

Lewis County Planning Commission

Public Meeting

In-Person & Virtual Meeting via Zoom

April 11, 2023 - Meeting Notes

Planning Commissioners Present: Lorie Spogen, District 1; Jason Alves, District 1; Gretchen Fritsch, District 3; Frank Corbin, District 3; Kathy Chastain, District 2; Corbin Foster, AL; Bob Russell, District 2

Staff Present: Mindy Brooks, Senior Long Range Planner; Megan Sathre, Office Assistant Senior; Barbara Russell, Prosecuting Attorney; Lee Napier, Director of Community Development

Materials Used:

- Agenda
- Draft Meeting Notes – March 28, 2023
- Staff Report: Growth Management Act and 2.5 Acre Lots
- Staff Report: Housing Affordability, Size and 2.5 Acre Lots

1. Zoom Guidelines

The clerk dispensed with the Zoom Guidelines.

2. Call to Order

A. Determination of a Quorum

7 Commissioners were present; there was a quorum.

3. Approval of Agenda

The Chair entertained a motion to approve the agenda. Commissioner Corbin made the motion to approve the agenda; second by Commissioner Chastain. The motion carried unanimously.

4. Approval of Meeting Notes

The Chair entertained a motion to approve the meeting notes from March 28, 2023. Commissioner Chastain made a motion to approve the notes as presented, second by Commissioner Corbin. The motion carried unanimously.

5. Public Comment

There were no members of the public who wished to provide comment.

6. Workshop

A. Rural Housing Alternatives Update

Eric Eisenberg, Housing & Infrastructure Specialist, gave an update on the Rural Housing Alternative.

At the last meeting we talked about how we were working on a report with background information for the Commissioners. It was finished, but we forgot to provide you with the report so we will send that to you to review before our next meeting in June. Today we are looking at the two memos provided in advance of this meeting regarding 2.5 acre lots.

Under the Growth Management Hearings Board I was worried about our chances of an RDD 2.5 strategy. One of the memos prepared for this meeting goes into GMHB detail. At the last meeting, we discussed the one in five rule idea where you can have one house per five acres in Rural Development District (RDD) zones. This is the common practice, but not the law. There is no specific rule, but the policies are in place to encourage preservation of rural character. The counties that looked at RDD 2.5 or something smaller than five acres only had success in mapping smaller zones where those lots already existed. This can be useful so there are no nonconforming lots.

Looking at today's perspective, LAMIRDs will potentially be allowed to intensify as opposed to being frozen in time and never intensifying. The Comprehensive Plan currently has language around LAMIRDs being frozen in time so it will be important to change that during the periodic update. It may not be as effective to look at zoning those areas at RDD 2.5 acres instead of making sure that we have all of our actual LAMIRDs captured as real LAMIRDs, as they will have potentially quite a bit more development potential inside than an RDD 2.5 zone would.

Commissioner Russell thanked Eric for following up and answering his question from the previous meeting regarding the 2.5 acres. Russell expressed interest in looking further into LAMIRDs as well.

Commissioner Spogen asked what type of rural areas Eric was talking about, specifically if he was referring to places that have nonconforming lots that are not designated as LAMIRDs currently. Spogen asked if since there are so many 2 or 2.5 acre lots, would the county be about to expand around that area. Eric responded that in areas where there are many 2 or 2.5 acre lots that are zoned RDD and they were subdivided earlier than 1995, that those areas should be looked at and considered for LAMIRD designation. Mindy added that the outer boundary must be set on a LAMIRD based on the development patterns from 1995. The county can't capture more land outside of that geography. If there are lots within that geography that are bigger, but

would naturally fit within the LAMIRD, they could be captured and subdivided. No matter what the county does, it will be geographically specific.

Commissioner Spogen asked if the county has tried to meet with other counties that have tried similar approaches to problem solve. Eric responded that the county could do that, but has not pursued working with any at this time. He also noted that most of the counties that have tried similar approaches in the past, were working on it between the early 2000s and 2010s. Pursuing this type of work is very difficult and timely so other counties may not want to go through another 10 year process.

