



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY OF SNOQUALMIE

COMMUNITY DEVELOPMENT DEPARTMENT

Decision: Minor Modification to SRII Mixed Use Final Plan Conditions and Development Standards

Report Date: September 28, 2017

File Number: MOD 17-01 (Related Permits: CUP 17-02; MUCR 17-04; WHW 17-0001)

Applicant: Panorama Apartments Affordable Housing – SRII Parcel S-20

I. Nature of Project.

Applicant Panorama Apartments, LLC ("Panorama") proposes to develop Snoqualmie Ridge II Parcel S20 for 191 affordable, rental multi-family apartment units. The proposed project is comprised of three, 2-story carriage house units over a garage (7 total units), located adjacent to the single-family development to the north; two, 3-story apartment buildings of 24 units each (48 total units) immediately downslope of the carriage house units; two, 4-story buildings of 32 units each (64 total units) immediately downslope of the 3-story building; two 4-story buildings of 24 and 32 units, respectively (56 total units) next downslope. The project also includes an on-site recreation and leasing center building, proposed as a 2-story building with pool and elevator. The last apartment building is located south of the leasing center building, and is proposed as a 2-story building with 16 units.

The project will extend Frontier Avenue from its current terminus south into the site as a public local access road, terminating in a cul-de-sac on the Parcel S20 site. A private internal vehicular circulation route will be constructed to serve the residents and the leasing center, which route will include parking, sidewalks, and landscaping. The internal circulation route will terminate at the south property line, with an emergency vehicle access (EVA) connection to the Snoqualmie Valley Hospital on Parcel S-21. The site will provide required parking, landscaping, trails, 3 outdoor play areas, and other site amenities.

The apartments are proposed to complete the affordable housing program requirements for Snoqualmie Ridge II.

II. Nature of Requested Approval.

Panorama seeks 4 approvals for the project: (1) administrative approval of a Minor Modification to establish net developable acreage; (2) administrative approval to increase retaining wall heights above six feet (WHW 17-0001); (3) Mixed Use Consistency Review (Phase I and Phase II) to determine consistency of the proposed development with the SR II Development Standards (MUCR 17-04); and (4) Hearing Examiner approval of a Conditional Use Permit to permit four-story building heights (CUP 17-02). This decision addresses the first request: a Minor Modification to establish net developable acreage and, as a related matter, the total number of units allowed on the parcel.

In the SR II Mixed Use Final Plan's Use Table (Attachment B), Parcel S20 is designated with a density of 8-16 dwelling units per acre. Under the column "Gross Dev\ Acres," it indicates 14.2 acres for Parcel S20, and under "Unit Range," states "80-159 units." The column heading for "Unit Range" includes an asterisk, to a note at the bottom of the page stating "** Unit Range assumes 30% discount to gross acres for roads and other undevelopable areas."

The Minor Modification application seeks to clarify the SR II MUFP's Attachment B "Use Table" to confirm that, in lieu of using the parcel's total, gross acreage less a 30% deduction for roads and critical areas, specific parcels may specify an actual, net developable acreage, and the total number of units for that parcel determined by multiplying the density range by the net developable acreage. The Minor Modification seeks to confirm that Parcel S20's net developable acreage is 11.93 acres, and that its unit range is therefore 80-191 units. The proposed Minor Modification is shown on Exhibit A to this Decision.

As provided in the Mixed Use Final Plan Conditions, the decision on the Minor Modification request will be made by the Community Development Department Director with the concurrence of the chair of the Community Development Committee of the City Council. The proposed modification has been processed administratively, per the Snoqualmie Ridge II Development Standards, condition 1.081.

It is important to note that the Minor Modification is *not* required in order to allow construction of affordable or multi-family housing on Parcel S20. Those decisions have previously been made. As discussed below, the SR MUFP includes a condition requiring construction of affordable housing in the SR II development, which includes Parcel S20. The Use Table (SR II MUFP Attachment B) includes "six-unit multiplex, multifamily, [and] live-work units" among other authorized uses for Parcel S20. And, a covenant has been recorded against Parcel S20 limiting its use to satisfying the SR II MUFP condition for affordable rental housing.

III. Background and History of the Snoqualmie Ridge II Development.

A. Parcel S20, the project site, is part of the Snoqualmie Ridge II ("SR II") development. SR II is a large-scale, primarily residential development (up to 2,150 units) approved through multiple project permit decisions of the Snoqualmie City Council, following extensive hearings before and a recommendation by the Snoqualmie Planning Commission. For purposes of this decision, the relevant City Council decisions include adoption of a Development Agreement, and approval of the Snoqualmie Ridge II Mixed Use Final Plan ("SR II MUFP").

