

**CITY OF ISSAQUAH  
Planning Policy Commission**

6:30 PM  
November 4, 2021

Virtual Meeting

**MINUTES**  
**SPECIAL MEETING**

**COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT**

*Alternate Meeting Format: On March 6, 2020 the Mayor declared a civil emergency due to the outbreak of novel coronavirus (COVID-19). On March 24, 2020 the Governor issued Proclamation 20-28 relating to the COVID-19 emergency and open public meetings. The proclamation has been extended. Due to these factors, the meeting was held using a remote meeting platform.*

*Commissioners Present:*

Jason Voiss, Vice Chair  
Matt Monahan  
Nina Milligan  
Sara Bader  
Richard Zaragoza, Alternate (acting as regular member)

*Administration/Staff:*

Christen Leeson, Senior Planner  
Minnie Dhaliwal, Director, CP&D  
Lucy Sloman, Land Dev. Manager  
Valerie Porter, Assistant Planner  
Mike Stanger, ARCH

*Commissioners Not Present:*

Ron Faul, Chair (Excused)  
Joy Lewis (Excused)

**CALL TO ORDER**

VOISS, Vice Chair, called the meeting to order at 6:30 PM. He provided some guidelines for participating in tonight’s remote-format meeting.

**APPROVAL OF MINUTES**

No action was taken on the October 14, 2021 minutes.

**PUBLIC COMMENTS**

Susan Neville, resident, said at the end of the October 28 meeting, she was left wondering whether staff had received the direction they were seeking on zoning. She asked for clarification, and to take a few moments at the end of tonight’s meeting to clarify the direction staff received from tonight’s discussion. Leeson and Dhaliwal responded. Neville continued she wasn’t sure that everything was covered at the last meeting that was requested in the agenda, and exactly what policy direction on zoning was given.

**REGULAR BUSINESS**

a) **Education: Title 18 Zoning and Development Standards, (D)**

- Transfer of Development Rights
- Landmarks & Archaeology
- Affordable Housing

*Presented by:*

*Christen Leeson, Senior Planner  
Valerie Porter, Assistant Planner  
Lucy Sloman, Land Development Manager*

Transfer of Development Rights. Sloman began staff’s presentation on the transfer of development rights (TDR) process. She explained that TDRs have been used in the City since 2000, and

showed sites around the City that have used TDRs on a diagram. She described one of the Council's established goals as "protect forested hillsides," and said TDRs were envisioned as a way to do that, which is being revisited as part of the Title 18 update.

MILLIGAN asked for clarification of the sending and receiving sites on the diagram. Sloman explained the legend to the diagram.

ZARAGOZA asked about qualifications for sending and receiving sites. Sloman gave several examples of how and why a property owner could qualify their property as a sending site, and why a property owner might want to become a receiving site.

Landmarks and Archeology: Porter made staff's presentation, including the King County Landmarks Commission's role in determining landmark designations. She clarified the changes that are proposed to the landmarks and archeology language in Title 18, and characterized the changes as relatively minor. She described the City's six registered landmarks.

MILLIGAN asked has the City talked to the Historical Society about the proposal. She also asked when we adopt a policy from another jurisdiction, do we refer to that policy or copy it into our code. Porter replied there are some sections in the City's code that reference outside jurisdictions' regulations, in this case King County's, and we could discuss just referring to their code in the IMC further. Leeson explained there are a few differences between King County's and the City's code about landmarks, but it is worth considering. She confirmed there has been ongoing communication with the Historical Society.

Affordable Housing: Leeson made staff's presentation on two types of affordable housing: (1) those units created through incentives the City offers and are regulated through covenants; and (2) units created through the market and are unregulated. She said tonight's discussion will be just about type (1).

She showed a diagram of the City's 141 affordable housing units around the City, which are City-regulated units available to people who earn up to 80 percent of the area median income (AMI). She continued with the affordable housing programs and incentives the City currently has available: inclusionary zoning, cluster housing, fee waivers, priority permit review, reduction of parking and park space, multi-family tax exemption, development agreements, and the Central Issaquah Density Bonus Program.

