TOWN OF WOODWAY COUNCIL MEETING AGENDA MONDAY, DECEMBER 6, 2021 6:00 p.m.

Meeting held virtually due to current COVID restrictions

6:00 р.м.		Call to Order, Flag Salute, & Roll Call
6:00 р.м.	Ι	Oaths of Office – Mayor Mike Quinn, Councilmember John Brock
6:05 р.м.	II	Recognition: Councilmember Tom Whitson
6:15 р.м.	III	Approval of Payments – December 6, 2021 Claims, November 2021 Payroll
6:20 р.м.	IV	Approval of Minutes – November 15, 2021
6:25 р.м.		Public Comments*
6:30 р.м.	V	Council Reports
6:35 р.м.	VI	Mayor's Report
6:40 р.м.	VII	Town Administrator's Report
6:45 р.м.	VIII	Resolution 2021-431: Authorized Signers on US Bank Account
6:50 р.м.	IX	Ordinance 2021-634: 2021 Budget Amendment
7:00 p.m.	Х	Resolution 2021-432: ARPA Expenditures
7:05 p.m.	XI	Discussion: ADUs & Short-term Home Rentals
7:35 p.m.	XII	Meeting Cancellation & Payment Procedure – December 20, 2021
7:40 р.м.		Public Comments*

* Public comments: Those who wish to make a public comment for this meeting can do so via video or audio connection. Please keep yourself muted until the appropriate time. Phone callers can unmute themselves by dialing *6.

Council agendas are subject to change before or during the council meetings upon motion. All times are approximate.

Anyone with a disability requiring special accommodations should contact the Town Clerk's Office at Town Hall or call (206)542-4443 before 1:00 p.m. the Thursday preceding the Council Meeting. For TDD relay service, call (206)587-5500, or outside the Seattle area #1-800-833-6388.

TOWN OF WOODWAY COUNCIL MEETING AGENDA

CONTINUED

7:45 P.M. General Council Discussion – Choice of Subjects

7:50 P.M. Adjournment

* Public comments: Those who wish to make a public comment for this meeting can do so via video or audio connection. Please keep yourself muted until the appropriate time. Phone callers can unmute themselves by dialing *6.

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TOWN OF WOODWAY CLAIMS APPROVAL

"I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the claim is a just, due, and unpaid obligation against the Town of Woodway, Snohomish County, Washington, and that I am authorized to authenticate and certify to said claims."

Clerk Treasurer

The following transactions are approved for 2021 payment:

Claims checks #13614 through 13634 and EFT #1612.....\$25,861.34

This 6th day of December 2021.

Mayor

Councilmember

Councilmember

Councilmember

*The three largest charges on the credit card bill are:

- 1. 4 Kubota Side-by-side tires: \$773.84
- 2. Plants for Town Hall leak repair/front yard reconstruction: \$642.20
- 3. Vehicle fuel: \$577.50 (PD \$91.78, PW \$485.72)



TOWN OF WOODWAY PAYROLL APPROVAL

"I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the claim is a just, due, and unpaid obligation against the Town of Woodway, Snohomish County, Washington, and that I am authorized to authenticate and certify to said claims."

Clerk-Treasurer

The following November 2021 Payroll transactions, for 8.5 FTE, are approved for 2021 payment:

EFT transactions #1573 through 1592.....\$68,852.16

This 30th day of November 2021

Mayor

Councilmember

Councilmember

Councilmember

*There were two comp time hours accrued in November 2021

TOWN OF WOODWAY COUNCIL MEETING MINUTES

Monday, November 15, 2021 6:00 p.m.

Meeting held virtually due to current COVID restrictions

	🖾 Mayor Mike Quinn	🖾 Councilmember Brian Bogen		
Members Present	🛛 Councilmember Elizabeth Mitchel	Councilmember Andrew DeDonker		
1 resent	🛛 Councilmember Tom Whitson	🛛 Councilmember John Brock		
Staff & Guests Present	 Town Administrator Eric Faison Building Official Tom Phillips Police Chief Alan Correa 	 Clerk-Treasurer Heidi Napolitino Town Planner Bill Trimm Public Works Director Terry Bryant 		

CALL TO ORDER, FLAG SALUTE, ROLL CALL

Mayor Quinn called the meeting to order at 6:03 p.m.

