

#### PLANNING COMMISSION MEETING AGENDA

#### Online via Zoom and In Person at Tumwater Fire Department Headquarters, Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

Tuesday, April 11, 2023 7:00 PM

- 1. Call to Order
- 2. Roll Call
- 3. Changes to Agenda
- 4. Approval of Minutes
- 5. Commissioner's Reports
- 6. Manager's Report
- 7. Public Comment
- 8. City of Tumwater Affordable Housing Actions
- 9. Next Meeting Date 04/25/23
- 10. Adjourn

#### **Meeting Information**

The public are welcome to attend in person, by telephone or online via Zoom.

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#### **Public Comment**

The public is invited to attend the meeting and offer comment. The public may register in advance for this webinar to provide comment:

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After registering, you will receive a confirmation email containing information about joining the webinar.

The public may also submit comments prior to the meeting by sending an email to: <u>cdd@ci.tumwater.wa.us</u>. Please send the comments by 1:00 p.m. on the date of the meeting. Comments are submitted directly to the Commission Members and will not be read individually into the record of the meeting. If you have any questions, please contact Planning Manager, Brad Medrud at (360) 754-4180 or <u>bmedrud@ci.tumwater.wa.us</u>.

#### **Post Meeting**

Audio of the meeting will be recorded and later available by request, please email <u>CityClerk@ci.tumwater.wa.us</u>.

#### Accommodations

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#### What is the Planning Commission?

The Tumwater Planning Commission is a citizen advisory commission that is appointed by and advisory to the City Council on the preparation and amendment of land use plans and implementing ordinances such as zoning. Actions by the Planning Commission are not final decisions; they are Commission recommendations to the City Council who must ultimately make the final decision. If you have any questions or suggestions on ways the Commission can serve you better, please contact the Community Development Department at (360) 754-4180.

#### **Decorum Statement**

Welcome to the Planning Commission meeting. We thank you for attending.

The City Council encourages community engagement in local government and provides a variety of ways to participate.

The Chair of the Planning Commission will be responsible for conducting orderly and efficient meetings within the scheduled time. To accomplish that, the Chair will maintain order and decorum and can regulate inappropriate debate, repetitious discussion, and disruptive behavior when needed.

The Chair will recognize those that wish to speak and may limit the time allowed for individual comments. City staff will record questions and comments during the meeting. If an issue or question cannot be addressed during the meeting, City staff will address the issue or respond to the question by following up with the individual.

We respectfully request that attendees refrain from disruptions during the meeting and comply with decorum rules.

Thank you for participating.

TO:	Planning Commission
FROM:	Brad Medrud, Planning Manager
DATE:	April 11, 2023
SUBJECT:	City of Tumwater Affordable Housing Actions

#### 1) <u>Recommended Action</u>:

This is a discussion item about the City's efforts to support the creation of more affordable housing. Please review the attached materials and be prepared to discuss.

#### 2) <u>Background</u>:

At the Planning Commission's March 14, 2023, Commissioners requested information on what actions the City has taken to address the need for affordable housing. In addition, this information will be useful in preparation for the update of the Housing Element in the City's Comprehensive Plan.

4) <u>Alternatives</u>:

None.

#### 6) <u>Attachments</u>:

- A. Memorandum
- B. Final Housing Action Plan
- C. Presentation

#### Attachment A



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### Memorandum

Date: April 11, 2023

To: Planning Commission

From: Brad Medrud, Planning Manager

Subject: City of Tumwater Affordable Housing Actions

At the request of the Planning Commission, staff has prepared this summary of the actions the City has taken since 2018 to address the need for affordable housing. This memorandum summarizes past and current actions that in turn will inform the 2025 Comprehensive Plan update.

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#### I. Background

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

Applicable City Council Revised Strategic Priorities and Goals (December 6, 2022) include:

- A. Build a Community Recognized for Quality, Compassion and Humanity
  - 1. Support and advance intergenerational housing opportunities
  - 2. Implement the Tumwater Housing Action Plan
  - 3. Support housing stability policies/programs

See Appendix 1 *Comprehensive Plan Policies* for details on housing and land use goals, policies, and actions that support the City's affordable housing plans.

See Appendix 2 *Timeline of Affordable Housing Actions* for a timeline of the work the City has undertaken to address affordable housing since 2018.

#### II. Resolution No. R2018-016

In 2017 and 2018, the City Council devoted considerable time to discussions about the causes of and resources available to address homelessness and the lack of affordable housing in the City. On July 17, 2018, the City Council adopted Resolution No. R2018-016, which described the actions that the City would undertake to begin to address these issues. These actions fell under three broad goals: reduce homelessness, boost housing affordability, and increasing ongoing regional actions.

# GOAL: Reduce Homelessness -- Increase resources / actions to combat / decrease regional homelessness

Actions
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- 1 Review, and clarify as necessary, policies related to homelessness for first responders
- 2 Develop strategies with the Tumwater School District and nonprofit partners to house homeless students / families
- 3 Better understand and describe the extent and general location of Tumwater poverty and low-income areas
- 4 Commit more current City resources to targeted regional homelessness actions
- 5 Act to better connect people to services
- 6 Continue to participate in homeless count each year
- 7 Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness
- 8 Assess and track homeless / low-income services in Tumwater

#### GOAL: Boost Housing Affordability -- Actions to increase affordable housing

#### Actions

- 1 Pursue grants for affordable housing
- 2 Strengthen incentives for affordable housing within the Capitol Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor
- 3 Evaluate and, if necessary, propose amendments to City code and zoning to support smaller scale affordable housing in neighborhoods to offer a greater variety of housing options
- 4 Promote actions property owners can take to increase affordable housing such as accessory dwelling units
- 5 Participate in regional discussions to understand factors affecting housing affordability and what steps can be taken to mitigate new housing costs
- 6 Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents
- 7 Encourage more housing development overall
- 8 Encourage abandoned houses moving back into the active housing inventory
- 9 Enact policies to protect tenants experiencing housing instability, which may include:
  - a. Review current eviction/renter protection policies, laws, and legal services and assess possible actions.
  - b. Assess need for/knowledge of landlord-tenant conflict resolution services.
  - c. Support renter resources (mediation, etc.).
- 10 Inventory and track affordable housing units in Tumwater

# GOAL: Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.

The Planning Commission and the City Council undertook a significant effort from September 2018 to May 2019 to develop Affordable Housing Work Plans for the City Council to use in make informed decisions when prioritizing the next steps to implement Resolution No. R2018-016. Starting in 2019, the City spent a substantial amount of time implementing the 2019 Affordable Housing Work Plans through ordinances and process changes.

#### III. Regional Housing Council

To meet the City Council's goal of exploring regional solutions to homelessness and affordable housing issues, the City worked with the other jurisdictions to establish the Regional Housing Council in 2020. The Regional Housing Council took over the role of Health and Human Services Council and added some additional tasks.

The primary purpose of the Regional Housing Council is to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing. "Affordable housing" in this context means housing that is affordable to families at or below 80% AMI.

The Regional Housing Council considers issues specifically related to funding a regional response to homelessness and affordable housing and coordinating existing funding programs. These programs may include RCW 36.22.179 (ESSHB 2163) and RCW 36.22.178 (SHB 2060) funds, HOME Investment Partnership Program (HOME), Consolidated Homeless Grant (CHG), Housing and Essential Needs (HEN), RCW 82.14.540 (SHB 1406), Community Development Block Grant (CDBG) and other related funding sources such as a regional home fund to help implement the five-year Homeless Crisis Response Plan and increase affordable housing options.

The Regional Housing Council assists in monitoring the implementation of the County's five-year Homeless Crisis Response Plan by setting priorities and making funding decisions on projects and programs that implement the Homeless Crisis Response Plan. Additionally, the Regional Housing Council provides a forum for consideration of policy options related to homelessness and encourages development of regional approaches to planning for, responding to, and funding homeless services and facilities and expanding affordable housing options.

Two Tumwater City Councilmembers sit on the Regional Housing Council and the City's has committed 0.25 FTE in City staffing to Regional Housing Council work.

#### IV. State Department of Transportation Right-of-Way Initiative Process

The Washington State Department of Transportation Rights of Way Initiative Process – Transitioning People Out of State Rights of Way in Thurston County is an agreement to work in a collaborative fashion to achieve the short-term goal of transitioning people from specific prioritized state rights-of-way into housing. The agreement is between the Washington State Department of Commerce, the Washington State Department of Transportation, the Washington State Patrol, the cities of Lacey, Olympia, and Tumwater, and Thurston County.

The short-term goal of transitioning people from specific prioritized state rights of way into housing is being accomplished by implementing the following strategies:

- Promptly identifying shelter and housing opportunities for people living in rights of way.
- Engaging people living in rights of way to assess their needs and refer them to identified emergency and other housing and other available services with their selected belongings prior to the clearing of rights of way.
- Identifying and implementing strategies to keep cleared sites uninhabited.

• Identifying strengths and weaknesses in the short-term strategy to implement a more comprehensive long-term approach to individuals and families living in public places.

#### V. Tumwater Housing Action Plan

The Tumwater Housing Action Plan (Ordinance No. O2021-007) was the next step in the process of trying to increase the amount of affordable housing by identifying specific actions the City should undertake to help facilitate the creation of more affordable housing.

While the City was implementing the 2019 Affordable Housing Work Plans, the state legislature passed E2SHB 1923 in 2019, which created state grants through the Department of Commerce to address the need to create more affordable housing through the creation of local housing action plans. Seeing an opportunity to pool resources and work regionally to create materials to support the development of a Tumwater Housing Action Plan, the City of Tumwater joined with the Cities of Lacey and Olympia in applying for the state grant.

By January 2020, the three cities were awarded the grant, agreed to an interlocal agreement to work together on the initial work products, and contracted with the Thurston Regional Planning Council (TRPC) to do the work. With the help of TRPC staff, a stakeholder group made up of developers, real estate professionals, and housing activists, as well as staff from the three jurisdictions, over the course of 2020 and into January 2021, completed a Regional Needs Housing Assessment and Gap Analysis, a Landlord Survey, and a draft Housing Action Plan template.

The Tumwater Housing Action Plan built on the affordable housing work the City completed under the 2019 City Council Housing Affordability Work Plans.

The intent of the Tumwater Housing Action Plan was to create one set of actions that the City will take going forward to support the development of more affordable housing.

Seven housing gaps were identified through the Regional Housing Needs Assessment, including:

- 1. Reduce housing costs for low-income and cost-burdened households.
- 2. Increase the overall housing supply.
- 3. Increase the variety of housing sizes and types.
- 4. Increase senior housing options.
- 5. Maintain in good condition and improve the existing housing stock.
- 6. Provide safe, stable options for both renters and homeowners.
- 7. Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

To address these seven housing gaps, the Plan identified six strategies for addressing housing needs in the City:

- 1. Increase the supply of permanent, income-restricted affordable housing.
- 2. Make it easier for households to access housing and stay housed.

- 3. Expand the overall housing supply by making it easier to build all types of housing projects.
- 4. Increase the variety of housing choices.
- 5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
- 6. Establish a permanent source of funding for low-income housing.

Under each of these strategies were specific actions for the City to consider implementing. It is important to note that the City had done a great deal of work prior to 2021 to achieve some of the actions, and more work was underway.

#### VI. Multifamily Tax Exemption Program

#### A. <u>Summary of the Multifamily Housing Tax Exemption Program</u>

The Multifamily Tax Exemption (MFTE) program is a program allowed under RCW 84.14 that exempts taxes on improvements made for multifamily development within designated areas of a jurisdiction. The exemption can be for either eight years with market rate housing or 12 years if at least 20% of the units provided for affordable housing.

The Multifamily Housing Tax Exemption Program provides a tax incentive to encourage the development of multifamily housing units in targeted areas of Tumwater.

The tax exemption applies to the new housing improvement portion of the property taxes. Under State law, property owners who make eligible housing improvements are exempt from any tax increases related to those improvements for a period of 8 years. Owners will continue to pay the pre-improvement taxes on both the land and structure.

An exemption period of 12 years is possible if a minimum of 20% of the units are rented or sold as affordable housing. Under RCW 84.14.040, the City may adopt and implement, either as conditions to eight-year exemptions or as conditions to an extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of units, than the minimum conditions for an extended exemption period under RCW 84.14.020(1)(a)(ii)(B).

#### B. <u>Purpose of the Multifamily Housing Tax Exemption Program</u>

- Provide a catalyst to promote development within targeted areas.
- Encourage increased residential opportunities within targeted areas.
- Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing.
- Assist in directing future population growth to designated residential targeted areas, thereby reducing development pressure on existing single-family residential neighborhoods.

- Provide the needed residential densities in order to support retail and other services within the target areas.
- Help to achieve residential densities, which are more conducive to transit use in designated residential targeted areas.

#### C. Benefits of the Multifamily Housing Tax Exemption Program

There are multiple benefits for the Multifamily Housing Tax Exemption Program. Most generally, the reduction in property taxes is shared among consumers and developers in the form of lower prices or rents and in the form of increased project income, respectively, this will encourage the development of more housing units and make housing more affordable overall.

The Program also provides the following benefits:

- Stimulates development by reducing costs, which increases the development return on a marginal project, which increases project feasibility.
- Reduces risk, which increases the ability of a developer to secure debt financing.
- Benefits the consumer in a competitive market, where savings are passed down.
- Increases housing choice for consumers due to the increase in supply.
- Ensures that the tax exemption remains with the property so that it will benefit the right owner in the targeted area regardless of turnover.
- Increases densities in areas suited for higher density.
- Aids sustainability and walkability efforts by locating housing near services and transit.

#### D. <u>City's 2017 and 2019 Ordinances</u>

The original purpose of the City Council's adoption of a MFTE program in 2017 (Ordinance No. O2017-004 and Resolution No. R2017-002) was to use residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor. The City's subarea plans adopted in 2015 indicated that we needed to consider a variety of financial incentives to see the redevelopment that those plans envisioned and adding more people living in those areas would encourage the development of retail, services, and employment.

The expansion of the City's MFTE program to the Town Center and the Littlerock Road Subareas in 2019 (Ordinance No. O2019-023) was done for different reasons. In 2018, the City Council started to focus on how the City should address homeless and the lack of affordable housing. One of the action items in R2018-016 was to strengthen incentives for affordable housing within the Capitol Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor. Expanding the MFTE program to the Town Center and the Littlerock Road area was one of the many code changes and programs that the City started at that time to encourage more housing to be built overall in the City to meet demand and to provide some level of affordable housing. Because of that, in the Town Center and the Littlerock

Road Subareas the MFTE program was limited to the 12-Year option that required 20% of those units to be affordable.

#### E. <u>Next Steps</u>

Prior to 2019, multifamily development only accounted for a small portion of the new housing built in the City. During the COVID related building boom in 2020, the City experienced an increase in new multifamily development. By 2022, there were more multifamily developments than single-family houses being permitted in the City.

To date, the City has had 441 total units approved at least through the conditional approval process of which 66 are affordable units and the rest are market rate. The affordable units must comply with the low- to moderate-income levels (80% to 115% of median income) requirements in TMC 3.30:

- One project received final approvals in November 2022 (Certificate of Occupancy issued). It is a 12-Year MFTE in the Littlerock Road subarea, Rockwell Place, three buildings, 141 total units, 29 of which are affordable, the rest are market rate.
- Two projects received conditional approvals in December 2022 and they are under construction. Construction will need to be completed in three years in order to receive final approvals. Both are 8-Year MFTEs in Brewery District with no affordable units. The 350 North Apartments has 24 market rate units and Craft District Apartments has 95 market rate units.
- One project received conditional approval in February 2023 and it is in permit review. Construction will need to be completed in three years in order to receive final approval. It is a 12-Year MFTE in Littlerock Road subarea, Kingswood Apartments, 181 total units, and 37 affordable units, the rest are market rate.

The Washington State Joint Legislative Audit and Review Committee (JLARC) completed a preliminary review of the Multifamily Housing Tax Exemption Program in the summer of 2019 and the state amended RCW 84.14. Based on the findings of the JLARC, the legislature expanded the MFTE program in 2021. Tumwater's MFTE program will expire at the end of 2026 (TMC 3.30.130), so the City has a deadline built into the code to evaluate if the program is doing what was originally intended.

#### VII. Housing Text Amendments

The intent of the housing affordability text amendments (Ordinance No. O2020-005) approved by the City Council 2021 was to increase the amount of privately and publicly funded residential development in the City and to bring the supply and demand for housing more into balance as required under the state Growth Management Act.

In addition, some of the housing affordability text amendments increased the amount of affordable housing units in the City through inclusionary zoning for very low- and low-income households with incomes less than or equal to 80 percent of Thurston County's median household income as determined by the state Office of Financial Management.

The following seven potential housing affordability text amendments were a part of the City Council's 2019 Housing Affordability Work Plan. These items were considered citywide or in particular areas of the City:

- 1. Provide an affordable housing density bonus in addition to the maximum density permitted in residential zone districts in limited areas of the City, if the proposed project provides permanently affordable housing.
- 2. Expand the locations where special residential development types such as accessory dwelling units and cottage housing and smaller types of housing such as micro-housing, tiny houses, and smaller lot single-family development are permitted.
- 3. Add duplexes or other smaller types of housing units as permitted uses to single-family residential zone districts.
- 4. Increase height limits in the Knoll subdistrict of the Brewery District (BD) zone district for permanently affordable housing projects.
- 5. Reduce required off-street parking ratios in residential areas near transit service and where there is sufficient on street parking to increase the buildable land available for housing.
- 6. Vary development standards, such as parking, open space, and setbacks, by certain housing types to provide permanently affordable housing.
- 7. Require new housing created specifically as permanently affordable housing to remain permanently affordable housing in perpetuity with protective covenants and deed restrictions.

