

# **TUMWATER PLANNING COMMISSION**

## **MINUTES OF MEETING**

**August 22, 2023 Page 1**

**CONVENE:** 7:00 p.m.

**PRESENT:** Chair Elizabeth Robbins and Commissioners Grace Edwards, Terry Kirkpatrick, Meghan Sullivan, Michael Tobias, and Kelly Von Holtz.

Excused: Commissioners Anthony Varela and Brian Schumacher.

Staff: Planning Manager Brad Medrud, Housing, Land Use Planner Erika Smith-Erickson, and Department Assistant Brittaney McClanahan.

**CHANGES TO THE AGENDA:** There were no changes to the agenda.

**COMMISSIONER'S REPORTS:** There were no reports.

**MANAGER'S REPORT:** Manager Medrud reported on progress to review the Washington Wildland-Urban Interface Code to include discussions with members of the State Building Code Council on some divergent interpretations of what is and is not possible for the City to consider. He and the City's Building Official are scheduled to meet with a representative from the Building Code Council on Friday, August 25, 2023 for some additional clarification on how the Building Code Council believes the code should be interpreted. Following that discussion, staff will meet with the City Attorney on whether the Building Code Council's interpretation is sufficient for the City to follow. The State Building Code Council was the entity that submitted the amendments to the interface code. In terms of the enforcement aspect of the code, staff has been questioning the enforcement of the code. Essentially, it is up to the City to enforce the code. Staff is optimistic that by September, the City will receive more clarification on the code to enable staff to restart the urban forestry review and amendment process.

**PUBLIC COMMENT:** There were no public comments.

Manager Medrud reported the City received a letter from Bonnie Blessing concerning the Commission's discussion on the Housing Element of the Comprehensive Plan. The email will be included in the record as well as part of the discussions moving forward.

**2025 COMPREHENSIVE PLAN PERIODIC UPDATE – HOUSING:** Manager Medrud reported on the final stages of activating the website for the Comprehensive Plan Periodic Update. The site has a separate address and contains an extensive amount of content. The website will include links to all update materials and the current Comprehensive Plan. As materials are added or changed, the website will be updated to

## **TUMWATER PLANNING COMMISSION**

### **MINUTES OF MEETING**

**August 22, 2023 Page 2**

reflect those changes.

The Housing Element is likely the largest element to review in terms of issues to consider as part of the update. The Legislature passed numerous bills in 2022 and 2023 with a number of changes outlining what the Housing Element must include and the reasons for including the information.

Manager Medrud outlined the agenda for the review, requirements, and the overall growth management goal for the Housing Element.

According to the forecast issued by the Department of Commerce, the state will need 1.1 million new homes in the next 20 years. For Thurston County, that will equate to approximately 60,000 new dwelling units in the next 20 years. Additionally, permanent supportive housing (PSH) and non-permanent supportive housing will be a substantial component of the county's forecasted need. Staff is participating in a countywide meeting on Thursday, August 24, 2023 to discuss the allocation of dwelling units to meet future needs in each jurisdiction.

Chair Robbins commented that Thurston County's need of approximately 60,000 dwelling units is approximately 6% of the state need. She asked whether forecasted need applies equally to all income levels in Thurston County. Manager Medrud said the percentage is approximately equal across the income spectrum. Thurston County lacks housing for income levels under 80% of the median income. Based on preliminary figures for Tumwater, the City would likely have sufficient housing supply for incomes of 80% to 100% of the median income level and 100%-120% of the median. Additionally, the figures reflect the City of Tumwater has a much higher housing need for income levels of 120% or more of the median income. The new state requirements do not require the City to address the +120% income level, such as development of new policies.