B. The City Council approved the Development Agreement on June 28, 2004, when it adopted Resolution No. 712. Resolution No. 712 approved a Development Agreement between the City and Quadrant Corporation, which recorded at King County Auditors File No. 20040629001943 ("DA"). A copy of Resolution No. 712 and relevant excerpts from the Development Agreement are attached hereto as Exhibit B. Among other things, the DA called for the City Council to approve the SR II MUFP following annexation of the SR II property into the City and adoption of Comprehensive Plan and zoning designations for it. A draft MUFP was attached to the Development Agreement as Exhibit A, Attachment B.

C. Although the City Council approved the form of the SR II MUFP when it approved it as an attachment to the Development Agreement, the Council ratifies this decision when, on August 9, 2004, the City Council adopted Resolution No. 717, separately approving the SR II Mixed Use Final Plan in the form it had been attached to the Development Agreement as Exhibit A, Attachment B. Resolution No. 717, and relevant excerpts of the SR II MUFP are attached hereto as Exhibit C.

D. The City Council's adoption of the SR II MUFP was supported by the Council's adoption of the findings and conclusions. The Council accomplished this by adopting by reference the findings and conclusions of the Planning Commission as set forth in Planning Commission Resolution No. 03-01, as well as the Council's own, additional findings, as specified in Exhibit A, Attachment B to Resolution No. 712.

E. In turn, the Planning Commission's Resolution No. 03-01, which among other things recommended that the City Council approve the SR II MUFPP, adopted by reference the findings, conclusions and recommendation of the City staff, as set forth in a July 18, 2003 staff memorandum to the Planning Commission. Planning Commission Resolution No. 03-01 is attached hereto as Exhibit D; the July 18, 2003 City staff memorandum is attached hereto as Exhibit E.

F. The potential significant, adverse environmental impacts of SR II DA and SR II MUFPP were analyzed in a Draft Environmental Impact Statement ("DEIS") and Final Environmental Impact Statement ("FEIS") issued on June 2, 2003 and February 23, 2004, respectively. The FEIS identified and evaluated probable significant environmental impacts from the project's Mixed Use land use designation and zoning, approval and implementation of the SR II Annexation Implementation Plan, approval and implementation of the SR II Mixed Use Final Plan ("MUFPP") and subsequent development approvals (platting and other construction permits), and approval of the Development Agreement, for all development through build out of the Snoqualmie Ridge II proposal, including build out of Parcel S-20. The DEIS and FEIS included analysis of potential transportation impacts of the entire Snoqualmie Ridge II development, including potential impacts to major intersections with Snoqualmie Parkway, major roads and intersections in Snoqualmie Ridge I, as well as impacts to off-site transportation facilities and intersections. The DEIS and FEIS also recommended mitigation for probable significant impacts, which mitigation was incorporated into the Development Agreement and as MUFPP conditions of approval.

F. The scope of the SR II development approved in the DA and SR II MUFPP as broad. It authorized a large-scale, primarily residential development on 736 acres of property, divided between 29 parcels located in either SR II "North" or SR II "South." (The parcels were identified by the letter "N" or "S" followed by parcel number, e.g., N-1, N-2, S-1, S-2, and so on). Development was authorized for 3 alternatives: Alternative 1 (up to 1,850 units with two schools); Alternative 2 (up to 2,000 units with one school); or Alternative 3 (up to 2,150 units and no schools). (The DA and SR II MUFPP recognized that the School District owned two parcels for potential school construction, on which developer Quadrant held options. If the School District determined that one or both schools were not necessary, and Quadrant acquired the option parcel(s), development of additional residential units (150 units per parcel) would then be authorized on the former school-owned property). The DA and SR II MUFPP also authorized (and required) construction of roads, utilities (water, sewer and stormwater), parks and trails, and general government facilities needed to serve the SR II residential development.

G. A central intent of the SR II MUFPP is flexibility. As explained in the Development Agreement's recitals, by allowing mixed use plan review and approval of the entire proposed SR II development, rather than utilizing an otherwise typical review of a proposed development of individual parcels on a piecemeal basis, the developer (Quadrant) received greater flexibility in design and development while the City received the flexibility to consider community-wide issues such as a coordinated plan of water, sewer and streets; the overall mix of uses and housing types; adjacent land use compatibility and buffering issues; parks, recreation facilities and open space; sensitive areas planning; community integration; and cumulative public facility and service needs for the long term.

