

Planning Commission Public Hearing



Community Development • 2025 NE Kresky Ave, Chehalis, WA 98532 • Phone: (360) 740-1146

STAFF REPORT

PACKWOOD SUBAREA PLAN

Date: March 22, 2023

Staff: Mindy Brooks, Senior Long Range Planner

Attachments: A. Amendments to the Land Use Designations Map – Historic Mill Site
B. Amendments to the Land Use Designations Map – Huntington Road Property

SUMMARY

On March 14, 2023 the Planning Commission held a public hearing on the Packwood Subarea Plan to receive testimony. After close of testimony, the commissioners discussed potential amendments to the plan. The commissioners directed staff to write a draft policy on short term rentals (STRs) and produce a draft map that shows the requested land use changes for Planning Commission consideration. Each potential amendment is summarized below and the details are included as attachments.

The written testimony and presentations from past Planning Commission meetings are available on the [Packwood Subarea Plan webpage](#).

POTENTIAL AMENDMENTS

Staff reconvened the Community Advisory Committee (CAC) to discuss the potential amendments. Below is a summary of the CAC's discussion and their recommendation, if any. The CAC is a 35-member group made up of residents, business owners and other interested parties in Packwood. The CAC has led the subarea planning process and developed the vision, goals and policies found in the draft plan. A summary of meeting notes from the CAC meetings prior to Planning Commission, as well as other public engagement, is found in Packwood Subarea Plan [Attachment A](#).

1. Short Term Rental (STR) Policy

When the CAC reconvened, they split into four small groups to discuss potential goals for STRs in Packwood. Prior to small group discussion, staff reminded the CAC that goals and policies in the plan only apply to the subarea plan boundary (found in [Map 1](#) on page 2 of the plan). The neighborhoods of High Valley and Timberline are not included in the subarea plan boundary. Staff also reminded the CAC that STRs have an impact on housing and the economy of Packwood. STRs provide jobs for residents and lodging for tourists and tourism is the primary economic sector in Packwood.

After the small groups met, each reported out to the larger group. The CAC discussed if there was general agreement about one or two goals/policies to include in the plan.

The CAC felt that additional analysis regarding the impacts of STRs on housing supply and the appropriate solutions is needed. In addition, many of the potential goals discussed were more

appropriate for application countywide, not specific to the Packwood subarea plan boundary. The other points of the discussion were (in no hierarchical order):

- Ensure that STRs follow the existing rules for licensing, lodging taxes and property taxes.
- Limit STR occupancy based on septic capacity.
- Ensure that there is sufficient fire/EMS and police capacity to serve existing and new STRs.
- Locate STRs where other transient accommodations (e.g., hotels, motels) are appropriate.
- Let the market decide.
- Increase options for other transient accommodations (e.g. hotels, motels) that include kitchen and laundry amenities.
- Create a formal STR group to self-regulate issues such as noise, garbage/recycling, burn restrictions, etc.

The proposed policy that got the most traction, and would be appropriate to apply only to the Packwood subarea plan boundary, is based on the assumption that most STRs are single family houses and most new affordable housing in Packwood will be multifamily housing. Therefore, there is not direct competition between STRs and affordable housing. However, there is concern that newly built apartments could be high end condos provided as STRs. This would not meet the goals of the plan for increasing affordable housing options.

For the purposes of this discussion, multifamily housing is a building or group of attached buildings having three or more dwelling units that is not designed or used for transient accommodations. Multifamily housing includes apartments, fourplexes, triplexes, row houses and hostels/dormitories. These are consider more affordable housing options because the cost burden of housing is shared between more than one person or family, unlike single family residences where the cost burden is borne by one person or family.

STR is defined as “a lodging use, that is not a hotel or motel or bed and breakfast, in which a dwelling unit, or portion thereof, that is offered ... for a fee for fewer than 30 consecutive nights.” ([RCW 67.37](#)) Therefore, long-term rental is a housing unit, or portion thereof, that is rented for a fee for period of 31 days or more consecutive nights. Owner-occupied housing is also long-term residency.

Proposed Policy HS1.7: Ensure that newly built multifamily housing is preserved for long-term residency.

2. Land Use Designations Map

A. Historic Mill Property

The owners of the historic Packwood Mill property requested a reduction in the proposed Commercial Business District (CBZ) designation and addition of a Residential High Density (RH) and Residential Medium Density (RM) designation.

The CAC unanimously supported splitting the property up but there was not full agreement on how much land should be retained as CBZ. The primary reason for supporting the designations as requested

by the owners was that the mill site is a good location to focus new affordable housing. The mill site is the appropriate location for a new large scale apartment complex because a large scale development would not fit the existing scale of development in and near the Downtown core. However, there was concern about not preserving enough land for future commercial or manufacturing uses.

A suggestion was made by some members of the CAC to expand the CBZ designation from what was requested by the owners, please see Attachment A. The owner's request included 27.7 acres of CBZ and the CAC suggests 37.7 acres of CBZ. The CAC suggests shifting the RH designation down and reducing the area of RM designation. This would provide more flexibility for future commercial or manufacturing development.

