



City of Tacoma  
Planning and Development Services

**Agenda Item  
D-2**

**To:** Planning Commission  
**From:** Elliott Barnett, Planning Services Division  
**Subject:** **Affordable Housing Planning Work Program (Phase 3)**  
**Meeting Date:** July 1, 2015  
**Memo Date:** June 25, 2015

At the July 1<sup>st</sup> meeting, the Planning Commission will review a draft staff report as well as proposed final changes to the proposed draft code language for the full package of proposals contained in the Affordable Housing Planning Work Program, Phase 3. The proposal includes the creation of several new sections and significant changes to several existing sections of the Tacoma Municipal Code relating to residential development.

This discussion fits within a multi-year, interdepartmental effort to evaluate a broad range of recommendations made by the Affordable Housing Policy Advisory Group (AHPAG), through their 2010 report to the City Council. In 2012, the Council referred the planning-related items to the Planning Commission for analysis. This year the Commission is considering the third and final phase of these planning recommendations, which fit generally into two categories: 1. Residential infill/affordable building proposals which seek to promote affordability by allowing a broader range of housing types and higher densities, and by promoting housing development generally. 2. Proposals to incentivize the inclusion of affordable housing in developments through offering height, density or other bonuses, and to require the inclusion of affordable units in association with residential upzones. Background is available at [www.cityoftacoma.org/planning](http://www.cityoftacoma.org/planning), **Current Initiatives**.

At this meeting, staff will seek the Planning Commission's guidance pursuant to finalizing a public review draft of the code. Attached please find a draft staff report, a summary of the key changes proposed to respond to the Commission's direction at the last meeting and additional stakeholder input, and a letter from the North Slope Historic District.

If you have any questions, please contact me at 591-5389 or [elliott.barnett@cityoftacoma.org](mailto:elliott.barnett@cityoftacoma.org).

c: Peter Huffman, Director

Attachments (3)



# Affordable Housing Planning Work Program (Phase 3)

## Updates to proposed code – July 1, 2015

Based on direction from the Planning Commission at the June 17<sup>th</sup> meeting, as well as additional consultation with stakeholders, staff are proposing the following significant refinements to the June 17<sup>th</sup> version of the draft code. In addition, staff highlight policy issues requiring further discussion and direction from the Planning Commission.

### PROPOSED CHANGES TO DRAFT CODE:

#### Accessory Dwelling Units (ADUs):

- Removed 200 square foot minimum ADU size
- Detached ADU height limits modified, as follows:

3. Height. The maximum height for detached ADUs varies by zoning district.

a. In the R-1, R-2, R2-SRD and HMR-SRD Districts, the maximum height shall be 20 feet.

b. In the R-3 District, two-story detached ADUs may be allowed between 20 and 25 feet in height upon approval of a Conditional Use Permit.

c. In the R-4L, R-4 and R-5 Districts the same standards apply as in the R-3 District, but no Conditional Use Permit is required.

d. In all districts: Detached ADUs shall be a minimum of 2 feet shorter than the main building. The structure shall not intercept a 45-degree daylight plane inclined into the ADU site from a height of 15 feet above existing grade, measured from the required 5 foot setback line; and, second story windows facing abutting properties, and within 10 feet of the property line, shall be constructed in a manner to prevent direct views into the neighboring property, through such methods as clerestory windows, or semi-translucent glass.

#### Small Lot Design Standards:

- Removed prohibition of vinyl and aluminum siding
- Reduced proposed Floor Area Ratio maximum from 0.6 to 0.5
- Refined proposed requirement for windows/doors trim as follows:

5. All street-facing windows and doors shall be finished with decorative molding / framing details.

- Small Lots in designated Historic Districts:

3. Proponents of new Small Lots located within designated Historic Districts shall provide a site plan and massing study demonstrating consistency with the provisions of this section and with the

pertinent historic design standards. No subdivision shall be permitted which would lead to the demolition of an historically contributing structure.

#### Affordable Housing Incentives and Bonuses:

- Based on ongoing consultation with the AHPAG, the Fee-in-lieu component of the proposal has been refined as follows:

C. In-lieu Fee option. As an alternative to incorporation of affordable housing units within the development, the project proponent may choose to pay an in-lieu fee as a contribution to the City's Housing Trust Fund. This fee is based on the increased land value as a function of City approval to allow more density, and has been calibrated to provide equivalent affordable housing benefit to the community as compared to the incorporation of affordable housing units within the development.

