

City of Tacoma
Planning Commission

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Tacoma City Council
747 Market Street, Suite 1200
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Honorable Mayor Woodards and Members of the City Council,

It is with great honor that we present the Planning Commission's recommendations on the Home in Tacoma - Phase 2 (HIT 2) package.

How we got here:

Tacoma is a wonderful place to call home. Living here offers a unique blend of urban grit and natural beauty, a rich blend of cultural heritage and diverse communities. Central to the City's vision is that Tacoma is the right place for growth in Pierce County. For decades, Tacoma has been dedicated to realizing its potential as the Metropolitan City of the South Puget Sound. This vision has been pursued through comprehensive, long-term strategies aimed at revitalizing Downtown and Mixed-Use Centers, rebuilding rapid transportation options, reclaiming the waterfront, along with protecting natural and historic sites.

The quandary that Tacoma finds itself in is that as demand for living in the Puget Sound has continued to grow, the region has rediscovered the high quality of life that is available in Tacoma. This influx has powered development in our urban centers, but it has also placed a heavy burden on the city's housing supply and exposed multiple shortcomings in the City's growth strategies. While home values have soared, many of Tacoma's residents find it difficult to remain where they have lived for years. Neighborhoods lack the flexibility to provide housing choices near in-demand community amenities. As demand has pushed up prices, some have been displaced to areas less central and less connected. One result has been that mobility for people with disabilities outside of home or for those without a private vehicle has become more difficult, limiting community access to what Tacoma has to offer from medical care, to education, employment, commerce, parks, or the arts.

In 2019 the Planning Commission undertook the development of Home in Tacoma, building upon years of work originating from the Affordable Housing Action Strategy and the Residential Infill Pilot Program to begin the process of planning for expanded middle housing to comprehensively address the housing crisis.

In December 2021, Tacoma reached a major milestone with the City Council's adoption of Home in Tacoma (HIT) Phase 1 through Ordinance No. 28793, which set a new vision for residential development in the city to expand housing supply, affordability, and choice through middle housing regulations and incentives. For the past two years, as directed by the City Council, the Planning Commission has worked with the community and City staff to develop the HIT 2 package. HIT 2 is an historic shift in Tacoma's zoning which allows middle housing citywide and updates standards to expand housing access, ensure compatibility with existing neighborhoods, to

enhance housing equity across Tacoma, and to materially redress a history of racially inequitable housing actions such as redlining, which affected the lives and economic health of people of color, immigrants and others.

The Home in Tacoma Phase 2 process was designed to translate the City Council's adopted Phase 1 housing policies and future land use map into practical zoning, development standards, as well as regulations and incentives for middle housing. Through comprehensive analysis and public engagement, we have formulated a package that not only respects local neighborhood conditions and State mandates but also aligns with the smart growth and sustainable development policies of the Puget Sound Regional Council (PSRC) VISION 2050 land use plan. The sum of our efforts seeks to align Tacoma's path in the direction of a sustainable, livable, and equitable city, by fulfilling the fundamental human need for safe, healthy, secure, and affordable housing.

Methodology and Analysis:

Our recommendations are the result of rigorous economic modeling and site planning analysis, confirming the financial viability and logistical feasibility of the proposed changes to a form-based code. These analyses indicate an increased likelihood of affordable housing development, with new ownership and rental opportunities in the new residential zones.

Additionally, the Tacoma-Pierce County Health Department's Health Impact Assessment provided insights into the social determinants of health influenced by housing policies, such as access to quality housing and safe, healthy and walkable neighborhoods. Their recommendations have been integral to our planning, ensuring that human health and wellness are elevated in Home in Tacoma.