H. Accordingly, per Section 3.6 of the Development Agreement, "[a]fter approval of the Mixed Use Final Plan, the City agrees to permit construction of the proposed SR II Development, subject to the Development Standards and Mitigations set forth in this Agreement, including all of the terms and conditions contained in the Conditions of Approval, including all of the attachments thereto." In Section 6.3, the parties agreed that "the Conditions of Approval, as incorporated into the Mixed Use Final Plan approval, provides the desired level of initial definition and certainty to the development of the Property, sufficient for both parties to make the level of commitment contained in this [Development] Agreement." Nevertheless, the parties also agreed, in Section 6.1, that "development of the Property will require additional development review and/or construction permit reviews and approvals prior to commencing any construction activity on site." Per Section 6.4, these additional reviews and approvals, called "Subsequent Approvals," are governed by the Conditions of Approval incorporated into the SR II MUFPP.

I. To further the MUPP's intended flexibility, the DA also provided for modification of the MFUP's conditions of approval. Section 6.3 of the DA provides that "the Parties acknowledge that modifications to the Mixed Use Final Plan are likely to occur during the build-out of the Property to achieve the Flexibility Objectives." Accordingly, the Development Agreement provided a process for "Minor Modifications" to the MUPP's Conditions of Approval. Per Section 6.4.1 of the Development Agreement:

A Minor Modification to the proposed development from that specified in the Conditions of Approval may be approved by the City Director of Planning, with concurrence of the chair of the Parks and Planning Committee of the City Council,¹ provided he or she determines that the modification is in fact minor and is consistent with the overall scope and intent of the Conditions of Approval, satisfies the requirements of SMC 17.30.150 and meets the additional criteria listed in this subsection. The Flexibility Objectives, as defined in subsection 1.4 of this Agreement shall be considered by the City in interpreting the scope and intent of the Conditions of Approval in evaluating any requested Minor Modification.

6.4.1.1 The proposed modification does not result in more than the total number of residential units approved in the Conditions of Approval.

6.4.1.2 The proposed modification does not reduce the number of parks or the total amount of active park acreage, and does not reduce the total acreage identified as open space.

6.4.1.3 The proposed modification does not result in a reduction in the amount or the minimum percentage of rental or for-sale affordable housing required by the Conditions of Approval.

6.4.1.4 The proposed modification does not trigger the need for new SEPA review, pursuant to the provisions of Subsection 6.5 below.

6.4.1.5 The proposed modification does not include a reduction in the width, proposed plantings, or type of any required perimeter or Parkway buffers, unless the City determines that the modification will accomplish all of the same screening functions that the original requirements would provide.

6.4.1.6 The proposed modification does not include uses that were not included in the original Conditions of Approval, eliminate uses that were included in the original Conditions of Approval, or materially change the mix of housing density.

6.4.1.7 The proposed modification is functionally equivalent to, or superior to, the original standard or requirement in fulfilling the intent and purpose of that original standard or requirement.

6.4.1.8 The proposed modification is compatible with the scale and character of the properties and uses adjacent to the location of the proposed modification, whether such properties and uses are inside or outside the SR IT Property.

6.4.1.9 The proposed modification does not include additional access off the Snoqualmie Parkway.

¹ The City Council's Parks and Planning Committee was subsequently re-named the Community Development Committee.

The "Flexibility Objectives" referred to in the Development Agreement, Section 6.4.1 are defined in Section 1.5 as follows:

"Flexibility Objectives" shall mean the ability to *incorporate new information*; respond to changing community and market needs; *encourage reasonably priced housing*; respond to changes in technology or patterns of living and working; and encourage modifications that provide comparable benefit or functional equivalence with no significant reduction of public benefits, environmental protection, or increased material cost or loss of revenue potential to Quadrant or to the City.

(Emphasis added). The Minor Modification sought in this approval is governed by Section 6.4.1 of the Development Agreement and the Flexibility Objectives defined in Section 1.5.

IV. Background and History of the Affordable Housing Requirement in SR II.

A. As explained in the City staff findings (which were adopted by the Planning Commission by reference in Res. 03-01, and thereafter by the City Council), the initial SR II MUFPP application included a wide density range for some parcels, but all but one small parcel would allow for development of single family dwellings at 4 to 6 units per acre. Therefore, the staff recommended MUFPP conditions of approval revised the density ranges for certain parcels to designate some with a density range of 4-9 units per acre, and some parcels for a density range of 8-16 units per acre, to ensure that some parcels will be developed with higher density residential uses (including multifamily housing). Because of the size of the SR II development (736 acres and potentially up to 2,150 residential units), the City was planning for a substantial portion of the future city, and needed to ensure provision of a balanced mix of housing, and a broader choice and diversity of housing to meet the needs and desires of all ages, household types, sizes and incomes.