I - APPROVAL OF PAYMENTS – NOVEMBER 15, 2021 CLAIMS

Councilmember DeDonker moved to approve the November 15, 2021 Claims Checks #13603 through 13613 and EFT #1509 totaling \$100,350.99. *Councilmember Mitchell* seconded the motion. The motion passed unanimously.

II - APPROVAL OF MINUTES – SEPTEMBER 20, 2021

Councilmember Bogen moved to approve the September 20, 2021 council meeting minutes. *Councilmember Mitchell* seconded the motion. The motion passed unanimously.

II - APPROVAL OF MINUTES - OCTOBER 4, 2021

Councilmember DeDonker moved to approve the October 4, 2021 council meeting minutes. *Councilmember Brock* seconded the motion. The motion passed unanimously.

II - APPROVAL OF MINUTES - OCTOBER 18, 2021

Councilmember Whitson moved to approve the October 18, 2021 council meeting minutes. *Councilmember Bogen* seconded the motion. The motion passed unanimously.

II - APPROVAL OF MINUTES - NOVEMBER 1, 2021

Councilmember Brock moved to approve the November 1, 2021 council meeting minutes. *Councilmember Mitchell* seconded the motion. The motion passed unanimously.

PUBLIC COMMENTS

David Preston, Port of Edmonds Commissioner, introduced himself and shared that the Christmas Lights would be at the marina from December 4 through January 2.

III - COUNCIL REPORTS

Councilmember Bogen shared that he had received positive comments from neighbors on the "Watch for Pedestrians" signs at the bottom of Wachusett Road hill.

Councilmember Brock:

- Attended the Lake Forest Park ADU discussion meeting that included ADU size and traffic calming.
- Shared that a neighbor asked several questions about animal control services in Woodway and about traffic calming in the Estates neighborhood.

Councilmember Mitchell asked about the 5 mph advisory speed signs that were recently installed in the Twin Maples neighborhood. Discussion followed.

Councilmember DeDonker commented on the recent Alliance for Housing Affordability meeting.

Councilmember Whitson:

- Shared a resident request that the Town study whether the crosswalk at the top of Wachusett Road hill should be moved.
- Asked how Woodway could receive money from the federal infrastructure bill that included money for bridges.
- Commented on animal control services.

IV - MAYOR'S REPORT

- Thanked Public Works for their work during the recent storms.
- Discussed traffic patrols with Police Chief Alan Correa. The police department has increased visibility and the number of traffic tickets written.

V - ORDINANCE 2021-634: 2021 BUDGET AMENDMENT

Mayor Quinn introduced the 2021 budget amendment ordinance and explained that it would be reviewed at this meeting and approved at a future meeting. Discussion included a request for more detail at the next meeting and how the Town could spend Affordable Housing Sales Tax revenue.

VI - WRIA-8 CONTRACT

The Council discussed the addendum, which would allow the City of Everett to join the WRIA-8 Council.

ACTION:

Councilmember Bogen moved to authorize the mayor to execute the addendum to the WRIA-8 contract adding the City of Everett as a member. *Councilmember Whitson* seconded the motion. The motion passed unanimously.

PUBLIC COMMENTS

None.

GENERAL COUNCIL DISCUSSION – CHOICE OF SUBJECTS

The Council discussed the meeting schedule through the end of 2021. They also discussed whether to have an in-person option for future meetings.

ADJOURNMENT

Councilmember DeDonker moved to adjourn the meeting. *Councilmember Whitson* seconded the motion. The motion passed unanimously. The meeting was adjourned at 7:00 p.m.

Respectfully Submitted,

APPROVED BY THE TOWN COUNCIL

Heidi K. S. Napolitino, Clerk-Treasurer,

Michael S. Quinn, Mayor

(These minutes accurately reflect what was said at the Council Meeting. Publication does not vouch for the veracity of these statements.)