Commissioner Corbin asked if Lewis County implements land use laws differently than other jurisdictions. Mindy responded that there are counties that do not have to plan under the Growth Management Act (GMA) and there are counties who do plan under the GMA. GMA counties have to follow the same state law when developing their rules, but not all of them take the same approach. Lewis County tries to look at counties that are similar when creating and implement development regulations.

Commissioner Fritsch asked about the piece of the memo that talks about the leapfrogging of UGAs. Fritsch wondered if Onalaska and Packwood would fall into that category. Eric responded that Onalaska and Packwood would fall into that category due to policy. Eric went into detail further by providing an example of case law regarding Wenatchee vs Chelan County in which Wenatchee viewed Chelan County's zoning near their UGA as a threat. Wenatchee believed that no developers would be interested in that land if they expanded their city limits because the county already zoned it in a way that made it not economically viable for developers. Lewis County has reached out to Emil Pierson from the city of Centralia to obtain helpful feedback in that regard. The county is hoping that the rural housing concept is a bit insulated from UGA leapfrogging because of the large lots. Theoretically, if it all worked out and someone were able to put three units in one 1.25 acre portion of a five acre lot or a 10 acre lot or 20 acre lot and it got swallowed up by a UGA later because of population growth, there would be some incentive to allow the urban development. If the county had UGA rules, we might want to apply them to Packwood and Onalaska as well to avoid that problem from happening in Packwood. Mindy added that in terms of Packwood, the county is looking at the future land use designations. Sewer is not going to serve all of the areas in Packwood that the advisory committee has earmarked for higher density residential so they had a number of areas that they've marked for this is as the density comes. It should be centralized, consolidated in these spaces. As we are looking at the implementation side of Packwood, and we're looking at whether the UGA is the right option. We are also looking at where to put it, where it fits, the future of sewer and expansion, and higher densities. Mindy has not yet started to dive into Onalaska, but that will be part of our periodic update.

Eric continued his update, focusing on the 2nd memo about housing affordability regarding 2.5 acre lots. If there were RDD 2.5 zoning, there would be more housing which would result in lower housing costs. Using data from the Assessor's office from 2021 and 2022, Eric drew the

conclusion that there is not always a linear relationship between the amount of land and how much it is worth. In other words, there are large parcels that are not worth a lot of money and there are small parcels that are worth a lot of money. The difference between the land value of a 5 acre lot and a 2.5 acre lot was fairly modest. In contrast, the data also showed that more finished living space is more expensive while less finished living space is less expensive. With this assumption, the proposed Rural Housing Alternative could provide more affordable housing than 2.5-acre lots if it worked to encourage smaller units. The next item to discuss is whether it is marketable, i.e., whether it *would* work to encourage smaller units.

Commissioner Spogen asked if Eric took into account the larger parcels over five acres that may be in the DFL program or Open Space and, therefore, would be valued quite a bit lower. Eric responded that he had not considered that, but noted it was a good point. He said he can try to figure out how to rerun the numbers.

Commissioner Spogen also shared that she went through the 2 acre parcels that had been developed in the last 10 years and about 75% of those parcels had manufactured home placed on them. Eric responded that for the purpose of the analysis provided only stick built residences were factored into the equation. It is a fair point that on smaller parcels people might put a manufactured home which costs less so there'd be an affordability benefit. Spogen responded that in Lewis County there would be a huge benefit to having mobile home parks where people could purchase their homes. The manufactured home is relatively inexpensive as far as homes go, but there are a lot of upfront costs associated with the placement. Spogen noted the different lifestyle that someone would have living in a mobile home park versus a triplex on a five acre lot.

Russell stated that in terms of the numbers, he thought the analysis seemed accurate. He can see the economic benefit of a triplex, but believes that the citizens of Lewis County are not going to desire to be living with three other families on five acres. Alves agreed that he has a hard time believing that this is going to be an attractive idea and, as a developer, has a difficult time thinking about it. Typically this type of housing would be used as rentals as opposed as being for sale. Chastain asked about how a triplex can be developed in terms of water and sewer on five acres when someone is out in the woods. Chastain also shared about personal experience witnessing the attractiveness of having a manufactured home that feels like it's outside of the city.