1. Density bonus types. The density bonus provisions of this section function either as an increase in the number of dwelling units permitted (in the case of PRDs), or as an increase in over height and bulk (in the case of Floor Area Ratios or height increases). The in lieu fee options for each are calculated as follows:

a. Calculation - Dwelling Units bonus. If paid prior to issuance of the Certificate of Occupancy, the in-lieu fee shall be \$10,000 as of **DATE OF ADOPTION**, adjusted per the Consumer Price Index annually, for each additional dwelling unit permitted through the bonus density provisions of this section.

b. Calculation – Height or Floor Area Ratio bonus. If paid prior to issuance of the Certificate of Occupancy, the in-lieu fee shall be **\$XX** per square foot of additional development capacity resulting from the bonus density provisions of this section as of **DATE OF ADOPTION**, adjusted per the Consumer Price Index annually.

2. In lieu fee payment Timing. The project proponent or subsequent property owner can choose to pay the in-lieu fee at any point during the 50 year required period of affordability. If paid after issuance of the Certificate of Occupancy, the in lieu fee shall decline by 2 percent per year (equivalent to one year of the required 50 year term of affordability).

3. Use of in lieu fee funds. Funds paid pursuant to the in-lieu fee option into the Housing Trust Fund shall be utilized by the City Housing Division for the creation of housing affordability pursuant to the strategies identified through the City of Tacoma's Consolidated Plan.

NOTE: Staff continue to consult with the AHPAG and anticipate further input on this subject.

- Proposed City-initiated residential upzones criteria modified as follows:

I. Affordable housing – City-initiated upzones. As part of the analysis of proposed City-initiated residential upzones, the City shall evaluate housing affordability in the vicinity of the proposed upzone. Areas in which less than 25 percent of housing units are affordable to households earning 80 percent of Area Median Income shall be considered challenged in terms of access to affordable housing. In such areas, the City shall evaluate methods to increase access to housing affordable at 80 percent of Area Median Income or below. Such methods may include conditioning the upzone with the inclusion of affordable units per the provisions of TMC. 1.39, targeting City programs or funding to increase the affordable housing supply, or other methods which can effectively promote housing affordability.

- The Planning Commission asked additional questions regarding the proposed Affordable Housing Incentives code at the June 17<sup>th</sup> meeting. Staff will provide information at the meeting to respond to those questions.

Mixed-Use Center Height Bonus Palette:

- Modify methodology for calculation of contributions to the City’s Affordable Housing Trust Fund (an option for additional height within Mixed-Use Centers) to be consistent with the proposed Affordable Housing Incentives Code:

Contribution to the City’s Housing Trust Fund in an amount equal to ~~the fee in lieu provisions of TMC 1.39 Affordable Housing Incentives Administrative Code. 0.5% of the value of the building (as calculated using the latest Building Valuation Data published by the International Code Council). This contribution would be made available in loans or grants to public or private developers for the development of housing for households making less than 80% of area median income.~~ First priority for the use of the contribution would be within the mixed-use center where the project contribution is being made.

Staff have made additional minor refinements which are consistent with the Planning Commission’s direction to date. The updated draft code is available online on the project webpage at [www.cityoftacoma.org/planning](http://www.cityoftacoma.org/planning), select Affordable Housing.

**FOR ADDITIONAL DISCUSSION:**

- Historic Districts: Staff have met with members of the North Slope Historic District, and on June 24<sup>th</sup> staff presented to the Landmarks Preservation Commission. Aspects of this package have been controversial among North Slope and Wedge Historic Districts advocates.
  - Proposals pertaining to Historic Districts include small lots, 2 and 3-family development through Conditional Use Permit, and the Residential Infill Pilot Program for Detached ADUs and Cottage housing.
  - The LPC was divided in regards to the proposals, and had a thought-provoking discussion regarding historic preservation, adaptive reuse, and equity issues.
  - Key issues include:
    - Desire for better City tools/higher level of expectation to ensure higher quality infill development, including more authority and better tools for the LPC.
    - Distinctions between historically contributing and noncontributing structures.
    - Conversion of existing single-family within historically contributing structures, which can result in exterior changes and the loss of interior historic features through conversion of single-family houses to two- or three-family dwellings.

- Height, scale and bulk of infill development.
  - Proposed Floor Area Ratio is slightly too high.
- R-2 minimum lot size: The Planning Commission requested analysis of the potential to reduce the minimum lot size in the R-2 District.
  - In response, staff are preparing to discuss a concept that could offer a reduced lot size to lots abutting and served by alleys. Staff will present the concept as well as potential issues and tradeoffs with introducing it into the package at this stage.