REPEALING A PROCLAMATION OF EMERGENCY IN THE TOWN OF WOODWAY

- WHEREAS, the Mayor of the Town of Woodway determined that the August 25, 2021, flooding of Town Hall and the resultant unforeseen risks of material damage to the building and to essential operations/functions of the Town constitute a disaster and an emergency under WMC Chapter 2.36 and RCW 38.52.070; and
- WHEREAS, the Mayor issued a Proclamation of Emergency on August 26, 2021, allowing the Town to take timely, reasonable and prudent measures to ensure the safety of our residents and our employees, and to commit resources to perform necessary repairs including, if necessary, by the temporary waiver of competitive bidding requirements, public notice, and other administrative requirements, in order to expedite our response to this matter.
- WHEREAS, emergency repairs have been completed and additional needed repairs can be conducted through the normal administrative and legislative process.

NOW, THEREFORE, I do hereby proclaim as follows:

- The damage to Town Hall no longer constitutes an emergency as defined by the Town of Woodway Comprehensive Emergency Management Plan and WMC Chapter 2.36, and situation no longer necessitates the use of emergency powers granted under RCW 38.52.070.
- 2. A copy of this proclamation shall be posted on the exterior of Town Hall and shall be made available to members of the local news media and the general public.

Signed this 30th day of November 2021

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Michael S. Quinn, Mayor

RESOLUTION 2021-431

A RESOLUTION ADOPTING AUTHORIZED SIGNATURES FOR THE TOWN OF WOODWAY'S US BANK ACCOUNTS

The Town Council of the Town of Woodway does hereby resolve as follows:

Section 1. The people listed in Section 2 are hereby authorized to sign, on behalf of the Town of Woodway, orders for payment or withdrawal from the Town of Woodway's account, whether payable to any of the authorized signees or otherwise; such orders shall require the signature(s) of any two (2) of said persons. All prior authorizations are hereby superseded. This authority shall remain in effect until the Town of Woodway terminates said authority in writing to the Bank.

Section 2. List of Authorized Signers

- Michael S. Quinn, Mayor
- Elizabeth Mitchell, Mayor Pro Tem
- Heidi K. S. Napolitino, Clerk-Treasurer
- Kimberlee Sullivan, Deputy Clerk-Treasurer/Permit Technician
- Eric A. Faison, Town Administrator

PASSED this 6th day of December 2021 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY

Michael S. Quinn, Mayor

ATTEST:

Heidi K. S. Napolitino, Clerk-Treasurer

MEMO

TO:	Mayor Mike Quinn, Woodway Councilmembers
FROM:	Eric Faison, Town Administrator
SUBJECT:	2021 Budget Amendment
DATE:	December 6, 2021
CC:	Heidi K. S. Napolitino, Clerk-Treasurer

Cities are prohibited by State law from expending more than budgeted, even if the city has increased revenues that can cover additional expenses. As a result, at the end of every year, we review the budget, comparing the Town's original budget with year-end budget projections. The results of this comparison may require a budget amendment to ensure that our budget complies with State law. As a reminder, the Town's budget is by fund, not by line item.

This year, as the Mike and Heidi outlined at the last meeting, we had extraordinary General Fund revenues due to federal ARPA funds and extraordinary General Fund revenues & Capital Fund expenses due to increased REET revenue and flexibility in the use of REET funds provided this year by the State Legislature. Attached is the Fund-level budget and proposed amendment. You'll notice that most of the proposed amendments to this year's budget reflects these extraordinary circumstances.