Commissioner Kirkpatrick commented that permanent supportive housing constructed in Olympia is often partially financed by the cities of Tumwater and Lacey through financial contributions. He asked how those instances are counted against each jurisdiction's housing plan, as the housing is not located in Tumwater despite financial support by the City. Manager Medrud said the issue relates to emergency beds that must also be provided. The issue will be a discussion topic during the allocation meetings as to how jurisdictions will ensure an effective solution to meet the requirements. In his work with the Regional Housing Council, Tumwater should have a fair share of housing delivered efficiently and economically. Combined, the three largest

## **TUMWATER PLANNING COMMISSION**

### **MINUTES OF MEETING**

**August 22, 2023 Page 3**

cities are not of a sufficient size to host a service provider for each jurisdiction. The three cities are relatively close and are able to share service providers while the Town of Bucoda would not be of sufficient size to provide permanent supportive housing with all the necessary wrap-around services required for that specific type of housing. The issues will be part of the regional discussion.

Chair Robbins asked whether recent legislation speaks to regional approaches, such as the Regional Housing Council (RHC) as a way to satisfy some of the new requirements. Manager Medrud said the legislation did not speak to that issue to the extent desired by the region, which will necessitate more discussions by local jurisdictions as none of the jurisdictions will be able to refer to the RHC as the solution to meet the intent of the legislation.

Chair Robbins suggested the issue might be worth pursuing through the Association of Washington Cities during the interim to enable possible modification of the legislation. Manager Medrud said his primary concern is avoiding a paper exercise. Any solution should be able to be monitored and tracked moving forward.

Data from the 2022 statewide Housing Survey revealed 77% of the respondents believe rents are too high, 75% indicated it was too costly to purchase a house, and 49% said it was too difficult to find affordable housing. Of the respondents, 64% said government agencies should do more to provide housing not being delivered by the market. That response reflects a substantial change from existing practices. Approximately 58% of the respondents agreed smaller housing (triplexes) should be allowed in single-family zones as long it meets all the standards in the zone district. The response was also reflected in state legislation in 2023. Additionally, there is much overlap between the Land Use Element in terms of the allocation of different land uses and the Housing Element.

Manager Medrud referred to a graphic outlining the new Growth Management Act (GMA) requirements for the update of the Housing Element. The GMA includes housing goals and requirements filtered through the County-Wide Planning Policies for establishing rules for development and coordination between the comprehensive plans of the jurisdictions within the county. At this time, the County-wide Planning Policies are not scheduled for an update before the periodic update unless a small update is initiated. Each city's comprehensive plan establishes the policies, maps of zoning districts, and the Housing Element, as well as the development regulations (zoning code, land division, environmental protection, and engineering standards).

## TUMWATER PLANNING COMMISSION

### MINUTES OF MEETING

August 22, 2023 Page 4

The goal for housing is to plan for and accommodate housing affordable to all economic segments of the population of the state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

Manager Medrud reviewed a diagram of the process for the update of the Housing Element. The diagram includes new or modified housing needs for projected housing needs and new equity requirements. The update begins with the Washington State Growth Management Act, population projections derived from the Office of Financial Management, housing need projections from the Department of Commerce by county, and a housing needs allocation tool and guide material provided by the Department of Commerce to help guide the Thurston County housing allocation.

Manager Medrud described the three potential methods identified by the state for allocating housing across the jurisdictions, which will be part of the countywide meeting scheduled later in the week. Each city is required to address specific requirements. The City has established its public participation program with the process beginning with specific actions in September.

The early phase of the City's process will assess housing needs by establishing projected housing needs consistent with allocations. The housing needs allocation process is scheduled for completion by October/November. The City is required to document that it has sufficient land capacity and identify areas of higher risk of displacement as part of the racially disparate impacts requirements. Two separate processes will be followed throughout the update. During the mid-phase in 2024, the process will identify various limitations to housing production by examining policies to identify specific implementation actions that can be monitored over time with assignments and timelines. Concurrently, the update process will include identifying policies and regulations contributing to racially disparate impacts, displacement, and exclusion in housing. The last phase of the update is documentation of specific programs and actions that are required to achieve housing availability for everyone and for all incomes.