B. The initial SR II MUFPP application and the staff recommended conditions of approval both included a requirement that 15% of the total SR II residential units be affordable housing, priced for incomes below 80 percent of median King County income. Affordable housing was to be accounted for by use of a credit program, designed to take advantage of opportunities to create a variety of different affordable housing choices.

C. Accordingly, Condition 4.12 of the SR II MUFPP requires provision of affordable housing mitigation, as further described in the MUFPP, Attachment G. A copy of Condition 4.12 is included in Exhibit C; the SR II MUFPP's Attachment G is attached as Exhibit F.

D. Attachment G to Mixed Use Final Plan required that the SR II developer provide affordable housing mitigation, in the form of a number of "credits" equal to 15% of the total number of housing units constructed in SR II. For 1,850 housing units (the number ultimately selected by the SR II developer), the number of affordable housing credits required was 278 credits. The 278 credits were divided between "for-sale and for-rent. A SR II residential unit priced to rent or sell at a price affordable to households earning 80% or less of the median income in King County qualified for 1 "credit"; a residential unit priced to rent or sell at a price affordable to households earning 60% or less of the median income in King County qualified for 1.5 credits. Initially, affordable housing units were to be dispersed in SR II, with at least 50 credits worth on the SR II "North" parcel, at least 100 credits worth on the SR II "South" parcel, and with multi-family located on at least 2 parcels not adjacent to each other. Further, "for sale" units were to be dispersed over at least three parcels, with a minimum of 20 units in SR II "North," a minimum of 20 units in SR II "South" east of the Parkway, and a minimum of 20 in SR II "South" west of the Parkway.

E. By 2009, the "for sale" affordable housing requirement had largely been met:

- 50 units were constructed in SR II "North," on Parcels N1 and N2;

- 44 units were constructed in SR II "South," on Parcel S1A, east of Parkway.

While no "for sale" units west of Parkway, the total "for sale" requirement of 92 units had been exceeded.

F. SR II LLC sought a "Minor Modification" to concentrate remaining "rental" affordable obligation on one parcel, Parcel S20. SR II LLC contended that requiring dispersal of affordable housing (onto two parcels, east and west of the Parkway) created economies of scale that made it difficult for a smaller rental project to "pencil" and obtain financing, especially when a 15-year rental covenant was also required. In exchange for approval of the Minor Modification, SR II LLC agreed to record a covenant against Parcel S20, limiting its use to affordable housing for 25 years.

G. On November 2, 2009, the Affordable Housing Minor Modification sought by SR II LLC was approved. See Exhibit G. The Affordable Housing Minor Modification acknowledged that the for-sale affordable housing requirement had been met with the 94 for-sale units, confirmed 184 for-rent affordable housing credits as the remaining obligation, and modified the former dispersal requirement by deleting the requirement that affordable rental housing be dispersed onto at least 2 parcels that were not adjacent to each other. A condition of this approval required SR II, LLC to record a covenant against Parcel S20, restricting its use to affordable rental apartment use development. The Minor Modification did allow SR II, LLC, at its option, to obtain up to 44 affordable housing credits if the applicant could construct a market rate apartment complex in which some of the units were offered at an initial rent meeting the pricing requirement of affordability to households earning 80% or less of the King County median income.

H. A Declaration of Covenant was then recorded against Parcel S-20, restricting the use of Parcel S-20 for affordable rental apartment development. See Declaration of Covenant, King County Auditor's File No. 20091221001600 ("Affordable Housing Covenant"), attached as Exhibit H. The Affordable Housing Covenant has been executed and recorded against Parcel S20, and will remain in effect until achievement of all affordable housing credits required by the SR II MUFP, Attachment G, or 25 years from its December 16, 2009 date.

I. At present, all of Attachment G's "for-sale" credits have been provided. There are 184 credits remaining of affordable housing mitigation that must be provided in the form "for-rent" units.

V. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Findings of Fact.

1. The statements set forth in Sections III.A – I and IV.A – I above are adopted as findings of fact.

2. Quadrant elected to develop SR II under Alternative 1 (up to 1,850 residential units and two schools). Per the SR II MUFP, of the 1,850 units, a maximum of 450 may be located in the "North" and 1,500 in the "South."

3. Parcel S-20 is located within SR II "South."

4. At the time of Panorama's application, the City had approved 1,556 total residential units in SR II, with 363 in the North, and 1,193 in the South. If the additional 191 Panorama units are developed as proposed, SR II South will have 1,384 residential units and the total in SR II will be 1,747.

5. Parcel S-20 is approximately 13.60 total acres, based on the scaled architectural site plan submitted by the applicant. (Parcel S-20 is listed on the Use Table (Attachment B to the SR II MUFP) as having a total of 14.2 acres; however, the acreages listed on the Use Table were based on conceptual parcel boundaries, with actual, surveyed boundaries to be established at the time of development application for particular parcels to be developed, per MUFP Condition 1.4.)