Mindy shared that cities are about to be required to allow multifamily housing zoning. Russell shared that he thought that didn't sound like a bad idea.

Commissioner Fritsch shared from her East Lewis County perspective that as far as affordable rentals go, there could be the desire for this type of alternative housing in Packwood. She could see three seasonal people renting a place on 5 acres that could have a garden and raise some chickens and essentially be able to enjoy the land. Especially for those working at the National Park/Forest. There are currently only single-family homes and no one is renting them out so if

the result of the rural housing alternative is more long-term rentals on the market from a developer perspective, which is a positive thing. Eric agreed with Fritsch's idea. One of the hopes of this alternative would be to encourage rentals in the rural area. Right now there aren't a ton of rental options in the rural area because renting housing on a 5 acre lot is generally pretty expensive. It's also really risky for the landlord if the person doesn't pay. One unit on five acres with no income is like having an apartment building without a single paying renter.

Eric continued his update of the Rural Housing Alternative.

These questions are very good questions. The way that we are hoping to get at these questions is through an industry stakeholder workgroup. This group has individuals in different roles including; custom home building, construction lender, real estate mortgage lender, home buyer realtor, rental realtor, hard money lender, landlord, septic designer, civil engineer, and someone with well drilling experience. We are talking with them about this concept and plan to work through some sample developments with them. We want to figure out not just if it works, but also if it is cost effective and can make developers money. So far we have prepared a one-page bullet list that we are calling sandbox regulations, which is like a synopsis of how you would take this concept and have rules that would be a regulatory version of that but it doesn't have any real code language. The report that I mentioned earlier has more information about well & septic regarding the regulations and critical area constraints. The industry stakeholder group is trying to get at some of the questions of regulation and how they would map in real world development. The custom home building from the stakeholder group believed that the most common thing they would see would be the demand for duplexes.

Commissioner Corbin stated that the term affordable is relative. It depends on where a person is at in life and what their income level is. Since affordability is relative, the county needs to be looking at all aspect of housing and adding to the inventory. Mindy responded that most of the options the county is looking at right now address middle housing, since it is what is missing the most. This is just one part of a very big puzzle of housing. The middle housing amounts and types need to be increased. However, the middle section is a range, not just one number.

Commissioner Spogen asked if instead of doing a triplex someone could place three separate houses on a five acre parcel. Eric responded that it does not have to be a triplex, but that was the example used because it would be cheaper to build than three separate units. However, the proposal would allow for someone to build three separate units.

Mindy shared that when presented to the realtors lunch & learn she received a strong and positive reaction to having the option to build multiple homes on one parcel to create a sort of family compound. Eric added that the topic of family compounds also came up in the Stakeholder workgroup. Alves added that he thinks the family compound would be highly popular.

Commissioner Alves asked if anyone has talked about mobile home parks or tiny home parks. Is there an avenue where maybe it's just as simple as allowing people who are already have places

to have X amount of hookups for a tiny house or a mobile home to own or rent? Eric responded that mobile home parks have come up. The one in 5 rule has been reinterpreted to be about protecting rural character and to avoid the need for urban services. Mobile home parks cluster many homes very closely together, which creates a potential demand for urban services. That is a hard problem to solve. They are not dispersed - they do not use decentralized services. They actually have to have centralized services. If you have 10 units on a parcel you would potentially lose open fields that allow wildlife to pass through. These types of things are outlined in the Growth Management Act and must be satisfied. Mobile home parks are a very promising avenue that should be look at it, but it isn't that easy. It is hard. The Rural Housing Alternative is not that easy either, but I would say the major innovation of this one is that it allows you to have a few units on 5 or 10 or 20 acres and you get that open space because you're doing a single lot cluster. Earlier Commissioner Alves mentioned that this approach will not provide the same incentives as building in a city. From a Growth Management perspective, this is a good thing: there are built-in commercial constraints so developers don't run away with it. This is a *feature* under the Growth Management Act; it is a constraint that will limit growth in the rural area and not create a runaway demand for urban services. Mindy followed up Eric's comments by stating that she would like to hold the Mobile Home Park conversation as part of the housing puzzle that the county will look at throughout the periodic update. There is a place for mobile home parks, for tiny home parks, for RV parks, etc. There will be a lot more to come around housing. Mindy's preference would be to start the rural housing alternative where the county thinks it can be defended legally. Constraining it to primarily new development means that all the rules would apply at one time. Once we get through that legal proposal then the county can start opening it up for next steps.

