

SUBSTITUTE

ORDINANCE NO.

AN ORDINANCE relating to affordable housing; adopting the Home in Tacoma Phase 2 zoning and standards amendments as recommended by the Planning Commission, and amending various chapters in Titles 1, 2, 9, 10, 12, and 13 of the Municipal Code, to support additional housing choice, supply, and affordability in the City, and to comply with changes to state law.

WHEREAS, as part of the implementation of the Affordable Housing Action Strategy ("AHAS") and the new housing growth strategy adopted by the City Council in Home in Tacoma ("HIT") – Phase 1, the HIT Project – Phase 2 package presents new zoning and development standards for the City's low and mid-scale residential areas, and

WHEREAS these new zoning and development standards are designed to support additional housing choice, supply, and affordability in the City, and

WHEREAS these new zoning and development standards are also designed to respond to recent mandates from the State of Washington regarding local residential zoning, particularly 2023's House Bill 1110 (the Middle Housing Bill), the local planning requirements in RCW 36.70A.070(2), the current Puget Sound Regional Council Vision 2050 regional growth strategy, and the policies of the Washington State Growth Management Act, RCW 36.70A.020, including the policies to promote urban growth and reduce sprawl, and

WHEREAS HIT – Phase 2 brings the City into full compliance with recent housing and parking-related State laws, to the extent that they apply to development regulations, and



WHEREAS in addition, HIT goes further than these State laws in notable ways by exceeding the minimum residential densities mandated by the State, and by integrating additional considerations related to middle housing design, urban forestry, building retention, and other considerations, and

WHEREAS City residents face increasing challenges in accessing housing they can afford that meets their needs, and for many years, the City's housing rules for most neighborhoods have primarily allowed just one housing type – detached single-family homes, and

WHEREAS as part of the City's AHAS, the City Council passed Amended

Ordinance No. 28793 approving the HIT Project – Phase 1 package, and

WHEREAS the City Council's action established a new housing growth vision for the City supporting "missing middle" housing options, designated low-scale and mid-scale residential areas, and strengthened policies on infill design, affordability, anti-displacement, and other goals, and

WHEREAS the action also initiated HIT – Phase 2 to implement the new policies through changes to residential zoning and standards, along with actions to promote affordability and ensure that housing supports multiple community goals, and

WHEREAS the HIT – Phase 2 proposal includes:

(1) Establishment of new urban residential ("UR") zones supporting a range of middle housing options, along with base and bonus densities, scale, and other standards, to replace existing residential zones; all new UR zones would support a range of housing types, including middle housing; the proposed UR



zones are differentiated by the allowed density (number of dwellings allowed based on lot area), the allowed housing types and building scale (height, building width, floor area ratio and similar), and the potential bonus density and scale available in exchange for affordable housing and other public benefits,

- (2) Adoption of a new zoning map designating the UR zones (UR-1, UR-2, and UR-3) in areas designated low-scale and mid-scale residential in the One Tacoma Comprehensive Plan, with some zoning changes to residentially zoned areas in other One Tacoma Comprehensive Plan designations to UR or other appropriate zones,
- (3) Changes to residential design and development standards (including height, building size, yards, trees and landscaping, access, parking ratios, lot dimensions, setbacks, subdivisions, ownership, and others),
- (4) Expansion of the reduced parking area (RPA), where off-street parking is not required for new development,
 - (5) Changes to residential land uses, definitions, and permit processes,
- (6) An increase of the residential environmental review threshold from 20 to 40 units and addition of standards for transportation, soil testing, and historic, cultural, and archaeological review,
- (7) Enhancement and expansion of regulatory affordability tools, including expanding the residential target areas, where the Multifamily Tax Exemption Program is available to encourage new affordable housing development,