State requirements for the Housing Element needs to address GMA requirements to ensure the vitality and character of established residential neighborhoods:

1. Include an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, including:
  - a. Units for moderate, low, very low, and extremely low-

## TUMWATER PLANNING COMMISSION

### MINUTES OF MEETING

August 22, 2023 Page 5

- income households
- b. Emergency housing, emergency shelters, and permanent supportive housing
- 2. Include a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and moderate density housing options including, but not limited to, duplexes, triplexes, and townhomes
- 3. Identify sufficient capacity of land for housing including, but not limited to the following:
  - a. Government-assisted housing
  - b. Housing for moderate, low, very low, and extremely low-income households
  - c. Manufactured housing
  - d. Multifamily housing
  - e. Group homes and foster care facilities
  - f. Emergency housing, emergency shelters, and permanent supportive housing
  - g. Consideration of duplexes, triplexes, and townhomes
- 4. Make adequate provisions for existing and projected needs of all economic segments of the community, including:
  - a. Incorporating consideration for low, very low, extremely low, and moderate income households
  - b. Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations
  - c. Consideration of housing locations in relation to employment location
  - d. Consideration of the role of accessory dwelling units in meeting housing need
- 5. In addition to the state requirements in WAC 365-196-410, the City will need to address new state legislation regarding accessory dwelling units and conversion of existing commercial or office uses to residential uses (new legislative requirement)

Commissioner Tobias inquired about potential regulatory or other types of barriers for converting shopping malls to residential uses. Manager Medrud advised that based on zoning, building code issues could exist especially if the mall was constructed to commercial or industrial standards, which are different from a residential standard. Residential standards are the highest standard. Upgrades that would be required internally to achieve residential standards could be too costly. Staff has engaged in discussions with some local office owners about the possibility of converting state leased space to residential uses. However, some challenges exist despite the recent age of some buildings. It would be difficult to transition the different uses.

**TUMWATER PLANNING COMMISSION**  
**MINUTES OF MEETING**  
**August 22, 2023 Page 6**

Chair Robbins asked about the possibility of converting a commercial structure that includes some commercial or retail component, as well as residential dwellings. Manager Medrud said it would be the responsibility of the building owner in terms of the types of uses in a building. The zoning code allows for flexibility for including different uses.

Commissioner Kirkpatrick referred to the requirements enabling the selling of an accessory dwelling unit (ADU). He questioned whether the requirement would require the City to divide a parcel that is contemplating adding an ADU. Manager Medrud said that at this time, he is uncertain as to how the City would address the requirement. An option is treating ADUs similar to condominium where the owner owns the underlying property and negotiates access. Staff has not explored potential possibilities. Additionally, the new changes require the City to allow two ADUs on a lot within the City. State law is preempting many of the City's requirements for ADUs.

Manager Medrud reported that as part of the review and update of the Housing Element, the City is required to:

1. Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
  - a. Zoning that may have a discriminatory effect;
  - b. Disinvestment; and
  - c. Infrastructure availability;
2. Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
3. Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
4. Establish anti-displacement policies, with consideration given to the following:
  - Preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing
  - Equitable development initiatives
  - Inclusionary zoning
  - Community planning requirements
  - Tenant protections
  - Land disposition policies
  - Land that may be used for affordable housing

## **TUMWATER PLANNING COMMISSION**

### **MINUTES OF MEETING**

**August 22, 2023 Page 7**

Manager Medrud explained that the new provisions will require staff to document the review process.

Chair Robbins inquired about the specific efforts staff plans to pursue, such as researching the code or examining historical settlement patterns. Manager Medrud said it would likely involve a combination of activities to include communicating with the community, identifying community members who have not been communicating with the City, and conducting historical analysis of past practices and identifying how patterns were developed.