Eric pointed out that although Mindy's view is reasonable, it is not the only possibility. Currently, one may convert a home in a rural area to an isolated small business or vice versa. It is not usually impermissible to move from one lawful use to another. Therefore, it is not against the rules to come up with an alternative that existing homeowners could use, if it met their needs and they could satisfy all of the constraints. Eric noted that two audience members had written to express a desire to put additional units on their rural land to help them maintain the large property, defray rising property taxes, and age in place. This is a commonly expressed wish in rural Lewis County. If the rural housing alternative could be used to help them lawfully achieve those goals, consistent with growth management constraints, that would be beneficial. Eric and Mindy will continue to discuss whether this possibility would be too close to the line or risky, so as to make the rural housing alternative less likely to pass legal muster.

B. Comprehensive Plan Population & Housing Allocations

Mindy Brooks, Senior Long Range Planner, gave an update on the Comprehensive Plan Population & Housing Allocations. Every 5 years OFM provide updated 20-year population estimates to each county and counties are required to allocate that population estimate to the cities and urban growth areas. Population is the primary input into the new Commerce Housing model, which we must use to allocate housing to each jurisdiction. In Lewis County, we have a

Planned Growth Committee (PGC) that we use to coordinate the population and housing allocations between all of the jurisdictions. PGC is made up of the mayor or designee from each city and the chair of the BOCC. They have been meeting monthly since January to finalize the population and housing allocation recommendation. These allocations are the main inputs into the county's and each city's Comprehensive Plan Periodic Updates, which begin for all of us on July 1 this year and must be completed by June 30, 2025.

Last week staff provided an update to the BOCC on population allocations. BOCC is the final decision maker and we need to start getting them up to speed. At issue was that all of the city's population projections were coming in higher than the OFM high estimate. BOCC stated that they would not support a petition to exceed the OFM high estimate and directed staff to allocate populations in such a way as to keep the total within the OFM range for Lewis County

(Staff shared a table with the draft population allocations.) Each city provided data and methodology to support their 20-year population estimates. Most of the estimates are based on development permits already approved on in the pipeline. The total Lewis County 20-year population is 104,951. OFM high is 105,122 – so we are under.

Commissioner Spogen asked if the Chehalis number reflects that the county allowed the UGA to grow larger than necessary. Mindy responded that it reflects a number of developments that Chehalis sees coming within their UGA, developed at 24 units per acre. Spogen asked if Chehalis wants to grow that much. Mindy responded that the city of Chehalis does want their numbers to be high because they need to apply for grants to get the money to build the infrastructure needed in order to provide for the estimated population. Spogen asked if Chehalis's development would be mostly multi-family housing. Mindy responded that they conducted their land capacity analysis at 24 units per acre, which is apartments. Spogen followed up by stating that Chehalis will not be able to develop at that capacity. Mindy agreed that the number are looking at a full buildout at the highest possible density. However, every five years OFM provides updated population numbers so there is the opportunity to course correct. Eric shared that right now Chehalis has difficulty serving multi-family and commercial developments because of constrictions in their waterline, but all the development applications are currently for multi-family development.

Commissioner Corbin asked what the role of the Planning Commission is if the Board of County Commissioners already stated they do not want to go beyond the maximum. Mindy responded that although the commissioners said they do not want to go over the max, they did not say how to allocate to the cities. However, the hope is that the work that the county is doing with the Planned Growth Committee will be able to be moved along to the Commissioners as presented unless there something significant comes. To change the numbers there would need to be a good reason for doing so. Alves added to the conversation that he does not see the Planning Commission's votes as the most valuable thing, but rather the questions that they ask are what add value to the process. Mindy agreed that the Planning Commissioner's questions

are invaluable. The place to have hard conversations is at Planning Commission, not at the Board of County Commissioners.