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- (8)Creation of a bonus program, with density development standards incentives, to encourage new affordable housing, preservation of existing structures, and preservation of existing urban tree canopy,
- (9)Actions to ensure that infrastructure and services are adequate to support growth,
 - (10)Actions to protect and enhance the urban forest,
 - (11)Actions to promote physical accessibility, and
- Actions to ensure consistency with state legislative direction, and (12)WHEREAS in addition, HIT – Phase 2 partially implements several related City ordinances and resolutions, including the following:
- (1) Resolution No. 41358 affirming and adopting the Anti-Displacement Strategy as a guide for options regarding how the City can address displacement of City residents from their homes and communities; HIT – Phase 2 implements parts of the Anti-Displacement Strategy which relate to the zoning code and affordability bonuses, and
- (2) Resolution No. 41259 directing the Planning Commission to review the special use standards to consider modifications to home occupation standards for the purpose of expanding opportunities to microbusinesses; HIT – Phase 2 implements the direction of this resolution by integrating extensive new flexibilities for non-residential uses located in UR districts, and

WHEREAS the City completed multiple studies and technical analyses to support the HIT Project, including the following:



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- (1) HIT Environmental Impact Statement ("EIS," draft and final) provides robust analysis of the potential positive and negative impacts of the proposal; at the highest level, the EIS finds that while growth resulting from the project will have impacts, they will not be significant and adverse; this conclusion is based on determinations that the proposal itself includes steps to reduce impacts; that there are mechanisms in place which could be expanded or strengthened to address the incremental impacts of development; and/or, that remaining impacts are acceptable in order to support the policy direction and project goals; the EIS also identifies possible mitigation measures that could be implemented to further reduce potential adverse impacts or improve environmental conditions,
- (2)HIT Health Impact Analysis ("HIA"): The City collaborated with the Tacoma-Pierce County Health Department to develop an HIA on the project, issued in May 2024; the HIA examined the proposals and associated EIS to understand the health impacts associated with increased density, changes in the transportation network, and changes in tree canopy; the HIA concludes that the project will result in positive health impacts in all three categories examined; increased density zoning will result in increased housing options across a large area of the City at more affordable prices and promote walkability; changes in the transportation network associated with the project will support walking, rolling, cycling, and public transit use for everyday transportation needs; and changes to the tree canopy cover will help reduce respiratory and cardiovascular disease, reduce urban heat and heat-related illnesses, and improve mental health,



- (3) HIT Feasibility Analysis Findings (January 2024): Summarizes the housing market analysis that informed the development of the middle housing development standards and the affordability bonus program, including the fee-in-lieu amounts,
- (4) HIT Site Plan Study (December 2023, updated September 2024):

 Summarizes the analysis of the use of space on typical development sites and how existing and proposed standards, infrastructure, and utilities, as well as buildings will fit; the study resulted in refinements to the proposals and a package of access and utilities standards updates,
- (5) HIT Landscaping Code Updates Analysis (December 2023): Lays out the existing code audit, benchmarking, and policy options for landscaping code updates; this study informed development of the Public Review Draft landscaping code,
- (6) Existing Conditions Review (January 2023): Evaluates existing residential patterns in City neighborhoods pursuant to development of middle housing standards that will be complementary to existing patterns,
- (7) Regional Benchmarking Report (December 2022): Summarizes how several benchmark cities have integrated middle housing and affordability bonuses into their zoning and standards,
- (8) View Sensitive District Expansion Study: Though the study did find there are limited areas in East Tacoma with views comparable to areas already within View Sensitive Districts, the extent of those areas is relatively small, and further consultation would be needed with the residents and property owners,

phases:

- (9) The HIT Phase 1 Existing Conditions Report provides an overview of the housing need and development trends, and
- (10) The Housing Action Plan summarizes the recommended actions to address housing goals, and provides long-term implementation guidance, and WHEREAS the HIT Phase 2 planning process began in 2022, with intensive planning and public engagement generally divided into the following
- (1) Round 1 Engagement (January-March 2023): Primarily an online engagement round intended to develop initial feedback to inform the zoning and standards framework,
- (2) Round 2 Engagement (April-June 2023): Structured around in-person open house events hosted in each City Council District to present preliminary zoning and standards concepts at the neighborhood level and receive input from community members on key topics and issues in their neighborhoods, including middle housing design, amenities, and affordability, as well as the proposed zoning map,
- (3) Round 3 Engagement (February-September 2024): Completed as part of the Planning Commission and City Council public hearing processes, the purpose of this engagement was to provide opportunities for community members to learn about the HIT recommendations packet as well as provide input to include in the Planning Commission final recommendations and City Council final decision, and