## 2014 Annual Amendment Staff Analysis Report

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| <b>Application No.:</b>  | 2015-08  |
| <b>Proposed Amendment:</b>   | Affordable Housing Policy & Code Updates, Phase 3  |
| <b>Applicant:</b>  | Planning and Development Services  |
| <b>Location &amp; Size of Area:</b>  | Citywide   |
| <b>Current Land Use &amp; Zoning:</b>  | Various  |
| <b>Neighborhood Council Area:</b>  | Citywide   |
| <b>Staff Contact:</b>  | Elliott Barnett, Planning Services Division<br>(253) 591-5389 <a href="mailto:elliott.barnett@cityoftacoma.org">elliott.barnett@cityoftacoma.org</a> |
| <b>Date of Report:</b><br>(Planning Commission review date;<br>draft or final) | July 1, 2015 (draft)   |

### I. Description of the Proposed Amendment:

#### 1. Describe the proposed amendment, including the existing and proposed amendatory language, if applicable.

The intent of this proposal is to promote housing affordability and choice throughout the neighborhoods of the City through a range of affordable housing incentive and residential infill proposals. The proposals also support a broad range of related policy objectives, including economic development, infill, quality urban design, sustainability, transportation choices, efficient use of infrastructure and sustainability. This package of policy initiatives is the third and final phase of planning-related recommendations made by the City Council-appointed Affordable Housing Policy Advisory Group (AHPAG). These policy tools function as part of a portfolio of City strategies to promote affordability, which also includes a range of subsidized housing, housing maintenance and rehabilitation, economic development and other strategies.

On April 27, 2010 the City Council adopted Resolution Number 38017 which created and appointed the AHPAG to provide policy recommendations to promote housing affordability in Tacoma. In 2010, the AHPAG released their Policy Recommendations to the City Council, which recommends a range of actions to meet affordable housing goals in Tacoma. The Council updated the AHPAG's membership in 2011 through Resolution Number 38063. In 2012, with Resolution Number 38489, the Council referred the AHPAG's planning-related recommendations to the Planning Commission for analysis and divided the tasks into three phases (the *Affordable Housing Planning Work Program*).

The current proposals fit generally into two categories: 1. Residential infill/affordable building proposals which seek to promote affordability by allowing a broader range of housing types and

higher densities, and by promoting housing development generally. 2. Proposals to incentivize the inclusion of affordable housing in developments through offering height, density or other bonuses, and to require the inclusion of affordable units in association with residential upzones.

The Affordable Housing Incentives/Upzones proposals seek to promote the development of housing affordable to households earning moderately low incomes between 50 to 80 percent of Area Median Income by providing development regulations and incentives that make the voluntary inclusion of such units cost-effective or profitable for developers. They are for the most part voluntary, with the exception of proposals to require affordable housing with approval of residential upzone requests. Infill housing strategies do not necessarily result in affordable housing, though they may do so by virtue of lower land and infrastructure costs and smaller housing unit size. They do, however, increase the diversity of housing choice in each neighborhood, and also support a range of other policy objectives.

Specifically, the proposals if adopted would implement the following through code changes:

1. **Additional lot size flexibility** options for context-responsive infill (all Residential Districts).
  - a. Allow smaller lot sizes to a minimum of 3,000 square feet in some circumstances, through a short/full subdivision lot size averaging approach.
  - b. Update the existing Critical Areas density bonus option to provide lot size and setback flexibility.
  - c. Update Small Lot design standards to better provide for context-responsive residential infill.
2. **Special Review Districts refinements** (R2-SRD and HMR-SRD): Proposed changes are intended to promote a predominately single-family detached development pattern, with additional provisions for smaller lot sizes and some mix of housing types.
  - a. Reduce minimum detached Single-family Lot size from 4,500 square feet to 3,500 square feet, with enhanced Small Lot Design Standards.
  - b. Update Conditional criteria for 2 and 3-family development to introduce more flexibility to allow this type of development, when consistent with neighborhood and historic district character.
  - c. Update NRX District lot standards for consistency with the proposed changes to the SRD Districts.
3. Create a **Pilot Residential Infill Program** approach to allow innovative housing types with heightened review, and subsequent code refinement. The proposal would allow the following infill housing types, with enhanced discretionary City review:
  - a. Detached Accessory Dwelling Units (DADU's) in R-2, R2-SRD and HMR-SRD Districts.
  - b. Two-family development as a Conditional Use on corner lots in R-2 Districts.
  - c. Multi-family development in as a Conditional Use in R-3 Districts.
  - d. Cottage housing developments as a Conditional Use in all residential districts.