The overall update process entails five steps:

1. Engaging with the community
2. Gathering and analyzing data
3. Evaluating existing policies
4. Revising policies
5. Reviewing and updating regulations

All changes to the Housing Element and housing regulations are exempt from the State Environmental Policy Act (SEPA) review unless the actions have a probable significant adverse impact on fish habitat.

Manager Medrud reviewed some policies included within the County-Wide Planning Policies

- Meet basic human needs of clean water and air, healthy food, adequate housing, quality education, public safety, and equal access, regardless of socio-economic status
- Increase housing choices to support all ranges of lifestyles, household incomes, abilities, and ages. Encourage a range of housing types and costs that are commensurate with the employment base and income levels of jurisdictions' populations, particularly for low, moderate and fixed income families
- Accommodate low and moderate income housing throughout each jurisdiction rather than isolated in certain areas
- Explore ways to reduce the costs of housing
- Establish and maintain a process to accomplish a fair share distribution of affordable housing among the jurisdictions
- Work with the private sector, Housing Authority, neighborhood groups, and other affected citizens, to facilitate the development of attractive, quality, low and moderate income housing that is compatible with the surrounding neighborhood and located within easy access to public transportation, commercial areas and employment centers

## **TUMWATER PLANNING COMMISSION**

### **MINUTES OF MEETING**

**August 22, 2023 Page 8**

- Regularly examine and modify policies that pose barriers to affordable housing
- When possible, provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of low cost affordable housing for low, moderate and fixed income individuals and families

Applicable Sustainable Thurston Plan goals include:

- Improve regulatory clarity and predictability to encourage urban infill and redevelopment
- Increase housing amid urban corridors and centers to meet the needs of a changing population
- Provide sufficient housing for low and moderate income households within each jurisdiction
- Maximize opportunity to redevelop land in priority areas by investing in infrastructure and environmental remediation
- Provide sufficient service enriched housing for homeless and highrisk populations
- Encourage housing density and diversity in neighborhoods to add vibrancy and increase equitable access to opportunity
- Encourage the construction, weatherization, and operation of homes to boost energy efficiency

The City Council adopted the Tumwater Housing Action Plan in 2021 to inform the City's Comprehensive Plan policies and development regulations and guide implementation strategies to help the City meet its housing needs and strategic objectives. The Plan will be used to support the update of the Housing Element and development regulations.

The Housing Element studies existing housing stock and explores methods of providing sufficient affordable housing for all economic segments. Manager Medrud reviewed the structure of the current Housing Element by chapter.

Commissioner Kirkpatrick asked whether the assumption of sufficient land available for projected development includes required infrastructure for development. Manager Medrud affirmed it is necessary to document available land to accommodate the population forecast, as well as all development requirements for all parcels, such as capital facilities, water and sewer utilities, and other requirements. The forecast also accounts for limitations of some lands in the City.

Manager Medrud reviewed available Department of Commerce housing guidance materials:



## TUMWATER PLANNING COMMISSION

### MINUTES OF MEETING

August 22, 2023 Page 9

- Periodic Update Checklist for Fully-Planning Cities (March 2023)
- Guidance to Address Racially Disparate Impacts (April 2023)
- Establishing Housing Targets for Your Community (July 2023)
- Guidance for Updating Your Housing Element (2022)
- Missing Middle:
  - Frequently Asked Questions about Middle Housing (May 2023)
  - Middle Housing in Washington: Fact Sheet for Implementing E2SHB 1110 (May 2023)

Manager Medrud reviewed the timeline of next steps in the update process:

#### *Phase I – Community Engagement Summer 2023 – Fall 2023*

- Community Outreach – Initial Actions
- Gap Analysis – Completed September 2023
- Data Collection – Completed Spring 2024
- Format of the Updated Plan – Completed September 2023

#### *Phase I – Gap Analysis*

The Gap Analysis will use the following materials to review the Land Use Element:

1. Commerce Periodic Update Checklist
2. Ecology Critical Areas Checklist
3. Commerce Periodic Update Materials
4. 2022-23 State Legislation
5. Plans Adopted by the City since 2016
6. Specific Plans from Agencies Outside the City

