

ORDINANCE NO. 2022-02

(formerly Ordinance No. 2021-38)

AN ORDINANCE of the City of Bainbridge Island, Washington, amending BIMC Table 18.09.020, Section 18.09.030 and Chapter 18.21, related to affordable housing on property owned by religious organizations.

WHEREAS, the City of Bainbridge Island Comprehensive Plan Housing Element Policy HO 3.4 encourages partnering with non-profit housing organizations, churches, the development community, local lending institutions, elected officials and the community at large to assist in meeting affordable housing goals and implementing strategies; and

WHEREAS, the City of Bainbridge Island created a short-term Affordable Housing Task Force (AHTF) in 2017 to help achieve the affordable housing goals and policies in the Comprehensive Plan and help the City prioritize a variety of affordable housing actions, recognizing the current housing crisis in the Puget Sound region, Kitsap County and Island-wide; and

WHEREAS, the Comprehensive Plan Guiding Principle #3 directs us to foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources; and

WHEREAS, Guiding Policy 3.1 reads *Ensure a variety of housing choices to meet the needs of present and future residents in all economic segments and promote plans, projects and proposals to create affordable housing*; and

WHEREAS, in 2019, the Washington State Legislature enacted Substitute House Bill (SHB) 1377 to facilitate the development of affordable housing projects on property owned or controlled by religious organizations; and

WHEREAS, the applicable state law provision implementing SHB 1377 is RCW 36.70A.545 and the law facilitates affordable housing development on property owned or controlled by religious organizations by requiring a density bonus; and

WHEREAS, the City Council became aware of an ongoing discussion about constructing affordable housing on the Bethany Lutheran Church properties, and on April 20, 2021, the City Council endorsed moving forward with implementing SHB 1377 in advance of completing a Housing Action Plan; and

WHEREAS, on October 26, 2021, the City Council approved a motion to direct the Planning Commission to work with staff to prepare an ordinance to develop implementing regulations consistent with local needs, specifically to focus on the Bethany Lutheran property and to consider that as a pilot project to implement RCW 36.70A.545; and

WHEREAS, the Planning Commission considered draft Ordinance No. 2022-02 (formerly 2021-38) on November 18, 2021, January 13 and 27, February 10 and 24, 2022; and

WHEREAS, the Planning Commission held a public hearing on Ordinance No. 2022-02 (formerly 2021-38), on March 10, 2022, and after closing the public hearing, made a recommendation of XXX of Ordinance No. 2022-02 (formerly 2021-38) to the City Council; and

WHEREAS, notice was given on XXXX, to the Office of Community Development at the Washington State Department of Commerce in conformance with RCW 36.70A.106; and

WHEREAS, on XXXX, the City Council reviewed Ordinance No. 2022-02; and

WHEREAS, on XXXX, the City Council approved Ordinance No. 2022-02.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Table 18.09.020 of the Bainbridge Island Municipal Code is hereby amended as shown in Exhibit A.

Section 2. Section 18.09.030.C. of the Bainbridge Island Municipal Code is hereby amended to read as follows:

3. Religious Facilities.

- a. In the WD-I district, religious facilities are a conditional (“C”) use. Conference centers with overnight accommodations are not permitted.
- b. In the ferry terminal overlay district, religious facilities are only allowed south of Winslow Way.
- c. Lot coverage for religious facilities in residential zones is reduced by 50 percent of the allowable lot coverage in the zone where the religious facility is located. See Table 18.12.020-2 for lot coverage standards in residential zones. This lot coverage reduction does not apply to Affordable Housing Development on Religious Organization-Owned Properties, as described in Section 18.21.050 BIMC.

Section 3 Chapter 18.21 of the Bainbridge Island Municipal Code is hereby amended to read as follows:

18.21.050 Affordable Housing Development on Religious Organization-Owned Properties, including the Bethany Lutheran Affordable Housing Pilot Project : In order to implement RCW 36.70A.545, the City shall allow a maximum density bonus consistent with Section 18.21.050.E on properties owned by religious organizations, when requested

by such organizations. The projects must meet the provisions of RCW 36.70A.545 and the requirements listed below.

A. Pilot Project. Projects built under BIMC 18.21.050 shall initially be limited solely to the property collectively known as “Bethany Lutheran Church”, as a pilot project, located at the southwest intersection of NE High School Road and Sportsman Club Road NE (see Figure 18.21.050-1 below).

B. The affordable housing proposal shall follow existing land use permit review procedures depending on what type of housing development is proposed. Multifamily housing would be reviewed through the Site Plan and Design Review process of Section 2.16.040 BIMC, and subdivision would be reviewed through the short or long subdivision process of Sections 2.16.070 or 2.16.125 BIMC (respectively), unless specifically modified by this section.

C. All projects developed under this code section, in addition to what is provided under Section 2.16.040 BIMC, shall be subject to the process for Conditional Use Permits (Section 2.16.10.050 or 2.16.110 BIMC) and must be reviewed by the Planning Commission and adhere to the procedures for project review by the Planning Commission.

D. All project proposals shall be subject to applicable residential development standards for Titles BIMC 15, 16, 17 and 18, unless specifically modified by this section. The affordable housing project must meet all requirements of the City and/or Kitsap Public Health District for providing drinking water or on-site septic.

E. Project bonus density. The density for projects may be increased above the base density by the following amounts:

1. Two units per acre for projects located within the Winslow Subarea Plan Study Area or within one-quarter mile of the Winslow Subarea Plan Study Area;
2. Two units per acre for projects located within one-quarter mile of a Neighborhood Center; and
3. One and one-half units per acre for all other projects.