6. For Parcel S-20, the MUFPP's Use Table indicates that a "Residential Density" of 8-16 units / acre, and a "Unit Range of 80-159 units" of "Permitted Uses" that include "SF detached, SF attached, up to six-unit multiplex, multifamily, live-work units, Day Care I, Accessory Dwelling Unit, Home Occupations, Parks and Open Space, [and] Public Utilities."

7. According to the asterisked statement at the bottom of the SR II MUFPP's Use Table, the "unit range" stated on the Use Table for each Parcel "assumes a 30% discount to gross acreage for roads and other undevelopable areas," such as wetlands and stormwater facilities.

8. Parcel S-20 has a net developable acreage of 11.93 acres, when the area necessary for roads (.13 acres) and other undevelopable areas (1.54 acres of wetlands and wetland buffers) are subtracted from the 13.60 gross acres ($13.60 - 1.67 = 11.93$). This yields a greater net developable acreage than assumed by the Use Table ($14.2 \text{ acres} - (14.2 \times .30) = 9.94 \text{ acres}$).

9. For the proposed Panorama project on Parcel S-20, the on-site vehicular circulation route will be a private roadway only, to serve the affordable rental units on the Parcel, terminating at an emergency-only access at the Parcel's south boundary. Therefore, the need for public right-of-way dedication is significantly reduced.

10. Similarly, Parcel S-20's stormwater will be directed to an already existing, off-site stormwater facility for treatment, negating the need for a separate on-site stormwater tract. This eliminates the need for a stormwater deduction from the parcel's gross acreage.

11. Parcel S-20 is designated in the Snoqualmie Ridge II Mixed Use Final Plan for a density of 8-16 dwelling units per acre. If Parcel S-20's actual net developable acreage is utilized, Parcel S-20 may be developed with 191 units ($16 \text{ units / ac.} \times 11.93 \text{ acres} = 190.88$), rather than 159 units derived using the assumed 30% discount to gross acreage indicated by the Use Table's asterisk.

12. The City's SEPA Responsible Official reviewed the potential impacts from the proposed Minor Modification, and determined that they are within the range of impacts analyzed in the DEIS and FEIS issued for the SR II DA and MUFPP. Granting the minor modification requested would not involve changes that would be likely to have significant, adverse environmental impacts not previously analyzed in the DEIS and FEIS. Panorama's proposed multifamily development is one of the "Permitted Uses" indicated on the Use Table for Parcel S-20, and the Panorama project's density range is within density range for Parcel S-20 anticipated by the Use Table. The proposed Minor Modification would involve only 32 units beyond the 159 units stated in Use Table for Parcel S-20, while the total SR II development that has occurred to date is substantially less than the total development evaluated in the DEIS and FEIS. The Panorama requested Minor Modification also does not involve any new information that would indicate new or different probable, significant adverse environmental impacts not previously evaluated in the DEIS and FEIS, and for which mitigation was identified in the FEIS and incorporated as conditions of the SR II DA and MUFPP.

13. Frontier Avenue currently terminates at Parcel S-20's eastern boundary. The SR II MUFPP Circulation Map (South) includes a street in the approximate current location of Frontier Avenue, and designated as a collector serving parcels S-16, S-19 and S-20.

14. The Snoqualmie Ridge II Development Standards, Street Classification Plan South, amplifies the Mixed Use Final Plan Circulation Map and confirms that Frontier Avenue (not yet named at that time) would be a Neighborhood Collector.

15. The Snoqualmie Ridge II Development Standards, Table 2-1, Street Standards describes the physical characteristics of a Neighborhood Collector, and states that the capacity of a Neighborhood Collector such as Frontier Avenue is 8,000 to 10,000 average daily trips.

16. Frontier Avenue was designed and constructed as a Neighborhood Collector as part of SR II Plat 25, Phase 1.

17. In a memorandum dated March 3, 2017 (Exhibit I), the City's outside traffic engineering consultant Fehr and Peers confirmed that Frontier Avenue has sufficient capacity to accommodate the combined trip generation of the proposed 191-unit apartment complex on Parcel S-20 and the Eagle Pointe neighborhood.