#### A. Housing Affordability Text Amendments

The following is a summary of the housing affordability text amendments.

#### 1. Incentives for Permanently Affordable Housing Units

- a. Added new section TMC 18.42.140 Permanently Affordable Housing Incentives.
- b. Added a "very low-income household" income threshold. A "very low-income household" is a household with an income less than or equal to fifty percent of Thurston County's median household income as determined by the Office of Financial Management.
- c. An affordable housing density bonus was provided in addition to the maximum density permitted in the Multifamily Medium Density Residential (MFM) and Multifamily High Density Residential (MFH) zone districts, if the proposed project provided permanently affordable housing units.

Permanently affordable housing density incentives are allowed only as part of new multifamily or mixed-use housing project that provides ten or more units for "very low-income" and "low-income" households

- d. Allowed for additional building height in addition to the maximum height permitted in the following zone districts, if the proposed project provided permanently affordable housing units:
  - i. Mixed Use (MU)
  - ii. General Commercial (GC)
  - Capitol Boulevard Community (CBC) North Trosper and North Neighborhood Center districts
  - iv. Town Center (TC) Residential and Mixed Use subdistricts
  - v. Brewery District (BD) Knoll, Valley, Bluff, Triangle, Deschutes, and Bates Neighborhood North subdistricts
- e. Addressed the percentage or ratio of affordable housing units that are studio or oneor –two-bedroom or larger units, the ratio of the very low-income and low-income dwelling units provided, and a limit on the percentage of total units in a new development that can be for affordable housing units.

No more than forty-five percent of the dwelling units in a permanently affordable housing development were allowed to be permanently affordable housing units. Nonprofit affordable housing developers and housing authorities were not subject to this limit.

#### 2. Amended the Senior Housing Facility Definition

- a. Amended the "senior housing facility" definition in TMC 18.04.180 to create two new definitions "senior housing facility, independent" and "senior housing facility, assisted."
  - "Senior housing facility, independent" are less intense uses that do not need a conditional use permit in the Multifamily Medium Density Residential (MFM), Multifamily High Density Residential (MFH), or most commercial zone districts, except the Neighborhood Commercial (NC) zone district.
  - "Senior housing facility, assisted" are more intense uses that do not need a conditional use permit in the Multifamily Medium Density Residential (MFM), Multifamily High Density Residential (MFH), and Neighborhood Commercial (NC) zone districts.

#### 3. Added More Specific Dwelling Definitions to Allow for More Flexibility

a. Amended "dwelling, multifamily" definition to match the definitions used in singlefamily and multifamily project financing. Created definitions for "triplex" and "fourplex." Amended the definitions of "accessory dwelling unit," "duplex", and "dwelling" or "dwelling unit".

- b. Added a definition of "single-family detached dwelling." The definition of "dwelling, single-family detached" was amended.
- c. The number of unrelated persons in the definition of "family" was increased from five to six. Later state law removed restrictions on the number of unrelated persons in a dwelling unit in zoning.
- d. The amendments did not expand where "triplexes" and "fourplexes" are permitted.

#### 4. Expanded Where "Duplexes" are Allowed

- Allowed duplexes in lower density single-family zone districts such as the Residential/Sensitive Resource (RSR) and Single Family Low Density Residential (SFL) zone districts and removed minimum lot size restrictions on duplexes in the Single Family Medium Density Residential (SFM) and Multifamily Medium Density Residential (MFM) zone districts.
- b. Added restrictions on duplexes in the Residential/Sensitive Resource (RSR) and Single Family Low Density Residential (SFL) zone districts so that they do not occupy more than twenty percent of lots in new short plats or subdivisions, which were legally established prior to April 15, 2021.
- c. Added restrictions on duplexes in the Single Family Medium Density Residential (SFM) zone district, so that they do not occupy more than thirty percent of lots in new short plats or subdivisions, which were legally established prior to April 15, 2021.

#### 5. Expanded where "Townhouses and Rowhouses" are Allowed

 Added "Townhouses and rowhouses" as part of a residential planned unit development in the Single Family Medium Density Residential (SFM) and out right in the Multifamily Medium Density Residential (MFM) zone districts.

#### 6. Reduced Zone Districts Where "Single Family Detached Dwellings" are Allowed

a. Removed "single-family detached dwellings" as a permitted use in the Multifamily Medium Density Residential (MFM) zone district after April 15, 2021, except as part of a PUD planned unit development overlay as regulated by TMC 18.36 if the site to be developed has more than one zone district.

#### 7. Expanded Where "Cottage Housing" is Allowed

a. Added "cottage housing" as a permitted use in the Residential/ Sensitive Resource (RSR) zone district provided the use was within one-quarter mile of a public transit

route. The language for access to transit stops was evaluated to determine if it provided for a walkable and reasonable connection.

#### 8. Reduced Minimum Lot Sizes

- a. Lowered the current minimum lot sizes for single-family zone districts in the City.
  - i. In the Single Family Low Density Residential (SFL) zone district, the minimum lot size was lowered from 4,000 to 3,200 square feet.
  - ii. In the Single Family Medium Density Residential (SFM) zone district, the minimum lot size was lowered from 4,000 to 3,200 square feet.

#### 9. Other Changes to Residential Uses

- a. Updated "residential uses" in the General Commercial (GC) zone district to match current code.
- Updated "residential uses" in the Historic Commercial (HC) zone district to match current code, which only allows multifamily dwellings in the Historic Commercial (HC) zone district.
- c. Replaced minimum size for and accessory dwelling unit of 300 square feet with the minimum residential building size in the International Building Code to address "tiny houses."
- d. Added language in the Single Family Low Density Residential (SFL) and Single Family Medium Density Residential (SFM) zone districts that accessory dwelling units may be located a minimum of five feet from a rear property line.
- e. Added language that single-family detached dwellings and duplexes are not allowed in the multifamily high-density residential (MFH) zone district, except as part of a PUD planned unit development overlay as regulated by TMC 18.36 if the site to be developed has more than one zone district.

#### 10. Amendments to Required Off-Street Parking

- a. Eliminated the requirement of 1.0 parking space per dwelling unit for "accessory dwellings" unless there was not sufficient on street parking within 300 feet of the unit.
- Reduced the number of required off street parking spaces required for "designated manufactured home parks" from 2.0 spaces per lot or unit, whichever is greater, to 1.0 spaces per lot or unit, whichever is greater.
- c. Allowed required off street parking spaces for "triplexes", "fourplexes", and "multifamily dwellings" to 1.0 spaces per one to two-bedroom dwelling unit and 1.5

spaces per three- or more bedroom unit if within one-half mile of a transit stop by sidewalk or paved path from 1.5 spaces per one to two-bedroom dwelling unit, 2.0 spaces per three- or more bedroom dwelling units, plus 1.0 guest space for every ten units.

#### VIII. Housing Fee Amendments

In 2019, the City Council approved the Affordable Housing Text and Fee Amendment Work Plans, which included the following actions to reduce development fees:

- 1. Lower, delay, or adjust the timing of development fees, such as impact fees and connection charges, such as:
  - a. Transportation impact fees where there is a nexus between the location of affordable housing and access to transit and after working with the Public Works Department to assess transportation demand in these neighborhoods;
  - b. Park impact fees;
  - c. Water and sewer connection fees; and
  - d. Sewer capacity development charges for permanently affordable housing.
- 2. Exempt emergency housing from impact fees (SHB 2538)
- 3. Expand the multifamily tax exemption program to other areas of the City, such as the Town Center, and the Littlerock Road Subarea, and look at expanding the percentage of permanently affordable units that need to be provided.
- 4. Cut, reduce, or cap fees for nonprofits building permanently affordable housing.
- 5. Reduce fees for private-sector development of permanently affordable homes and units.
- 6. Make infrastructure investments for infill areas needing upgrades with follow-up by City staff to develop potential scenarios with emphasis on areas where affordable housing is most likely to occur.
- 7. Reduce fees for affordable, single-family homes (under 1,500 sq. ft.) and manufactured homes.

Staff was asked to investigate ways to encourage and increase the amount of low-income housing as well as increase the variety of housing available citywide to amendments to regulations and reviewing fees changed for new development.

The City Council's original development code fee amendments work plan was to provide more housing focused in the Brewery District, the Capitol Boulevard Corridor, the Town Center, and

the Littlerock Road Subarea of the City. Staff expanded the area being considered to include residential development throughout the City.

A draft proposal addressing reducing fee amendments for permanently affordable housing was presented to the General Government Committee, City Council, and Planning Commission during spring and summer of 2021. After these discussions, staff prepared the annual fee resolution for approval by the City Council.

The proposal adjusted impact fees, connections charges, and permit fees for permanent lowincome housing and it included a fee reduction for smaller homes as a way to encourage a variety of homes available citywide. Low-income housing is that which is affordable to those making 80% of the median income.

The development fee amendments approved by the City Council included the following:

- Cutting or reducing fees for nonprofits building affordable and low-income housing
- Reducing fees for private-sector development of affordable homes and units
- Reducing fees for private-sector development of affordable, single-family homes (under 1,500 sq. ft.) and manufactured homes

The specific amendments were as follows:

- Transportation impact fee discount if a dwelling is in close proximity to public transit. One-half mile on a sidewalk or paved path is acceptable walking distance to public bus service.
  - 50% discount for permanent low-income housing<sup>1</sup>
- 2. Park impact fee discount if an active park/open space area at least one-half acre in size is included in the development in which the dwelling is being built or the dwelling is within one-half mile of a park at least one-half acre in size.
  - 50% for <u>permanent</u> low-income housing<sup>2</sup>
- 3. Discount for new single family houses less than 1,200 square feet in size in any location.
  - 25% off transportation impact fee and park impact fee

<sup>&</sup>lt;sup>1</sup> Dwelling units (accessory dwelling units and single-family houses up to multifamily development) must meet the federal definition of "Low Income Housing." For example, if a single-family dwelling unit then it must be affordable to those making 80% of the median income. An affidavit must be submitted with the building permit application stating that the home meets the definition of low income and that a deed/title restriction will be placed on the home and recorded so that future sales, rental, or lease of the dwelling unit will also abide by the requirements of this section and be affordable to those making 80% of the median income.

<sup>&</sup>lt;sup>2</sup> The dwelling unit must meet the federal definition of "Low Income Housing." The dwelling unit must be affordable to those making 80% of the median income. An affidavit must be submitted with the building permit application stating that the home meets the definition of low income and that a deed/title restriction will be placed on the home and recorded so that future sales, rental, or lease of the dwelling unit will also abide by the requirements of this section and be affordable to those making 80% of the median income

- Not to be used with any other fee discounts
- 4. Water connection fee discount for permanent low-income housing.
  - 50% for <u>permanent</u> low income housing<sup>3</sup>

*Note: LOTT is considering a pilot Affordable Housing Support Program in 2023 for sewer connections.* 

- 5. Permit fee discount for low-income housing.
  - Discounted fees for building permit and plan review<sup>4</sup>
  - 50% off for permanent low income housing
  - Not to be used with any other fee discounts

#### IX. Rental Housing

As part of the work on Resolution No. R2018-016, the City reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed.

At its March 22, 2022 worksession, the City Council discussed potential actions that the City could undertake alone or on a regional basis to address tenant protection. At the conclusion of that discussion, the City Council asked staff to prepare the three following priority items for further consideration:

- 1) Ordinances to address tenant protections in Title 5 *Business Taxes, Licenses and Regulations*;
- 2) An ordinance to establish a rental registration program in Title 5 *Business Taxes, Licenses and Regulations* to communicate with tenants and landlords about rental regulations and to consider using the program in the future for regular inspections of rental units; and
- 3) A scope for a contract with the Dispute Resolution Center for tenant and landlord conflict resolution services.

<sup>&</sup>lt;sup>3</sup> Single Family, Accessory Dwelling units, and Multi-family housing that meet the federal definition of "Low-income Housing." An affidavit must be submitted with the building permit application stating that the housing meets the definition of low income and that a deed title restriction will be placed on the property and recorded so that future sales or rental/lease of the property will also abide by the requirements of this section and be affordable to those making 80% of the median income.

<sup>&</sup>lt;sup>4</sup> Single family (detached and attached), Accessory Dwelling Units, and multi-family housing that meets the federal definition of "Low Income Housing." The home must be affordable to those making 80% of the median income. An affidavit must be submitted with the building permit application stating that the home meets the definition of low income and that a deed/title restriction will be placed on the home and recorded so that future sales, rental, or lease of the home will also abide by the requirements of this section and be affordable to those making 80% of the median income.

#### A. Washington State Residential Landlord-Tenant Act (RCW 59.18)

Landlords and tenants have legal responsibilities to each other under state law. The Washington State Residential Landlord-Tenant Act (RCW 59.18, RLTA) outlines the rights and responsibilities for landlords and tenants.

<u>Your Rights as a Tenant in Washington State: An Overview</u> prepared by the Northwest Justice Project for the Washington State Attorney General's office is designed to help landlords and tenants gain an understanding of the state rules and regulations affecting housing.

#### B. <u>Washington State Forcible Entry and Forcible and Unlawful Detainer (59.12 RCW)</u>

The Washington State Forcible Entry and Forcible and Unlawful Detainer (RCW 59.12) details the legal process for a landlord to evict a tenant and the steps that need to be followed.

<u>Your Rights as a Tenant in Washington State: An Overview</u> prepared by the Northwest Justice Project for the Washington State Attorney General's office contains a summary of the eviction process under RCW 59.12 in Part 5 Evictions.

#### C. <u>Tumwater's Building and Property Maintenance Code (TMC 15.18)</u>

The City of Tumwater has adopted the International Property Maintenance Code (IPMC). This code establishes basic quality of life standards that property owners must follow and that occupants of buildings should expect. These standards apply to the exterior site as well as the interior of buildings.

The City uses this code to ensure that properties do not become attractive to rodents and pests, a site is safe, basic water and heat are provided to occupants, and interior spaces are not overcrowded, unhealthy, or unsafe.

The City adopted the IPMC by reference. This means that instead of putting all of the rules into the city's code, the City instead refers to the IPMC, which is a separate standalone document that is updated every three years.

#### D. <u>Unfair Housing Practices (TMC 5.70)</u>

It is the policy of the City to assure equal opportunity to all persons to live in decent housing facilities regardless of race, creed, color, religion, ancestry, national origin, citizenship or immigration status (unless authorized by federal or state law, regulation, rule, or government contract), honorably discharged veteran or military status, gender, the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, families with children status, age, marital status, sexual orientation, genetic information, or source of income.

TMC 5.70 prohibits discrimination in housing by any person and establishes civil and criminal penalties for such actions.

#### E. <u>Rental Housing (TMC 5.75)</u>

In the spring of 2022, staff integrated the *Tumwater Housing Action Plan* actions and City work group measures for City Council consideration into a suggested order of priority items to address Action #9 in Resolution No. R2018-016.

The priority item list included actions and potential measures that were amendments to the Tumwater Municipal Code as well as actions and potential measures addressed through education and communication efforts led by the City. For most of the actions and potential measures, staff recommended that the City Council discuss developing a communications strategy to let landlords and tenants know what the City is doing, a schedule for staff to develop and run the programs, and allocate funding for staffing and other costs.

City staff is preparing a communication strategy to let landlords know about the information that landlords are required to distribute to tenants under Ordinance No. O2022-012 *Rental Housing Code* that will become effective April 8, 2023 through a new City website, postcard mailings to landlords, and a social media campaign.

#### 1. Distribution of Information (TMC 5.75.030)

To ensure tenants have the information needed to assist them in both seeking and living in rental housing, TMC 5.75.030 requires landlords to provide tenants with the following specific housing-related information at the time a prospective tenant applies to live in a dwelling unit:

- The landlord's written rental criteria
- Summaries of the unfair housing practices chapter (TMC 5.70), the rental housing code chapter (TMC 5.75), the state RLTA (59.18 RCW), the state Forcible Entry and Forcible and Unlawful Detainer (59.12 RCW), and fair housing laws contained in Renting in Tumwater: A Guide for Landlords and Tenants and Your Rights as a Tenant in Washington State: An Overview prepared by the Northwest Justice Project
- City informational website address

#### 2. Renting in Tumwater: A Guide for Landlords and Tenants

Owners of residential rental property located in the City of Tumwater must provide tenants with the *Renting in Tumwater: A Guide for Landlords and Tenants* and <u>Your Rights as a Tenant in</u> <u>Washington State: An Overview</u> prepared by the Northwest Justice Project to fulfill the requirements of TMC 5.75.030.

The *Renting in Tumwater: A Guide for Landlords and Tenants* summarizes the following City regulations:

- Unfair Housing Practices Code (Tumwater Municipal Code (TMC) 5.70)
- Rental Housing Code (TMC 5.75)
- Rental Housing Registration Code (TMC 5.80)
- International Property Maintenance Code (IPMC) (TMC 15.18)

Landlords and tenants operating within the City have an independent obligation to comply with all federal, state, and local laws. Such laws may not be identical on any particular topic; therefore, all applicable laws should be consulted.