F Accessory Dwelling Units (ADU). ADUs are prohibited.

G. Affordable Housing. All dwelling units planned and constructed through this section must meet the following requirements:

1. All units must be used exclusively for affordable housing purposes for at least ninety-nine years;
2. Units must be sold or rented to households whose adjusted income is less than eighty percent of the Area Median Income;

3. At least ten percent of the units must be sold or rented to households whose adjusted income is less than fifty percent of the Area Median Income;
 4. At least fifty percent of the units must be rental housing; and
 5. The sales price or rent amount, including utilities other than telephone and cable TV, cannot exceed thirty percent of the monthly income of the household. of the income limit for the low-income housing units.
 6. The City shall require documentation to be signed and recorded through the land use and building permitting process to ensure ongoing compliance with the income requirements.
 7. The City will establish by rule a formula for calculating maximum affordable prices for sales subsequent to the initial sale to allow modest growth in homeowner equity while maintaining long term affordability for future buyers.
- H. Parking. The amount of parking will be determined as part of a transportation study/ mobility assessment.
- I. The maximum dwelling unit size shall be limited to 1400 square feet.
- J. Green building. The dwelling units must meet either a green building certification standard of International Living Future Institute Core Certification, BuiltGreen 5 Star Certification, or Evergreen Sustainable Development. The certification program must utilize third-party verification.
- K. Community space. All projects must provide Natural Areas and Community Space consistent with the standards in BIMC 17.12.050, except that, at a minimum, all projects shall provide five percent of the total lot area as Community Space, even when the maximum natural area is provided. Community space should adjoin the largest practicable number of residences within the development. Nonadjoining residences shall be provided with safe and convenient pedestrian access to community space. The community space must be outside of required roadside buffers. The community space must include a neighborhood garden area, and could include other community amenities such as seating, playground or other recreation features.
- L. Projects proposed and constructed on the same property(ies) as existing buildings may result in a permitted mixed-use property. This ordinance shall not apply to religious-owned properties that are expanded or acquired after the effective date of this ordinance, unless the primary purpose of said expansion or acquisition is to provide a new or expanded facility for religious worship.
- M. Pilot Project Evaluation. An evaluation of the Pilot Project shall be developed one year and four year post certificate of occupancy and provided to the Planning

Commission, City Council and the community. The evaluation must, at a minimum, address the following elements/questions, and may include other elements if needed:

1. How did the project address local need and if not why?
2. In what ways did the project address and fit with the upcoming Housing Action Plan/Assessment and if not why?
3. How was the project consistent with elements of the Bainbridge Island Climate Action Plan and B.I. Community-based strategies to reduce Green House Gas Emissions (get better title) if not why?
4. Did the project fit with the existing neighborhood/community? If yes, how and if not why?
5. Did the project satisfy any of the goals set forth in the *Planning for Equity*? If yes, how? If not Why?
6. What were any unintended consequences?
7. How might the ordinance be modified to address unforeseen issues and concerns?

Figure 18.21.050-1



Section 4. Severability. Should any section, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. This ordinance shall take effect and be in force five (5) days from its passage and publication as required by law.

PASSED by the City Council this XXX.

APPROVED by the Mayor this XXX.

ATTEST/AUTHENTICATE:

Christine Brown, CMC, City Clerk

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NUMBER:

Exhibit A to Ordinance No. 2022-02

EXCERPT Table 18.09.020 Use Table

“P” = Permitted Use	“A” = Accessory Use										Additional use restrictions for Chapters 16.12 and 16.20 BIMC may apply to shoreline or critical area properties									
“C” = Conditional Use	“CA” = Conditional Accessory Use																			
Blank = Prohibited Use	“T” = Temporary Use																			
ZONING DISTRICT	R-0.4	R-1	R-2	R-2.9	R-3.5	R-4.3	R-5	R-6	R-8	R-14	Winslow Mixed Use Town Center					HSR I and II	NC	B/I	WD-I	Use-Specific Standards BIMC 18.09.030
USE CATEGORY/TYPE											CC	MA	EA	Gate	Ferry [1]					
RESIDENTIAL Note: Residential uses may be subject to additional requirements in BIMC 16.12.040.I, Residential Development.																				
Household Living																				
Single-Family Dwelling	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P			B-1
Single-Family Dwelling existing on 4/15/96											P	P	P							B-1
Multifamily Dwellings	C	C	C	C	C	C	P	C	P	P	P	P	P	P	P	P	P			B-2
Commercial/Residential Mixed Use Developments									P	P	P	P	P	P	P	P	P			B-3
Live/Work Units																		P		B-4
<u>NEW: Affordable Housing Development on Religious Organization-Owned Properties, including the Bethany Lutheran Affordable Housing Pilot Project</u>	C																			<u>18.21.050</u>
PUBLIC AND INSTITUTIONAL																				
Community and Educational Facilities																				
Educational Facility	C	C	C	C	C	C	C	C	C	P	P	P	P	C	C	P	C		C	C-1
Vocational/Trade Instruction Facilities	C																	P		
Governmental Facility	C	C	C	C	C	C	C	C	C	P	P	P	P	C	C	P	C		C	C-2
Religious Facility	C	C	C	C	C	C	C	C	C	P	P	P	P	C	C	P	C		C	C-3, <u>18.21.050</u>