18. On June 8, 2009, the City Council adopted Resolution No. 907, which resolved questions concerning permitted uses on Parcel S-21. (Parcel S-21 was subsequently developed with the new Snoqualmie Valley Hospital building). While Parcel S-21 does not take access from Jacobia or Frontier (and the MFUP Maps have never shown any connection), when the allowable uses for Parcel S-21 were finally determined, Section 5.A required connectivity between Parcels S-20 and S-21, but foreclosed the possibility that such connection would be a dedicated public right-of-way. Section 5.A states: "There shall be connectivity between Parcels S-20 and S-21, which shall be constructed as an emergency access road normally closed with bollards or other similar means." A copy of Resolution No. 907 is attached as Exhibit J.

19. The City has previously granted Minor Modification to adjust the density range, unit range, and permitted uses stated in the SR II MUFU Use Table. On June 6, 2011, then-Planning Director Nancy Tucker approved, with the concurrence of acting Chair Bryan Holloway, a Minor Modification for Parcel S-11. The S-11 Modification revised the Parcel S-11 density range from 4-9 units per acre (and only if Parcel S-12 or SR I Business Park as 10 acres or more of retail) to 10-24 units per acre; increased the unit range from 31-71 units to "a maximum of 100 MF units"; and amended the "Permitted Uses" from SF detached or SF attached up to 6-unit multi-plex to include "MF attached residential apartments on Parcel S-11." The June 6, 2011 Parcel S-11 Minor Modification was not appealed. A copy is attached as Exhibit K.

B. Conclusions of Law.

1. Parcel S-20's development is governed by the SR II DA and MUFU.

2. The standards governing a proposed Minor Modification are set forth in Section 6.4.1 of the SR II Development Agreement. They require that the Community Development Director to determine, with the concurrence of the Chair of the City Council's Community and Economic Development Committee, that the requested modification is:

- a. in fact minor;
- b. consistent with the overall scope and intent of the [MUFU] Conditions of Approval;
- c. satisfies the requirements of SMC 17.30.150; and
- d. meets the additional criteria listed in this subsection [6.4.1].

3. Panorama's proposed Minor Modification is "in fact minor." It will not change the density range or permitted uses on Parcel S-20. It seeks only to clarify that the MUFU Use Table's density range is to be applied to the net developable acreage of Parcel S-20, rather than to an acreage based on an assumed 30% discount for roads and other undevelopable areas that exceeds the actual acreage of roads, critical areas and other undevelopable areas. Such a clarification is a reasonable interpretation of the existing Use Table, and the requested modification to the Table to clarify this proposition is minor, especially in comparison to previous Minor Modifications approved by the City, such as the Parcel S-11 Minor Modification (Exhibit I).

4. Panorama's proposed Minor Modification is consistent with the scope and intent of the MUFPP Conditions of Approval. As discussed in Sections III and IV above, the scope of the SR II MUFPP is broad, and authorizes a development of up to 1,850 residential units. The MUFPP's intent, as expressed in the findings of fact adopted by the Planning Commission and then Council, was to include within SR II's broad scope a range of housing densities (including up to 16 units per acre, as provided for Parcel S-20), to ensure that a wide range of housing choices would be available, including multifamily apartments. (The City even required inclusion of increased density ranges, beyond those included in the initial SR II application, to further this intent). The MUFPP's intent, as expressed in the City's findings as well as MUFPP Condition 4.12 and Attachment G, was also to ensure that a significant percentage of these housing types be affordable, and priced to be available to households earning less than 80% of the King County median income. Panorama's proposed Minor Modification is sought in order to provide 191 affordable rental apartment units affordable to households earning 80% or less of the King County median income. The proposed development of 191 units at this income level will meet the remaining affordable housing obligation (minimum 184 units), and is therefore consistent with this scope and intent that the SR II development include affordable multi-family housing at a density of up to 16 units per acre.

5. Panorama's proposed Minor Modification satisfies the requirements of SMC Section 17.30.150. That code section requires that the proposal:

- a. Be within the scope and intent of the final plan;
- b. be of a similar size and scale and does not present appreciably different environmental effects from those identified during the final plan review process;
- c. not reduce overall acreage identified as dedicated public areas, open space or buffering areas;
- d. not materially change the balance of uses; and
- e. not exceed the limitations of any development standards approved pursuant to SMC 17.30.070.

Panorama's proposed Minor Modification is within the scope and intent of the MUFPP, for the reasons explained in Conclusion of Law No. 4 above. The 191 units it proposes is of a similar size and scale, and does not present appreciably different environmental effects from those identified in the DEIS and FEIS prepared during the SR II review process. It does not reduce overall acreage of dedicated public areas, open space or buffers, because it does not affect those areas at all. It does not materially change the balance of uses, in fact, it increases the balance of uses by adding additional affordable multifamily rental housing, which is in short supply in the City of Snoqualmie generally, and specifically within the SR II development. Further, the proposed Minor Modification does not exceed any of the limitations of the SR II Development Standards approved for the SR II development.