The Guide is for general educational and informational use only. It is not a substitute for the advice of an attorney.

A landlord is required to provide a copy of the Guide to every tenant or prospective tenant when a rental agreement is offered, whether or not the agreement is for a new or renewal agreement.

A landlord is required to provide a copy when the landlord provides notice to a tenant under RCW 59.12.030 Unlawful Detainer Defined.

Where there is an oral rental agreement, the landlord is required to give the tenant a copy of the Guide, either before entering into the oral rental agreement or as soon as reasonably possible after entering into the agreement.

For existing tenants, landlords are required to distribute copies of the Guide to existing tenants within 30 days after the Guide is made available by the City.

After the initial distribution of the Guide to tenants, a landlord is required to provide existing tenants with an updated Guide by the City on an annual basis and when the City updates its housing regulations, which may be in electronic form unless a tenant requests a printed Guide.

#### 3. Rental Property Noticing Requirements

TMC 5.75.030 requires landlords to provide tenants with specific notices as described below.

#### a) Notice of Recurring Fees (TMC 5.75.050)

Recurring, non-refundable fees are required to be in the written rental agreement and clearly specify that the fee is recurring and non-refundable.

If the landlord fails to provide a written rental agreement, the landlord is liable to the tenant for any fees collected as recurring fees and non-refundable. If the agreement fails to specify that the fee is non-refundable, the fee must be treated as a refundable deposit.

#### b) Notices to Increase Rent (TMC 5.75.070)

Any notice of a rent increase must be served in accordance with RCW 59.12.040 and a landlord is required to provide written notice that follows the notice requirements below, unless the fixed lease agreement includes agreed-upon rent increases during the term of the tenancy or agreement:

#### (1) Notices for Rent Increases of Five Percent or Less

Written notice is required a minimum of 60 days prior to whenever the periodic or monthly housing costs will increase by five percent or less.

(2) Notices for Rent Increases of More Than Five Percent, but Less than Ten Percent

Written notice is required a minimum of 120 days prior to whenever the periodic or monthly housing costs will increase by more than five percent but less than ten percent.

#### (3) Notices for Rent Increases of More than Ten Percent

Written notice is required a minimum of 180 days prior to whenever the periodic or monthly housing costs to be charged a tenant will increase by more than ten percent.

#### (4) Rent Increases for Subsidized Tenancies

As required by RCW 59.18.140, if the rental agreement governs a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, written notice is required a minimum of 30 days prior to an increase for rent to each affected tenant.

#### c) <u>Notices to Vacate</u>

The notice requirements provided below apply when premises are rented with monthly or other periodic tenancy.

#### (1) Notices to Tenant When Tenant Displaced

When a tenant is to be displaced because of demolition, substantial rehabilitation, or change of use as defined in TMC 5.75.010, a landlord may only terminate the tenancy by providing written notice to a tenant at least 120 days preceding the end of the month or period of tenancy. The landlord is required to provide a copy of this Guide at the same time.

#### (2) Notices to Tenant for No Cause Termination

Unless otherwise provided under federal or state law applicable to low-income or affordable housing programs, or when a tenant is displaced, a landlord may only terminate a tenancy for no cause by providing the tenant written notice at least 90 days preceding the end of the month or period of tenancy.

Notices that are exempt from the 90-day requirement include three-day notices to pay or vacate, three-day notices for waste or nuisance, or ten-day notices to comply with the terms of the rental agreement or vacate.

#### (3) General Notice to Vacate Requirements

Notices to Vacate are required to comply with RCW 59.12.040 and RCW 59.18.650.

A Notice to Vacate is required to list the name of the tenant and the dwelling unit number.

Proof of any service for Notices to Vacate must be made by the affidavit or declaration of the person providing the notice. When a copy of the notice is sent through the mail, service is deemed complete when such copy is deposited in the United States mail.

#### (4) When Notices to Vacate Do Not Apply

Notices to Vacate do not apply when a landlord:

- Terminates for nonpayment of rent or for other cause allowed by the state Residential Landlord-Tenant Act, RCW 59.18, or the Forcible Entry and Forcible and Unlawful Detainer Act, RCW 59.12; or
- Is required to repair the dwelling unit due to a violation of the "International Property Maintenance Code," TMC 15.18, or other City regulations or if it is found to be either derelict or unfit.

#### d) <u>Compliance and Enforcement</u>

Any new or renewed residential rental agreement in the City entered into after April 8, 2023 is required to include a provision requiring compliance with the provisions outlined in TMC 5.75 Rental Housing.

A landlord is prohibited from engaging in reprisals or retaliatory actions pursuant to RCW 59.18.240 and RCW 59.18.250, including reprisals or retaliatory actions against a tenant's good faith and their lawful rights to organize.

Pursuant to provisions of the state Residential Landlord-Tenant Act (RCW 59.18), landlords may not evict residential tenants without a court order, which can be issued by a court only after the tenant has an opportunity in a show cause hearing to contest the eviction (RCW 59.18.380).

In addition to any other legal defense a tenant may have, it is an additional affirmative defense to an unlawful detainer action that a landlord failed to give a 120-day or 90-day notice to terminate to a monthly or periodic tenant as provided in TMC 5.75.090, with service conforming with RCW 59.12.040, prior to the end of such month or period, unless a different for cause notice period is specifically authorized by law.

Any rental agreement provision which waives or purports to waive any right, benefit, or entitlement created by TMC 5.75 is deemed void and of no lawful force or effect.

#### e) <u>Rebuttable Presumption</u>

If a landlord provides a 90-day notice to vacate under TMC 5.75.090(C), and within 90 days after the tenant vacates the dwelling unit, the landlord commences activity to demolish or substantially rehabilitate or change the use of the dwelling unit, the City will presume that the landlord intended to avoid the 120-day notice to terminate requirement in TMC 5.75.090(B).

To overcome the presumption in TMC 5.75.090(B)(1), the landlord must demonstrate by a preponderance of evidence that the termination was either due to proper cause or, in the case

#### City of Tumwater Affordable Housing Actions April 11, 2023 Page 22

of substantial rehabilitation, that the tenant left the dwelling uninhabitable such that substantial rehabilitation was necessary to rent the dwelling.

#### f) <u>Violations</u>

If a violation of TMC 5.75 occurs, contact the City's Code Compliance team at (360) 754-4200.

#### F. <u>Rental Registration (TMC 5.80)</u>

As part of the work on Resolution No. R2018-016, the City reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed.

Some of the potential *Tumwater Housing Action Plan* actions and City work group measures involved registration of property owners providing rental units as a first step to gather information on number of units and contacts for education and updates on City programs. A list will be needed to make the regulations effective.

#### 1. Intent

The long-term intent of the program is to educate property owners, property managers, and tenants about City housing codes (TMC 5.70 *Unfair Housing Practices* (Ordinance No. O2022-010 (update)), TMC 5.75 *Rental Housing Code* (Ordinance No. O2022-012), TMC 5.80 *Rental Housing Registration* (Ordinance No. O2022-014), and the TMC 15.18 *International Property Maintenance Code* and their rights and responsibilities.

The program could be expanded in the future to require property owners to verify that their properties meet City maintenance codes and standards when registering with the City and then on a regular basis, such as every three years, thereafter.

#### 2. Scope

#### a) <u>Registration</u>

- 1) The program starts by requiring that multifamily residential rental projects of five or more rental units obtain a City business license to operate initially to allow for testing of the program before expansion. Business license applications are \$50 and renewals are \$20 for every business located in the City except non-profit businesses. Long-term rentals are business and occupations tax exempt. Currently 76 multifamily developments in the City have five or more units.
- 2) Once the program is running for licensing multifamily residential rental projects for projects with five or more rental units, the program could be expanded in the future to license all residential rental units in the City regardless of size such as single-family, duplex, triplex, fourplex, or multifamily projects with five or more rental units.
- 3) Property owners are required to have a business license for their property when they first have a residential tenant in the rental space.

- 4) Business licenses are renewed annually.
- 5) There are exemptions from the business license process for uses such as hotels, motels, bed and breakfasts, short-term rentals, and other similar transient lodging, accessory dwelling units, as well as where residence is merely incidental to detention or the provision of medical, religious, educational, recreational, or similar services, including but not limited to adult family homes, educational facilities, residential care facilities, group foster homes, assisted and independent senior housing facilities, convalescent centers, rest homes, nursing homes, prisons, jails, or other correctional facilities, monasteries and convents, mental health facilities, and hospitals. Other uses such as emergency housing, emergency shelters, and transitional housing and publicly owned housing, such as Thurston Housing Authority projects are exempt.

#### b) <u>Education Component – First Phase</u>

- 1) Educate property owners, property managers, and tenants about state and City housing regulations and their responsibilities:
  - i. Residential Landlord-Tenant Act (RLTA) (RCW 59.18)
  - ii. TMC 5.70 Unfair Housing Practices
  - iii. TMC 5.75 Rental Housing Code (Ordinance No. 02022-012)
  - iv. TMC 5.80 Rental Housing Registration Program (Ordinance No. 02022-014)
  - v. TMC 15.18 International Property Maintenance Code
- c) Inspection Component Second Phase, after the first phase is running
  - 1) Recommend that all registered rental properties be inspected when they are initial registered.
  - 2) Recommend that all registered rental properties be inspected at least once every three years thereafter.
  - 3) Recommend that the property owner hire a qualified rental housing inspector or City inspector to do the inspections.
  - 4) Recommend that the City's existing complaint-based code enforcement process for housing code violations continue.
  - 5) If the City were to pursue an inspection program in the future, the costs would have to be evaluated.

#### G. <u>Dispute Resolution Center</u>

The City and Dispute Resolution Center approved a contract in March 2023 for tenant and landlord conflict resolution services.

#### 1. Intent

The intent of the contract is to provide direct City support for the mediation of landlord-tenant disputes by an independent third party (RCW 59.18.315). The Dispute Resolution Center serves this purpose in Thurston County and provides a way to avoid the cost and time of going through the court system.

#### 2. Scope of Services

#### a) Scope of Services

- 1) The Dispute Resolution Center services cover intake and mediation for housing related cases that either does not qualify for the Early Resolution Pilot Program or that come after its end.
- 2) The Dispute Resolution Center provides services as communication issues, conflict or rent-owed issues arise.
- 3) City will pay up to \$50,000 of ARPA funds as part of the contract.

#### X. Other Actions

- A. Work with Tumwater School District and nonprofit partners to house homeless students / families
- B. Continue to participate in homeless count each year
- C. Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness
- D. Pursue grants for affordable housing
- E. Accessory Dwelling Units
- F. Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents
- G. Encourage abandoned houses moving back into the active housing inventory

#### XI. 2025 Comprehensive Plan – Housing Element Update

In 2021, the State Legislature amended the Growth Management Act related to housing in Comprehensive Plans. HB 1220 changed the housing goal to mandate that Comprehensive Plans "plan for and accommodate housing affordable to all economic segments of the population..."

HB 1220 required the Washington State Department of Commerce with providing countywide housing need projections for moderate, low, very low, and extremely low-income households, permanent supportive housing, emergency housing, and emergency shelters. Jurisdictions within a County are collectively responsible for meeting the projected housing needs of each type.

Comprehensive Plans must demonstrate sufficient land capacity to accommodate housing projections at the specific levels of affordability and must address racially disparate impacts, displacement, and exclusion in housing.

Commerce continues to develop guidance and tools to identify housing needs and allocate housing responsibilities across jurisdictions.

The staffs of TRPC, Thurston County, and the cities of Tumwater, Olympia, Lacey, and Yelm have been meeting to discuss HB 1220, the preliminary housing projections, and the process for allocating housing need in a manner similar to how population projections are addressed under the Countywide Planning Policies. That work is expected to be completed by the end of the summer of 2023.

See Appendix 1 *Comprehensive Plan Policies* for the current goals, policies, and actions that support the City's affordable housing plans.

#### **Appendix 1: Comprehensive Plan Policies**

#### A. <u>Housing Element</u>

The applicable goals, policies, and actions of the Housing Element of the Comprehensive Plan that support the City's affordable housing plans are as follows:

Housing Element Goal H-1 states:

To conserve and improve the existing city housing stock and neighborhoods.

Housing Element Policy H-1.1 states:

Assist city neighborhoods in maintaining and rehabilitating the existing housing stock as decent, safe, sanitary, and affordable housing.

Housing Element Policy H-1.2 states:

*Encourage a range of housing, economic development, and community revitalization in the city.* 

Housing Element Policy H-1.3 states:

Promote the conservation of existing communities and community housing goals through the preparation of comprehensive plans and the development review process.

Housing Element Goal H-2 states:

To provide a sufficient number of single family dwelling units, multi-family dwelling units, manufactured homes, and group housing to provide an affordable selection of housing to each economic segment of the Tumwater population.

Housing Element Policy H-2.2 states:

Provide opportunities for a range of housing types to provide for all economic segments of Tumwater's population.

Housing Element Goal H-3 states:

To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

Housing Element Policy H-3.3 states:

Tumwater should assume its "fair share" of housing for low and moderate income groups, in cooperation with other jurisdictions in Thurston County.

Housing Element Goal H-4 states:

To provide adequate opportunities for housing for all persons regardless of age, race, color, national origin, ancestry, sex, sexual orientation, familial status, marital status, ethnic background, source of income use of federal housing assistance, or other arbitrary factors.

Housing Element Policy H-4.1 states:

*Support the inclusion of living opportunities for families with children throughout the city.* 

Housing Element Policy H-4.2 states:

Support and encourage a variety of housing types and price ranges through appropriate policies and regulations.

Housing Element Goal H-6 states:

To promote a selection of housing that is decent, safe, and sound, in close proximity to jobs and daily activities, and varies by location, type, design, and price.

Housing Element Policy H-6.2 states:

Provide for a dynamic mix of residential land uses and zones in order to create a diverse mix of sites available for different housing types.

Housing Element Goal H-8 states:

To support healthy residential neighborhoods which continue to reflect a high degree of pride in ownership or residency.

Housing Element Policy H-8.1 states:

Support the stability of established residential neighborhoods.

Housing Element Goal H-10 states:

To provide housing that is compatible and harmonious with existing neighborhood character through use of innovative designs that enhance the appearance and quality of Tumwater's neighborhoods.

Housing Element Policy H-10.1 states:

Encourage innovation and variety in housing design and development. Tumwater will support efforts to build housing with unique individual character, which avoids monotonous neighborhood appearance.

Housing Element Policy H-10.2 states:

Multi-family residential housing should be subject to design criteria that relate to density, structure bulk, size and design, landscaping, and neighborhood compatibility.

Housing Element Goal H-11 states:

To provide housing to accommodate Tumwater's housing needs in the urban growth area and make the most efficient use of infrastructure and services.

Housing Element Policy H-11.3 states:

Encourage the construction of affordable housing, including cottage housing and accessory dwelling units, within a half mile or twenty minute walk of an urban

center, corridor or neighborhood center with access to goods and services to provide access to daily household needs.

#### B. Land Use Element

The applicable goals, policies, and actions of the Land Use Element of the Comprehensive Plan that support the City's affordable housing plans are as follows:

Land Use Element Goal LU-2 states:

Ensure development takes place in an orderly and cost-efficient manner in order to best utilize available land and public services, conserve natural resources, protect critical areas, preserve open space, and reduce sprawl.

Land Use Element Policy LU-2.3 states:

Encourage innovative land use management techniques such as density bonuses, cluster housing, zero-lot-line development, planned unit developments, and transfer of development rights to create vibrant centers, corridors, and neighborhoods while accommodating growth.

Land Use Element Goal LU-4 states:

Encourage land use patterns that increase the availability of affordable housing for all economic segments of the Tumwater population.

Land Use Element Policy LU-4.2 states:

Encourage innovative techniques for providing affordable housing resulting in an attractive product that will be an asset to the Tumwater community.

Land Use Element Policy LU-4.5 states:

Encourage higher density residential uses in order to provide affordable housing. These uses should blend with the existing character of the community.

#### **Appendix 2: Timeline of Affordable Housing Actions**

- **2017:** The City Council adopted Resolution No. R2018-016 in the summer of 2018, which outlined 18 actions that the City would take to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.
- **2017:** The City Council adopted the multifamily tax exemption (MFTE) program to use residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor and provide more options for affordable housing.
- **2018 2019:** City Council undertook a significant effort from September 2018 to May 2019 to develop Affordable Housing Work Plans.
- **2019:** The City Council expanded the City's MFTE program to the Town Center and the Littlerock Road Subareas to extend affordable housing incentives to meet demand and to provide some level of affordable housing.
- 2019 2021: Work on the Tumwater Housing Action Plan with the Cities of Lacey and Olympia as the next step in the process of trying to increase the amount of affordable housing by identifying specific actions the City should undertake to help facilitate the creation of more affordable housing.
- **2020**: To meet the City Council's goal of exploring regional solutions to homelessness and affordable housing issues, the City worked with the other jurisdictions in the County to establish the Regional Housing Council in 2020. The Regional Housing Council took over the role of Health and Human Services Council and added some additional tasks. The Regional Housing Council considers issues specifically related to funding a regional response to homelessness and affordable housing and coordinating existing funding programs
- **2021:** The City Council adopted housing text amendments to increase the amount residential development to balance they supply and demand for housing.
- **2021:** The City Council adopted housing fee amendments as part of the City's annual fee resolution to reduce development fees, connection charges, and impact fees for permanently affordable housing developments.
- **2021:** The State Legislature amended the Growth Management Act related to housing in Comprehensive Plans. HB 1220 changed the housing goal to mandate that Comprehensive Plans "plan for and accommodate housing affordable to all economic segments of the population..."
- **2022:** The City Council adopted a tenant protection ordinance.
- **2023:** The City Council established rental registration regulations for all multifamily developments of five or more units.
- 2022 2023: MFTE Program status
  - Final approvals were granted for a 12-Year MFTE project in the Littlerock Road subarea with 141 total units, 29 of which are affordable, the rest are market rate.