4. **Planned Residential Districts (PRDs)** code updates to make PRDs an effective tool for innovative site development, with optional density bonuses for affordability and sustainability features. Key changes include additional emphasis on urban design, complete streets, sustainability and housing affordability. The minimum site size and required common open space requirements would be reduced (for new PRDs) to provide more opportunities for utilization of this approach.
5. **Affordable Housing Incentives & Upzone Requirements:** Offer density bonuses and permit fee reductions in exchange for voluntary inclusion of affordable housing, or for approval of a request for a residential upzone.
  - a. Create an Affordable Housing Incentives Code to support implementation of proposed affordable housing incentives and bonus options pursuant to the requirements of RCW 36.70A.540.
  - b. Offer a Downtown Tacoma Floor Area Ratio bonus for the voluntary inclusion of affordable housing.
  - c. Offer a Planned Residential Districts density bonus for the voluntary inclusion of affordable housing.
  - d. Require the inclusion of affordable housing in association with privately initiated residential upzone requests, and commit the City to analyze housing affordability in association with City-initiated residential upzones.
6. **City process enhancements:** Pursue changes to City housing development review process intended to reduce delay and cost, and to promote housing that meets city policy objectives.
  - a. Authorize fee reductions and permit process enhancements for affordable housing proposals (pending resource availability).
  - b. Develop a library of residential infill housing examples to illustrate the proposed Residential Infill Pilot Program.

For a more detailed summary of the proposed changes, see the May 6, 2015 Planning Commission packet available at [www.cityoftacoma.org/planning](http://www.cityoftacoma.org/planning), select Affordable Housing, or review the attached draft code changes (Exhibit A).

## **2. Describe the intent of the proposed amendment and/or the reason why it is needed.**

According to the AHPAG's 2010 report, "The City of Tacoma does not have enough housing affordable to many of its residents... Large portions of Tacoma's population do not have enough income to afford the housing available in Tacoma's private market at a cost of no more than 30% or even 50% or more of their income." The report also states that, "...the City of Tacoma has an affordable housing crisis. It will only worsen as the City's population grows and ages over the next two decades unless Tacoma takes immediate action to ensure an adequate supply of affordable housing for its existing and anticipated residents at all income levels."

City staff analysis supports the conclusion that housing affordability is a serious concern in Tacoma. This may be initially counter-intuitive, since housing costs are relatively low in Tacoma

compared to nearby communities. From an affordability standpoint, it appears the median home price is affordable to the median income household (approximately \$50,000 annually for a family of four) at this point in the housing market cycle. However, at lower income levels, such as 60 percent of Area Median Income, housing affordability levels result in a housing cost burden. This burden becomes more severe as lower income thresholds are reached.

Approximately one-third of Tacoma households earn 50 percent of AMI or less (approximately \$35,000 annually). Looking to the future, it seems probable that the gap between Tacoma household incomes and housing costs is likely to increase along with growth in the region.

Over the past several years, the City Council has strengthened Tacoma's affordable housing policies, including appointing the Affordable Housing Policy Advisory Group (AHPAG) to provide leadership and recommendations. Key City actions related to housing affordability include the following:

- 2010 – Creation of the AHPAG
- May 2011 – Acceptance of Affordable Housing Policy Principles
- November 2011 – County-wide Planning Policies sets a target that 25 percent of new housing should be affordable to households earning 80 percent of Area Median Income
- June 2012 – Affordable Housing Policy Principles and Acknowledgements adopted into Comprehensive Plan
- December 2013 – Similar goals, including a target of 25 percent of housing affordable at 80 percent AMI, adopted in the South Downtown Subarea Plan
- May 2014 – Similar goal in Hilltop Subarea Plan
- July 2014 – Affordable housing incentives policies adopted into Comprehensive Plan, along with some updates to promote affordable housing types/infill
- **2015 – related projects underway:**
  - 2015 Comprehensive Plan updates
  - Tacoma's Consolidated Plan update
  - Multifamily Tax Exemption Program updates

Throughout this process it has been clear that these proposals promote housing affordability, mix and choice, and at the same time sustainability, smart growth, economic development, transportation choices, livability, active living and urban design goals. They provide an opportunity to consider the character of Tacoma's neighborhoods, in the context of long-term growth, demographic and economic trends. While recognizing affordability as central to this project, the Planning Commission has also considered the potential for the proposals to support these interconnected policy objectives.

**3. Describe the geographical areas associated with the proposed amendment. Include such information as: location, size, parcel number(s), ownership(s), site map, site characteristics, natural features, current and proposed Comprehensive Plan land use**

**designations, current and proposed zoning classifications, and other appropriate and applicable information for the affected area and the surrounding areas.**

This citywide proposal consists of a range of specific components, each of which would be applicable to a given area or zoning designation. The residential infill/affordable building proposals would be applicable to the residentially zoned areas of the city. The Affordable Housing Incentives and bonuses would be applicable both in residential areas, through the Planned Residential District proposals, and Downtown, through the proposed Floor Area Ratio bonus option. For the specific locations of each proposal, see the summary above.

