



**PLANNING COMMISSION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS  
IN THE MATTER OF PROPOSED AMENDMENTS TO THE CITY OF LIBERTY LAKE DEVELOPMENT  
CODE AND THE RIVER DISTRICT DEVELOPMENT REGULATIONS REGARDING CO-LIVING  
HOUSING**

**HEARING DATE:** September 10, 2025 @ 4:00 p.m.

**PROPOSAL COORDINATOR:** Lisa D. Key, Community Development Director

<b>PROPOSAL SUMMARY:</b>	
<b>Location</b>	Citywide
<b>Proposal Information</b>	Amendments to City of Liberty Lake Development Code & River District Development Regulations to allow for co-living housing in all zones where multi-family housing is permitted, as required by RCW 36.70A.535.
<b>Code Section</b>	<p><b>City Development Code &amp; River District Development Regs §10-1C:</b> Definitions</p> <p><b>City Development Code &amp; River District Development Regs §10-2A-4:</b> Zoning Matrix</p> <p><b>City Development Code §10-2C-3(C)(7):</b> Limited Uses in the R-2 Zone</p> <p><b>City Development Code §10-2D-3(C)(8):</b> Limited Uses in the R-3 Zone</p> <p><b>City Development Code §10-2E-3(C)(16):</b> Limited Uses in the M-1 Zone</p> <p><b>City Development Code §10-2F-3(C)(22):</b> Limited Uses in the M-2 Zone</p> <p><b>City Development Code §10-2G-3(C)(21):</b> Limited Uses in the M-3 Zone</p> <p><b>River District Development Regs. §10-2C-3(C)(15):</b> Limited Uses in the RD-R Zone</p> <p><b>River District Development Regs. §10-2E-3(C)(12):</b> Limited Uses in the RD-M Zone</p> <p><b>River District Development Regs. §10-2I-3(C)(10):</b> Limited Uses in the RD-C Zone</p>
<b>Proposed Amendments</b>	See <i>Exhibit A</i> .

## **CITY OF LIBERTY LAKE REGULATORY FRAMEWORK & PROCEDURAL REQUIREMENTS:**

### **City Code §10-4B-5: Type IV Projects:**

*Development Code Amendments are classified as Type IV Projects in the City of Liberty Lake Development Code and are considered legislative decisions. The procedural requirements and decision criteria are detailed in City Development Code §10-4B-5.*

## **STATE OF WASHINGTON REGULATORY FRAMEWORK, AUTHORITY & REQUIREMENTS:**

### **RCW 36.70A: Growth Management Act (GMA):**

*Liberty Lake is mandated to plan under GMA. The City's Comprehensive Plan and Development Regulations were developed in accordance with the requirements of GMA. Development Regulations are required to implement the City's Comprehensive Plan, and any amendments to City Development Code must be consistent with the City's adopted Comprehensive Plan. The City must provide reasonable public notice of proposed amendments and opportunities for public participation.*

### **RCW 36.70A.535: Co-Living Housing:**

*Cities planning under GMA are required to permit co-living housing in all zones that allow multi-family housing. Said cities must adopt development code regulations consistent with this mandate by December 31, 2025. City of Liberty Lake Development Code requirements that are in conflict with this state law will be superseded, pre-empted and invalidated.*

### **WAC 365-196: Growth Management -- Procedural Criteria for Adopting Comprehensive Plans and Development Regulations**

*Development code amendments must comply with procedures established in WAC 365-196, including rules regarding internal consistency, interjurisdictional coordination, public participation requirements, and notification to the Department of Commerce of "intent to adopt" proposed code amendments at least 60 days prior to final adoption.*

### **WAC 197-11: State Environmental Policy Act (SEPA) Rules:**

*Development code amendments are subject to SEPA review as a non-project action, in accordance with procedures established in WAC 197-11.*