- Conditional approvals were granted in December 2022 for two 8-Year MFTEs in Brewery District for 119 market rate units.
- Conditional approvals in February 2023 were granted for a 12-Year MFTE in Littlerock Road subarea for 181 total units, and 37 affordable units, the rest are market rate.

# City of Tumwater HOUSING ACTION PLAN



City of Tumwater Adopted September 21, 2021 by Ordinance No. 2021-007

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### **Executive Summary**

The City of Tumwater Housing Action Plan began as a collaborative effort between the Cities of Lacey, Olympia, and Tumwater to develop a Regional Housing Needs Assessment and Housing Gap Analysis, a Landlord Survey, and a draft set of actions to address the gaps identified in the housing gap analysis. The City Council adopted the City's Housing Action Plan to reflect the specific conditions and concerns of the City. The plan is intended to inform the City's Comprehensive Plan policies and development regulations and to guide implementation strategies to help the City meet its housing needs and strategic objectives.

#### What are the Housing Gaps?

The following seven housing gaps were identified through the Housing Needs Assessment:

- 1. Reduce housing costs for low-income and cost-burdened households.
- 2. Increase the overall housing supply.
- 3. Increase the variety of housing sizes and types.
- 4. Increase senior housing options.
- 5. Maintain in good condition and improve the existing housing stock.
- 6. Provide safe, stable options for both renters and homeowners.
- 7. Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

#### How can We Create an Equitable Housing Market?

About one in four Thurston County residents is a person of color, those who are Hispanic or Latino of any race, and those who are any race other than white alone. People of color generally have more people in their household, are less likely to own their own home, have a smaller household income, and are more likely to experience homelessness than their white, non-Hispanic counterparts. Increasing housing equity is not a single action but an overarching theme in this plan. Affordable housing opportunities cannot be created without also reducing housing-related inequities faced by people of

COVID-19 Pandemic and the Housing Action Plan

In response to the outbreak of the COVID-19 pandemic, Governor Inslee issued a series of proclamations and declarations aimed at reducing the spread of the virus in Washington state, including requiring all nonessential workers to stay home and stay healthy and extending a moratorium on evictions to protect renters. As a result, significant changes in the Lacey, Olympia, and Tumwater area occurred, affecting businesses and residents alike.

The City of Tumwater will continue to monitor the impact of the pandemic on housing in the coming months and develop plans for implementing appropriate actions whether included in this plan or not. color. Each strategy in this report includes a discussion of how it, and the actions associated with it, will reduce inequity in our community.

#### **Taking Action Locally**

Since the City Council adopted Resolution No. R2018-016 "Actions to Address Homelessness and Increase Affordable Housing in the City" in the summer of 2018 and approved the 2019 Housing Affordability Text and Fee Work Plans, the City has been working on a number of actions to reduce homelessness, increase affordable housing, and collaborate with other jurisdictions and agencies to explore regional solutions to these issues. A summary of that work may be found in Appendix E *Previous Work*.

The Housing Action Plan builds on the affordable housing work the City has completed to date or that is underway, which was guided by Resolution No. R2018-016 and the 2019 City Council Housing Affordability Text and Fee Work Plans. The Housing Action Plan is the next step in the process of identifying actions to increase the amount of affordable housing in the City. The Plan will consolidate all affordable housing action items into one document that the City will use going forward to support the development of more affordable housing in the City.

The City is actively implementing actions that remove barriers and encourage appropriate housing development. Of the actions considered in developing this plan, the City has already implemented 31 actions, including making strategic investments in infrastructure, reducing setback requirements, relaxing ground floor retail requirements, and simplifying requirements for accessory dwelling units.

In addition to the work the City has already accomplished, this plan identifies a menu of 39 more actions the City will take to address housing gaps, needs, and equity:

- Thirteen actions that help increase the supply of permanent, income-restricted affordable housing.
- Eight actions that make it easier for households to access housing and stay housed.
- Five actions that help expand the overall housing supply.
- Two actions that help increase housing variety.
- Six actions that help the City maintain forward momentum in implementing housing strategies.
- Five actions that help establish a permanent source of funding for low-income housing.

Some of these actions are in the process of development/implementation and some have not been implemented. In addition, actions that were reviewed by the City as part of the development of Plan, but were not included in the final list of actions, may be found in Appendix B *Considered Actions*.

#### Setting a Legislative Agenda

While this plan outlines actions the City can take to address housing gaps, needs, and equity, barriers also exist at the state and federal levels. By far, the largest barrier is a lack of funding for low-income and income-restricted housing, whether it is construction, improvement, rehabilitation, or rental subsidies. Other barriers include condominium liabilities for builders, tariffs on construction materials imported to the United States, and the impact of prevailing wage requirements tied to federal funding for small, non-profit housing developers. Chapter 4 *Legislative Needs* addresses this in more detail.

### Chapter 1. Introduction

Thurston County is one of the fastest growing counties in Washington State. The pressure to ensure all households have affordable access to housing is also growing and it represents a significant challenge for all stakeholders. The challenge to provide sufficient affordable housing is complicated by rising construction costs, insufficient inventory, and a greater need for coordinated responses between jurisdictions.

Since the City Council adopted Resolution No. R2018-016 "Actions to Address Homelessness and Increase Affordable Housing in the City" in the summer of 2018 and approved the 2019 Housing Affordability Text and Fee Work Plans, the City of Tumwater has been working on a number of actions to reduce homelessness, increase affordable housing, and collaborate with other jurisdictions and agencies to explore regional solutions to these issues. A summary of that work may be found in Appendix E *Previous Work*.

In 2019, the Washington State Legislature passed HB 1923 encouraging cities planning under the state Growth Management Act to take actions to increase residential building capacity. These actions include developing a housing action plan "...to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market" (RCW 36.70A.600).

In recognition of the cross-jurisdiction need for affordable housing, the Cities of Lacey, Olympia, and Tumwater chose to collaborate with Thurston Regional Planning Council to develop a Regional Housing Needs Assessment and Housing Gap Analysis, a Landlord Survey, and a draft set of actions to address the housing gaps identified in the gap analysis. The draft set of actions was used as the basis for developing this local Housing Action Plan for adoption by the City Council. The Washington State Department of Commerce provided funding.

The project included four components:

- A regional housing needs assessment.
- A household income forecast to identify future housing needs.
- A survey of landlords and rental property owners to understand rental housing costs better.
- A draft housing action plan framework, to be modified to reflect current conditions and concerns adopted by the City, identifying a menu of actions for the City to implement to encourage development of a housing stock adequate and affordable for current and future residents.

The Housing Action Plan identifies a menu of actions for the City to implement. These actions are intended to encourage development of a housing stock adequate and affordable for current and future residents of all income levels. This information will be used by the City to update the Housing Element of the Comprehensive Plan and the Tumwater / Thurston County Joint Plan covering the urban growth areas in collaboration with Thurston County, as well as the implementing regulations.

Appendix A *Action Details* provides more detailed information on each action, while Appendix B *Considered Actions* lists all the actions considered through the development of this plan. Where appropriate, explanations as to why an action was not included in the plan are provided.

#### **Sources of Actions**

The plan combined data and action ideas from a range of sources. Key sources included:

- Washington State Department of Commerce. Actions identified in Commerce's "Guidance for Developing a Housing Action Plan (public review draft)" were used as a starting point for the action list.
- **Comprehensive Plans.** Staff reviewed housing elements in the City's Comprehensive Plan and those of the cities of Lacey and Olympia for actions to include. See Appendix C *Policy Evaluation Summary* for more information.
- **Development Codes.** Staff reviewed the City's development code and those of the cities of Lacey and Olympia for actions to include. See Appendix D *Regulations Evaluation Summary* for more information.
- Stakeholder Committee. A stakeholder committee that included the Housing Authority of Thurston County, other low-income housing providers, real estate professionals, housing developers (low-income and market rate), and representatives of the Thurston Thrives Housing Action Team reviewed and added to the action list.
- Staff from the Cities of Lacey, Olympia, and Tumwater. City staffs provided feedback on actions that have already been completed or are underway, added actions that were local priorities, and removed actions that were outside of the Cities' authority.
- **Previous City Work on Affordable Housing.** City staff incorporated actions completed, underway, or not yet started from the City Council's 2019 Housing Affordability Text and Fee Work Plans. See Appendix E *Previous Work* for more information.
- **City Elected and Advisory Bodies.** The Mayor, City Council, and Planning Commission reviewed, discussed, and proposed amendments to the Housing Action Plan before adoption.
- **Other Sources.** Outreach was done to additional stakeholders as needed, including Habitat for Humanity, the Low-Income Housing Institute, Northwest Cooperative Development Center, and the Thurston Housing Land Trust.

#### Addressing Housing Gaps and Needs

The Regional Housing Needs Assessment preceded the Housing Action Plan. The Regional Housing Needs Assessment reviewed data available on the region's housing needs and the available housing stock to identify gaps. The most pressing needs identified were the following:



Affordability. Reduce the cost of housing for low-income and cost-burdened households.



Supply. Increase the inventory of housing for all households.



Variety. Increase the variety of housing sizes and types



Seniors. Increase the stock of housing options needed for aging seniors.



**Improvements.** Maintain the existing housing stock, including improving energy efficiency and air quality.



**Stability.** Increase household wealth by providing safe, stable options for rental housing and pathways to homeownership.



**Supportive Housing.** Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

Many actions included in this plan address multiple housing gaps or needs, and each action in this plan identifies which area of need it addresses.

#### Equity in Housing Affordability

Not all households have access to affordable housing. Across Thurston County, people of color, those identifying as Hispanic or a race other than white alone, have lower incomes, are less likely to own their own home, are more likely to be housing cost-burdened, and are more likely to be homeless (Table 1).

Table 1. Metrics for equity in housing.

Metric	Person of Color	White, Non- Hispanic
Cost Burdened Households	37%	31%
Homeowners	52%	66%
People Experiencing Homelessness	~ 4.4 per 1,000	~2.4 per 1,000
Household with an Income Less than \$50,000	41%	33%

Across the United States, including Thurston County and its communities, policies have led to and reinforce housing inequities faced by people of color:

- **Redlining.** Neighborhoods with a large number of people of color were denied access to financing for home improvement and construction. This made it harder for people of color to build financial equity and stay or move out of poverty. While redlining is now illegal, people of color are still more likely to have mortgage applications denied or pay higher interest rates.
- **Zoning.** Zoning regulations explicitly barred racial and ethnic minorities. While this is illegal, zoning regulations today may implicitly bar people of color by placing restrictions on the sizes and types of housing that are affordable and accessible to disadvantaged populations. Zoning that exclusively allows single-family neighborhoods, an estimated 75 percent of all residential-zoned land across major cities in the United States, perpetuates this legacy of barring racial and ethnic minorities.
- **Covenants.** Privately enforced housing covenants used to exclude racial and ethnic minorities from predominantly white neighborhoods. Racial covenants became more common after the United States Supreme Court deemed racial zoning ordinances unconstitutional. Such covenants excluding racial and ethnic minorities are now illegal.

The City can help reverse the disparities caused by these problems by creating more opportunities for affordable housing. The City is also responsible for ensuring that new policies, which are not just around housing, do not exacerbate inequities. Resources like the Government Alliance on Race and Equity's "Racial Equity Toolkit" can help the City incorporate equity considerations in policymaking.

#### How is Equity Addressed in the Plan?

Because creating affordable housing opportunities goes hand-in-hand with reducing housing-related inequities faced by people of color, increasing equity is not a single action but an overarching theme in this plan. Each strategy in this plan includes a discussion of how it and the actions associated with it work to reduce inequity in our community.

An action that promotes affordable housing, especially for the most vulnerable in our community, is an action that will promote equity.

#### **Defining Terms Used**

The following terms are used in this plan.

**Affordable Housing**. Housing for which the household pays no more than 30 percent of its gross income for housing costs, including utilities.

**Income Restricted Housing.** Housing for which the occupancy of the units is restricted to households making 80 percent or less of the area median family income, as defined by the United States Department of Housing and Urban Development.

**Low-Income Housing**. Housing that is affordable for households making 80 percent or less of the area median family income, as defined by the United States Department of Housing and Urban Development. Low-income housing can take the form of income-restricted housing units or subsidized housing. Subsidized housing can take the form of the unit itself being subsidized or the household receiving a housing voucher to subsidize market-rate rent conditions.

**Manufactured Home Park**. A site under single ownership where ground space is made available for mobile homes, manufactured homes, or a combination of the two. Mobile homes and manufactured homes are both factory-built and considered dwellings for habitation rather than vehicles, such as a recreational vehicle. Mobile homes refer to those units that were factory-constructed prior to June 15, 1976, while manufactured homes are units were factory-constructed after that date.

**Permanent Supportive Housing.** Permanent housing intended specifically for chronically homeless and permanently disabled individuals and families. Supportive services, such as medical, mental health, enrichment programs, etc., and case management are available on site or closely coordinated to reduce barriers the inhibit households from accessing such services.

#### Assumptions

Four primary assumptions guided development of this plan:

**Menu of options.** This plan is intended as a menu of actions for the City to implement. Actions that have already been implemented by the City are found in Chapter 2 *Actions Implemented*. Actions that considered by the City, but not implemented are found in Appendix B *Considered Actions*. Actions that can only be taken by other entities are not included in this plan.

**Analysis before implementation.** The City is a unique community with different priorities, development patterns, and resources that changes over time. This plan cannot respond to every future issue and need, but it does provide a framework for the City to consider how best to act. Further analysis on an action should be undertaken to determine how well it would respond to the specific need or gap the City attempts to fill.

**People experiencing homelessness.** This action plan addresses permanent housing solutions. The Thurston County Homeless Crisis Response Plan guides the region's emergency response to homelessness. Although there will be some overlap, this plan is limited to actions that result in or support the creation or preservation of affordable and low-income housing, including permanent supportive housing. Permanent housing is a fundamental part of solving the homelessness crisis our region is experiencing. Despite having a coordinated entry system designed to connect people experiencing homelessness quickly to housing, being responsive to needs is hampered by high housing costs and a lack of housing units.

The City also participates in the newly formed Regional Housing Council with the cities of Lacey, Olympia, and Yelm and Thurston County, created to leverage resources and partnerships to promote equitable access to safe and affordable housing in Thurston County. The Regional Housing Council looks at funding issues for responding to homelessness and housing affordability in the region.

**Addressing household income.** This plan does not address the income side of the housing equation. Attracting living wage jobs, increasing the minimum wage, and other actions affecting a household's income could help make housing more affordable. The City's Economic Development Plan and the Thurston Economic Development Council guide the region's response to economic development, which has a direct impact on household incomes. Although there will be some overlap, this plan is limited to actions that result in or support the creation and preservation of affordable and low-income housing units.

#### **Housing Element Policies**

Appendix C *Policy Evaluation Summary* reviewed the City's current Comprehensive Plan housing policies in the Housing Element for connections to the gaps identified in the housing needs assessment and the status of policy implementation.

All the Housing Element goals, policies, and actions were reviewed and updated as part of 8-year GMA Comprehensive Plan Update in 2016 in Ordinance No. O2016-012. The Housing Element has been amended since the update. The next required eight-year Growth Management update of the Comprehensive Plan is expected to begin in 2022.

The City's housing policies are relevant to the housing needs assessment findings. Some minor adjustments may be appropriate for consideration as part of the 2021 annual Comprehensive Plan amendment docket.

See Appendix C Policy Evaluation Summary for complete details.

#### **Development Regulations**

Appendix D *Regulations Evaluation Summary* reviewed the City's development regulations for connections to the gaps identified in the housing needs assessment.

The City's Development Code is in the process of being reviewed and updated as part of the work on the 2019 Housing Affordability Text and Fee Work Plans.

The City's development regulations are relevant to the housing needs assessment findings. Some adjustments may be appropriate for consideration in a future development code amendment docket.

See Appendix D Regulations Evaluation Summary for complete details.

# Chapter 2. Actions Implemented

As of August 1, 2021, the following 31 actions have been implemented by the City of Tumwater.