General Fund revenues are projected to exceed the budget by \$681,000. General Fund expenses are projected to exceed the budget by \$237,000. Noteworthy contributors to these changes include:

Revenues:	Capital Fund Transfer ARPA Sales Tax Revenue	\$380,000 \$194,000 \$80,000
Expenditures:	Bridge Study Town Hall Repair Tree Removal Summer Help Salaries & Benefits Reimbursable Engineering Contingency	\$60,000 \$59,000 \$48,000 \$36,000 \$7,000 \$4,500 \$13,000

The Capital Projects Fund revenues exceeded the budget by \$291,000. Capital Projects Fund expenses exceeded the budget by \$211,000. Noteworthy contributors to these changes include:

Revenues:	REET (home sales)	\$291,000
Expenditures:	Transfer to General Fund	\$380,000

General Fund	2021 Budget	2021 Proj. YE	2022 Proposed		
Beginning Fund Balance	1,605,933	1,605,933	1,919,425	2021	
Revenues	1,861,256	2,542,618	2,402,635	Difference in revenue:	681,362
Expenses	1,992,100	2,229,126	2,111,601	Difference in expenses:	237,026
Ending Fund Balance	1,475,089	1,919,425	2,210,459	-	
Replacement Reserve Fund	2021 Budget	2021 Proj. YE	2022 Proposed		
Beginning Fund Balance	41,232	41,232	60,709	2021	
Revenues	20,000	20,000	20,000	Difference in revenue:	-
Expenses	-	522	-	Difference in expenses:	522
Ending Fund Balance	61,232	60,709	80,709		
Deposit Fund	2021 Budget	2021 Proj. YE	2022 Proposed		
Beginning Fund Balance	-	-	-	2021	
Revenues	-	-	-	Difference in revenue:	-
Expenses	-	-	-	Difference in expenses:	-
Ending Fund Balance	-	-	-		
Affordable Housing Sales Tax Fund	2021 Budget	2021 Proj. YE	2022 Proposed		
Affordable Housing Sales Tax Fund Beginning Fund Balance	2021 Budget 494	2021 Proj. YE 494	2022 Proposed 896	2021	
	_	-	-	2021 Difference in revenue:	402
Beginning Fund Balance	494	494	896		402
Beginning Fund Balance Revenues	494 1,700	494 2,102	896 1,700	Difference in revenue:	402
Beginning Fund Balance Revenues Expenses	494 1,700 1,700 494	494 2,102 1,700 896	896 1,700 1,700	Difference in revenue:	402
Beginning Fund Balance Revenues Expenses Ending Fund Balance	494 1,700 1,700 494	494 2,102 1,700 896	896 1,700 1,700 896	Difference in revenue:	402
Beginning Fund Balance Revenues Expenses Ending Fund Balance Capital Projects Fund (REET)	494 1,700 1,700 494 2021 Budget	494 2,102 1,700 896 2021 Proj. YE	896 1,700 1,700 896 2022 Proposed	Difference in revenue: Difference in expenses:	402 - 291,165
Beginning Fund Balance Revenues Expenses Ending Fund Balance Capital Projects Fund (REET) Beginning Fund Balance	494 1,700 1,700 494 2021 Budget 901,443	494 2,102 1,700 896 2021 Proj. YE 901,443	896 1,700 1,700 896 2022 Proposed 856,762	Difference in revenue: Difference in expenses: 2021	-
Beginning Fund Balance Revenues Expenses Ending Fund Balance Capital Projects Fund (REET) Beginning Fund Balance Revenues	494 1,700 1,700 494 2021 Budget 901,443 120,000	494 2,102 1,700 896 2021 Proj. YE 901,443 411,165	896 1,700 1,700 896 2022 Proposed 856,762 200,000	Difference in revenue: Difference in expenses: 2021 Difference in revenue:	291,165
Beginning Fund Balance Revenues Expenses Ending Fund Balance <i>Capital Projects Fund (REET)</i> Beginning Fund Balance Revenues Expenses	494 1,700 1,700 494 2021 Budget 901,443 120,000 245,000 776,443	494 2,102 1,700 896 2021 Proj. YE 901,443 411,165 455,846 856,762	896 1,700 1,700 896 2022 Proposed 856,762 200,000 835,000	Difference in revenue: Difference in expenses: 2021 Difference in revenue:	291,165
Beginning Fund Balance Revenues Expenses Ending Fund Balance <i>Capital Projects Fund (REET)</i> Beginning Fund Balance Revenues Expenses Ending Fund Balance	494 1,700 1,700 494 2021 Budget 901,443 120,000 245,000 776,443	494 2,102 1,700 896 2021 Proj. YE 901,443 411,165 455,846 856,762	896 1,700 1,700 896 2022 Proposed 856,762 200,000 835,000 221,762	Difference in revenue: Difference in expenses: 2021 Difference in revenue:	291,165
Beginning Fund Balance Revenues Expenses Ending Fund Balance <i>Capital Projects Fund (REET)</i> Beginning Fund Balance Revenues Expenses Ending Fund Balance <i>Stormwater Utility Fund</i>	494 1,700 1,700 494 2021 Budget 901,443 120,000 245,000 776,443 2021 Budget	494 2,102 1,700 896 2021 Proj. YE 901,443 411,165 455,846 856,762 2021 Proj. YE	896 1,700 1,700 896 2022 Proposed 856,762 200,000 835,000 221,762 2022 Proposed	Difference in revenue: Difference in expenses: 2021 Difference in revenue: Difference in expenses:	291,165
Beginning Fund Balance Revenues Expenses Ending Fund Balance <i>Capital Projects Fund (REET)</i> Beginning Fund Balance Revenues Expenses Ending Fund Balance <i>Stormwater Utility Fund</i> Beginning Fund Balance	494 1,700 1,700 494 2021 Budget 901,443 120,000 245,000 776,443 2021 Budget 119,266	494 2,102 1,700 896 2021 Proj. YE 901,443 411,165 455,846 856,762 2021 Proj. YE 119,266	896 1,700 1,700 896 2022 Proposed 856,762 200,000 835,000 221,762 2022 Proposed 78,534	Difference in revenue: Difference in expenses: 2021 Difference in revenue: Difference in expenses: 2021	291,165 210,846