**4. Provide any additional background information associated with the proposed amendment.**

This proposal is one step in a multi-year, multi-departmental effort, spearheaded by the Council-appointed AHPAG. In 2010, the AHPAG released its Policy Recommendations To The City Council, which recommends a range of actions to meet affordable housing goals in Tacoma (available on the City's Housing webpage at [www.cityoftacoma.org/housing](http://www.cityoftacoma.org/housing)). In 2012 the Council divided the recommendations into three groups: 1. Referred to the Neighborhood & Housing Committee (NHC) for additional policy development and discussion; 2. Forwarded to the City Manager for evaluation and implementation; and 3. Referred to the Planning Commission for the development of affordable housing regulations.

The following are the planning-related recommendations of the AHPAG's 2010 report:

- 3.1 City Policy and Leadership
- Infill/Affordable building design practices:
  - 3.2.1 Expedited permitting
  - 3.5.1 Accessory Dwelling Units (ADU's)
  - 3.5.2 Cottage/Cluster Housing
  - 3.5.3 Permit Ready Housing Designs
  - 3.5.4 Great House Design
  - 3.5.5 Rooming House/Boarding House/Single Room occupancy
  - 3.8.1 Exception to Standard Lot Sizes for Specific Projects
  - 3.8.2 Higher Review Threshold
- Affordable Housing Incentives and Upzone requirements:
  - 3.2.1 Voluntary Housing Incentive Program
  - 3.2.2 Inclusionary Requirements for Voluntary Residential Upzones
  - 3.2.3 Limited Mandatory Affordable Housing Bonus Program for City Initiated Upzones
  - 3.2.4 Inclusionary requirements with Voluntary Master Planned Communities
  - 3.2.5 Planned Residential Development Districts (PRD's) and Planned Affordable Residential Districts (PARD's)
  - 3.2.7 Transfer of Development Rights

*Progress to date on reviewing the AHPAG 2010 planning recommendations:*

- 2010 – the AHPAG presented its report to the City Council
- Council direction to analyze the recommendations; divided into Planning/non-planning tasks
- 2012-2013 – Planning Phase 1:
  - Affordable Housing “Principles and Acknowledgements” added to the Comprehensive Plan Housing Element
  - Subarea plans/EIS efforts, State Environmental Policy Act (SEPA) and Short Plat thresholds increased
- 2014 – Planning Phase 2: Updated Housing Element policies and Zoning Code to promote infill. Key changes:
  - Small multifamily units (mini-flats): Parking requirements reduced
  - Accessory Dwelling Units (ADUs): Additional flexibility and reduced requirements (not including detached ADUs in single-family areas)
  - Small lots: Additional flexibility (minimum average lot width reduced)
  - Multifamily development: Parking requirements reduced
- 2015 – Planning Phase 3 (now underway). The proposals include:
  - Residential Infill/Affordable Building tools to broaden the range of permitted housing types and densities
  - Incentive and inclusionary approaches to promote inclusion of affordable housing in development
  - City review process enhancements

Should the Council take action on the current package of proposals, the City will have taken significant steps toward implementing the majority of these planning-related recommendations.

## **II. Analysis of the Proposed Amendment:**

### **1. How does the proposed amendment conform to applicable provisions of State statutes, case law, regional policies, the Comprehensive Plan, and development regulations?**

#### **HOUSING:**

The proposals are strongly supported by affordable housing policy objectives at the state, region and local levels. Tacoma’s Housing Element, the Countywide Planning Policies and VISION 2040 call for steps to increase housing affordability and choice, fair housing, jobs/housing balance, and housing with access to transit. The following are particularly pertinent:

#### The state Growth Management Act (GMA):

The GMA includes the following planning goal:

“Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.” (RCW 36.70A.020).

The GMA also authorizes cities to create an Affordable housing incentive program, and provides specific guidance on its development (RCW 36.70A.540). The proposed Affordable Housing Incentives and Bonuses were developed to be consistent with that statute.

Vision 2040 includes the following:

“Housing Overarching Goal: The region will preserve, improve, and expand its housing stock to provide a range of affordable, healthy, and safe housing choices to every resident. The region will continue to promote fair and equal access to housing for all people.”

Vision 2040 states: “Housing affordability continues to be a major challenge for the region. Housing costs are a greater burden for many households today than a decade ago, leaving less for other basic needs and amenities. Renters, in particular, face a considerable shortage of affordable housing opportunities.” The plan calls for a range of strategies to help address this problem, including development of housing affordable to the workforce and to others with incomes lower than area median income (AMI).