- Adopt design standards that assist new forms of high-density housing and promote infill. The City adopted the Citywide Design Guidelines in 2016.
- Allow accessory dwelling units in all residential zones. Accessory dwelling units allow for increased density on existing residential lots.
- Simplify requirements for accessory dwelling units (ex: title notification, owner living on site, etc.). In cooperation with the cities of Lacey and Olympia, the City has developed pre-approved accessory dwelling unit plans free for residents.
- Allow group homes in all residential zones and commercial zones that allow residential uses. Group homes are a source of housing for people with disabilities, seniors, those undergoing treatment for a variety of medical concerns, children in foster care, etc.
- Establish a multifamily tax exemption (MFTE) program. The Multifamily Tax Exemption (MFTE) Program is intended to encourage the construction of new, rehabilitated, or converted multifamily housing within designated areas. MFTE is limited to multifamily units with four or more units. Eligible projects typically receive an eight-year tax break or twelve years if the property owner/developer commits to renting or selling at least 20 percent of the units to households with an income at or below 115 percent of the median family income during the same period. Once the period lapses, the owner/developer is free to rent or sell units at market rate. The City adopted the MFTE program for the Brewery District and Capitol Boulevard Corridor for eight- and twelve-year projects in 2017 and expanded the MFTE program to include the Town Center and Littlerock Road Subarea for twelve-year projects in 2020.
- Make strategic investments in infrastructure expansion to reduce development costs. The City makes a concerted effort to invest in infrastructure expansion where it makes the most sense, thereby reducing development costs and spurring needed development in the right locations. Although the City makes such strategic investments, new development constructs the majority of infrastructure, affecting the overall cost of housing in that development.
- Process short plat applications administratively. Short platting is the division of land into a limited number of lots. Typically, approving land divisions is a legislative function of the City Council. However, state law requires cities to have a short plat process and approve such requests administratively. As of 2021, the City allows administrative approvals of short plats for land divisions of nine or fewer lots, the state's current limit for short platting.
- Recognize modular/manufactured housing as a viable form of housing construction. Since 2004, state law has recognized the value manufactured housing has on housing affordability. Cities must treat manufactured housing the same as it does traditionally built housing and must allow mobile and manufactured homes to locate in existing manufactured home parks.

- Reduce setbacks and increase lot coverage/impervious area standards. The City has reduced setback standards and high increase lot coverage/impervious area standards in residential zone districts.
- Relax ground floor retail requirements to allow residential units. In commercial zones, retail uses are often required on the ground floor for mixed-use developments. The City has never established a requirement for ground floor retail in a mixed-use development.
- **Require minimum residential densities.** The City has required minimum residential densities since the approval of the Growth Management Act.
- With major comprehensive plan updates, confirm land is suitably zoned for development of all housing types. The City is required to include a Housing Element in its Comprehensive Plan. The Growth Management Act requires the Housing Element to include information on the types of housing available in the City and to confirm there is enough land available for such uses. As part of these updates, the City confirms whether the land itself is zoned properly to sufficiently allow the types of units envisioned in the community in the quantities necessary to meet housing needs. The City is undertaking a similar exercise now with Thurston County to update the Tumwater / Thurston County Joint Plan for the urban growth areas of the City.
- **Support compact development.** The City's Comprehensive Plan supports compact urban development to reduce urban sprawl and reduce the costs of public services.
- **Support low-income senior housing.** The City provides property tax and utility fee discounts for low income seniors.
- **Process development applications expeditiously**. The City is subject to deadlines under the GMA for processing housing plat applications. In general, these deadlines are being met. In addition, the City uses a hearing examiner for hearings related to larger new development projects and subdivisions, taking the politics out of these decisions and administratively approves final plats, reducing approval time.
- **Support transit oriented development** The City is served by public transit, operated by Intercity Transit. Public transit is an important component of affordable housing because parking requirements can be reduced, reducing construction costs, and income not spent on buying and maintaining vehicles means more of that income is available for housing.
- **Support place making.** According to TRPC's Urban Corridors Task Force (Dec 2011 report), place making is an important element of attracting high-density housing along urban corridors. The City is engaged in extensive place making such as restoration of the Historic Brewhouse and construction of the Deschutes Valley Trail to attract high-density residential development to the Brewery District and along Capitol Blvd.
- Use design guidelines to manage higher intensity uses. The City has adopted design guidelines for higher density housing to better integrate new development into existing neighborhoods.
- **Regional Housing Council.** In addition to these actions, the City is also taking advantage of a local revenue-sharing program established by <u>HB 1406</u>, which allows the cities to receive a portion of the State's existing sales and use tax to fund affordable housing programs and services. The cities of Lacey, Olympia, Tumwater, and Yelm and Thurston County pool their resources with guidance from the Regional Housing Council to help pay for housing supportive services.

- Provide funding for renovating and maintaining existing housing that serves low-income households or residents with disabilities. The City has implemented this action through funding to nonprofits, CDBG funding, and work through the Regional Housing Council.
- Offer density bonuses for low-income housing. The City implemented this action through Ordinance No. O2020-005 Housing Affordability Text Amendments.
- Rezone manufactured home parks to a manufactured home park zone to promote their preservation. The City has implemented this action through Ordinance O2008-009, which established the Manufactured Home Park (MHP) zone district in the City.
- Offer developers density and/or height incentives for desired unit types. The City implemented this action through Ordinance No. O2020-005 Housing Affordability Text Amendments.
- Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes. The City implemented this action through Ordinance No. 02020-005 Housing Affordability Text Amendments. The City needs to see how things work under Ordinance No. 02020-005 before proposing additional changes.
- Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types. The City has implemented this action in the Brewery District and Capitol Boulevard Corridor, specifically the WSDOT property.
- **Reduce minimum lot sizes.** The City implemented this action through Ordinance No. O2020-005 Housing Affordability Text Amendments.
- Expand the multifamily tax exemption to make it available in all transit corridors. The City has implemented this action. Ordinance No. O2017-004 established the multi-family tax exemption program at the City. Resolution No. R2017-002 established the Brewery District and the Capitol Boulevard Corridor as the initial target areas. Following the 2019 Housing Affordability Work Plan Development Fee Amendment 3) *Expand the multifamily tax exemption program to other areas of the City, such as the Town Center, and the Littlerock Road Subarea, and look at expanding the percentage of permanently affordable units that would need to be provided, Resolution No. R2019-022 expanded the target areas to include the Littlerock Subarea and the Town Center.*
- With major comprehensive plan updates, confirm land is suitably zoned for development of all housing types. The City has implemented this action as part of every required eight-year GMA Comprehensive Plan update.
- Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc.). The City implemented this action through Ordinance No. O2020-005 Housing Affordability Text Amendments.
- Allow more housing types in commercial zones. The City has implemented this action. The City currently allows residential development in all commercial and mixed-use zone districts.
- Allow single-room occupancy (SRO) housing in all multifamily zones. The City has implemented this action. The City currently allows single-room occupancy in all multifamily zone districts.

## Chapter 3. Local Actions

#### Local Actions to be Undertaken by the City

This chapter discusses the specific local actions that the City of Tumwater will be implementing as part of the Housing Action Plan.

The Housing Action Plan identifies six strategies for addressing housing needs in the City:

- 1. Increase the supply of permanent, income-restricted affordable housing.
- 2. Make it easier for households to access housing and stay housed.
- 3. Expand the overall housing supply by making it easier to build all types of housing projects.
- 4. Increase the variety of housing choices.
- 5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
- 6. Establish a permanent source of funding for low-income housing.

Thirty-nine actions are associated with one of the six strategies in the Housing Action Plan, and each action is associated with filling one or more of the seven gaps identified in the Housing Needs Assessment:



Affordability. Reduce the cost of housing for low-income and cost-burdened households.



Supply. Increase the inventory of housing for all households.



Variety. Increase the variety of housing sizes and types



Seniors. Increase the stock of housing options needed for aging seniors.



**Improvements.** Maintain the existing housing stock, including improving energy efficiency and air quality.



**Stability.** Increase household wealth by providing safe, stable options for rental housing and pathways to homeownership.



**Supportive Housing.** Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

#### **Table of Actions**

The table of actions associated with each strategy includes key information to know:

- Gaps or needs addressed by the action (as indicated by the above icons)
- Implementation status for the City, as represented by the following symbols:



**The action is pending** – the City has begun the work necessary to implement the action, but it is not yet fully implemented.



**The action will be considered** – the <u>City will consider the work necessary to implement</u> the action, but the work has not been scheduled.

Detailed information on each action is provided in Appendix A *Action Details*. For a complete list of actions considered as part of the development of this plan, see Appendix B *Considered Actions*.

Neither the strategies nor the actions associated with them are in in priority order. Not all actions will be implemented by the City, and actions that can only be taken by other entities are not included in this plan.

#### **Effort to Implement**

**High** – Action would require significant resources to implement (funding, staff, political effort, etc.)

**Medium** – Action would require moderate resources to implement (funding, staff, political effort, etc.)

Low – Action would require few resources to implement (funding, staff, political effort, etc.)

N/A – Action not applicable to the City

#### **Effect on Housing Supply**

**High** – Action would result in a significant increase in desired housing units

**Medium** – Action would result in a moderate increase in desired housing units

Low – Action would result in a small increase in desired housing units

N/A – Action not applicable to the City

#### Strategy 1: Increase the Supply of Permanent, Income-Restricted Affordable Housing.

Strategy 1 includes actions that increase the supply of housing affordable to low-income households (those making 80 or less percent of the area median family income) and actions that support the providers of low-income housing.

#### Why is this strategy important?

Demand for housing is straining the limited supply of affordable options. For households with the lowest incomes, such as those headed by a retail clerk, a home health aide, or a childcare provider, market rate housing is unlikely to be an affordable option. For these households, even home maintenance costs, let alone rent or mortgage payment costs, can be unaffordable.

#### How do these actions reduce housing costs?

Increasing opportunities for developing housing affordable to households with the lowest incomes increases housing affordability for these households. The need is great: according to the needs assessment, about 11,700 households in the Cities of Lacey, Olympia, and Tumwater have an income of 50 percent or less of the median family income. Another 7,500 households in the same category are anticipated over the 25 years.

Reducing the cost of renting and owning a home are both part of the solution. For households looking towards homeownership, the up-front costs associated with purchasing a home can put this option out of reach. Low-income households, however, can benefit from the stabilization in housing costs owning a home offers, in general, monthly mortgage payments stay the same over 30 years while monthly rent payments increase.

These actions also address the need for permanent supportive housing. For people moving out of emergency housing situations, such as a homeless shelter, permanent supportive housing provides not only affordable housing but also access to health and social services. These services build stability and decrease the likelihood residents experience homelessness again.

#### How do these actions address equity?

People of color (Figure 1) disproportionately head the lowest income households in Thurston County. The same is true for people experiencing homelessness. Permanent, income restricted housing directly benefits both of these populations by providing affordable, stable housing options. Housing affordable to households with the lowest incomes can be rental or owner units, both of which help stabilize households. Programs that expand homeownership opportunities can significantly improve a household's wealth; this is especially important to addressing inequities for households of color stemming from historical policies like redlining and zoning.





**NOTE:** In the figure above, householders who are Latino or Hispanic are only represented in "Hispanic of Any Race." Source: U.S. Census Bureau American Community Survey

perma	ngy 1: Increase the supply of anent, income-restricted lable housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
1.a.	Donate or lease surplus or underutilized jurisdiction- owned land to developers that provide low-income housing and establish a process for accepting or coordinating the acceptance of land donations from others this action. Gaps/Needs Addressed:	B	Μ	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled. While the City does not have any land to donate for housing that is not already committed to other uses, the City could accept or coordinate the acceptance of land donations from others this action.	<ul> <li>Time for staff to develop and manage a program.</li> </ul>
1.b.	Where a Planned Unit Development is used for residential development, consider requiring a portion of the housing be low- income housing.Gaps/Needs Addressed:Image: Complexity of the transformation of the housing be low- income housing.Image: Complexity of the transformation of the housing be low- income housing.Image: Complexity of the housing be low- income hous		Н	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>

#### Table 2. Strategy 1: Increase the supply of permanent, income-restricted affordable housing.

perma	gy 1: Increase the supply of nent, income-restricted able housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
1.c.	Adopt a "Notice of Intent to Sell" ordinance for multifamily developments. <i>Gaps/Needs Addressed:</i>	ШÖ	н	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>
1.d.	Provide funding for the Housing Authority of Thurston County and other non-profit organizations to buy income-restricted units proposed to be converted to market rate housing. <i>Gaps/Needs Addressed:</i>		н	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled. Could be part of the Regional Housing Council discussions as well.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> </ul>

perma	gy 1: Increase the supply of anent, income-restricted able housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
1.e.	As part of Comprehensive Plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households. <i>Gaps/Needs Addressed:</i>	Шð	М	L	The City will consider the work necessary to implement the action, but the work has not been scheduled. It is important to recognize that sometimes impacts are unavoidable when trying to balance multiple priorities, such as implementation of the Thurston Climate Mitigation Plan, Building Code updates, and the Housing Action Plan.	<ul> <li>Additional time for staff to include such reviews during the preparation of amendments to the Comprehensive Plan and the development code.</li> </ul>
1.f.	Provide funding for low- income and special needs residents to purchase housing through community land trusts. Gaps/Needs Addressed:	Шð	Н	L	The City will consider the work necessary to implement the action, but the work has not been scheduled. This should be explored on a regional level through the Regional Housing Council, nonprofits, and whether the HATC could do this.	• Funding through the City Council's biennial budgeting process.

perma	gy 1: Increase the supply of anent, income-restricted able housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
1.g.	Offer and/or expand fee waivers for low-income housing developments. <i>Gaps/Needs Addressed:</i>	(Ì)	н	М	The City has begun the work necessary to implement the action, but it is not yet fully implemented as part of Ordinance No. 02021-001 Housing Affordability Fee Amendments.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>
1.h.	Encourage low-income housing units as part of new developments.	E	Η	Η	The City will consider the work necessary to implement the action, but the work has not been scheduled. This could be required if the residential market can support it. As a requirement, there is concern that it could negatively affect new residential developments. This could also consider allowing density bonuses in the Single Family Medium Density Residential (SFM) zone district for permanent low-income housing in the form of triplexes and quads. In a related discussion, the Planning Commission suggested considering removing "single-family" and "multifamily" from residential zone district titles.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>

Strategy 1: Increase the supply of permanent, income-restricted affordable housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
<ul> <li>1.i. Fund development projects that increase low-income housing through grants or loans.</li> <li>Gaps/Needs Addressed:</li> <li>Image: Image: Image:</li></ul>	(ĨX)	Н	Μ	The City is currently implementing this action through funding to nonprofits, CDBG funding, and work through the Regional Housing Council. Need to document what is done with City of Tumwater funds.	<ul> <li>Time for staff to manage the annual reporting for such projects.</li> </ul>

Strategy 1: Increase the supply of permanent, income-restricted affordable housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
<ul> <li>1.j. Establish a program to preserve and maintain healthy and viable manufactured home parks.</li> <li>Gaps/Needs Addressed:</li> <li>Image: Image: Image:</li></ul>	ШÖ	М	М	The City will consider the work necessary to implement the action, but the work has not been scheduled. Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 6) Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy. The City has discussed how to get manufactured home parks into a land trust arrangement and inventorying existing manufactured home parks in the City to develop a list of needs.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> <li>Time for staff to manage the annual reporting for such projects.</li> </ul>

perma	gy 1: Increase the supply of nent, income-restricted able housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
1.k.	Enhance enforcement of property maintenance codes to keep housing in good repair. Gaps/Needs Addressed:	( E E	Н	Μ	The City is currently implementing this action and may look at moving beyond the current complaint driven process, to consider periodic inspections of rental property such as mold/vermin inspections. Suggest starting as a voluntary program. Review City of Lacey and City of Aberdeen's programs.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>
1.1.	Partner with low-income housing developers (such as Habitat for Humanity) to expand homeownership opportunities. <i>Gaps/Needs Addressed:</i>	(A)	Μ	Μ	The City is currently implementing this action through funding to nonprofits, CDBG funding, and work through the Regional Housing Council.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

Strategy 1: Increase the supply of permanent, income-restricted affordable housing.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
<ul> <li>1.m. Extend public water and sewer to unserved areas to allow infill development in underdeveloped areas.</li> <li>Gaps/Needs Addressed:</li> <li>Image: Image: I</li></ul>		Η	Μ	The City Council's 2019 Housing Affordability Fee Amendment Work Plan included the item "making infrastructure investment for infill areas needing upgrades." The Comprehensive Plan describes where the City expects, and is trying to direct, growth over the next twenty years. The private sector has traditionally done utility extension and upgrades as areas grow. For infill development, the City could invest to promote development in areas where new housing is desired, but upgrades to infrastructure, such as utilities and sidewalks, would be needed to support it.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>New funding source will need to be confirmed and may not be from ratepayers.</li> <li>Time for staff to develop and run such a program.</li> <li>Amendments to the Comprehensive Plan Lands for Public Purposes and Transportation Elements</li> <li>Amendments to the priorities of the Capital Facilities Plan</li> </ul>

#### Strategy 2: Make It Easier for Households to Access Housing and Stay Housed.

Strategy 2 actions address housing stability by preventing evictions and displacement and creating opportunities to build financial equity through homeownership.

#### Why is this important?

Housing stability is an important component of housing affordability. When households face housing insecurity due to income or other issues, there can be a fine line between being housed and being homeless. Evictions and foreclosures are both destabilizing and can lead to long-term poverty. These events also make it more likely a household will experience homelessness.

#### How do these actions reduce housing costs?

For housing service providers, preventing homelessness in the first place is more cost-effective than housing someone experiencing homelessness. Households that can avoid evictions and foreclosures also avoid likely increases in their monthly housing costs, if they are even able to find a new home to live in. For renters, this can also include application fees, deposits, and other costs associated with finding new rental housing.