Town of Woodway | 2021 Final Amended Budget

ORDINANCE 2021-634

AN ORDINANCE OF THE TOWN OF WOODWAY AMENDING THE BUDGET FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021; PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND AUTHORIZING SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

WHEREAS, the Town Council of the Town of Woodway wishes to make an amendment to the Budget to allocate additional expenditure authority from certain funds in order to meet necessary expenditures of money not provided for in the annual budget and not reasonably foreseen at the time of filing the preliminary budget; and

WHEREAS, pursuant to RCW 35A.33.090, five days have elapsed after the introduction of this ordinance, and any taxpayer appearing at the meeting that this ordinance is voted on has been given opportunity to be heard for or against the adoption thereof; and

WHEREAS, pursuant to RCW 82.46.010 (8), the Town Council desires to use Real Estate Excise Tax revenue for the operation of, maintenance of, and service support for, existing capital projects;

NOW, THEREFORE, the Town Council of the Town of Woodway does hereby ordain as follows:

<u>Section 1.</u> The adopted expenditures for the 2021 budget are hereby amended as follows:

Fund	Description	Adopted Expenditures	Amendment	Total Expenditures
001	General	\$1,992,100	\$250,000	\$2,242,100
002	Replacement Reserve	0	600	600
004	Deposit Fund	0	0	0
107	Affordable Housing Sales Tax Fund	1,700	0	1,700
301	Capital Projects (REET)	245,000	225,000	470,000
420	Stormwater Utility	136,134	0	136,134
	Totals	\$2,374,934	\$475,600	\$2,850,534

Section 2. The Stormwater Utility Fund shall transfer \$39,561 to the General Fund to offset work done by the Public Works staff on stormwater system maintenance & repair.

<u>Section 3.</u> The Capital Projects (REET) Fund shall transfer \$380,000 to the General Fund to offset work done by the Public Works staff and other costs related to the operation of, maintenance of, and service support for, existing capital projects.

- <u>Section 4.</u> If any part or portion of this Ordinance is declared invalid for any such reason, such declaration of invalidity shall not affect any remaining portion.
- <u>Section 5.</u> This Ordinance shall take effect 5 days after date of publication by ordinance title only.