Key policy actions in the Commission's HIT 2 recommendations to City Council:

- Middle housing zoning: Three Urban Residential (UR) zones that allow middle housing at a range of densities. The UR zones emphasize access to opportunity, transportation choices, and efficient use of public investment by allowing denser housing within walking distance of transit, shopping, schools, and parks, along with increased opportunities for neighborhood businesses.
- Middle housing building and site design: Middle housing standards significantly increase the space and flexibility for housing, while focusing on fundamentals including building height, width and depth, setbacks, and pedestrian features to ensure reasonable compatibility with neighborhood patterns.
- Rental and ownership opportunities: Zoning will support a broad range of housing choice and price points, and allowing unit lot subdivisions vastly expands ownership opportunities by allowing separate ownership of clustered and attached housing units.
- Transportation choices: Standards promote walking, biking, and transit by locating denser housing within walking distance of schools, parks, Centers and frequent transit, and substantially reducing vehicular parking requirements while upgrading bicycle standards.
- Housing and trees: Standards broaden tree planting and retention requirements so that new housing supports Tacoma's urban canopy goals, while trees promote infill compatibility. The proposal makes

room for tree retention by reducing setbacks, parking, and amenity space.

- Incentivizing deeper affordability and building retention: HIT opens the door so market-rate development can provide a broader range of housing choice and price points. In addition, bonuses are offered to incentivize more deeply affordable units and building retention—public benefits less likely to be provided by the market.
- Home Occupations: Although not initially a part of HIT, Phase 2 responds to Council’s directive to address home occupation standards to support expanding opportunities to microbusinesses by integrating new flexibilities for non-residential uses located in UR districts.

Balancing multiple goals:

The City Council’s HIT Phase 1 direction, as well as the State Legislature’s housing related mandates, set a clear framework. As a result, HIT 2 has been about filling in the details and about striking a balance between sometimes competing goals and priorities. We have heard many perspectives about how to strike the right balance. While people disagree passionately about things like parking, trees and amenity space, there is common ground on the pressing need to take action to address the housing crisis. We have done our best to strike a balance that reflects adopted policy direction and State mandates. While the primary focus is on housing goals, HIT makes strides on other issues that affect the whole city such as urban forestry, transportation choices, building retention, and more.

The Planning Commission had robust discussions that approached the initial package and each of the 32 proposed amendments from our own points of view as District or subject area representatives (the environment, historic preservation, architecture and/or urban design, and public transportation). We engaged respectfully and with recognition that there are differences of professional opinion to arrive at the same goal of housing affordability. We were also well supported by staff and consultants in evaluating potential changes for their impacts. Some of these amendments that were the most debated related to per unit parking requirements in UR-2 and UR-3 zones. On one hand some supported higher requirements up to the State limit of 1 space per unit and on the other hand others supported lower requirements such as rounding down fractions of spaces. Upon a preponderance of all of the factors, such as how development bonuses for affordable units might be affected, the amendments surrounding that issue were not adopted, leaving the original proposal intact.

However, there were also areas where there was broad agreement on adjustments to parking, with the unanimous recommendation to tie the City’s Reduced Parking Area to expanded light rail service and frequent transit streets identified in municipal code (Pacific Avenue, S 19th Street, and 6th Avenue). This process underscored the Commission’s rigorous consideration of alternatives, respectful and thoughtful engagement, and unanimous support for adoption of the amended HIT 2 package.

To address housing needs, HIT allows significant change in our existing neighborhoods. HIT 2 includes standards intended to make new housing compatible with existing neighborhood patterns. While no neighborhood will be exempt from change, no neighborhood will experience such dramatic change that it will be unrecognizable.

Our recommendations have gone to significant lengths to comply with and implement State law, especially Engrossed Substitute House Bill 1110 and others noted in our Findings of Fact. However, despite our comprehensive efforts, some issues remain outside our current scope due to resource constraints, but are within the Council’s authority to consider further.

More housing affordability actions needed:

As a market-based approach, HIT promises to generate housing affordable to moderate and moderately low-income households. This workforce housing is critical and will support housing for extended families, aging-in-place, group housing, and more. However, housing needs are so great, particularly at lower income levels, that zoning changes alone could never be sufficient. The City must continue to pursue the full range of Affordable Housing Action Strategy and Anti-Displacement Strategy actions, including those actions in the Housing Action Plan to strategically prioritize more deeply-affordable housing and to multiply the benefits of public housing investments with concurrent investments in alternatives to private vehicle ownership.