6. Panorama's proposed Minor Modification the additional criteria for minor modifications set forth in subsections 6.4.1.1 – 6.4.1.9 of the Development Agreement, as explained below.

6.4.1.1 The proposed modification does not result in more than the total number of residential units approved in the Conditions of Approval.

SR II is planned to accommodate 1,850 residential units. Currently, the City has approved 1,556 residential dwelling units in SR II. With the proposed 191 units, this would bring the total number of residential units in SR II to 1,747 (363 in the North and 1,384 in the South), below the 1,850 total.

6.4.1.2 The proposed modification does not reduce the number of parks or the total amount of active park acreage, and does not reduce the total acreage identified as open space.

The proposed modification does not reduce the number of parks or amount of park or open space acreage. In fact, the proposal will add on-site indoor and outdoor recreation space and 3 play areas.

6.4.1.3 The proposed modification does not result in a reduction in the amount or the minimum percentage of rental or for-sale affordable housing required by the Conditions of Approval.

The proposed modification will not reduce the minimum percentage of affordable housing required. The proposal will in fact add to the amount of affordable rental housing actually provided, and satisfy the obligation that SR II Parcel S-20 provide the remaining required number of credits of affordable housing units in Snoqualmie Ridge II.

6.4.1.4 The proposed modification does not trigger the need for new SEPA review, pursuant to the provisions of Subsection 6.5 [of the Development Agreement].

Section 6.5 of the SR II Development Agreement expressly provides that the SR II DEIS and FEIS "is sufficient for implementing Subsequent Approvals that are consistent with the Conditions of Approval and the alternatives contained within those environmental documents," and that Quadrant and the City "intend that these environmental documents shall constitute compliance to the fullest extent possible under SEPA for all Subsequent Approvals *and requested modifications* during full build out of the SR II Property." The DA's Section 6.5 goes on to state that the City may require supplemental environmental review only for "Major" (not minor) modifications of the MUF, or when the City's SEPA Responsible Official determines "pursuant to the SEPA Rules, WAC 197-11-600(3)(b), and SMC 19.04.210 that a Subsequent Approval involves substantial changes to the SR I1 Development so that it is likely to have significant adverse impacts not previously analyzed in the existing environmental documents" or that "there is new information indicating probable significant adverse environmental impacts of the SR II Development or any portion thereof not previously analyzed in the existing environmental documents." As discussed in Finding of Fact No. 12 above, the SEPA Responsible Official has reviewed the potential impacts of the proposed Minor Modification, determined them to be within the range of impacts analyzed in the DEIS and FEIS, and concluded that the proposal does not represent a substantial change or involve new information indicating probable, significant, adverse environmental impacts not previously analyzed in the existing environmental documents. Therefore, supplemental or new SEPA review is not required.

6.4.1.5 The proposed modification does not include a reduction in the width, proposed plantings, or type of any required perimeter or Parkway buffers, unless the City determines that the modification

will accomplish all of the same screening functions that the original requirements would provide.

The proposed Minor Modification does not propose a reduction in the width, proposed plantings, or the type of any required perimeter or Parkway buffers. And, Parcel S-20 does not abut the Parkway.

6.4.1.6 The proposed modification does not include uses that were not included in the original Conditions of Approval, eliminate uses that were included in the original Conditions of Approval, or materially change the mix of housing density.

The proposed modification is for a use (multifamily housing) that was expressly included in the Permitted Uses shown in the MUFPP Use Table for Parcel S-20. Further, the proposed Minor Modification is for a use allowed by the Declaration of Covenant recorded at 20091221001600, which restricts the use of Parcel S-20 for affordable rental apartment development to accommodate the remaining affordable housing obligations of Snoqualmie Ridge II.

6.4.1.7 The proposed modification is functionally equivalent to, or superior to, the original standard or requirement in fulfilling the intent and purpose of that original standard or requirement.

Panorama's proposed Minor Modification will fulfill the MUFPP's original intent that the SR II developer provide a minimum of 278 credits of affordable housing in SR II, and will further fulfill the affordable housing obligations assigned to Parcel S-20 by the 2009 Declaration of Covenant.

6.4.1.8 The proposed modification is compatible with the scale and character of the properties and uses adjacent to the location of the proposed modification, whether such properties and uses are inside or outside the SR II Property.