PASSED this 6th day of December 2021 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY

Michael S. Quinn, Mayor

ATTEST:

Heidi K. S. Napolitino, Clerk-Treasurer

APPROVED AS TO FORM:

Greg Rubstello, Town Attorney

Date Introduced to the Town Council: Date Passed by the Town Council: Date Published: Effective Date:

RESOLUTION 2021-432

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WOODWAY RELATING TO THE EXPENDITURE OF FEDERAL AMERICAN RESCUE PLAN ACT OF 2021 FUNDS

- WHEREAS, the Town of Woodway ("Town") has received \$194,336 in 2021 from the Federal American Rescue Plan Act of 2021 ("ARPA"), and anticipates receiving an additional \$194,336 under the program in 2022; and
- WHEREAS, pursuant to ARPA Section 603(c)(1)(C) of the Act, the Town is authorized to use its allocated ARPA funds ("ARPA Funds") for the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- WHEREAS, as explained in Section II(C) of the United States Treasury ("Treasury") Interim Final Rule, local governments are authorized to use an annual growth adjustment of 4.1%, based on 2019 base year revenue, for purposes of calculating revenue loss; and
- WHEREAS, Section 603(c)(1)(C) of the Act provides recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services, including for maintenance of infrastructure, modernization of hardware and software, and the provision of police, fire, and other public safety services; and
- WHEREAS, the Town wants to ensure compliance with all statutory requirements related to the use of its ARPA funds;
- NOW, THEREFORE, the Town Council of the Town of Woodway does hereby resolve as follows:
 - Section 1. The Council finds that the Town has suffered a revenue loss in 2020 of \$153,393.90.
 - Section 2. The Council finds that the Town's expenditure of APRA Funds on the items identified in Exhibit A are necessary and appropriate under ARPA and Treasury's Interim Final Rule.

PASSED this 6th day of December 2021 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY

ATTEST:

Michael S. Quinn, Mayor

Heidi K. S. Napolitino, Clerk-Treasurer

RESOLUTION 2021-432 | EXHIBIT A

Funds Expended between 3/3/2021 & 12/1/2021

Categories	Total
PPE & building safety supplies	\$ 1,433.86
Legal Advice	\$ 848.00
Hybrid meeting setup	\$ 1,077.73
Work-from-home equipment/supplies	\$ 412.62
Personnel costs	\$ 45.00
Grand Total	\$ 3,817.21

Funds Expended between 6/1/2021 & 12/31/2021

Categories		Total
Police salaries & benefits	\$	52,975.00
Grand Total	\$	52,975.00

MEMO

Mayor Mike Quinn, Woodway Councilmembers
Eric Faison, Town Administrator
ADUs and Short-Term Home Rentals in Woodway
December 6, 2021
Heidi K. S. Napolitino, Clerk-Treasurer

Summary

Earlier this year, we received inquiries about both accessory dwelling units and property rental regulations in Woodway. Council discussed the topic at a couple of meetings over the last several months, which included a presentation by Building Official Tom Phillips and comments from interested residents. The purpose of the discussion during this meeting is to finally determine whether the Council wants to send this topic to the Planning Commission for additional research, discussion, and recommendation. If Council decides to send the matter to the Planning Commission, staff seeks direction as to the scope of the issue(s) presented. Some examples of questions of particular interest include:

- Whether the Town should allow guest houses in the R-14.5 zone district.
- Whether the Town should allow guest houses to be rented and, if so, with what conditions. Include an evaluation of potential impacts of allowing guest houses to be rented, including traffic, parking, noise, population, administration, etc.
- Whether the Town should allow short-term rentals and, if so, with what conditions.
- Whether/how the Town should regulate and/or tax rentals.

Town Code

Our code is mostly silent on the topic of renting property in Woodway. The only references are:

14.08.140 Definitions. Guest house/caretaker's cottage. "Guest house/caretaker's cottage" means a secondary building which shall be occupied by members of the family, guests, domestic service workers or gardeners, but not leased or rented as a dwelling unit. A guest house or caretaker cottage may also be located within another secondary structure, such as a garage or a barn as a living unit and occupied by members of the family, guests, domestic service workers or gardeners, but not leased or rented as a dwelling unit.