#### How do these actions address equity?

People of color are more likely to rent (Figure 2) and more likely to have a lower income than their white, non-Hispanic counterparts. This makes them particularity vulnerable to eviction when rent increases exceed their ability to pay. This concern is reflected in the population experiencing homelessness, which are also disproportionately people of color.





Source: U.S. Census Bureau American Community Survey

Homeownership is an important way for a household to build financial equity, move people out of poverty, and create generational wealth. Creating these opportunities for people of color, who were historically denied access to mortgages and loans, is particularity important.

#### Table 3. Strategy 2: Make it easier for households to access housing and stay housed.

		Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
2.a.	Have developers provide tenants displaced by redevelopment with relocation assistance. <i>Gaps/Needs Addressed:</i>	8	Н	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled. More details would need to be provided for the action. It may be best implemented through funding to nonprofits, CDBG funding, and work through policies from the Regional Housing Council.	<ul> <li>Funding for displacement assistance from developers.</li> <li>Funding for running program through the City Council's biennial budgeting process</li> <li>Time for staff to develop and run such a program.</li> </ul>
2.b.	Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the- job-training. <i>Gaps/Needs Addressed:</i> 	ШÖ	Μ	L	The City will consider the work necessary to implement the action, but the work has not been scheduled. The City would like to see how to get more people into the building trades to help alleviate the labor shortage. Furthermore, the City could ask EDC to focus on helping people who want to start a construction company.	<ul> <li>Funding through the City Council's biennial budgeting process</li> <li>Time for staff to develop and run such a program.</li> </ul>

house stay he	Strategy 2: Make it easier for households to access housing and stay housed. Action		Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
2.c.	Adopt short-term rental regulations to minimize impacts on long-term housing availability. Gaps/Needs Addressed:	B	Н	L	The City will consider the work necessary to implement the action if we start to see a problem, but the work has not been scheduled. Consider requiring on site ownership for accessory dwelling units used as short- term rentals.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> <li>Time for staff to develop and run such a program.</li> </ul>
2.d.	Support down payment assistance programs for homeownership and programs that assist people entering the rental market. <i>Gaps/Needs Addressed:</i>		Н	Μ	The City will consider the work necessary to implement the action if we start to see a problem, but the work has not been scheduled. While it is beyond the financial capacity of the City to manage such programs and it would be better as state or regional programs, the City could support regional programs with non-profit management.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for staff to develop and run such a program.</li> </ul>

house	egy 2: Make it easier for cholds to access housing and housed. n	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
2.e.	Identify and implement appropriate tenant protections that improve household stability. <i>Gaps/Needs Addressed:</i> 	(XX)	Η	Μ	The City has begun the work necessary to implement the action, but it is not yet fully implemented as part of Rental Housing Amendments. Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 9) Enact policies to protect tenants experiencing housing instability under B) Boost Housing Affordability – Actions to increase affordable housing to address this action. Tenant protections can mean putting a burden on small owners, who often are unable to afford to subsidize their rental property. Start this program with larger rental properties.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>
2.f.	Develop a technical assistance or education program for small landlords. Gaps/Needs Addressed:	що	Μ	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

house	gy 2: Make it easier for holds to access housing and oused.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
2.g.	Assist non-profits in the process of acquiring mobile home parks to turn them into public trusts so that lot rental fees can be controlled. Gaps/Needs Addressed:		Η	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>
2.h.	Fund an energy assistance program for rental housing/make landlords do upgrades when the unit is sold. <i>Gaps/Needs Addressed:</i>	E	Μ	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

### Strategy 3: Expand the Overall Housing Supply by Making It Easier to Build All Types of Housing Projects.

Strategy 3 includes actions that streamline the development and construction of market rate housing, both owner and renter-occupied homes.

#### Why is this important?

Between 2020 and 2045, the population of the Cities of Lacey, Olympia, and Tumwater and their urban growth areas is projected to increase by over 60,000 people. This growth will require nearly 30,000 new housing units. When demand for housing is high, as it is now, but supply remains low, housing costs increase, reducing affordability. The increase in costs affects both renters, and those looking to buy.

#### How do these actions reduce housing costs?

The Housing Needs Assessment showed that we would likely see a growth of households in all income categories, from the lowest earning ones to those earning well above the median income. This will require the construction of housing affordable to a wide range of incomes.

Expanding the housing supply also means people can find housing better suited to their needs. For example: high prices for condos and rentals means empty nesters who want to downsize are more likely to stay in their single-family home. A young family looking to buy their first home may continue to rent or pay more than 30 percent of their household income on a mortgage if home sale prices are too high.

#### How do these actions address equity?

When demand for housing is high but supply remains low, housing costs rise, decreasing affordability. Those with the lowest incomes, who are disproportionately people of color, are most affected. Rising rents are correlated with increased evictions and homelessness.

Rising home prices mean homeownership, a way for disadvantaged households to build equity, becomes more difficult. Increasing costs can also lead to cultural displacement as people move to new neighborhoods that lack the businesses and institutions important to their community. While this process may be voluntary, it can be destabilizing for communities of color. When higher income households, those that can afford to rent or purchase at market rates, find housing that better meets their needs and budgets, more units are freed up that lower income households can afford. Expanding the overall housing stock also slows the rent/housing price increases that disproportionately affect people of color.

Market rate housing alone will not address the needs of the most disadvantaged populations, and pressure to develop market rate housing in communities of color can cause displacement. Strategy 1 includes actions to increase the supply of housing for the lowest-income households while Strategy 2 includes actions to make it easier for households to access housing and stay housed.

Table 4. Strategy 3: Expand the overal	l housing supply by making it easier	to build all types of housing projects.
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housin	gy 3: Expand the overall ng supply by making it easier to Ill types of housing projects.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
3.a.	Lower transportation impact fees for multifamily developments near frequent transit service routes. <i>Gaps/Needs Addressed:</i> $\underbrace{}^{\text{res}}$	( <u>x</u> )	Η	М	The City has begun the work necessary to implement the action for low-income households, but it is not yet fully implemented as part of Ordinance No. O2021-001 Housing Affordability Fee Amendments. Discuss with Intercity Transit.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>
3.b.	Allow deferral of impact fee payments for desired unit types. <i>Gaps/Needs Addressed:</i>	( <u>x</u> )	Μ	L	The City has begun the work necessary to implement the action, but it is not yet fully implemented as part of Ordinance No. O2021-001 Housing Affordability Fee Amendments.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>

Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects. Action	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
<ul> <li>3.c. Maximize use of SEPA threshold exemptions for residential and infill development.</li> <li>Gaps/Needs Addressed:</li> <li>Image: Image: Image:</li></ul>	ζ X	Η	Μ	The City has begun the work necessary to implement the action in support the City's affordable housing goals of raising the SEPA categorical exemption thresholds for multifamily residential development from 25 to 60 multifamily residential units to reduce duplicative environmental review. Ordinance No. O2017-008 raised the SEPA exemption level for short plats to the maximum allowed by state law (9 lots) and to 25 for multifamily dwelling units. Ordinance No. O2019-022 raised the SEPA exemption level for multifamily dwelling units to the maximum allowed by state law (60 for multifamily dwelling units). Focus on reviewing SEPA exemptions and planned actions that support residential development in the Brewery District, Capitol Boulevard Corridor, and Town Center.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Revise TMC Chapter 15.48 <i>Transportation Concurrency Requirements</i> to allow for review of traffic impacts and ensure concurrency.</li> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> <li>Consider reviewing SEPA exemptions that support residential development in the Brewery District, Capitol Boulevard Corridor, and Town Center.</li> <li>Align with MFTE program.</li> </ul>

housin	gy 3: Expand the overall g supply by making it easier to Il types of housing projects.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
3.d.	Continue to look for place- making opportunities along urban corridors. <i>Gaps/Needs Addressed:</i>	ШÖ	L	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Time for staff to develop and run such a program.</li> <li>Funding through the City Council's biennial budgeting process.</li> </ul>
3.e.	Mix market rate and low- income housing to avoid creating areas of concentrated low-income housing. <i>Gaps/Needs Addressed:</i>	ШÖ	L	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>

#### Strategy 4: Increase the Variety of Housing Choices.

Strategy 4 actions address way to increase the variety of housing options, including duplexes, triplexes, accessory dwellings, and other housing forms that are not as common in the Cities of Lacey, Olympia, and Tumwater.

#### Why is this important?

Household sizes in Thurston County have gotten smaller, an average of 2.5 people per household today. There are more single-parent families and householders living alone. As household formation and composition have changed over time, so have their housing needs. Increasing the variety of housing types allows households more choices and creates a dynamic housing market better able to meet the needs of people living in the Cities of Lacey, Olympia, and Tumwater.

#### How do these actions reduce housing costs?

"Middle density" housing, a small part of the Cities of Lacey, Olympia, and Tumwater's current housing stock, is an important part of an affordable housing strategy. Middle density housing includes small multifamily housing (duplexes and triplexes), attached townhomes, cottage housing, and accessory dwellings. Per unit costs tend to be lower than single-family homes, because the homes are smaller and developers can benefit from economies of scale. Per unit costs are also less than high-density multifamily because they are stick built (they do not require structured parking or other concrete and steel structures) and are typically in neighborhoods with existing infrastructure. This leads to lower costs for both homeowners and renters (Figure 3).

Diversifying the housing stock also recognizes that households are unique and have a wide range of housing needs. This is particularly true as our population ages. Middle density housing provides seniors a way to downsize while remaining in the neighborhoods they love.





Source: Washington State Department of Commerce, Housing Memorandum: Issues Affecting Housing Availability and Affordability (2019), p. 85. <u>https://deptofcommerce.app.box.com/s/npwem3s3rvcsya15nylbroj18e794yk7</u>.

#### How do these actions address equity?

Increasing the variety of housing options provides more affordable housing options for low-income households, who are disproportionately people of color. Middle density housing can be both rental and owner-occupied. Affordable owner-occupied units would be a potential way to build financial equity.

Middle density housing also expands the housing options available in predominantly single-family neighborhoods, leading to a mix of household incomes. This allows low-income households to access some of the resources, such as better school districts or healthier neighborhoods, available to higher-income households.

#### Table 5. Strategy 4: Increase the variety of housing choices.

	gy 4: Increase the variety of ng choices.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
4.a.	Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity of existing residential neighborhoods. Gaps/Needs Addressed:		Η	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>
4.b.	Strategically allow live/work units in nonresidential zones. <i>Gaps/Needs Addressed:</i>	8	Μ	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to review and develop ordinance updating development code.</li> <li>Time for the Planning Commission to review and the City Council to review and approve an ordinance.</li> </ul>
# Strategy 5: Continually Build on Resources, Collaboration, and Public Understanding to Improve Implementation of Housing Strategies.

Strategy 5 actions recognize the need for the Cities of Lacey, Olympia, and Tumwater to engage with the community and establish strong partnerships with affordable housing providers to address housing affordability.

#### Why is this important?

While the City does not build or manage low-income housing, the policies they enact can affect how much housing can be built and at what cost.

#### How do these actions reduce housing costs?

By establishing partnerships and collaborations with organizations who serve low-income households, the City can ensure that they are directing their resources and enacting policies that best serve low-income households.

For some, changes brought on by growth and new development in their established neighborhoods can be seen as difficult. As a result, residents may support more affordable housing while at the same time seek to prevent actions needed to increase affordable options. By also engaging with the community, the City can build a shared understanding of the challenges faced by low-income households and develop informed consent around the strategies needed to increase housing affordability.

#### How do these actions address equity?

Building public understanding around the challenges faced by low-income households includes recognizing the historical reasons why they are disproportionately people of color.

The people who typically engage in public review processes, especially land use processes, are often white and of higher income. Developing relationships with organizations that work with or represent communities of color and disadvantaged groups can help the City better:

- Identify who benefits or is burdened by an action.
- Examine potential unintended consequences of taking an action.
- Mitigate unintended negative consequences of taking an action.
- Build in strategies to advance racial equity.

Proactive efforts to ensure engagement in decision-making processes are broadly inclusive and grounded in achieving equity is necessary. With broader input representative of the whole community, decisions are better balanced and actions the City take can be more successfully implemented in an equitable fashion.

Inviting and bringing in people of all walks of life into the community conversation provides the most direct. Collaborating with leaders of disadvantaged populations can help make this happen and ensure government action does not increase inequities faced by people of color.

resou under	-	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
5.a	Conduct education and outreach around city programs that support affordable housing. <i>Gaps/Needs Addressed:</i> $\overleftarrow{}$	8	Μ	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled. Need to define clearly the purposes and expected outcomes of such programs. Begin by clearly defining the purposes and expected outcomes of programs and use trained volunteers were possible.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>
5.b.	Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues. Gaps/Needs Addressed:	ШÖ	Η	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled. It would be good to have an ombudsperson resource for renters established through the Regional Housing Authority or another regional organization. Use trained volunteers were possible.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

Table 6. Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.

Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
<ul> <li>5.c. Identify and develop partnerships with organizations that provide or support low-income, workforce, and senior housing as well as other populations with unique housing needs.</li> <li>Gaps/Needs Addressed:</li> <li>Image: Compare the sector of the sector</li></ul>	(X)	Μ	Μ	The City has begun the work necessary to implement the action through partnerships with low-income housing providers and work through the Regional Housing Council.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

resou under	-	Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
5.d.	Establish a rental registration program to improve access to data and share information with landlords. Gaps/Needs Addressed: Gaps/Needs Addressed:         Image: Comparison of the system         Image: Comparison of the system	(X)	Н	L	The City has begun the work necessary to implement the action, but it is not yet fully implemented as part of Rental Housing Amendments. Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 9) Enact policies to protect tenants experiencing housing instability under B) Boost Housing Affordability – Actions to increase affordable housing to address this action. This may be best considered as a regional action. A rental registration program will give the City a way to educate landlords about issues.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>
5.e.	Partner with a public or private developer to build a townhouse or row house demonstration project. <i>Gaps/Needs Addressed:</i>	E	Н	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

resou undei		Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
5.f.	Track data on affordable housing at the regional level. Gaps/Needs Addressed:	ШÖ	L	L	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

### Strategy 6: Establish a Permanent Source of Funding for Low-Income Housing.

The actions address the need to increase funding for low-income housing and to provide a regional strategy for distributing funds.

#### Why is this important?

While the private sector will build most of the housing needed to meet demand in the Cities of Lacey, Olympia, and Tumwater, a significant portion of households earn less than 80 percent of the median area income. Paying market rate rents or mortgages may not be affordable for them (Table 7).

HUD Income Limit* for a:	Yearly Income	Hourly Wage (Full Time)**	Monthly Rent or Mortgage Payment
2-Person Family			
Extremely Low Income (30%)	\$20,800	\$10.00	\$500
Very Low Income (50%)	\$34,700	\$16.70	\$900
Low Income (80%)	\$55,500	\$26.70	\$1,400
4-Person Family			
Extremely Low Income (30%)	\$26,200	\$12.60	\$700
Very Low Income (50%)	\$43,350	\$20.80	\$1,100
Low Income (80%)	\$69,350	\$33.30	\$1,700

Table 7. Maximum rent and housing costs at various income levels, 2020.

**NOTE:** \*For 2020, HUD income limits are based on a median family income of \$86,700 for Thurston County. Assumes 3.5 percent fixed interest rate over a 30-year mortgage. Costs do not account for other housing-related expenses such as utilities, property taxes, and insurance.

\*\*Assumes one household member works full time at 40 hours per week.

#### Source: Thurston Regional Planning Council

Whether you are a nonprofit or a for-profit developer, there are real costs to consider in making a development project feasible. Table 8 provides an example of the monthly costs associated with developing a 100-unit apartment complex. This example is intended to give readers an idea of the costs associated with multifamily development; actual numbers for a real project will vary based on variety of factors.

Overall, each apartment unit costs \$250,000 to develop and includes acquiring land, engineering and architectural fees, environmental review, appraisals, city fees, construction costs, etc. Most developers do not have the cash to develop a project without financing. Some may not have funds for even a down payment to qualify for the development loan. Developers must also consider the ongoing costs once the development is up and running, costs for managing the property, taxes, and insurance, reserving funds for basic and more extensive repairs, etc. Monthly costs per unit could be \$1,695 just to cover the

financing and ongoing operating costs; this does not take into account any profit, just the cost to break even on the project and ensure the developer does not lose any money.

If a non-profit developer has the down payment covered through grant funding (about 25 percent of the total project cost), the cost can be reduced to \$1,395 per month. If the non-profit developer were able to obtain grant funding for the total cost of development, the developer would still need about \$500 per unit per month to cover maintenance and operation costs. For households with extremely low incomes, those making less than \$21,000 per year, this is a hard ask.

	Per Unit Cost – Not Grant Funded	Per Unit Cost – 25% Grant Funded	Per Unit Cost – 100% Grant Funded
<b>Total Cost of Development</b> Covers the total cost of development including land acquisition, engineering and architectural fees, environmental reports, appraisals, city fees, construction, etc.	\$250,000	\$250,000	\$250,000
Monthly Cost for Down Payment Financing approximately 25% of overall development cost. Assumes 5.8% return on investment.	\$300	\$0	\$0
Monthly Cost for Loan Payment approximately 75% of overall development cost. Assumes 4% interest rate.	\$895	\$895	\$0
Monthly Cost for Ongoing Operating Costs and Reserves* Covers property taxes and insurance; utilities; landscaping and general maintenance; basic repairs; property management; and maintenance reserves for painting, new roofs, appliance replacements, etc.	\$500	\$500	\$500
TOTAL Cost per month over 30-year loan term	\$1,695	\$1,395	\$500

Table 8. Example of monthly costs associated with developing an apartment complex.