She said staff is looking for feedback on three questions tonight; the first question for discussion will focus on the Density Bonus Program, and provided details on how the program operates in the City. She noted so far it has yielded 11 units at 50 percent AMI and resulted in \$650,000 fee-in-lieu from the Lofts project. She continued with the City's mandatory programs (inclusionary zoning, cluster housing, and development agreements), which are currently only required in three zones or in development agreements.

BADER asked what is permissible to add or change for affordable housing within the Title 18 update process. Leeson replied the City has quite a few programs available; whatever programs we are going to use, we will include in Title 18.

MILLIGAN asked for clarification of how mandatory and incentivized affordable housing intersect. Leeson explained how the programs work, particularly the density bonus. MONAHAN asked what are the advantages of keeping the Density Bonus Program. Leeson replied the program is not often used, and tends to be confusing. Keeping it is still an option, as is taking it out. She added the program is difficult to administer. Mike Stanger, Planner with A Regional Coalition for Housing

(ARCH), added details about Kirkland's experience with a voluntary density bonus program, and how they converted it to a mandatory program. He said Kirkland also added a multifamily tax exemption and set the AMI at 50 percent.

### **Public Comments**

Susan Neville spoke to a multi-family mandatory tax exemption program, and the difficulty of keeping it to selected areas. She also expressed concern about any potential conflicts with other state regulations on affordable housing.

### **Discussion**

Transfer of Development Rights: MILLIGAN said she generally supports the TDR program, especially for protection of forested hillsides. She said she is not interested in expanding the receiving sites, of which there appear to be plenty.

VOISS said he doesn't necessarily agree with MILLIGAN about receiving sites; we cannot over-regulate where our growth should go. But he is generally supportive of the program and especially in favor of streamlining the code. Sloman added the urban growth boundaries in our state regulate where growth can take place, which is a macro-level of protection by the state. TDRs are another tool to be used with the urban growth boundary for areas that we may not want to have developed. VOISS said he thinks TDRs are appropriate as a way to protect our hillsides and forests, but there also has to be some give-and-take.

ZARAGOZA said it makes sense to transfer density to the core and protect the hillsides; as a concept it supports the Council's goal of protection. Sloman gave some background on the use of TDRs when the Highlands was developed.

Landmarks and Archeology. MONAHAN asked does the City Attorney concur with the idea of referencing another jurisdiction's regulations in our code, in this case King County. Porter replied yes, review by the City Attorney is part of the Title 18 update process. VOISS said he favors referencing it and not having to include it in the City's code as long as doing so is legally acceptable. Other Commissioners agreed. MILLIGAN added perhaps we could adopt King County's code and also include a way to review when they make updates so that we aren't just agreeing with whatever updates they make. Others agreed.

Affordable Housing. Leeson said staff recognizes that some ideas may require a lot of study before they can be implemented, but others may be relatively easy to do. The objective tonight is to discuss more ways to get more affordable housing activity in the City, apart from market-driven development.

Question 1: Do you prefer to keep the Density Bonus Program in place or eliminate this voluntary program? MILLIGAN spoke against eliminating the Density Bonus Program, and in favor of cleaning up the code but not changing policies. She described the "two-thirds" mitigation provision in the Density Bonus Program as confusing, and gave options for making the program simpler. Just make the density bonus have an affordable housing component, she stated, or make it an extension of the inclusionary zoning. BADER agreed. She said the 40-percent affordable housing goal seems substantial, and we should probably not be cutting any programs that could help get us to that goal. She suggested eliminating both the fee-in-lieu and the percentage requirements. Leeson noted the fee-in-lieu provision was intended for commercial properties when it was first proposed, and explained why the density bonus program became part of open space discussions. ZARAGOZA said the program doesn't seem to be hurting anything, and may be used more in the future; maybe we should just make adjustments to streamline the regulations and increase

mandatory requirements, and keep it. MILLIGAN said another option is to allow the density bonus in exchange for both affordable housing and open space.

Sloman gave some perspective on how the use of TDRs could help transfer development from the hillsides to central Issaquah. VOISS said having the Density Bonus Program available seems to cause no harm, and as less land is available, it may be more fully used in the future.