B. Huntington Road Property

The owner of the Huntington Road Property requested that the site be designated Residential Low Density (RL) instead of CBZ. The owner's rationale was that the current zoning, Small Town Mixed Use (STMU), allows residential development and the infrastructure constraints limit lot size to roughly 12,600 sq. ft. which is similar to what would be allowed under RL.

There was also testimony provided by the former Director of Aviation for WSDOT, Dave Fleckenstein, that allowing additional residential development near an airport is generally incompatible with airport operations. Dave is also a member of the CAC and participated in the reconvened meeting. Dave shared the full policy guidance from WSDOT at the CAC meeting.

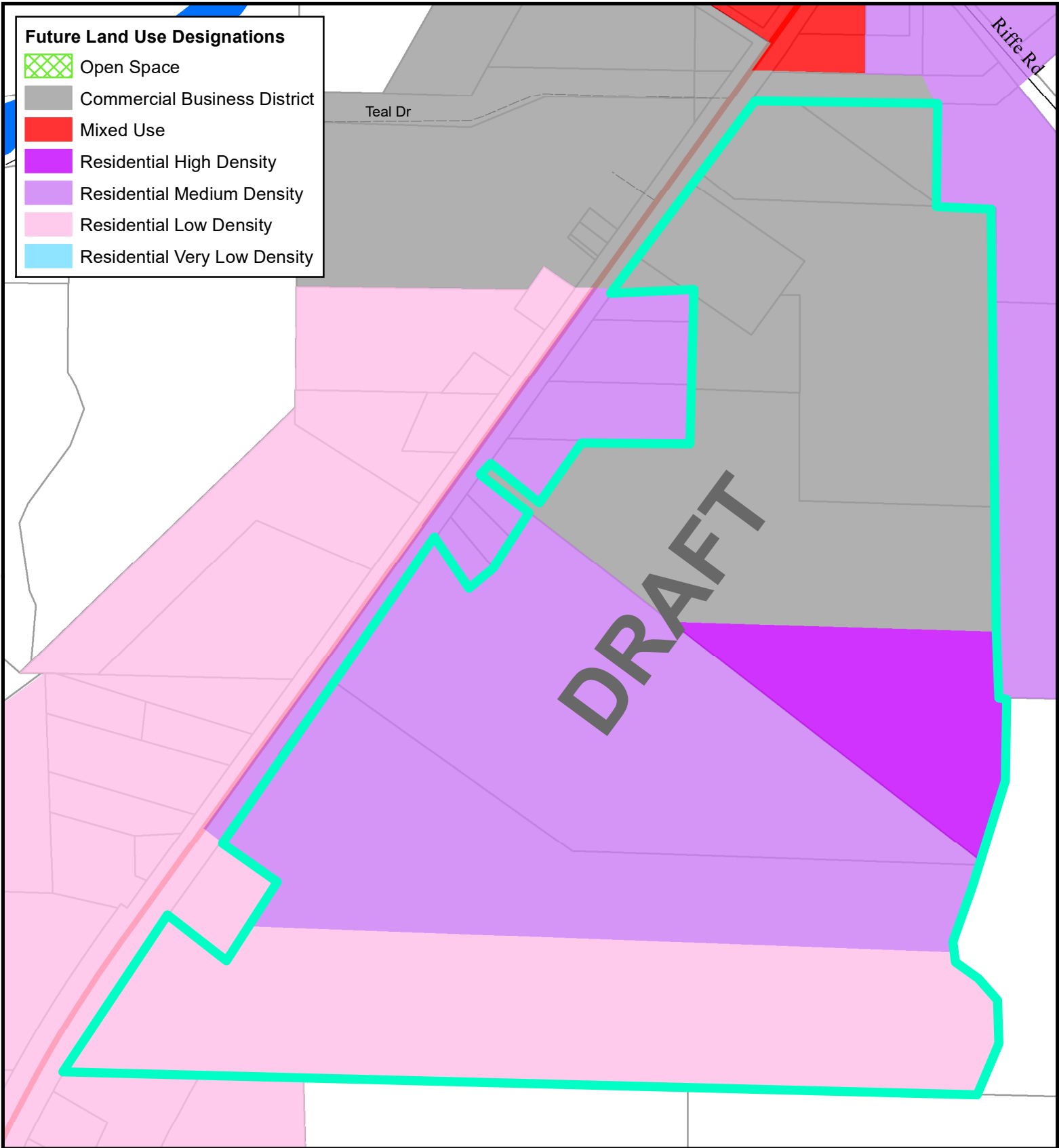
The CAC did not agree on which designation is appropriate for the Huntington Road property. There was discussion about both commercial and residential uses. Roughly half of the CAC felt that new houses near the airport is not appropriate, but acknowledged that STMU does allow that today. The other half felt that it is appropriate to maintain the current STMU allowances for new houses.

The CAC expressed that this is not an issue specific to the Huntington Road property and that other properties have similar proximity to the airport and future development capacity. Many of the CAC members felt that rushing this discussion is not in the best interest of the plan or the community of Packwood. They would like more time to discuss this complex issue and put forward a thoughtful recommendation.