2. *14.24.030 (I) & 14.28.030 (I) Permitted secondary uses.* One guest house or caretaker cottage is permitted when located at least twenty-five feet from the primary residential building or a minimum of ten feet when connected with a breezeway. The footprint of a guest house or caretaker cottage shall not exceed nine hundred square feet and the structure must meet bulk regulations for the zoning area. A guest house or caretaker cottage may also be located within another secondary structure such as a garage or a barn as a living unit. If included within a secondary structure, the guest or caretaker unit shall not exceed nine hundred square feet in size. This structure or unit shall only be used as a living unit and shall not, in any instance, be used for rental purposes or be sold as a primary residence.

Item 2 above includes language from the R-87 and R-43 zone districts. The R-14.5 & UR zone districts don't allow guest houses/caretaker cottages.

The code is silent on several important points:

- 1. *Short-term rentals*: Since the code was written, short-term rentals (Air BNB, VRBO, etc.) have grown in popularity. MRSC has written several articles on the topic. They note that the top three concerns in communities across the state related to short-term rentals are:
 - a. Collection of lodging and sales tax on short-term rentals (note, staff did an analysis of potential revenue and determined that General Fund revenue would be relatively minor, with most of the revenue being legally-restricted lodging tax revenue);
 - b. Mitigation of traffic, parking, noise, and other impacts on the surrounding neighborhood; and
 - c. Compliance with life/safety standards that are commonly applied to other types of lodging establishments (such as hotels, motels, and bed-and-breakfasts).
- 2. *Long-term rentals*: The code does not address rentals, other than rental of guest houses. In particular, the code does not specifically address a situation in which someone lives in the guest house and rents out the main house or lives in a guest space contained within the house and rents out the main living space. If the intent of the code is to only allow someone to rent an entire property, this should be discussed/amended.

Affordable Housing/Legislative Action

With the increase in property values region-wide, affordable housing is harder to find. Some have argued that allowing long-term rentals of guest houses (rather than short-term rentals of guest houses or primary residences) could increase the affordability of housing, including in

Woodway. There are questions, however, whether ADUs increase the cost/value of the main house, offsetting some, if not all, of the affordability gains.

The State is increasingly focused on this issue – including current laws that require cities with more than 20,000 residents to allow accessory dwelling units within single-family zones, subject to development, design, and owner-occupancy standards. There have been discussions that this next legislative session may include proposals to eliminate single-family zoning, similar to what has been done in California and Oregon. Even if the Council does not want to pursue policy changes related to ADUs now, Council may want to have the Commission thoroughly research this issue with readily available recommendations should the Town become subject to new mandatory regulations.

Conclusion

Staff is seeking Council direction on whether Council wants to send the topics of ADUs and rentals to the Planning Commission for additional research, discussion, and recommendation. If Council decides to send one or both of these issues to the Commission, staff seeks direction as to the scope of the issue(s) presented.



Zoning Matrix

	R-87 (2-acre)	D 42 (1 core)	R-14.5 (1/3 acre)	Woodway Highlands		
	K-07 (2-acre)	R-43 (1-acre)		UR (> 14,520 sq. ft.)	UR (< 14,520 sq. ft.)	
Max. Bldg. Height	30 feet 30 feet		25 feet	35 feet		
Building Setbacks	Front 100 Rear 50 Sides 50	Front 30 Rear 20 Sides 20	Front 30 Rear 20 Sides 10	Front 30 Rear 20 Sides 10	Front 25 Rear 20 Sum of sides 15 feet Minimum 5 feet per side	
Guest House/ Caretaker's Cottage	One allowed, must be 25' connected w/ breezeway. I exceed 900 sq. ft. and must	Footprint shall not	Not permitted.			
Green House	One allowed and must meet bulk regulations.					
Hobby Shops	Allowed, permitted as any secondary bldg. Must be permitted in any primary or secondary building.					
Lot Coverage	Total footprint of primary & all other structures may not exceed 20% of lot.Total footprint of primary & all other structures may not exceed 30% of lot.				v not exceed 30% of lot.	