

Anacortes Planning Commission Minutes - May 22, 2024

Roll Call

Chairperson Linda Martin called to order the Anacortes Planning Commission meeting of May 22, 2024 at 6:00 p.m. Commissioners William McCombs, Frank Jeretzky, Paul Ryan, Luke Currier, Jim Stoneman and Mike Mills were present.

Minutes

Minutes of 04/24/2024 were submitted for approval.

The minutes for 04/24/2024 were submitted for approval. Commissioner Currier moved to accept the minutes as presented; Commissioner McCombs seconded. Commissioner Mills abstained; all other Commissioners Ayes.

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Public Comment

Ward MacKenzie, Anacortes, pointed out that we cannot upzone ourselves into the solution. He feels that we need to look at the real issues, driven by economics, which may be out of our control. We need to encourage development by providing incentives or establishing a consistent regulatory environment that does not discourage development. If done correctly, we could provide housing in the denser areas of town where the infrastructure exists.

Public Hearings

Other Business

2025 Comprehensive Plan Update - Draft Land Capacity Analysis

John Coleman said tonight's presentation is on the draft land capacity analysis. The City hired Makers Architecture as the consultant to help with the Comprehensive Plan update. The sub-consultant is the Leland Group. Tonight we have Andrew Oliver who will present the land capacity analysis.

Andrew Oliver said he's working with Makers on the Comprehensive Plan. He reviewed the powerpoint. As part of the analysis process, they reviewed residential permits over the past 10 years, broken down by housing types. There has been an increase in ADU's and middle housing over the past few years. They also looked at commercial permits over the past 10 years. Most of these were in Sharpe's corner and the commercial area. We looked for redevelopable or vacant parcels. The projections for population, jobs, and housing comes from the State. Since the last Comprehensive Plan update, we have a requirement to review the income levels that the housing will serve. There is a projected need for a wide variety housing types based on income levels.

Anacortes currently has a deficit in the 0-50% AMI. We also have to plan for permanent supported housing; such as emergency shelters, substance abuse treatment, etc. There are 3 categories in the land use analysis: vacant land, partially used land (low and medium density residential zones that are large enough to be subdivided without tearing down the existing home); and redevelopable land. This excludes critical areas and a few other things, along with a few assumptions to allow for what may or may not happen based on market fluctuations and past/present trends. We also reviewed known projects. The result is a number that shows the capacity for additional units by zone.

Mr. Oliver clarified that ADU's were looked at separately. We looked to see where ADU's could be added. We understand that not everyone will build ADU's, so we estimated 5% of owners may choose to build an ADU. The result is approximately 350 ADU's in the next 20 years. We determined that Anacortes has sufficient zoning capacity to meet the housing unit and job projections through 2045. Regarding the housing needs by income, we looked at the zoning capacity to see where the units to serve lower income could be built. This is a

broad way of looking at this, but works well. He reviewed the zone categories showing the low, moderate and high income surplus for each zone. Based on the research. Anacortes can fulfill the requirements for housing categories. We also looked at adequate provision analysis - this ensures that production aligns with need and analyzes barriers to producing that housing.

Linda Martin referenced residential permits since 2013, stating it looks like approximately 114 units per year. She asked how many units are in process this year.

Mr. Coleman pointed out that in 2023 we were way down from the average due in part to the change in interest rates which influenced building. In 2024 we will likely follow that trend, but don't have those figures. He commented that developers are waiting for lower interest rates.

Commissioner Martin asked for clarification on how AMI is calculated.

Andrew Oliver stated it is based on the family income and household size which is slightly less than 2 adults.

Linda Martin said in 2016, the average was 2.4 for household size. She asked why the new projection is 1.7.

Mr. Oliver clarified that housing size has been going down in most of Washington. The conversion from population to housing unit projection takes into account more than just housing size. The Department of Commerce has a housing tool that has built in assumptions; such as vacancy rate changes, underproduction of housing units, homelessness, etc. He stated that the projection for housing size in Skagit County is expected to be 2.2 in 2045.

Commissioner Martin referenced the projections slide. She wondered where the figure for emergency housing came from.