**SEPA REVIEW:**

A SEPA Checklist was completed for the proposed amendments to the co-living standards contained in the City of Liberty Lake Development Code. The City of Liberty Lake Community Development Department determined that the proposal, as a non-project review, would have no significant adverse environmental impacts and issued a Determination of Non-Significance (DNS) and Adoption of Existing Environmental Document on August 20, 2025. The City adopted the Spokane County Final Supplemental Environmental Impact Statement for the Spokane County Comprehensive Plan that was prepared on November 22, 2000 and was previously adopted for the original City of Liberty Lake Comprehensive Plan and Development Code, as well as the Final Environmental Impact Statement for the City of Liberty Lake Urban Growth Area Boundary Alternatives that was prepared on December 13, 2006. The Notice of Availability, SEPA Checklist and Threshold Determination, and Amendment Document were routed to agencies on August 20, 2025, and a Notice of Availability was published in the August 29, 2025, edition of the Valley News Herald. On August 20, 2025, the Notice of Availability, Notice of Hearing, SEPA Checklist and Threshold Determination, and Proposed Development Code Amendment were also posted on the City website, and the notice and a link to the City website were emailed to the public notice group. Comments on the SEPA Checklist and Threshold Determination were due by 4 p.m., on September 9, 2025. At the date of this writing, no comments have been received.

**PROCEDURAL INFORMATION:**

- March 26, 2025 Planning Commission Workshop:  
*Agenda & packet published on City website & distributed to City’s “Notify Me” e-mail distribution list.*
- August 20, 2025 SEPA Notice of Availability/ Planning Commission Public Hearing Notice:  
*NOA packet with SEPA checklist and DNS e-mailed to involved agencies, adjacent jurisdictions, “Notify Me” e-mail distribution list & posted on website.*
- August 29, 2025 SEPA Notice of Availability/Planning Commission Public Hearing Notice:  
*Published in Valley News Herald.*
- September 9, 2025 SEPA Comment Period Ends
- September 10, 2025 Planning Commission Hearing & Recommendation:  
*Agenda & staff report published on City website & distributed to City’s “Notify Me” e-mail distribution list.*

**AGENCY REVIEW:**

SEPA Distribution List & Adjacent Jurisdictions: Liberty Lake Police Department; Avista; Lumen; Central Valley School District; City of Spokane Valley; CDA Tribe; Comcast; Spokane Clean Air; Spokane Valley Fire District; Spokane Transit Authority; Spokane Regional Health District; Spokane Tribe; WS Department of Ecology; WS Department of Fish & Wildlife; WS Department of Natural Resources; WS Department of Transportation; Spokane Regional Transportation Council; Liberty Lake Water & Sewer District;

Consolidated Irrigation District Spokane County Utilities; Spokane County Planning; WS Department of Commerce; Spokane Transit.

Agencies Notified	Notification	Comment Summary
SEPA Distribution List & Adjacent Jurisdictions	SEPA Notice of Availability; Proposed Amendment Summary; Determination of Non-Significance (DNS) Emailed 8/20/2025	No comments received

**PUBLIC COMMENTS (WRITTEN):**

Name & Address	Comment Summary
N/A	No comments received

**RELEVANT COMPREHENSIVE PLAN GOALS & POLICIES:**

**Governance Goal 1:** Actively involve residents, businesses, and property owners in the governance of the City.

**Governance Policy 1:** The City shall use the website, email, social media, newsletters, local newspapers, special announcements and other techniques to keep the community well-informed.

**Housing Goal 2:** Encourage the availability of affordable housing to all economic segments, promote a variety of densities and housing types, and encourage the preservation of existing housing stock.

**Human Services Goal 2:** Support and facilitate programs which provide for the City resident's basic human needs including food, clothing, shelter, primary health care, and protection from abuse and neglect.

**Land Use Policy 2:** Provide for a compatible mix of housing and commercial uses in all commercial districts, neighborhood centers, community centers, and the Central Business District.

**Housing Policy 2:** Periodically assess the effects of policies and regulations on the affordability of housing, fair housing choice, and examine the need to reduce regulatory barriers.

**Housing Policy 7:** Periodically review and update provisions that allow for a continuum of housing and care opportunities for special-needs populations.

## STAFF ANALYSIS:

In their 2024 Legislative session, Washington State Legislature adopted HB1998, requiring all cities planning under GMA to allow co-living housing in all zones that allow multi-family housing. That house bill was codified as RCW 36.70A.535. Co-living housing is defined as:

“A residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building.”