Dhaliwal added the goal is to get more affordable housing, and if the Density Bonus Program is not delivering on that, the dilemma is whether to keep it. Stanger gave some perspective from Kirkland's experience. He showed a diagram of Redmond, Kirkland, Issaquah, and Bellingham's experience with mandatory and voluntary affordable housing programs. He said mandatory programs have to include some benefit for the property owner; there has to be some added value in exchange for getting affordable housing. The voluntary programs have the same goal, but developers have the choice whether to participate or not.

VOISS suggested that staff schedule another meeting with Mr. Stanger on hand to become more familiar with the complexities of the affordable housing issue. Without more information, he continued, he doesn't feel prepared to give more than just general guidance on this very important and complex issue. The other Commissioners agreed to another meeting. Staff will pursue.

Question 2: Do you wish to add affordable housing programs to our regulations? Beyond three zones, outside central Issaquah, or keep it within? VOISS said he would like more information about why 40 percent affordable housing is the right goal for Issaquah, and what reaching that target might mean for our City. Stanger explained that King County selected 40 percent through the Growth Management Act discussions; it has been around since countywide planning policies that began about 2006. The idea behind the GMA at the state level is that counties that have comprehensive plans need to provide housing at all income levels, and to plan for development at all levels. The last CPI indicated that the gap between what is affordable and the demand is creating a lot of housing-cost-burdened households, and the County wants us to plan to overcome that.

ZARAGOZA gave his perspective on living in the Highlands when it contained a more balanced mix of housing, mostly due to ARCH housing. As ARCH housing ended after about five years, home values skyrocketed and it is now very expensive to live in the Highlands. He said he didn't find it as enjoyable without that balance. He said 40 percent affordable housing doesn't seem that dramatic. Redmond seems to have done very well with mandatory requirements, and the changes there are noticeable but not all negative. Redmond now has a very vital downtown core, he added. BADER agreed, and said equity is very important. On the issue of mandatory inclusionary zoning, she would favor extending it to all of Issaquah.

MILLIGAN agreed with BADER and ZARAGOZA. She spoke about the positive outcomes of having interspersed affordable housing to promote diversity and community. She also spoke in favor of having affordable housing negotiated to last into perpetuity, rather than having it expire, as happened in the Highlands. She also said she would like more discussion with Stanger about affordable home ownership rather than rentals.

ZARAGOZA said it's not possible to incentivize a market; Redmond, for example, waited for the market to catch up with its plans, and the buildings came in eventually. It makes sense to have a plan, but sometimes incentives aren't working because the market isn't ready yet.

VOISS said he agrees that a diversity of incomes is important to the vitality of a city. We don't want our city to become just big estates, but rather be full of life and opportunities for people to live-work-play here.

Question 3: If you want to add affordable housing programs, do you want to see these applied citywide or just in Central Issaquah? VOISS noted the Commissioners will undoubtedly have more feedback on these questions after we have had an opportunity for more discussion and education. MILLIGAN said she isn't clear what the City's current parking standard is, and asked whether it is possible to provide quality affordable housing with a lower parking requirement, particularly given the expense of providing structured parking for every unit. ZARAGOZA noted that the Atlas Apartments offer affordable units but the residents have to pay extra for parking. He said perhaps the City could consider requiring that affordable housing also include the costs of resident parking. Leeson noted currently the City regulations allow parking requirements to be reduced to .75 spaces per unit if the development is within ¼ mile of the transit center. She noted ARCH has been talking with member cities about how to offset that cost for affordable housing residents.

**REPORTS**

**a) Council Update**

*Presented by:*

*Christen Leeson, Senior Planner*

Leeson noted the proposed Comp Plan amendments and map will be presented at a Council study session on November 9.

**b) Title 18 Code Update: Public Comments Received**

*Presented by:*

*Minnie Dhaliwal, Director, Community Planning & Development*

In agenda packet.

**OTHER BUSINESS / ANNOUNCEMENTS**

- a) Upcoming Schedule. In agenda packet.

**ADJOURNMENT**

With no additional business to conduct, VOISS adjourned the meeting at 8:25 PM.

Respectfully submitted,

Susan Lowe  
Recording Secretary