Pierce County Countywide Planning Policies:

Policy AH-3. The County, and each municipality in the County, shall encourage the availability of housing affordable to all economic segments of the population for each jurisdiction.

3.3 It shall be the goal of each jurisdiction in Pierce County that a minimum of 25% of the growth population allocation is satisfied through affordable housing (affordable to less than 80% of AMI).

5.2 Jurisdictions should promote the use of reasonable measures and innovative techniques (e.g., clustering, accessory dwelling units, cottage housing, small lots, planned urban developments, and mixed use) to stimulate new higher-density affordable and moderate-income housing stock on residentially-zoned vacant and underutilized parcels.

Tacoma Comprehensive Plan:

The Housing Element includes policy direction strongly consistent with this proposal. The Element calls for housing choice for a broad range of households with diverse needs and incomes, and includes policy direction to increase the amount of housing that is affordable, especially for lower income families and special needs households. In 2012, the City Council adopted Affordable Housing Principles and Acknowledgements that specifically support this proposal, with the following key messages:

1. Affordable Housing is Vital to Important Civic Interests
2. Affordable Housing is Attractive, Innovative and Well Managed
3. The City Needs to Enlist the Engine of Private Development
4. Affordable Housing Developments Spur Other Investments
5. The City Should Welcome Affordable Housing Developments
6. Every City Neighborhood Needs Affordable Housing Developments
7. Affordable Housing as Innovative Design

## 8. Affordable Housing as a High City Priority amid Competing Interests

### GROWTH STRATEGY:

The proposal is generally consistent with the City's growth vision insofar as it concentrates high density development in designated Mixed-Use Centers and Downtown. However, there is some policy tension pertaining to single-family detached housing areas. These proposals would introduce some very significant changes to long-established principles of Tacoma's residential zoning scheme including the 5,000 square foot (or more recently, 4,500 sf) minimum lot size and prohibitions on two-family, three-family and multi-family development in lower density zoning districts.

The Comprehensive Plan emphasizes protecting residential character and single-family neighborhoods in particular. While policies call for protection for established neighborhoods, they also leave room for a range of housing options, and for innovation when done in a sensitive manner. This package of proposals seeks to strike that balance through the Residential Infill Pilot Program and enhancements, enhancements to Small Lot Standards, and other components.

Tacoma's Generalized Land Use Element (GLUE) includes the following:

#### **INTENT**

The single-family detached house, that is, a single home on an individual lot, is the most predominant type of residential structure in the city. It is the preferred living mode for many people and is associated with a relatively quiet and stable neighborhood environment. Other types of housing such as duplexes, apartments, townhomes and condominiums are also needed and desired by large segments of the population. Housing choices are influenced by income, family size, age, lifestyles, and other factors and can change during a person's lifetime. A wide variety of housing types are needed within a community to serve the varied needs of residents.

#### **LU-RDG-1                      Protect Established Residential Areas**

Protect, preserve and maintain established residential neighborhood areas located outside of designated mixed-use centers where a definite density, housing type and character prevail; nuisances and incompatible land uses should not be allowed to penetrate these areas.

#### **LU-RDG-3                      Housing Opportunities**

Encourage the development of residential areas that offer a variety of housing opportunities for all segments of the population within all areas of the city.

#### **LU-RDG-4                      Innovative Development**

Encourage residential development of mixed structural type and design, as well as unique building and site arrangements to increase affordable housing options and achieve appropriate densities provided that the development is compatible and the desirable characteristics of the surrounding area are maintained.

#### **LU-RDD-2                      Compatibility**

Ensure that new residential development is compatible with the existing development and/or the desired character of the area in terms of building location and orientation, pedestrian and vehicular access, building massing and scale, light and glare, outdoor storage areas, service elements and mechanical equipment location and design, and landscaping design. Compatible design is most critical in areas where multifamily developments border designated single-family areas.

The Comprehensive Plan Land Use Designation Framework includes the following characterization of the qualities of **Single Family Residential** areas:

Qualities associated with single-family residential neighborhoods that are desirable include: low noise levels, limited traffic, large setbacks, private yards, small scale buildings, and low-density development. Much of the city's land is strongly committed to single-family development and has been determined to be deserving of special protection from incompatible land uses. Community facilities, such as parks, schools, day cares, and religious facilities are also desirable components of single-family neighborhoods. Limited allowances for other types of residential development are also provided with additional review to ensure compatibility with the desired, overarching single-family character.