Andrew Oliver said it is from the housing planning tool from the Department of Commerce. They take into account evictions, jail releases, etc. He clarified that Skagit County did a straight allocation for emergency housing targets.

John Coleman stated that Mount Vernon's number is proportionately larger.

Linda Martin asked how many emergency housing units we currently have.

Andrew Oliver said there are 30 currently.

Mr. Coleman clarified that emergency housing is temporary, such as Anacortes Family Center. It's supposed to be a few months of housing, similar to a first step program. It is not intended to be permanent housing. The goal is to get homeless individuals housed and connect them to supportive services.

Commissioner Stoneman commented that if we have 30 now, adding 48 more seems excessive. He wondered if the community has a need for that amount of emergency housing.

Mr. Oliver said it's based on the forecast of future needs.

John Coleman said some of this is to address a current deficit which we have identified. These housing types need to be located within cities, not in the County as the infrastructure is not there to support those individuals. Normally, 20% would be allocated to Skagit County, but that percentage was distributed among the cities in Skagit County.

Commissioner Martin referenced the SKOG population methodology. It looks like 10% that would normally be allocated to rural areas was allocated to the municipalities. It also looks like a similar percentage from the 120% AMI was allocated from municipalities to the rural areas.

Mr. Coleman clarified that the 80/20 split is for the overall county population projections. Of that 20%, 90% of the 0-30% AMI was taken out and reallocated to the City. The County can only accommodate 10% of that figure (0-30% AMI), which also assumes lower rent rates. The rest was disseminated among the cities. In order to keep the 80/20 split, each of the cities allocations for 120%+ AMI was redistributed to the rural areas. That was assumed to be SFR or manufactured homes. There is less capacity to accommodate the housing types under 100% AMI. He clarified that the allocation numbers are from SKOG and approved by the steering committee. Linda Martin clarified that when she first saw the allocations for 0-50% AMI they didn't seem to fit with the Anacortes community. That's why she wanted to see where those allocations came from. She feels that lower income individuals can live in the County.

John Coleman agreed. There are a lot of affordable housing units in the rural areas. This is about new construction units. You cannot purchase a new SFR if your income is under 120% AMI due to increased housing costs for construction.

Commissioner Mills asked why the other income brackets were not distributed differently in the county.

Mr. Coleman stated that it goes back to construction costs. It's not feasible to construct units other than SFR's.

Mr. Mills said he wished that the Planning Commission had the opportunity to weigh in on those numbers. He would have preferred to have participated from the beginning.

Paul Ryan asked if the Planning Commissioner will be working with the County during the Comprehensive Plan update.

John Coleman clarified that they would not be working with the County. Since we have the allocations, we will be focusing on city-wide planning for accommodation. If we determine our UGA needs to be addressed, we will then have to apply to the County for that expansion. That's part of the planned growth for Anacortes. We can annex land in our UGA's, but not outside of that. This is where we need to identify those growth areas.

Linda Martin pointed out that from a land use perspective, there is no need to expand the UGA based on this report.

Mr. Coleman said the City Council and Planning Commission still have a lot to say about that. This report says given the existing circumstances, we have enough land to accommodate the projections. However, there could be other reasons to change zoning, which could facilitate needing to look at the UGA. We intend to request portions of the ACFL that aren't currently in our UGA be included in our UGA so that we can annex that area. This is city-owned land (parks) so we would like to have a say about that land.

William McCombs asked if the existing homes would count towards the target numbers if the area is annexed.

Mr. Oliver clarified that the target numbers include the current UGA areas. For the purposes of this plan, annexation would happen after the adoption of this plan. Therefore, anything currently outside the City limits, would not be counted in these numbers.

John Coleman said if a home exists in the UGA now, those are counted in this land analysis because those areas were always planned for growth. If we add additional land to the UGA, those existing homes are not in those figures. If we were to expand the UGA, we would identify the property owners and would take into account the number of existing residences. We do have a request for annexation of approximately 120 acres in the UGA.

Staff will be working with City Council to determine if we want to do that.

Linda Martin asked John to describe the process.

Mr. Coleman said all development pays for expanding the infrastructure associated with the project. There are also impact fees, sewer fees, transportation fees, etc. New development pays into the system.