Equitable public engagement is essential:

We are proud of the level and extent of engagement for this project. Thousands of people participated in three rounds of citywide and targeted engagement, and their input was invaluable. HIT engagement efforts recognized that current homeowners, who often have concerns about change in their neighborhood, are an important stakeholder group. The City also made a concerted effort to ensure that under-represented groups (people facing housing challenges, non-English speakers, people of color, people with disabilities and others) had opportunities to make their voices heard. The City also engaged the housing development community and multiple advocacy and stakeholder groups. Moving forward, as the City tackles major policy issues facing our community, we must continue to prioritize broad, targeted, and equitable engagement.

Timing considerations:

HIT (Phases 1 and 2) has taken four years, allowing broad conversation, consideration of multiple policy options, careful balancing between goals, as well as time to react to State level housing actions. Housing needs are pressing, and the City should move expeditiously to adopt and enact the HIT package. That said, this is a major change in zoning and permit processes, and that takes time to implement. The Commission offers the following timing recommendations:

- Delay effective date: Enact a minimum 3-month delay in the effective date of the new zoning after final Council adoption to allow staff to prepare for implementation.
- Tree retention with adoption: Tree retention requirements should become effective immediately to prevent last-minute removals of mature trees.
- Sunset the infill pilot: The Residential Infill Pilot, Planned Residential Districts and similar existing infill tools should sunset immediately to prevent applications vesting to outdated standards.
- Regular review: The City should set a timeline to review outcomes and evaluate whether course corrections are needed. The HIT package is significant and complex, and some decisions taken by the

Commission after the Public Hearing have yet to be studied in depth. Taking the opportunity to review within a year or two after implementation will be prudent.

More than zoning changes needed:

This Commission focuses on zoning and standards. There are many related non-regulatory actions also needed to make HIT work as intended. Here are some of the most critical ones:

- **Environmental Impact Statement:** The EIS makes the case that while the overall impacts will be positive, there will also be negative impacts. The document provides a thorough study of those impacts for nine elements of the environment and recommends multiple mitigation actions that would help to better meet the project goals and reduce negative impacts. The City should give these ample consideration and implement as many as possible.
- **Staffing increases:** The HIT package represents a significant expansion in Tacoma’s permitting work. We expect to see substantial increases in both permit volume and complexity. To be effective, implementation must be supported and staffed appropriately, particularly for Current Planning and for Urban Forestry. If this investment in effective permitting is delayed, the result will be a strain on staff, longer permit review times, lack of enforcement, and a slower response to the housing crisis.
- **Permit process improvements:** Along with an increase in staff capacity, the City should invest in updated permit application materials and consider ways to streamline permit processing.
- **Utilities and access standards:** City staff are in the process of updating access and utility standards to prepare for and support middle housing development. This work is essential to achieving the project objectives and should be completed as near as possible to the rollout of the new zoning standards.
- **State legislative agenda:** Some needed actions are in the purview of the State Legislature, agencies or advisory councils. The City should advocate for action at that level on such topics as Building Code changes, including enabling visitability standards for middle housing.

More policy and standards work is needed:

While there is a lot in the HIT package, multiple related policy initiatives could not fit into the scope and schedule. We recommend that the City address these topics in future planning efforts (some of which are already underway).

Here is our take on the most important policy topics:

- **Extend HIT actions to other zones:** HIT generally applies only in residential (UR) zones. The City should evaluate the R-4 and R-5 Districts, and evaluate whether parking, landscaping, housing types, bonuses and other standards should be enacted in other zones (for example, X Districts and Commercial).