Commissioner Spogen asked what happens to the additional 18,000 people that Chehalis originally planned for in their population allocation. Mindy responded that the constraint of infrastructure would not allow development to serve that additional amount. Eric added that if a developer wanted to propose a project and the city told them they could not build due to lack of infrastructure, the developer could choose to pay for the infrastructure upgrades. However, it is very unlikely that a developer would do so because of the high price tag.

Commissioner Russell stated that the table Mindy presented needs one more column to show the percentage of growth. Mindy responded that she will add that.

Commissioner Alves asked if Chehalis is amenable to this approach. Mindy responded that after she met with the BOCC and called Chehalis, they did not seem surprised that the county was going to make them stay under the OFM high, but Mindy has not received a formal response back from Chehalis yet. At the next Planned Growth Committee meeting the cities will get to air their grievances and discuss trading numbers for population. Alves responded that the approach is very reasonable because in five years adjustments can be made.

Mindy continued her presentation on housing allocations.

Population is the primary input to the Commerce Housing model. Reminder – HB 1220 directed Commerce to development guidance for counties to meet the new housing requirements. Commerce create a model based on population growth that divvies up the housing by income bracket. Commerce create a Method A and Method B. Neither works great for Lewis County because, unlike most other counties, we treat the city's UGAs as if it was part of the city. They can develop out their UGAs with urban densities and urban services. I created a Method C, which I'll walk through.

(Staff shared a table with the draft housing allocations.) The lowest income residents need to be housing in jurisdictions that do and can provide services needed such as transit. Those are larger jurisdictions near I5. Centralia and Chehalis are better suited to serve the lower income residents. Pe Ell and Mossyrock are not well suited to serve those residents. Centralia is developing a Housing Action Plan and through the inventory found that they have too much of the middle income housing. Centralia needs more lower-income and that support shifting the allocations to Centralia. Chehalis is growing by a lot so they take the brunt of the housing allocations. Housing 11,000 more people means a lot of new housing. A reminder, none of the jurisdictions need prove we provide this housing. The model is guidance. What each city, and the county, needs to do is show that each of us has updated our zoning to allow housing that could be affordable at these levels and that we've removed regulatory barriers to lower income housing.

Commissioner Russell thanked Mindy for addressing the unincorporated middle of the pack. He also shared that he likes that adjustments can be made later in case something was done incorrectly or just isn't working out.

Commissioner Alves asked if the lower income housing going to address the 55+ communities. Eric responded that yes, 55+ communities are one of the demographics frequently discussed in terms of affordable housing.

Mindy concluded her presentation by giving the Commissioners a timeline for next steps. The final numbers will be presented at the next workshop on April 25th. The public hearing will then be May 9th. The Board of County Commissioner process will take about six weeks and wrap up on June 13th. This timelines is the plan unless anything unexpected comes up.

7. Good of the Order:

A. Staff

Mindy provided the Commissioner with an updated Planning Commission docket reflecting Winlock's request to expand their UGA.

Commissioner Russell asked how UGA requests are created and whether it comes from a property owner or the city. Mindy responded that in theory, under the Growth Management Act, UGA requests would occur every five years when the population/housing allocations are updated. In reality, it is typically done when someone owns a piece of property next to the UGA and they are ready to develop so they are willing to kick in some money to extend infrastructure. The city has incentive to expand the UGA. Eric added that historically, the market didn't always produce growth where the city planned so they became more apt to take the opportunities when someone wanted to develop and expand the UGA.

Barbara shared that she is attending a conference May 9th and will not be present for the Planning Commission hearing.

8. Calendar

The next meeting of the Planning Commission will occur on April 25, 2023 and the agenda item is a workshop on Population and Housing Allocations. This will be the final workshop before a public hearing on Population & Housing Allocations.

Commissioner Chastain will be absent.

9. Adjourn

Commissioner Russell made a motion to adjourn. The meeting adjourned at 8:09 p.m.