Luke Currier asked if the MJB site was excluded from this review.

Mr. Oliver stated they were not excluded. It's just a different color in this report because there's been different ideas floated for that site.

Paul Ryan asked if property is annexed would these larger parcels be broken down by changing the zoning, resulting in more homes in that area.

John Coleman said when land is designated UGA, the City predetermines the zoning. He pointed out that there's very little residential capacity in our existing UGA. It's mostly industrial and commercial.

Mr. Ryan asked if manufactured homes, RV lots, etc could be accommodated near the refinery.

Andrew Oliver stated there is some residential available in that area.

Mr. Coleman clarified that everything east of the golf course is not designated as residential. That area is light manufacturing, commercial, etc. Those uses are not compatible with residential growth. We are working on a plan to accommodate growth on the city-owned property in the Sharpe's Corner area.

Mike Mills asked how the city-owned land has been utilized.

Andrew Oliver said there is some City/Port land that is not developable, but the rest has been included. This excludes parks, schools, etc.

Frank Jeretzky pointed out that there is no City water or sewer in the Sharp's Corner area. He asked if it would be expensive to develop.

John Coleman said staff will study the costs of those improvements to the infrastructure.

Paul Ryan referenced the ADU slide. He asked if there are minimum requirements for permeable surfaces on a lot. He expressed concern that an ADU would affect that requirement.

Libby Grage stated that there is a minimum requirement for landscaped areas and maximum lot coverage by the

buildings. ADU's have to meet those requirements.

Mike Mills commented that staff needs to look at the developability based on geological aspects also. The lot may be big enough for the ADU but given the topography, it may not be developable.

Mr. Oliver clarified that this was the first review to determine the capacity to increase ADU's on existing lots. There are several lots that an ADU would not be feasible, but the 5% assumption should account for that. The more important take away is that this number is not too large.

John Coleman pointed out that this assumes detached ADU's. There is potential for an increase in attached ADU's.

Commissioner Mills wants to make sure the citizens understand that not all of those will be developed.

Mr. Coleman agreed. This shows where ADU's can go based on our current zoning. This equates to 18 ADU's per year. Currently we have approximately 11 ADU's per year. We understand that our projections cannot be satisfied solely with ADU's.

Ms. McCord asked what racially disparate impact means.

Andrew Oliver clarified that the State is asking cities to look at potential impacts of historic land use practices; such as, ownership restrictions to people of certain races. Much of that language still exists in the record. There was a disproportionate effect on those non-white potential homeowners. Although that's not allowed now, the impacts may still be there. We are required to look at that. We are reviewing the existing policies in the current Comprehensive Plan and determine if those impacts need to be addressed. Middle housing is tied to this. Other housing forms may provide opportunities that those individuals may not otherwise have had. This allows for diversity of housing types. It has to do a lot with policy and a little about zoning.

Planning Commission Procedures

John Coleman referenced the draft Planning Commission procedures. These define how the Planning Commission works and how meetings are conducted. He reminded them that they still fall under Roberts Rules of Order. This is your opportunity to hash out the details.

Linda Martin stated that the Commission can go through this page by page or table it and bring back suggestions.

Frank Jeretzky asked if staff anticipates having a meeting in 2 weeks.

Mr. Coleman said there was nothing tentatively scheduled for that date.

Commissioner Martin referenced her marked up version. She asked if the Commissioners want to add a mission statement. She commented that she's usually in favor of them, but not sure if it makes sense for the Planning Commission. It could be helpful with the Comprehensive Plan update, but that only happens every 10 years.

John Coleman agreed that the Comprehensive Plan is the biggest thing the Planning Commission does. It guides the rest of the decisions. That's what we were trying to achieve. The Planning Commission looks at changes yearly and makes recommendations.

William McCombs asked if this should be coming from the City Council since the Planning Commission serves the role they gave us.

Mike Mills said he liked the 3rd paragraph as the primary statement.

Luke Carrier agreed with Commissioner McCombs. We are here to serve a function. It feels weird to redefine the role.

John Coleman clarified that the role of the Planning Commission is defined on the webpage, but it is not specified in the AMC. You're here to make recommendations to City Council and they make decisions. They provide feedback so you understand their process. While City Council does influence the Planning Commission decision making process, you are an independent body.