#### RESIDENTIAL DENSITY:

According to the current Growth Strategy and Development Concept Element, the appropriate density range in Single-family Detached Housing Areas is between 0 and 8 dwelling units/net acre. Some of the residential infill proposals, particularly the Cottage Housing and Planned Residential Districts, would likely exceed those densities on a site by site basis. However, these density ranges have not generally been interpreted as a hard limit on permitted site densities, but rather as overall targets for residential area densities.

Current density guidance in the GSDC Element:

| <b>Intensity Designation</b>         | <b>Allowable Density (min – max) (dwelling units/net acre)</b> |
|--------------------------------------|--|
| Single-family Detached Housing Areas | 0 – 8  |
| Low Intensity                        | 0 – 15   |
| Medium Intensity                     | 0 – 45   |
| High Intensity                       | 0 – unlimited  |
| Mixed-Use Centers                    | 25- unlimited  |

These density targets are currently under review as part of the Land Use Intensities update (2015 Annual Amendments). Should the Council adopt the higher density components of this proposal, the density targets could be increased. Or, additional policy guidance could be provided in regards to when higher densities are appropriate.

#### HISTORIC DISTRICTS:

Finally, since these proposals pertain to the full range of residential districts, they also include areas within the designated North Slope and Wedge Historic Districts. This raises a unique set of policy considerations regarding how to achieve infill that is compatible with historic character. The proposal includes several provisions that seek to prevent any negative impacts, particularly the demolition of historically contributing structures, requirements to minimize exterior changes to such structures, and design standards crafted to be consistent with historic district character.

## SUMMARY:

In summary, these proposals are generally consistent with the pertinent policy guidance. They are strongly supported by applicable Housing policies. While they include significant change to long-established residential zoning principles, these are coupled with design standards and other measures intended to prevent negative impacts on existing neighborhoods. Providing a range of housing costs and types within the city, served by existing infrastructure, services and multi-modal transportation options supports not only housing goals, but also a range of other related policy objectives.

### **2. Would the proposed amendment achieve any of the following objectives?**

- **Address inconsistencies or errors in the Comprehensive Plan or development regulations;**
- **Respond to changing circumstances, such as growth and development patterns, needs and desires of the community, and the City's capacity to provide adequate services;**
- **Maintain or enhance compatibility with existing or planned land uses and the surrounding development pattern; and/or**
- **Enhance the quality of the neighborhood.**

The proposal would address the increasing need for additional housing affordability in the City of Tacoma. This need is increasing due to socio-economic and demographic trends. The proposal is intended enhance neighborhoods by allowing infill while providing standards to achieve compatibility with the character of the neighborhood.

### **3. Assess the proposed amendment with the following measures: economic impact assessment, sustainability impact assessment, health impact assessment, environmental determination, wetland delineation study, traffic study, visual analysis, and other applicable analytical data, research and studies.**

This proposal would have a positive economic impact by creating additional opportunities for residential infill development, by providing developers with profitable options to incorporate affordable housing, and by increasing the supply of workforce housing in Tacoma. By providing a broad range of housing choices in multiple neighborhoods the proposal would increase neighborhood livability, health, and sustainability by reducing car dependency, making use of existing infrastructure, increasing opportunities to live and work in the same neighborhood, and providing opportunities to age in place. Housing starts support the economy. Providing a range of housing affordability and choice helps attract residents and businesses.

### **4. Describe the community outreach efforts conducted for the proposed amendment, and the public comments, concerns and suggestions received.**

This effort has been spearheaded by the AHPAG, an inter-disciplinary group including both market-rate and subsidized-housing professionals. In addition, there has been considerable



interest on the part of Neighborhood Councils and members of Historic Districts. The project approach has included robust public and stakeholder engagement, as follows:

#### Project Approach

- Consultation with the AHPAG
- Outreach to neighborhood interests
- Benchmarking
- Tacoma code analysis
- Vet recommendations through Planning Commission and Council
- Coordinate with 2015 Annual Amendments

The topic can be controversial and has attracted significant interest, as well as both support and some concerns. Among affordable housing advocates, there is the desire to take the Affordable Housing Incentives and Bonuses options further, particularly in terms of multi-family housing development. Neighborhood stakeholders express a variety of viewpoints, ranging from enthusiasm to concern about negative impacts. Finally, there have been significant concerns on the part of the North Slope and Wedge Historic Districts that these proposals would negatively impact the historic character of the districts.

**5. Will the proposed amendment benefit the City as a whole? Will it adversely affect the City's public facilities and services? Does it bear a reasonable relationship to the public health, safety, and welfare?**

This proposal would benefit the City as a whole by promoting affordability, livability, aging in place, workforce housing, neighborhood character, economic development opportunities, and fit with the City's growth strategies.