Based on the building cross sections and exhibits Panorama submitted as part of its application, the "carriage house" multi-family buildings for the upper portion of Parcel S-20 (3 buildings, 7 units) will appear as 2-stories or less from the single-family lots adjacent to the north due to Parcel S-20's gradient, which slopes from north to south, consistent with the character and scale of the properties and uses immediately adjacent to the north of Parcel S-20. The proposed project's taller buildings will be located downslope, making them appear shorter and more consistent with the scale of development immediately to the north when viewed from above. (In fact, the elevation drop across Parcel S-20 could likely accommodate even more dense development than proposed, without impacting views from adjacent single-family parcels.). The proposed Panorama project will also provide the requisite landscape buffer, elevation stepping, and screening between the existing single-family residential to the north of Parcel S-20, which will also facilitate the proposal's compliance with this requirement. Further, the multi-story, multifamily buildings proposed for the southerly, lower portion of S-20

are consistent with the character and scale of the Snoqualmie Valley Hospital building located on Parcel S-21, adjacent to Parcel S-20 to the south, and will provide an appropriate use transition from the existing single-family uses to the north and the Snoqualmie Valley Hospital to the south.

6.4.1.9 The proposed modification does not include additional access off the Snoqualmie Parkway.

The proposed modification does not include additional access off the Snoqualmie Parkway. The Panorama project proposed to take access from Frontier Avenue, with no site access to Snoqualmie Parkway.

7. Application of the Development Agreement's Flexibility Objectives, as required by Section 6.4.1, also weigh in favor of approval of the proposed Minor Modification. "Flexibility Objectives" are defined in Section 1.5 of the DA as "the ability to *incorporate new information; respond to changing community and market needs; encourage reasonably priced housing;* respond to changes in technology or patterns of living and working; and encourage modifications that provide comparable benefit or functional equivalence with no significant reduction of public benefits, environmental protection, or increased material cost or loss of revenue potential to Quadrant or to the City." The proposed Minor Modification incorporates (and is based on) new information regarding Parcel S-20's actual, net developable acreage, as opposed to using the 30% of undevelopable lot area assumed by the Use Table's asterisk footnote. Second, the proposed Minor Modification also responds to new, changed information, in the form of the specific limitations imposed on Parcel S-20 by the 2009 affordable housing Declaration of Covenant, which limit the Parcel's use to satisfaction of the remaining SR II affordable rental housing obligation. The Modification also responds to the increased need and demand for reasonably priced, affordable housing in King County, which has been exacerbated by significant housing market inflation in the range of 10-15% per year since approximately 2014. And, no impacts have been identified that would reduce public benefits, environmental protection, increase cost, or result in revenue loss to the City. The Flexibility Objectives support approval of the requested Minor Modification.

8. Panorama has also requested an administrative approval to increase retaining wall heights above six feet. This request is authorized by SR II MUFP Condition 4.11, and is being reviewed under WHW 17-0001.

9. Panorama has also requested Conditional Use Permit (CUP) approval to permit an increase to the allowable building height from 3 stories to 4 stories as provided for by SR II MUFP Condition 4.6.1. This request is being reviewed separately under CUP 17-02. The CUP process will provide additional opportunity for review of proposed building heights and design for compatibility of scale and character with uses adjacent to Parcel S-20.

10. Any Finding of Fact included herein that more properly should be considered to be a Conclusion of Law shall be considered as such, and any Conclusion of Law that more properly should be considered to be a Finding of Fact shall likewise be considered as such.

IV. Approval of Minor Modification

Parcel S-20 has all required entitlements for the construction of the Panorama Apartments affordable housing project, and the proposal is consistent with all governing documents. Based on the basis foregoing findings and conclusions, the proposed Minor Modification of the SRII Mixed Use Final Plan for Parcel S-20 shown in Exhibit A is hereby **APPROVED**, for application only to the proposed Panorama affordable rental apartment housing and subject to the conditions listed below.



Concur: Sean Sundwall
Chair, Community Development Committee

Dated: 9/28/17



Mark Hofman, AICP
Community Development Director

Dated: 9/28/17

Conditions of Approval

1. No access to Parcel S-20 shall be allowed from the Snoqualmie Parkway.
2. The applicant shall obtain all necessary permits and approvals from the City, and shall comply with all conditions of such permits.
3. All other conditions of the Snoqualmie Ridge II Mixed Use Final Plan not expressly modified herein or by any other City approval shall remain in full force and effect.
4. Prior to approval of a building permit for the proposed Panorama project, the applicant shall record against the Parcel S-20 property a covenant in a form acceptable to the City Attorney assuring that: (a) the property will be developed with and used for rental apartment housing, with rental rates priced to be affordable to households earning 80% or less of the median income for King County and otherwise in compliance with Attachment G to the Snoqualmie Ridge II Mixed Use Final Plan, for a period of at least 15 years from the date of first occupancy, and (b) that rental rate increases will be limited to the same percentage increases as the annual median income for King County as a whole during the period of the rental covenant.