\*Per the Housing Authority of Thurston County, \$500 per unit is likely a modest amount for well-maintained properties

Note: This example is intended to give readers an idea of the costs associated with development; actual numbers for real project will vary.

Source: Housing Authority of Thurston County

#### How do these actions reduce housing costs?

Providing affordable housing for the lowest income households and those experiencing homelessness requires significant resources; right now, those resources are scarce, leaving many households unable to afford a decent and affordable place to live that does not have unsafe or unhealthy living conditions. Many of the actions identified in this plan will not be possible without more funding. The Cities of Lacey, Olympia, and Tumwater can play a significant role in leveraging local, state, and federal dollars for low-income housing. The City also recognizes the need to collaborate regionally on a funding strategy so that funds are used efficiently and distributed to the areas of greatest need. With more funding, housing units become more affordable for households, when costs for developing and maintaining units are reduced.

While the City has some capacity to increase funding, Chapter 4 recognizes the need for action at the state and federal level to increase funding for affordable housing.

#### How do these actions address equity?

People of color are disproportionately low-income, at risk of experiencing homelessness, or homeless. However, many of the actions in this plan to address these issues will be impossible to implement without additional funding.

### Table 9. Strategy 6: Establish a permanent source of funding for low-income housing.

		Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
6.a.	Develop a comprehensive funding strategy for affordable housing that addresses both the sources of funding and how the funds should be spent. Gaps/Needs Addressed:	( I I I I I I I I I I I I I I I I I I I	Η	Η	The City has begun the work necessary to implement the action, but work is needed through the Regional Housing Council and other regional forums to determine overall allocation goals for shelters, transitional and permanent low income housing. Otherwise, we will continue to spend most of our money on shelters and never build any affordable units. Continue to provide funding for shelters and transitional housing through non- profits.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>
6.b.	Establish an affordable housing property tax levy to finance affordable housing for very low-income households. <i>Gaps/Needs Addressed:</i>	Шõ	Η	Η	The City will consider the work necessary to implement the action, but the work has not been scheduled. The City would need to survey taxpayers and our large property tax generators first. Push to early in schedule.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> <li>Requires public vote.</li> </ul>

		Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
6.c.	Establish an affordable housing sales tax. <i>Gaps/Needs Addressed:</i>		н	н	The City will consider the work necessary to implement the action, but the work has not been scheduled. The City would need to survey taxpayers and our big sales tax generators first. Push to early in schedule.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> <li>Requires councilmatic or commissionmatic action.</li> </ul>
6.d.	Capture the value of city investments (utilities, roads, etc.) that increase private investments in neighborhoods, especially in areas with planned or existing transit. Gaps/Needs Addressed:	Шõ	Η	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled. We would need to do more research on what this involved or how to do it other than what we already do via latecomer agreements.	<ul> <li>Funding through the City Council's biennial budgeting process.</li> <li>Time for staff to develop and run such a program.</li> </ul>

		Implementation Status	Effort to Implement	Effect on Housing Supply	Comment	City Resources Needed
6.e.	Encourage the Housing Authority of Thurston County to take greater advantage of State and Federal housing grants and tax incentives. Gaps/Needs Addressed:	ШÖ	L	Μ	The City will consider the work necessary to implement the action, but the work has not been scheduled.	<ul> <li>Time for staff to develop and run such a program.</li> </ul>

# Chapter 4. Legislative Needs

The Housing Action Plan identified a number of barriers to affordable housing that need to be addressed at the state or federal level. Cities that are Tumwater's size are not the best suited to leverage sufficient funding to meet the needs identified in this plan. They need state and federal government relief to fill the gap. Loss of funding at either the state or federal level can have severe impacts at the local level. A joint legislative agenda developed by the Cities of Lacey, Olympia, and Tumwater will be necessary to address these issues.

Many of the actions in this plan require funding, especially actions to create affordable housing for the lowest income households and people moving out of emergency and temporary housing situations. Therefore, an important part of this legislative agenda is the need for funding for the construction and maintenance of low-income housing and permanent supportive housing.

#### **State Legislative Agenda**

- Increase funding for low-income housing construction.
- Increase funding for permanent supportive housing for those recently experiencing homelessness and moving out of emergency/transitional housing.
- Increase funding for renovating low-income housing to address accessibility upgrades, energy efficiency retrofits, and indoor health (e.g. lead and mold).
- Reform Washington's condominium liability laws.
- Amend the Manufactured/Mobile Home Landlord-Tenant Act, such as in <u>HB 2610</u>, to provide protections for tenants in the event of a sale.
- Allow tax increment financing.
- Require a portion of the Washington State Housing Trust Fund to be used for affordable homeownership projects.
- Update the multifamily tax exemption program to include projects that support homeownership opportunities.
- Encourage local manufacturing of construction products
- Review how state law regulates homeowner associations about affordable housing issues, such as whether accessory dwelling units are allowed in covenants.

#### **Federal Legislative Agenda**

• Reduce tariffs that raise housing construction costs, making it more expensive to build housing.

Example: the cost of softwoods (heavily used in construction) from Canada are up by about 25 percent.

- Increase federal Housing and Urban Development (HUD) funding for affordable housing, including housing vouchers and funding for the Community Development Block Grant (CDBG) program, the Self-Help Homeownership Opportunity Program (SHOP), and the Home Investment Partnerships Program (HOME).
- Increase funding for down payment assistance. This could include providing tax credits for firsttime homebuyers with low-income, targeted down payment assistance for disadvantaged populations and communities of color, and increased funding for homeownership savings programs like Assets for Independence and the Family Self-Sufficiency initiative.
- Support the Neighborhood Homes Improvement Act tax credit, which would make it economically feasible to rehabilitate distressed homes for homeownership and expand affordable homeownership opportunities for local residents.

# Appendix A. Action Details

This appendix includes a fuller description of what each action included in this plan entails. Where appropriate, the appendix includes applicable information on what the City of Tumwater can do or has done as well as resources with more information. The actions are grouped into their strategy categories:

- 1. Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.
- 2. Make it easier for households to access housing and stay housed.
- 3. Expand the overall housing supply by making it easier to build all types of housing projects.
- 4. Increase the variety of housing choices.
- 5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
- 6. Establish a permanent source of funding for low-income housing.

# Strategy 1: Increase the supply of permanent, income-restricts affordable housing.

1.a. Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing and establish a process for accepting or coordinating the acceptance of land donations from others this action.

In areas with high land costs, acquiring suitable land can add significant expense to an affordable housing project. Public lands can be donated or leased to affordable housing developers, thereby reducing the cost of development. In this case, affordable housing means housing for households with incomes 80 percent or less of the area median income.

When a jurisdiction does not own land appropriate for housing development, purchasing such land may be an appropriate measure. The land can then be donated or leased to developers that provide low-income housing.

For more information on donating public lands, see <u>RCW 39.33.015</u>.

# 1.b. Where a Planned Unit Development is used for residential development, require a portion of the housing be low-income housing.

Planned Unit Developments are intended to provide a developer flexibility when designing very large subdivisions. Generally, flexibility is provided in terms of lot size and housing types. Requiring low-income housing as part of low-density Planned Unit Developments can introduce a greater variety of housing of low-density housing types (duplexes, small apartment buildings, cottage housing, etc.) into a new neighborhood and ensure the neighborhood is affordable for a wider range of households. This

may also encourage the private sector to partner with non-profits such as Habitat for Humanity to develop detached single-family homes for low-income households.

Low-density developments are more likely to consist only of detached single-family homes. Requiring Planned Unit Developments for low-density development can encourage more housing types in such developments. Requiring low-income housing in Planned Unit Developments proposals is a type of inclusionary zoning (income-restricted affordable housing must be included as part of new developments).

### 1.c. Adopt a "Notice of Intent to Sell" ordinance for multifamily developments.

Requiring notice to the city, housing officials, and tenants when the owner of a multifamily development intends to sell gives the city the opportunity to preserve low-income units for the same purpose and tenants ample additional time to prepare for a potential move. Not every multifamily development is appropriate for purchase to preserve affordability, but the notice allows jurisdiction staff the time to consider it. The City may consider developing a list of criteria to determine the types of multifamily developments they want to preserve, including units currently required to be dedicated for use by low-income households, but which may be converted to market-rate units in the future.

#### Resources

• National Housing Preservation Database. Provides information on developments that have received housing subsidies. As of December 2020, more than 3,000 multifamily units (two or more units in a building) in Thurston County have active subsidies.

# 1.d. Provide funding for the Housing Authority of Thurston County and other non-profit organizations to buy income-restricted units proposed to be converted to market rate housing.

Income-restricted housing units developed or rehabilitated with federal money may in the future be converted to market-rate units. Partnering with HATC and other nonprofit organizations to purchase such units can help preserve housing options for low-income households.

# 1.e. As part of comprehensive plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households.

Changes to comprehensive plans and development codes should include an evaluation of how they would affect the amount of housing, the types of housing allowed, and the cost to permit, construct, and renovate housing. Evaluating the potential for displacement when affordable units are likely to be lost to redevelopment (such as a mobile home park that is redeveloped) is also appropriate. Particular attention should be given to areas of need identified in the Housing Needs Assessment, including low-income and permanent supportive housing, housing for seniors, and improving and retrofitting existing low-income housing.

# 1.f. Provide funding for low-income and special needs residents to purchase housing through community land trusts.

Community land trusts provide permanently affordable housing opportunities by holding land on behalf of a place-based community. As non-profit organizations, housing land trusts help to make

homeownership both possible and affordable for low-income households. Locally, the Thurston Housing Land Trust serves all of Thurston County.

# 1.g. Offer and/or expand fee waivers for low-income housing developments.

Impact fees, utility connection fees, project review fees, and other fees increase the cost of housing construction. Reducing or waiving fees for low-income housing developments reduces their development costs and acknowledges that providing low-income housing has a positive impact on a community by:

- Ensuring vulnerable households can afford a home.
- Preventing individuals and families from becoming homeless.
- Reducing the cost of providing social services for households in crisis.

The costs for such offsets must be made up elsewhere. According to the Washington State Department of Commerce, reducing or waiving impact fees are most effective when paired with other housing affordability incentives.

#### See also Action 3.b.

For more information on fee waivers for low-income housing, see:

- <u>RCW 82.02.060</u> for exempting impact fees for low-income housing.
- <u>RCW 35.92.380</u> and <u>RCW 35.92.020</u> for waiving utility connection and other utility fees for lowincome persons.
- <u>RCW 36.70A.540</u> for waiving or exempting fees for affordable housing.

### 1.h. Encourage low-income housing units as part of new developments.

Future Thurston County households will have a range of incomes, and a portion of residential development will need to be affordable to low-income households. Encouraging low-income housing units, whether for rent or ownership, helps to ensure such units will be built as part of development. Consideration should be given to the number of low-income units required, how they are integrated with market-rate units, and whether thresholds should be enacted that exempt smaller developments from this requirement. This policy is best implemented in coordination with low-income housing providers. Once housing market has further evolved, consider making this a requirement of new developments. If implemented now, there is a concern that it would discourage residential development.

### 1.i. Fund development projects that increase low-income housing through grants or loans.

The City can provide funding directly to low-income and permanent supportive housing providers through grants or loans. This recognizes the need for public funding to build low-income housing beyond what market-driven incentives can provide. This action can be best implemented for projects located close to transit and with good access to organizations and agencies that serve low-income households.

# 1.j. Establish a program to preserve and maintain healthy and viable manufactured home parks.

Manufactured home parks can be prime locations for higher density redevelopment in communities with strong demand for new housing. However, they also serve as one of the most affordable housing options for households in the region. A program that seeks to preserve and maintain healthy and viable manufactured home parks may consider ways to assist:

- Unit owners to purchase the park outright.
- Unit owners to maintain and repair individual manufactured homes.
- Unit owners with funding to replace units that would be better replaced than repaired.
- Unit owners with funding for relocation when a park cannot be preserved.
- Park owners with making service and utility upgrades.
- Park owners with converting from septic to sewered service.

### 1.k. Enhance enforcement of property maintenance codes to keep housing in good repair.

Property maintenance codes are intended to ensure the health, safety, and welfare of the public is adequately protected. Improved enforcement can help ensure pest infestations, lack of sanitary conditions, presence of mold, and structural issues are addressed in a timely fashion, thereby protecting homeowners, tenants, and the public at large. Enforcing adopted property maintenance codes is difficult due to the time, staffing, and funding needed to identify and address issues as they arise.

This strategy could have a negative impact on low-income households if resources are not also made available to such households (or their landlords) to make required repairs.

# 1.I. Partner with low-income housing developers (such as Habitat for Humanity) to expand homeownership opportunities.

Affordable homeownership opportunities allow low-income households to build wealth. Local jurisdictions can go beyond their own capabilities to encourage affordable homeownership opportunities by partnering with local housing groups and non-profit developers. This may include providing funding, gifting publicly owned property, supporting grant applications, assisting property owners, and other programs that increase affordable homeownership opportunities. See also Action 1.a.

# 1.m. Extend public water and sewer to unserved areas to allow infill development in underdeveloped areas.

The Comprehensive Plan describes where the City expects, and is trying to direct, growth over the next twenty years. The private sector has traditionally done utility extension and upgrades as areas grow. For infill development, the City could invest to promote development in areas where new housing is desired, but upgrades to infrastructure, such as utilities and sidewalks, would be needed to support it.

#### Advantages:

• City could direct improvements where it would like to see development

• Attract private development with public investments - public/private partnerships

#### Disadvantages:

- Administrative requirements
- Need to refocus Capital Facilities Plan development processes
- Changes existing City investment priorities

## Strategy 2: Make It Easier for Households to Access Housing and Stay Housed.

#### 2.a. Provide tenants displaced by redevelopment with relocation assistance.

Displacement can happen for a variety of reasons through no fault of the tenant. As redevelopment becomes a more attractive option than keeping a development as is, households, especially low-income households, can be displaced. Moving costs money, and low-income households may not have the funds available for making a required move. State law authorizes local governments to adopt an ordinance requiring developers to provide displaced tenants with relocation assistance to households that have an income of 50 percent or less of the area median income. Cities and counties can also dedicate public funds or use a combination of public and private funds for relocation assistance. When public action results in tenant displacement, relocation assistance is required.

For more information on relocation assistance, see RCW 59.18.440 (developer action) and RCW 8.26 (public action).

# 2.b. Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job-training.

According to a 2019 housing memorandum prepared by PNW Economics, LLC and LDC, Inc. for the Washington State Department of Commerce, the majority of general contracting firms struggle to find skilled tradespeople (Issues Affecting Housing Availability and Affordability, p. 71.) Trade schools, apprenticeship programs, and other professionals that provide repair, retrofit, and renovation services to homeowners can scale up training with the help of homeowners who are in need of services at reduced rates.

This action may require additional assistance to the household to accomplish.

# 2.c. Adopt short-term rental regulations to minimize impacts on long-term housing availability.

When a property owner rents out an entire living unit on a short-term basis, generally a period less than 30 days, that housing unit cannot be used for the community's long-term housing needs. Regulating short-term rentals can reduce negative impacts to the housing market as well as the neighborhood where the short-term unit is located. While this action is most effective in communities that attract a robust tourism base, establishing regulations/registration for this use ensures the city can track the impact short-term rentals have on long-term rentals.

# 2.d. Support down payment assistance programs for homeownership and programs that assist people entering the rental market.

Washington State has a number of programs that provide down payment assistance to first time and low-income homebuyers. Establishing a down payment assistance program at the local level can assist more households in the Thurston County community towards the goal of homeownership. Down payment assistance typically takes the form of a low- or no-interest loan to the homebuyer, which can be paid back as part of the mortgage or at the time the mortgage is paid off, the home is sold/transferred to a new owner, or the property is refinanced.

For more information on state down payment assistance programs, see the Washington State Housing Finance Commission.

The City would like to expand this to include supporting programs that assist people in entering the rental market.

# 2.e. Identify and implement appropriate tenant protections that improve household stability.

Tenant protections help avoid or slow the process of displacement for households by preserving housing units, a household's tenancy, or access to information and assistance. Examples of tenant protections include but are not limited to the following:

- Adopting a just cause eviction ordinance that requires landlords to provide tenants with a legally justifiable reason for the eviction.
- Adopting a preservation ordinance, requiring developers to replace affordable housing units demolished as part of redevelopment.
- Adopting an eviction mitigation ordinance to find ways to end a rental agreement mutually rather than evicting tenants.
- Adopting an opportunity to purchase policy that better involves tenants in the decision-making process when a dwelling unit is to be sold.
- Developing a program to incentivize landlords to accept tenants with poor credit or criminal history.
- Improving enforcement of landlord/tenant laws.
- Increasing a tenant's access to legal assistance for landlord/tenant issues.
- Limiting or regulating fees associated with rental housing applications.
- Requiring landlords to establish payment plans for tenants that get behind on rent.

Each tenant protection has positive and negative aspects that should be reviewed and considered before implementing, and both tenants and landlords should be involved in the review process. For more information on protections offered by the Residential Landlord Tenant Act, see <u>Chapter 59.18</u> <u>RCW</u>.