### **III. Staff Recommendation:**

Staff recommends that the proposed amendments to the *Tacoma Municipal Code*, as depicted in Exhibit A, be distributed for public review. Staff will continue to engage in public outreach and provide a summary to the Planning Commission prior to the public hearing process which is tentatively scheduled for August 19, 2015.

### **IV. Exhibits:**

A. *Tacoma Municipal Code* (with proposed changes)



# North Slope Historic District

*a 501(c)(3) organization*

908 N. M. Street  
Tacoma, WA 98403

June 19, 2015

Landmarks Preservation Commission  
747 Market Street, Rm. 3<sup>rd</sup> Floor  
Tacoma, WA 98402-3739

RE: Affordable Housing Planning Work Program (AHPWP)

Dear Chair Granfield and Commissioners:

We are concerned that the AHPWP proposed changes to the HMR-SRD zoning will negatively impact the historic character of the North Slope Historic District (NSHD). Specifically, we ask the Commission to request the Planning Commission to not change the current HMR-SRD zoning or at least restrict those changes to parcels with non-contributing buildings in the NSHD.

First, we are very concerned with any "pilot" program proposed for a historic district. Such projects are experiments to gauge viability and identify problems, and they make imminent sense for refining new land use and building requirements. However, sensitive historic districts are not the place for such experiments, especially when any negative results would remain.

Second, the NSHD already has the large variety of affordable housing options, the "missing middle", that AHPWP is designed to create. The NSHD is already one of the densest neighborhoods in the city (~20 units/acre). Currently, we have 66 duplexes, 24 triplexes, and 70 fourplexes that with the 5+ apartments offer over 1,336 units of multifamily housing within the district. In addition, the NSHD hosts a number of special needs housing, including a 70-resident assisted living facility and 43 units of low-income housing run by Tacoma Housing Authority. We are far beyond any NIMBY accusations.

It was the demolition and cutting up of historic homes that led the neighborhood to request the formation of the historic district from 1995 to its final expansion in 2000. The neighborhood then took the further step of creating the HMR-SRD zoning category in 2005 to further ensure the preservation of the district's remaining, intact single-family houses while also ensuring that existing multifamily uses would continue. The proposed changes to that zoning now needlessly threatens one of Tacoma's most vibrant yet fragile residential historic districts.

The AHPWP has several specific aspects we find particularly problematic for the historic district:

- Converting single-family homes to duplexes and triplexes ruins historic interiors and often leads to requests for moving or changing windows and doors and adding exterior stairs. Under the proposed changes, potentially 216 lots are convertible to duplexes and 25 to triplexes. The city should be protecting and promoting the restoration of the remaining single-family houses in the

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district as our current zoning recommends, not cutting them up. This will put an increased onus on LPC to protect these houses from egregious changes.

- Any 7,000 sf or larger lot could be short-platted into two or more 3,500 sf lots. Such new development would needlessly disrupt existing historic streetscapes. Current small-lot regulations encourage maximizing house size rather than the historic pattern of small houses on small lots with reasonable front and rear yards. Moreover, the small-lot development we've seen so far has not resulted in more affordable housing but simply allows developers to pack in more housing at current prices.
- While DADUs may be appropriate on some large lots if they are small and don't interfere with neighboring lots, the current rules are far too loose for lots with 50 ft. widths or less as found in much of the NSHD. Moreover, DADUs are often used for home offices and guestrooms and rarely rented. They are not a solution for housing affordability.

The historic district overlay and the HMR-SRD zoning category work together to protect the historic district by protecting not just the individual contributing buildings but also the historic character of this early streetcar suburb that developed from 1880 to 1955. The AHPWP proposal would weaken those protections without addressing the real issues of affordable housing. Indeed, the Affordable Housing Policy Advisory Group even dismissed residential infill at its 06/04/2015 meeting: "Infill housing options do not necessarily promote affordability but are supportive of other planning goals."

We strongly believe that the NSHD already has exactly the type of density that the Planning Department and the Affordable Housing Policy Advisory Group envision for other, less dense areas of the city. We are happy to serve as a model for seeing what has worked and not worked regarding intense residential density. The Landmarks Preservation Commission, the Planning Commission, and the City Council have repeatedly acknowledged through the historic district overlay and the creation of the HMR-SRD zoning category that the North Slope is a very special neighborhood that deserves very special protection as opposed to the "one size fits all" approach of the AHPWP proposal. We urge this commission to help us maintain the historic district's existing protections.

Sincerely,



Kathryn Longwell  
North Slope Historic District, Inc.