The Gap Analysis will identify what needs to be updated or added to the following in the Land Use Element:

1. Goals, policies, and actions
2. Technical information
3. Maps
4. Appendices
5. Subarea Plans

#### *Phase I – Initial Element review worksessions:*

1. Housing Element– August 22, 2023 and September 26, 2023
  - Laura Hodgson, Senior Planner at the State Department of Commerce with a focus on GMA housing related issues, will be attending the September 26, 2023 worksession. Manager Medrud encouraged Commissioners to submit questions and comments to him by the week of September 11, 2023 to provide the information

**TUMWATER PLANNING COMMISSION**  
**MINUTES OF MEETING**  
**August 22, 2023 Page 10**

to Ms. Hodgson.

Phase II – Plan Development will begin in winter 2024 through fall 2024 and includes:

- Community Outreach
  - Actions to be determined based on Phase 1 results and Community Outreach Plan
- Continuing Community Outreach – January 2024 – June 2024
- Department of Commerce review of proposed Plan format – March 2024
- Comprehensive Plan Individual Element development meetings January 2024 - October 2024
- Development Code Amendment meetings – March 2024 – October 2024

The Phase III Legislative process from fall 2024 through June 30, 2025 includes:

- Department of Commerce review – Fall 2024 – Winter 2025
- Preparation of Ordinance – October 2024
- SEPA Review and Department of Commerce Notice of Intent – November 2024 – December 2024
- Public Adoption Meetings
  - Planning Commission November 2024 – February 2025
  - City Council March 2025 – June 2025
  - Notice of Adoption – June 30, 2025

The Commission's September 12, 2023 and September 26, 2023 meetings are worksessions on the Land Use Element focusing on goals, policies, actions, and considerations of factors to consider during the development and update of policies and implementation actions. The General Government Committee is scheduled to receive a briefing on the Land Use Element at its September meeting. A joint worksession with the City Council is scheduled in December 2023 with other potential worksessions in 2024.

The periodic update email is [compplan@ci.tumwater.wa.us](mailto:compplan@ci.tumwater.wa.us). All documents related to the periodic update will be located on the City's periodic update webpage after the website has been activated.

Manager Medrud invited questions and comments.

Chair Robbins asked that Ms. Hodgson provide some examples of other plans developed in other municipalities and other countries.

Commissioner Kirkpatrick commented that the legislative requirement

## **TUMWATER PLANNING COMMISSION**

### **MINUTES OF MEETING**

**August 22, 2023 Page 11**

allowing two ADUs on one parcel within the urban growth area appears to be counterproductive because the urban growth area is not served by transit. Manager Medrud said the new requirement is not tied to the availability of transit service. The requirement for missing middle included a requirement that most of those housing types need to be located near a major transit stop. However, for ADUs, the City reduced parking requirements for ADUs located within a half mile of a transit route with 15-minute service or less. Additionally, if permanently affordable housing is provided, the City allows up to four ADUs on a parcel.

Chair Robbins referred to information that speaks to working with the private sector, Housing Authority, and others. She asked about the possibility of working with major employers within the City or within Thurston County to ascertain any interest in working and collaborating with the City to assist in financing housing.

Manager Medrud said Thurston County initiated some similar discussions through Thurston Thrives to establish partnerships between public and private sectors to achieve particular policy and public goals. Housing was one of those goals. Initial discussions focused on ways to pursue more cooperation between the private and public sector concerning the vision and location of housing. However, he believes ongoing discussions have not continued.

#### **NEXT MEETING DATE:**

The next meeting is scheduled on September 12, 2023.

#### **ADJOURNMENT:**

**Commissioner Edwards moved, seconded by Commissioner Kirkpatrick, to adjourn the meeting at 8:08 p.m. A voice vote approved the motion unanimously.**

Prepared by Valerie L. Gow, Recording Secretary/President  
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