WHEREAS in total, these engagement efforts included hundreds of thousands of mailed and e-mailed notifications, distributed citywide, along with press releases, web and social media postings, in-person and virtual informational sessions, open houses, and community meetings, attendance at community events, and targeted community outreach, including multi-lingual engagements, and

WHEREAS these unprecedented efforts over the past five years resulted in thousands of community interactions and public comments on the HIT package, which have informed and influenced the proposed package that is before the City Council for consideration, and

WHEREAS housing is a fundamental human need as well as an essential building block of community, and connects people to essential opportunities like jobs, education, transportation, and recreation, and

WHEREAS the HIT package will increase housing supply, affordability, and choice, and by increasing choice in all neighborhoods, the City can make progress toward a broad range of goals related to housing, livability, sustainability, and equitable access to opportunity, and

WHEREAS this legislation will reduce racial and other inequities, disparities, or discrimination in underrepresented communities, increase the percentage of people relocating to the City, and increase affordable housing compared to neighboring jurisdictions; Now, Therefore,



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BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council hereby adopts the Recitals of this Ordinance as its formal legislative findings.

Section 2. That Title 1 – Administration and Personnel, of the Tacoma Municipal Code ("TMC") is hereby amended, by amending Chapter 1.37, entitled "Transfer of Development Rights Program Administrative Code," and Chapter 1.39, entitled "Affordable Housing Incentives and Bonuses Administrative Code," as set forth in the attached Exhibit "E."

Section 3. That Title 2 – Building and Development Code, of the TMC is hereby amended, by amending Sections 2.02.015, entitled "Administrative Provisions," and 2.09.050, entitled "Building permit fees," as set forth in the attached Exhibit "F."

Section 4. That Title 9 – Public Ways, of the TMC is hereby amended by amending Section 9.08.22, entitled "Exemptions," and Section 9.08.075, entitled "Fees," as set forth in the attached Exhibit "G."

Section 5. That Title 10 – Public Works, of the TMC is hereby amended by amending Section 10.14.050, entitled "Rules and Regulations for Driveways," as set forth in the attached Exhibit "I."

Section 6. That Title 12 – Utilities, of the TMC is hereby amended by amending Section 12.09.020, entitled "Authority," and Section 12.09.030, entitled "Definitions," as set forth in the attached Exhibit "H."

Section 7. That Title 13 – Land Use Regulatory Code, of the TMC is hereby amended by amending various sections in Chapters 13.01, entitled "Definitions",



13.04, entitled "Platting and Subdivisions", 13.05, entitled "Land Use Permits and Procedures", 13.06, entitled "Zoning", 13.12, entitled "Environmental Code", and 13.17, entitled "Residential Target Areas", and by repealing Section 13.05.060, entitled "Residential Infill Pilot Program" in its entirety, as set forth in the attached Exhibit "D."

Section 8. That amended zoning maps designating the urban residential ("UR") zones, UR-1, UR-2, and UR-3, in areas designated low-scale and mid-scale residential and other zones, as set forth in the attached Exhibit "A," the revised Reduced Parking Area (RPA) map as set forth in the attached Exhibit "B," and the revised Residential Target Areas (RTA) map as set forth in the attached Exhibit "C," are hereby adopted.

Section 9. That the City will conduct a study, three-years after the effective date of all provisions of this Ordinance to assess the effects on parking and access in Reduced Parking Areas, with a focus on those areas where the State law does not preclude the City from establishing minimum parking requirements.

Section 10. That the City Clerk, in consultation with the City Attorney, is authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

Section 11. That this Ordinance amends development regulations, including allowed local options, to implement the requirements of Section 3 of Engrossed Second Substitute House Bill 1110 (2023) and pursuant to that act are not subject to administrative or judicial appeals.



Section 12. That the repeal of Section 13.05.060, "Residential Infill Pilot Program", in its entirety shall be effective after ten days from the date of publication of this Ordinance, and the balance of the amendments herein shall be effective February 1, 2025. Passed _____ Mayor Attest: City Clerk Approved as to form: Chief Deputy City Attorney