching homes in townhouse or multi-family configurations. It would be more realistic to anticipate a modest overall density increase but not one that would have significant impacts under <u>Chapter 43.21C RCW</u>.

Example 2 – Combining Smaller Lot Sizes in LDMR with Single Family Attached

Harbour Cove SFDU (PFN 2021-108751 SPA) consists of 19 total units (11 detached and 8 attached). The gross site area is 81,878 square feet (1.88 acres). Under current codes, LDMR zoning would have allowed a maximum of 20 units but only 11 lots. This project recorded as condominiums after receiving approval as an SFDU.

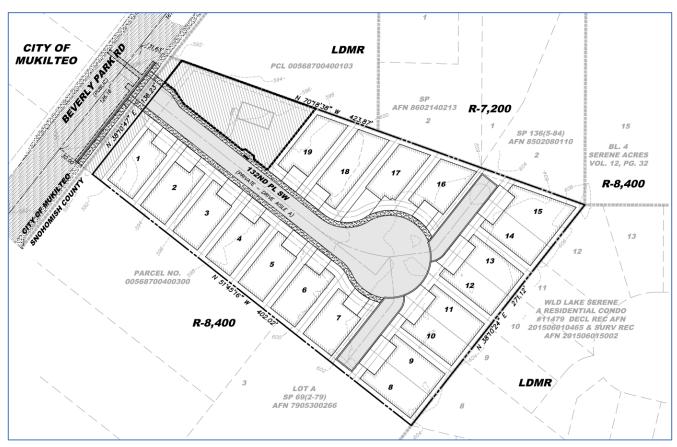


Figure 2 – Harbour Cove SFDU (from Sheet SP-01 of the approved site plan)

Effect of Combining Ordinances: The change in minimum lots size proposed in this ordinance (going to 4,000 square feet in LDMR zoning) would enable a subdivision with the same number of lots as the base density would have allowed (i.e., up to 20 lots). Since the detached condo unit have sizes ranging from 3,120 to 3,812 square feet, this part of the development would have needed to rely on the existing Lot Size Averaging (LSA) provisions in <u>SCC 30.23.210</u>. These allows lots to be as small as 3,000 square feet. However, since the size of individual duplex condo units ranges from 2,366 square feet to 3,080 square feet, these units would still need to record as condos if this had been an LSA subdivision solely based on this lot size ordinance. If both this ordinance and the separate proposal for attached single family dwellings were to pass, then code would consider these duplex units as single-family attached units under the new section SCC 30.23.270 in the other ordinance. This would allow all of the condo unit areas to comply with the proposed minimum lot size of 1,500 square feet for lots under the separately proposed SCC 30.23.270.

Design and Procedural Differences: A subdivision like Harbour Cove would have some minor design differences and a procedural change compared to the SFDU process.

Tree canopy and road network elements we be slightly different. Although parking requirements are differ between SFDUs and subdivisions, the actual design would have complied with both.

The canopy requirement as an SFDU was 20% but if Harbour Cove had been a subdivision, it would have been 30% under Table 30.25.016(3).

Changing from an SFDU to a subdivision would have resulted in at least two minor changes to road network elements. First, as an SFDU, the light gray areas in the preceding figure were all considered to be part of a "drive aisle". The pavement on the main part of the drive aisle is 20 feet wide (which is the minimum allowed for drive aisles that are also fire lanes). SCC 30.24.040 and .050 allows drive aisles in SFDU development, but not in subdivisions. Therefore, if Harbor Cove had been a subdivision, the main drive aisle would have been a public or private road. Both require 24 feet of pavement width (EDDS SD 3-065).