- **Housing actions:** Though important progress has been made, Tacoma should continue to develop regulatory, programmatic and financial tools to promote housing goals, and combat displacement and houselessness. One important regulatory action is to update Downtown and Centers affordability bonuses. Another issue is to consider the use of a community land trust as a tool funded by the Housing Trust Fund for permanent affordable housing.
- **Urban Forestry actions:** HIT takes major steps forward by bringing tree planting and retention requirements to residential zones. However, there is more work to do within residential zones and citywide. The City should revisit landscaping standards for parking lots, for industrial and other zones, and should consider innovative tools (such as “green factor”) to balance development and urban forestry goals. As the City begins to collect a canopy loss fee, the City should consider using those funds to contribute towards repairing community sidewalks affected by right of way trees. Also, to contribute to reduce new tree mortality, the City should, with further study, consider employing and enforcing a model ordinance for tree protection that has been effective locally.
- **Transportation choices:** HIT addresses important site access issues including parking in UR districts, bike parking, and driveway widths. However, there is more work to do to promote transportation choices. In particular, the City should evaluate the potential for cars and pedestrians to share space, including in alleys, and address outdated parking standards for commercial uses that pre-date the Internet’s capacity to perform many commercial transactions and activities remotely. Further, the City should take action to plan transit corridors in Central Tacoma to help Pierce and Sound Transit identify what high-capacity modes will best meet the needs for housing along identified Transit Streets on 6th Avenue and South 19th Street.
- **Impact fees:** The City lacks mechanisms to pay for needed infrastructure upgrades to accommodate development. Along with other funding approaches, impact fees should be enacted, and calibrated to develop low cost transportation options to support deeply affordable housing.
- **Historic, cultural and archaeological resources:** HIT takes significant steps by creating a building retention bonus, and standards consistent with established residential patterns. However, more work is needed to address a likely increase in demolitions citywide, to ensure that building materials from demolitions that do occur are salvaged, and to ensure that historic buildings within and outside of historic districts are identified and nominated for protections, or at least kept economically viable.
- **Low Impact Development and watershed planning:** Through the proposed tree protections and requirements, HIT makes a major step forward for Low Impact Development (though offset by increased development). More work is needed to evaluate ways to build and manage impervious pavement, rain gardens and similar both onsite and in locations like public rights-of-way.
- **Climate actions:** HIT makes major steps to reduce per capita climate change impacts by locating housing near destinations (thus, reducing Vehicle Miles Traveled) and through tree actions. More work is needed to invest in transit options to support added density along corridors and to reduce the carbon impacts of

housing through energy conservation, materials salvage, Low Impact Development, and other approaches.

HIT Phase 2 has been a major part of the Planning Commission’s focus over the past two years. It is no small undertaking to bring long-accepted assumptions and practices onto the table for reconsideration, but the challenges and opportunities of our times call for it.

We believe that Council action pursuant to these recommendations would be very positive for current and future Tacoma residents. It has been our honor and privilege to be doing work of real consequence and importance to our community.

Acknowledgments:

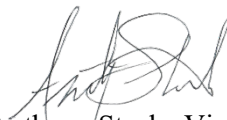
We extend our deepest thanks to the Planning and Development Services team for developing code and engaging the public, particularly Senior Planner Elliott Barnett, for his unwavering commitment to this complex initiative since day one. Thank you to city staff in other departments that helped to craft or vet language affecting streets, utilities, and trees. Thanks also go to our project partners at EcoNorthwest for their economic analysis, Mithun for their help with developing and refining the package and to Parametrix for empowering Tacoma with their work on the Environmental Impact Statement. We want to thank the people of Tacoma for contributing their ideas, thoughts, and critiques over this past four years. We also want to thank the Human Rights Commission’s representatives on the Joint Housing Equity Taskforce, as well as the Transportation Commission, Sustainable Tacoma Commission, Tacoma Permit Advisory Task Force, the Tacoma Area Coalition on Disabilities, Tacoma-Pierce County Health Department, Tacoma Tree Foundation, and many, many others, which all played important roles in shaping these recommendations.

We are available for any further clarification needed as you consider these recommendations and remain committed to supporting Tacoma's journey towards sustaining an inclusive and thriving community.

Sincerely,



Christopher Karnes, Chair
Tacoma Planning Commission



Anthony Steele, Vice Chair
Tacoma Planning Commission

Attachments:

- HIT 2 Findings and Recommendations Report
- HIT 2 Zoning and map changes

Cc: City Manager
Planning Director
Public Works Director
Human Rights Commission
Transportation Commission
Sustainable Tacoma Commission
Landmarks Preservation Commission
Tacoma Permit Advisory Task Force
Tacoma Area Coalition on Disabilities
Tacoma-Pierce County Health Department