

# Planning Commission Workshop



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## STAFF REPORT

## PACKWOOD UGA & ZONING

**Date:** February 24, 2025  
**Staff:** Mindy Brooks, Director  
**Attachments:** A – CAC Phase 1 UGA Read Ahead

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## BACKGROUND

On February 14 the Planning Commission received materials for the February 25 workshop on the Packwood UGA & Zoning, tools to implement the [Packwood Subarea Plan](#) adopted in January 2024. The commissioners were asked to provide any questions to staff by February 21. Those questions have been compiled below, and staff have provided answers. All materials for the workshop can be found on the Planning Commission calendar for the [February 25 workshop](#).

## URBAN GROWTH AREA

On August 22, 2024 The CAC discussed use of the UGA as a tool to implement the subarea plan goals and policies related to housing and commercial development. To ensure everyone was able to participate, attendance at that CAC was open to the public. A read ahead was shared and is included with this staff report as Attachment A. The meeting included a 1 ½ hour discussion that began with attendees sharing their questions and concerns. At the end of the discussion, Mindy asked for a soft vote – If you are in favor of using the UGA as a tool to implement the subarea plan goals and policies raise your thumb up. If you are in favor of changing the adopted goals and policies in the subarea plan to remove Residential High (RH) land use designation and limit commercial development in the Commercial Business District (CBZ) to 10,000 sq ft and therefore a UGA designation is not needed, raise your thumb down. (Note – People were also allowed to abstain.) The vote was 11 thumbs up, two vote thumbs down and five abstained. **Therefore, it is the recommendation of the CAC to use UGA as a tool to implement the Packwood Subarea Plan as adopted.**

Housing was the top concern during scoping for the subarea plan. The County hosted four housing forms in Packwood where the community identified that people who work at the coffee shop, restaurants and ski resort cannot afford to live in Packwood. The community's goal was to add housing in Packwood that would be affordable to these workers. Single family housing in Packwood is not affordable and most single family housing in Packwood is used as vacation homes or short term rentals (STRs), not housing. Therefore, adding multifamily housing (e.g., quadplex, townhomes, cottage housing, apartments) is needed to provide affordable housing options. This is a change to the existing character of Packwood and the CAC limited that change to areas designated RH on the Future Land Use Map to preserve most of Packwood as lower density housing.

## QUESTIONS & ANSWERS

### 1. Why is the UGA needed?

The LAMIRD rules say that new development needs to be the same scale and character as what existed when the LAMIRD was designated in the late 1990's. That means the County cannot adopt new rules to implement the RH and CBZ designations as adopted in the subarea plan. Specifically, while the zoning code now says that multifamily housing is allowed in the STMU zone if there is sewer, the County cannot apply zones where new housing must be multifamily, defined as three or more dwellings per lot. The consequence of this is that property owners could still choose to build single family housing, which typically is used as a vacation home or STR, not housing. This was part of the August 22, 2024 CAC meeting discussion, and the CAC continues to recommend RH as envisioned in the adopted subarea plan to require multifamily housing, therefore the UGA designation is necessary.

The LAMIRD rules also requires that new retail to be no larger than 5,000 sq ft unless it's essential retail (e.g., grocery, automotive, hardware) which can be no larger than 10,000 sq ft. The adopted subarea plan has a maximum size of retail as 20,000 sq ft in the CBZ zone. This was part of the August 22, 2024 CAC meeting discussion, and the CAC continues to recommend that CBZ allow up to 20,000 sq ft to accommodate a second grocery store in town, therefore UGA designation is necessary.

### 2. What if Packwood stays a LAMIRD?

See answer to Questions 1. The CAC and the Planning Commission recommended Packwood Subarea Plan, with the Future Land Uses Map and descriptions, and BOCC adopted it in January 2024. Planning Commission recommended RH at 10-16 units per acre, which is multifamily housing, and CBZ with new development up to 20,000 sq ft. As described in the answer for Questions 1, the Future Land Uses Map cannot be implemented under the LAMIRD designation. If a UGA is not applied, then the adopted subarea plan goals and policies cannot be implemented and must be changed.

### 3. Could someone buy an empty lot along Highway 12 and build a new commercial on ground floor and apartments second story today?

Yes, once there is sewer available; no change to STMU zoning is required for this to happen. The current zoning of STMU allows the market to determine what housing is built. The property owner could also put STRs above the commercial or a hotel; long term rental is not required by STMU. In the areas the adopted subarea plan has a RH, which is located off of Highway 12, it is unlikely that property owners would choose multifamily over single family housing because single family housing will make them the most money. This is what the market has done for the past 12 years and is continuing to do. What RH gets the community is areas where a property owner will be required to build at least three dwelling units per lot.

In addition, other development regulations that will be proposed, include limitations on use of housing as STRs. Previously discussed, there will be a recommendation that multifamily cannot be used as STRs. To be discussed by the CAC on February 27, a limitation that only one single family house per lot can be used as STR. Therefore, a single family house and two ADUs, which would be required in RH, could only rent one as STR and the other two would have to be housing. It is the combination of all of the development regulations that will require new housing in the RH zones to be more affordable than traditional single family housing. But a RH zone cannot be adopted under the LAMIRD designation.

#### **4. What state requirements are associated with the UGA designation?**

The UGA designation has very few requirements associated with it. What matters are the County's development regulations that implement the UGA. To be a UGA, the area has to:

1. Require a housing density of at least four dwelling units per acre and must allow up to two ADUs per lot. Packwood's existing density is four units per acre and ADUs are allowed.
2. Be served by urban services (water, sewer, transportation) over a 20-year planning period. The services do not need to exist at the time of UGA designation but must be in the County's Capital Facilities Plan. Packwood has water services and sewer is at 60% design.
3. A 20-year population allocation must be applied to the area. The County already assigns population to Packwood because we are allowed to even without the UGA designation; the UGA designation simply make that a requirement. The 2045 allocated population for Packwood is 1,200 people.

#### **5. The community's concern is losing the "small town feel." How is this protected by UGA?**

What matters to address "small town feel" is how the goals and policies of the adopted subarea plan are implemented by the development regulations. As described in Question 4, the UGA doesn't have many requirements; it's up to the local jurisdiction to set those rules. The LAMIRD designation also doesn't protect "small town feel" because right now there are very few rules that limit what developers can do. Part of why a subarea plan was needed was to chart a course for Packwood instead of leaving it up to the market.

The goals and policies in the adopted subarea related to protecting small, locally owned businesses and discouraging large franchises like Starbucks or McDonalds will be implemented by development regulations. There are policies to maintain space between buildings in downtown so it doesn't feel like Morton's downtown and those will be implemented by development regulations. There are goals to create a cohesive look that matches the existing design of buildings in town like the Historic Packwood Hotel and Sports Hub, again, implemented by development regulations. These development regulations will be part of the second round of Planning Commission recommendations that will follow the UGA and zoning.