Common synonyms for co-living housing include: boarding houses, congregate living facilities, single room occupancy, rooming houses, and/or lodging houses.

The City of Liberty Lake must adopt regulations in compliance with the provisions of RCW 36.70A.535 by December 31, 2025, or Liberty Lake Development Code requirements that conflict with state law will be superseded, pre-empted and invalidated.

The RCW requires the following:

- Each sleeping unit within co-living housing shall be treated as less than or equal to  $\frac{1}{4}$  dwelling unit for purposes of calculating dwelling unit density.
- Co-living housing regulations cannot require room dimensional standards greater than those required by building code.
- Co-living housing regulations cannot require a mix of unit sizes or number of bedrooms.
- Other uses cannot be required to co-locate with co-living housing.
- Co-living housing regulations may only require reviews, notices or public hearings that are required for other types of residential uses in the same location.
- Does not exclude co-housing from participating in affordable housing incentive programs.
- Cannot require more than .25 off-street parking spaces per sleeping unit; and, cannot require any off-street parking for co-living housing located within  $\frac{1}{2}$  mile walking distance from a major transit stop.

The applicable limited use standards proposed in this amendment provide that co-living housing will be subject to a parking requirement of .25 spaces per sleeping, unless located within  $\frac{1}{2}$  mile walking distance of a major transit stop, defined as fixed route service at intervals of at 15-minutes on weekdays (e.g. high-performance transit) or a transit stop on a bus rapid transit route. Co-living housing will be subject to design review, as is required for multi-family dwellings.

For the purpose of density calculations, co-living housing consisting of 8 sleeping units or less shall be treated as one dwelling unit (consistent with the definition for an adult family home, which is a type of co-living housing, albeit supportive). If co-living housing consists of more than 8 sleeping units, each sleeping unit, will be equal to  $\frac{1}{4}$  dwelling unit for the purpose of density calculations.

The proposed regulations do not require dimensional standards greater than those required in building

code, a mix of unit sizes, co-location of other uses, nor does it exclude co-living housing from affordable housing incentive programs.

**PLANNING COMMISSION FINDINGS:**

1. The required SEPA review has been completed on the proposed amendment.
2. All public and agency notice requirements were met and accomplished in a timely manner.
3. The public was provided the opportunity for early and continuous participation.
4. The public had the opportunity to submit written comments and testify at a public hearing before the Planning Commission.

**CRITERIA FOR APPROVAL:**

The criteria for approval of a code amendment are established in City Code §10-4B-5(A), which states:

A. Criteria for Amendment:

*The City may amend development regulations when it finds that **any** of the following applies:*

1. *Such amendment is consistent with the Comprehensive Plan and is not detrimental to the public welfare;*
2. *Change in economic, technological, or land use conditions has occurred to warrant modification;*
3. *It is found that an amendment is necessary to correct an error;*
4. *It is found that an amendment is necessary to clarify meaning or intent;*
5. *It is found that an amendment is necessary to provide for a use(s) that was not previously addressed; or*
6. *Those amendments as deemed necessary by the City Council as being in the public interest.*

**PLANNING COMMISSION CONCLUSIONS:**

1. The proposed amendment **IS** consistent with the Comprehensive Plan and **IS NOT** detrimental to the public welfare.
2. The proposed amendment **IS** warranted by a change in economic, technological and/or land use

conditions.

3. The proposed amendment **IS NOT** necessary to correct an error.
4. The proposed amendment **IS** necessary to clarify meaning or intent.
5. The proposed amendment **IS** necessary to provide for a proposed use that was not previously addressed.
6. The proposed amendment **IS** deemed necessary as being in the public interest.

**PLANNING COMMISSION RECOMMENDATION:**

In the matter of proposed amendments to Development Regulations in the City of Liberty Lake Development Code and River District Development Regulations regarding Co-living Housing (as detailed in Exhibit A of this Staff Report), the City of Liberty Lake Planning Commission recommends to City Council that the amendment be **APPROVED**.