STAFF RECOMMENDATION

Staff recommend that the Planning Commission close the hearing without a recommendation and remand the Packwood Subarea Plan to the CAC for further discussion of the land use designations map and descriptions. Specifically, the CAC would like more time to consider the relationship between the airport and surrounding properties and the appropriate land use designations.

If the Planning Commission remands the plan to the CAC, there will be a new public hearing, likely this summer, to receive testimony from the community.



The Packwood Plan

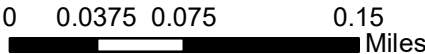
**Attachment A:
Potential Designations
Historic Mill Property**

For Planning Commission Discussion

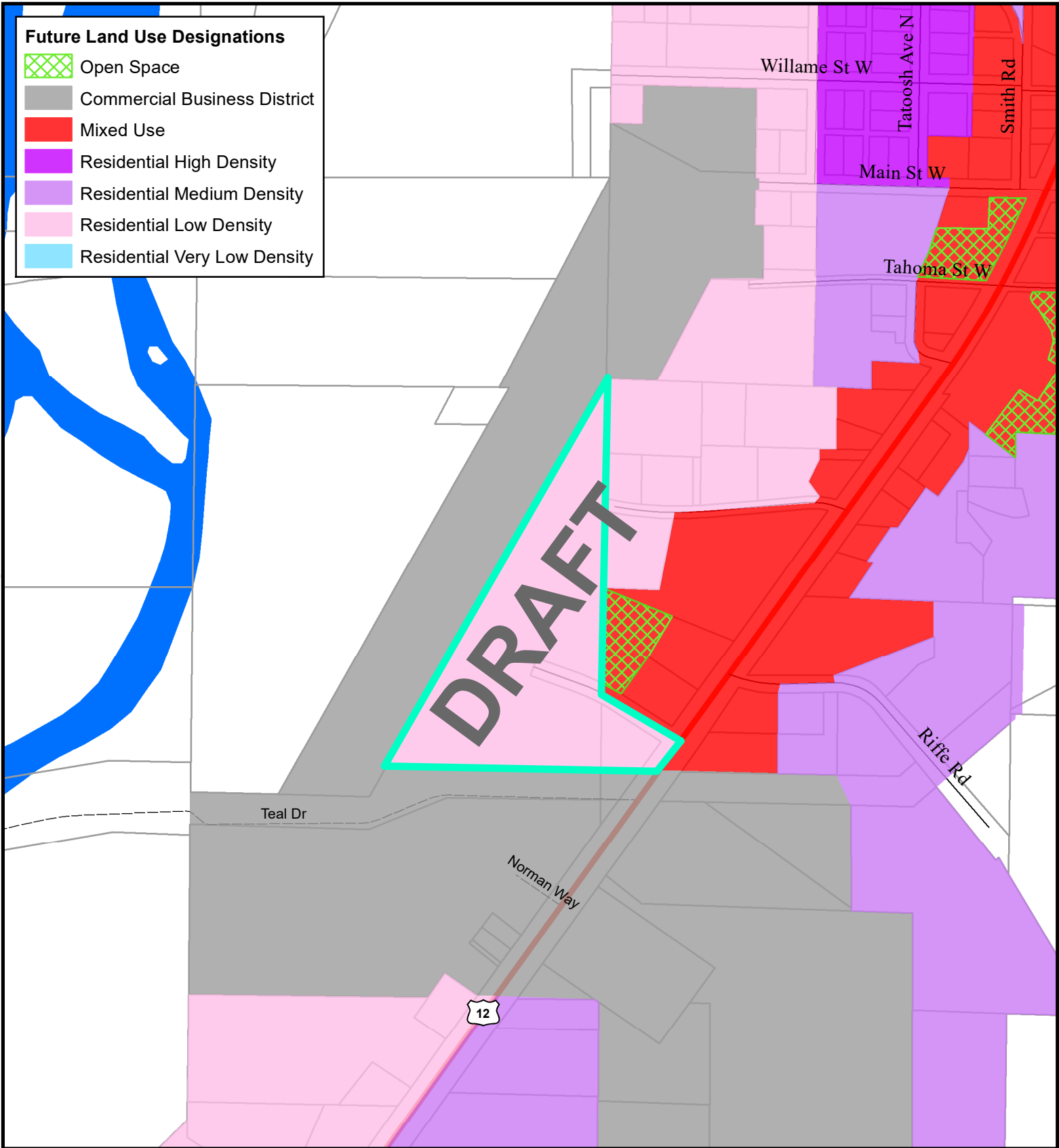


03/22/2023

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This map was created by Lewis County Geographic Information System. The accuracy of the map has not been verified and should be used for informational purposes only. Any possible discrepancies should be brought to the attention of Lewis County GIS.
 State Plane Washington South FIPS 4602
 North American Datum 1983
 North American Vertical Datum 1988 (Topography)



The Packwood Plan

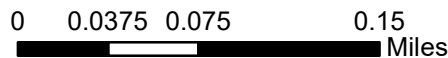
Attachment B: Potential Designations Huntington Road Property

For Planning Commission Discussion



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