Commissioner Martin recommended that the Commissioners read the 2 versions and review the website. She recommended adding language about a quorum. She referenced page 3, the election of officers. She reviewed her recommendation. She wonders if the second sentence is needed.

Mr. Coleman commented that it provides some clarity. It doesn't hurt to keep it.

Linda Martin recommended leaving it in. She moved on to 3G and suggested removing it.

Mike Mills said that's redundant with 5A. If we keep it, we need to be consistent.

John Coleman pointed out this intends to give the Planning Commission a worksession, such as gathering at a table to review a land use map. This allows for a less formal meeting type. He suggested changing 3G to "the Planning Commission may hold study sessions per section 5".

Commissioner Martin said she wants to remove 3G and keep 5A. She moved on to section 3I stating she did not think that should be a rule.

Mr. Coleman said it's not uncommon to set a limit. If the Commission wants to go over the limit, a vote needs to happen.

Linda Martin agreed to leave it in. She moved on to 4B asking if it needs to be removed.

John Coleman clarified that the intent is to allow the Commission to break a large topic into multiple meetings.

William McCombs pointed out this gives us leeway. He recommended leaving it in.

Frank Jeretzky expressed concern from prior meetings where a decision wasn't being made and the public felt like we were passing things off.

A majority of the Commissioners wanted to leave it in.

Linda Martin referenced the last page asking if they should add 'and a consensus'.

Commissioner Mills suggested clarifying if a vote is involved.

Frank Jeretzky agreed.

Linda Martin suggested changing it to "procedure by a motion and a vote". She provided some duplicates that need to be removed. At the next meeting, the Commissioners will need to hash out the mission statement and roles. She recommended coming with ideas.

Mike Mills referenced section 6B stating there's been citizens attending meetings and talking about anything they want to rather than focusing on City of Anacortes business. Then in section 7H, which discusses cross examination of speakers, he wonders if the Commission wants to engage with speakers or ask clarifying questions.

Commissioner Martin said this is fine the way it is.

John Coleman pointed out that is the public comment period, not a question and answer period.

Commissioner Mills said we still have the option to ask clarifying questions, but for public comment that is not staying on topic, Commissioners can step up and stop it.

Frank Jeretzky said he likes the comment period up to 3 minutes because it doesn't allow much time for debate.

Mr. Coleman stated that Commissioners can address questions from the public later in the meeting, but it's important not to engage back and forth.

Linda Martin will rewrite her version with the changes that were discussed tonight.

Planning Department Update

Mr. Coleman said that on April 24th the Planning Commission reviewed the Shoreline Development Permit for the Port and you approved that, but there has been an appeal of that decision, so that will go to City Council for a closed hearing appeal. That will be on May 28th. The appeal was based on procedural things. We also reviewed the Public Participation Plan that was taken to City Council on Monday. They requested additional information and some modifications regarding scheduling, which will be brought back to Council.

Linda Martin asked if John could discuss the June 5th meeting.

John Coleman said that we are having the 2025 Comprehensive Plan kick off on June 5th! This is an open house and our consultant will be there to speak with those attending. This is not a Planning Commission meeting, but you are encouraged to be there. We will post that there is a potential for a Planning Commission quorum. At 6:30 there will be a more formal presentation about the Comprehensive Plan process, with a focus on the new climate element. This could be a bit repetitive for Commission members, but we encourage you to attend.

Linda Martin asked if and how people will be able to give input.

Mr. Coleman clarified that the consultants will be taking feedback. We will have a survey prior to that date, so we hope to have those results available during that open house.

Commissioner Martin commented that we really want significant input. She suggested surveys for the different elements and "Planacortes" swag.

John Coleman clarified that this is the first of 3 open houses. We don't anticipate specific comments from the public, rather general comments regarding the update. There will be another workshop when we are working on the policies and goals, then the final workshop will be about the draft Comprehensive Plan. These are the 3 main times for people to interact with the consultants.

Linda Martin said we need to capture comments from the public. She suggests that comments should be by element.

Adjournment

8:21p.m.