The second road network change involves access to units 8-10 and 12-15. These take access from secondary parts of the drive aisle. The secondary drive aisles are also 20 feet wide and would need widening to 24 feet as private roads. Alternatively in a subdivision, they could become shared driveways with reduced widths of 10 feet if the attached units remained as duplexes. However, developing units 8-15 as attached single family per Ordinance 1 and with shared driveways may create a conflict with the "two lot" part of how code defines a shared driveway. Under <u>SCC 30.91D.465</u>, a shared driveway means:

a road network element that provides a single vehicle and pedestrian access in a private tract or easement for *two lots* that have no more than two dwelling units or two Group U [non-residential outbuildings] occupancies per lot. (*emphasis* added)

Per EDDS 3-05.D.3:

A shared driveway that provides access to no more than two dwelling units or two Group U occupancies may have a minimum 10-foot wide driving surface and easement width. More intensive use will require that the shared driveway meet fire lane [i.e. minimum 20-foot width] standards."

The combination of these requirements could mean that a subdivision would need wider private road access for the attached units.

As a subdivision, Harbour Cove would have required a public hearing to receive approval. Urban subdivisions with 10 or more lots require a public hearing before the Hearing Examiner. Approval of urban short subdivisions up to 9 lots are usually by an administrative decision by Planning and Development Services (PDS) staff. SFDUs usually have an administrative approval process, regardless of the number of units.

Policy Analysis

The proposed reductions in minimum lot size for LDMR and MR zoning seek to help address housing affordability.

In 2021, the Legislature passed Engrossed Second Substitute House Bill 1220 (ESSB 1220), which among other changes strengthened the Growth Management Act (GMA) Goal 4 related to housing. ESSB 1220 went from "Encourage the availability of affordable housing to all economic segments of the population" to "Plan for and accommodate housing affordable to all economic segments of the population".

In 2023, the Legislature also enacted Engrossed Substitute House Bill 1110 (ESSB 1110), which included a finding that states:

Washington is facing an unprecedented housing crisis for its current population and a lack of housing choices, and is not likely to meet the affordability goals for future populations [...] innovative housing policies will need to be adopted. Increasing housing options that are more affordable to various income levels is critical to achieving the state's housing goals, including those codified by the legislature under chapter 254, Laws of 2021 [ESSB 1220].

Subdivision of homes on small lots will help diversify the housing stock and promote ownership housing affordable to middle income households.

Snohomish County's General Policy Plan (GPP) contains policies regarding land use and housing that are also relevant. These include the following policies:

Goal LU 1 – Establish and maintain compact, clearly defined, well designed UGAs.

Objective LU 1.A – Establish UGAs with sufficient capacity to accommodate the majority of the county's projected population, employment, and housing growth over the next 20 years.

Policy LU 1.A.9 – Ensure the efficient use of urban land by adopting reasonable measures to increase residential, commercial and industrial capacity within urban growth areas prior to expanding urban growth boundaries. The County Council will use the list of reasonable measures in accordance with the guidelines for review contained in Appendix D of the Countywide Planning Policies to evaluate all UGA boundary expansions.

The amendments proposed by this ordinance would reduce regulatory barriers on the construction of housing in urban areas. This is a reasonable measure that increases residential capacity in UGAs thereby helping accommodate growth and the maintenance of compact UGAs.

Objective HO 1.B – Ensure that a broad range of housing types and affordability levels is available in urban and rural areas.

The proposed amendments reduce regulatory barriers on the development of housing in urban areas, supporting the development of a broad range of housing types and affordability. The development housing on smaller lots will provide different housing types and affordability levels in areas with a lack of affordability.

Procedural

Environmental Review

A State Environmental Policy Act Checklist and a threshold determination will be issued prior to County Council consideration.

Notification of State Agencies

Pursuant to RCW 36.70A.106, county staff will transmit a notice of intent to adopt the proposed regulations and standards to the Washington State Department of Commerce at least 60 days prior to a public hearing held by the County Council.

Action Requested

Council Motion 23-539 requests that Planning Commission hold a public hearing, consider the proposed code amendments, and provide a recommendation to the County Council by May 27, 2024. The Planning Commission can recommend approval of the proposed ordinance with supporting findings of fact as proposed or modified, deny the proposal with findings, or amend the proposal with appropriate findings.

cc: Ken Klein, Executive Director Mike McCrary, PDS Director David Killingstad, PDS Manager Michael Dobesh, PDS Manager