# 2.f. Develop a technical assistance or education program for small landlords.

As shown by the Landlord Survey, a large number of the rental properties in the City are owned and operated by small landlords. To maintain this local ownership and maintain these properties, a technical assistance or education program would be useful for training such landlords in basic maintenance activities and help them to know where to look for support if needed.

# 2.g. Assist non-profits in the process of acquiring mobile home parks to turn them into public trusts so that lot rental fees can be controlled.

This action would support of Resolution No. R2018-016 Housing Affordability Action #6, "Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents." This action would help preserve a large source of existing affordable housing in the future and help to protect residents from dramatic shifts in lot rental fees.

# 2.h. Fund an energy assistance program for rental housing/make landlords do upgrades when the unit is sold.

This action would support actions in the Thurston Climate Mitigation Plan to reduce energy use in older housing, and support local landlords maintaining their properties without passing the costs to their tenants.

# Strategy 3: Expand the Overall Housing Supply by Making It Easier to Build All Types of Housing Projects.

# 3.a. Lower transportation impact fees for multifamily developments near frequent transit service routes.

Transportation impact fees are one-time charges assessed by a local government against a new development project to help pay for establishing new or improving existing public streets and roads. The streets and roads must be included in a community's Comprehensive Plan. The fee must directly address the increased demand on that road created by the development. For multifamily developments near frequent transit service routes, the idea is that many residents and visitors are able to utilize the public transit system, thereby reducing the impact of the development on public streets and roads.

# January 2021 Transportation Impact Fees (rounded to the nearest dollar)

- Lacey: \$610-\$3,989 per dwelling unit. Varies according to unit type with detached single-family dwellings having the highest fees.
- **Olympia:** \$728-\$3,219 per dwelling unit. Varies according to unit type with detached single-family dwellings having the highest fees.
- **Tumwater:** \$497-\$3,919 per dwelling unit. Varies according to unit type with detached single-family dwellings having the highest fees. Assisted living facilities have a fee of \$439 per bed.

# 3.b. Allow deferral of impact fee payments for desired unit types.

New development affects existing municipal and community investments, and impact fees are a way to ensure new development pays their fair share. Impact fees may be delayed, but they must be paid before the impact is realized. Delaying payment of such fees allows a developer building desired unit types to spread the costs of a development over a longer period. State law already requires the City to establish a system for deferring impact fee payments for small, single-family residential developments. This action would expand the deferral program to developments with desired unit types.

Desired unit types depend on the neighborhood or policy context and could include defining the type of building (courtyard apartment or manufactured home, for example), the need for income-restricted units, units of a certain size, or units containing a certain number of bedrooms.

See also Action 1.g.

### 3.c. Maximize use of SEPA threshold exemptions for residential and infill development.

The State Environmental Policy Act (SEPA) review process is intended to ensure government actions have fully taken into consideration the environment before a decision is made. Actions that will likely result in an adverse impact on the environment must go through a more rigorous review (an environmental impact statement or EIS). Some projects are exempt from the SEPA review process because their impact on the environment is generally considered minimal and not adverse, but developments must still meet environmental standards. Single-family and multifamily developments with four or fewer units are automatically exempt from review under SEPA, and state law allows cities to adopt exemptions that are more flexible. The Cities of Lacey, Olympia, and Tumwater may exempt single-family developments with up to 30 units and multifamily developments with up to 60 units from SEPA review.

	Developn	nent Type
Exemptions	Single-Family	Multifamily
Allowed per SEPA	30 units	60 units
Lacey	4 units	60 units
Olympia	9 units	No exemption
Tumwater	9 units	60 units

#### Infill Exemptions

In order to accommodate infill development, the Cities of Lacey, Olympia, and Tumwater may adopt SEPA exemptions for infill development to help fill in urban growth areas.

To qualify for the infill exemption:

- An EIS must already be issued for the comprehensive plan or the city must prepare an EIS that considers the proposal's use or density/intensity in the exempted area.
- The density of the area to be infilled must be roughly equal to or lower than what the adopted comprehensive plan calls for.
- The development must be residential, mixed-use, or non-retail commercial development. Commercial development that exceeds 65,000 square feet does not qualify for the exemption.
- Impacts to the environment from the proposed development must be adequately addressed by existing regulations.

If a city takes action to adopt an infill exemption before April 1, 2023, the city's action cannot be appealed through SEPA or the courts.

#### **Planned Actions**

Up front review and analysis of impacts to the environment can help streamline the process for developments. Individual developments projects associated with an adopted plan (subarea plan or master planned development, for example) can be exempted from further SEPA review when a threshold determination or EIS has been issued for the adopted plan. The threshold determination or EIS for the adopted plan must detail the project-level impacts of the proposed development, thereby forgoing the need for review when the specific project applies for permitting. The City did a planned action for the historic brewery complex part of the former brewery property.

For more information, see:

- RCW 43.21C.229 (infill exemptions).
- RCW 43.21C.440 (planned actions).

### 3.d. Continue to look for place-making opportunities along urban corridors.

In support of actions identified in the Sustainable Thurston Plan and the Thurston Climate Mitigation Plan, this action would help incentivize new residential developments in areas of the City, such as the Brewery District and the Capitol Boulevard Communities where redevelopment is encouraged to meet land use and economic goals and provide more residential development opportunities.

# 3.e. Mix market rate and low-income housing to avoid creating areas of concentrated low-income housing.

The action would ensure that not only market rate and low-income housing is created in the City, but residents of both would be able to intermix and create more opportunities for all economic classes.

# Strategy 4: Increase the Variety of Housing Choices.

# 4.a. Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity of existing residential neighborhoods.

A form-based code uses the physical form and design of the public realm (building façade and streetscape) as the framework for regulation rather than the need to separate uses. Because of this, form-based codes are most useful in mixed-use zones where the widest variety of uses are already allowed and encouraged. Form-based codes are also useful when the goal is to protect an existing neighborhood character or where developing a cohesive character is desired.

### 4.b. Strategically allow live/work units in nonresidential zones.

A live/work unit is a single dwelling unit consisting of both a commercial/office space and a residential component that is occupied by the same resident who has the unit as their primary dwelling. The intent is to provide both affordable living and business space for a resident/business owner. The configuration of the live/work unit can vary:

• Live-within. The workplace and living space completely overlap.

- Live-above. The workplace is below the living space with complete separation between the two.
- Live-behind. The workplace is in front of the living space with complete separation between the two possible.
- Live-in-front. The workplace is behind the living space (typically a single-family dwelling) with some overlap between the two possible.

Although home occupations are a type of live/work unit, the emphasis here is on a more intensive nonresidential component (size, traffic generation, employees on site, etc.) that may not be appropriate to classify as a home occupation. Live/work units may also be appropriate in residential zones. In either case, cities will need to conduct additional analysis to determine the locations and types of uses appropriate for live/work units.

# Strategy 5: Continually Build on Resources, Collaboration, and Public Understanding to Improve Implementation of Housing Strategies.

### 5.a. Conduct education and outreach around city programs that support affordable housing.

Providing the public and developers information about affordable housing programs can help households in need find assistance and developers identify resources for building desired unit types. Desired unit types depend on the neighborhood or policy context and could include defining the type of building (triplex or single-room occupancy building, for example), the need for income-restricted units, units of a certain size, or units containing a certain number of bedrooms. Education and outreach can also invite community dialogue on the need for diverse housing options in the community.

# 5.b. Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues.

Housing issues are complex, and so are the resources available to households and landlords. When problems arise or a party needs to find information, having a designated resource to navigate issues and identify resources (development funding, tax assistance, housing opportunities, legal aid, weatherization programs, etc.) gives people more tools to reach their goals.

### 5.c. Identify and develop partnerships with organizations that provide or support lowincome, workforce, and senior housing as well as other populations with unique housing needs.

Both for-profit and non-profit agencies provide or support low-income, workforce, and senior households. They often have expertise to deliver programs and housing the Cities of Lacey, Olympia, and Tumwater do not have as well as access to funding streams unavailable to the cities. Identifying shared vision and goals can help each organization to leverage funding and improve household access to assistance.

# 5.d. Establish a rental registration program to improve access to data and share information with landlords.

Understanding how many dwelling units are being rented, the types of units being rented, and the cost of rent is important information needed to understand the impacts on landlords and tenants of many of the actions in this plan. It also provides the Cities of Lacey, Olympia, and Tumwater with an easy way to

reach out to landlords and tenants, who are both important stakeholders when enacting many of the actions in this plan. This action is particularly suited to being implemented at the regional level and may be appropriate for the cities to develop through the Regional Housing Council. Doing so would ensure the same data is collected across the jurisdictions effectively and economically.

# 5.e. Partner with a public or private developer to build a townhouse or a row house demonstration project.

The action would encourage townhouse or row house development in the City.

#### 5.f. Track data on affordable housing at the regional level.

In order to understand if the actions in this Plan are working, regional housing data needs to be collected annually. The Regional Housing Needs Assessment and Housing Gap Analysis were valuable tools in the development of this Plan and maintaining an annual collection of data would be very useful.

# Strategy 6: Establish a Permanent Source of Funding for Low-Income Housing.

# 6.a. Develop a comprehensive funding strategy for affordable housing that addresses both the sources of funding and how the funds should be spent.

Without a comprehensive funding strategy, it will be difficult to ensure dollars earmarked for developing affordable housing in the community are used to their full effect and meet the greatest need. A comprehensive funding strategy takes into consideration how the funds can be used, whether they can be leveraged to obtain other funding (grants, loans, etc.), and the types of projects the funding can support. This action is particularly suited to being implemented at the regional level and may be appropriate for the cities to develop through the Regional Housing Council.

# 6.b. Establish an affordable housing property tax levy to finance affordable housing for very low-income households.

The Cities of Lacey, Olympia, and Tumwater may impose a property tax levy up to \$0.50 per \$1,000 of a property's assessed value to fund affordable housing. The levy must be used for low-income households.

The levy, which lasts for up to 10 years, can only be enacted if:

- The city declares an emergency exists concerning the availability of affordable housing for households served by the levy.
- A majority of voters approve it.
- The city adopts a financial plan for spending the money.

If a property tax levy were enacted at the maximum rate of \$0.50 per \$1,000 of assessed value, homeowners can expect their property taxes to go up. This amounts to \$175 per year for a home valued at \$350,000 (Table 11). Households that rent can expect their monthly rent to increase on average between \$6.71 and \$11.91 each month, depending on the type of unit rented.

#### Table 11. Additional costs to households with a \$0.50 per \$1,000 property tax levy.

Owner-C	Occupied*	Renter-Occupied		
Assessed Value	Additional Property Taxes (annual)	Building Size	Additional Monthly Rent (average) per unit	
\$350,000	\$175	Single-Family Dwelling	\$11.91	
\$450,000	\$225	Duplex, Triplex, and Fourplex units	\$9.04	
\$550,000	\$275	5+ Unit Apartments	\$6.71	

Note: Rates for owners only apply to detached single-family homes. Costs, which are rounded, are based on the 2017 total assessed value of all taxable non-exempt properties and are adjusted for inflation to 2020 dollars.

#### Source: Thurston County Assessor.

Thurston County also has the ability to establish a property tax levy. If both cities and Thurston County impose the levy, the last jurisdiction to receive voter approval for the levies must be reduced or eliminated so that the combined rate does not exceed the \$0.50 per \$1,000 of assessed property value.

If the Cities of Lacey, Olympia, and Tumwater each enact the levy, nearly \$9.7 million could be collected for affordable housing in 2021 (Table 12). If the tax levy were adopted countywide, more than \$30 million would be available to serve low-income households in 2021. This includes developing new housing, enabling affordable homeownership, and making home repairs.

#### Table 12. Potential affordable housing funding from maximum property tax levy.

Jurisdiction	2020 Assessed Property Values	Potential Affordable Housing Funds
Lacey	\$7.4 billion	\$3.7 million
Olympia	\$8.2 billion	\$4.1 million
Tumwater	\$3.9 billion	\$1.9 million
TOTAL (cities only)	\$19.5 billion	\$9.7 million
TOTAL (Countywide)	\$31.5 billion	\$31.5 million

Note: Values, which are rounded, are based on the 2020 total assessed value of taxable non-exempt properties. Potential affordable housing funds are based on the total assessment of all properties combined.

Source: Thurston County Assessor.

#### **Property Tax Levies**

• Lacey: has not established a property tax levy.

- **Olympia:** has not established a property tax levy.
- **Tumwater:** has not established a property tax levy.
- Thurston County: has not established a property tax levy.

For more information, see <u>RCW 84.52.105</u>.

#### 6.c. Establish an affordable housing sales tax.

Beginning in 2020, cities may establish a 0.1 percent affordable housing sales tax by legislative authority or by voter approval. At least 60 percent of the revenue must be used for one or more of the following:

- Constructing affordable housing (new construction or retrofitting an existing building).
- Constructing facilities providing housing-related services.
- Constructing mental and behavioral health-related facilities.
- Funding the operations and maintenance costs of the three projects above.

Thurston County can also establish the affordable housing sales tax. If it does so before the Cities of Lacey, Olympia, and Tumwater, the cities will not be able to establish their own funds. If the cities and Thurston County impose the sales tax, the County must provide a credit to the cities for the amount they would have collected. If the Cities of Lacey, Olympia, and Tumwater had been able to enact an affordable housing sales tax in 2019, nearly \$5 million would be available to serve low-income households (Table 13).

For more information, see <u>RCW 82.14.530</u>.

Jurisdiction	2019 Taxable Retail Sales	Potential Affordable Housing Funds
Lacey	\$1.5 billion	\$1.5 million
Olympia	\$2.4 billion	\$2.4 million
Tumwater	\$0.9 billion	\$0.9 million
TOTAL (cities only)	\$4.8 billion	\$4.8 million
TOTAL (countywide)	\$6.2 billion	\$6.2 million

Note: Taxable retail sales are rounded.

Source: Washington State Department of Revenue, <u>Taxable Retail Sales.</u>

#### Affordable Housing Sales Tax

• Lacey: has not established an affordable housing sales tax.

- **Olympia:** established an affordable housing sales tax in 2018, referred to as the "Home Fund." Approximately 65 percent of funds are dedicated to construction projects and 35 percent to housing program operations. Must be re-authorized by voters in 2028.
- Tumwater: has not established a sales tax.
- Thurston County: has not established an affordable housing sales tax.

# 6.d. Capture the value of city investments (utilities, roads, etc.) that increase private investments in neighborhoods, especially in areas with planned or existing transit.

Value capture is a type of public financing that recovers some or the entire value public infrastructure generates for private landowners. When roads are improved, water and sewer lines extended, or new parks or public amenities developed, property values tend to increase. Value capture is best planned for from the outset of a project and it can include developer contributions and special taxes and fees.

# 6.e. Encourage the Housing Authority of Thurston County to take greater advantage of State and Federal housing grants and tax incentives.

The Housing Authority of Thurston County is the primary source of low-income housing in community. Being able to take greater advantage of all federal and state housing grants and incentives would help support the production of more affordable housing.

# Appendix B. Considered Actions

In developing this plan, many actions were considered, though not all were included. This appendix provides a full list of the actions considered in the plan's development. Where appropriate, explanations for why an action was excluded are included. Actions were developed and refined over six months and the wording may not match previous versions.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (1.a)	Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing.	Not excluded, included.
Excluded	Create shovel-ready housing developments that can be handed off to a developer to construct.	Action is out of scale with what our region can reasonably accomplish. Cities do not have the budgets or expertise to perform this action.
Excluded	Purchase property with the intent to donate or lease to developers that provide income-restricted affordable housing.	Combined with Action 1.a.
Implemented	Offer developers density and/or height incentives for desired unit types.	Not excluded, implemented.
Included (1.b)	Where a <b>Planned Unit Development</b> is used for residential development, require a portion of the housing be low-income housing.	Not excluded, included.
Excluded	Make regulations and permit processing more predictable, to remove some uncertainty for both builders and lenders.	Action not specific enough. Other actions more specifically address the need to improve predictability of regulations and permit processing.

Table 14. Actions considered but not included in the Housing Action Plan.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	Allow third-party review and approval of development projects (anytime OR when cities are backlogged).	Note included for implementation by the City, as there are concerns about the partiality of third-party reviewers. The City would rather intergovernmental agreement where we can share development review staff when things slowdown in one jurisdiction.
Excluded	Allow third-party review of building permits for development projects.	Note included for implementation by the City, as there are concerns about the partiality of third-party reviewers. The City would rather intergovernmental agreement where we can share development review staff when things slowdown in one jurisdiction.
Excluded	Adopt a single development code for The Cities of Lacey, Olympia, Tumwater, and their urban growth areas to make regulations and permit processing more predictable.	Each community has a different identity with a desire for different standards.
Excluded	Waive reviews for energy code compliance when a project receives a green building certification.	It does not appear that a green building certification actually makes housing more affordable versus complying with energy code. In the right market conditions, may be an incentive to buy.
Excluded	Require shot clocks for permit processing.	State law already requires timelines for review, and the City is able to accomplish their reviews in a timely manner.
Included (1.c)	Adopt a "Notice of Intent to Sell" ordinance for multifamily developments.	Not excluded, included.
Included (1.d)	Provide funding for the Housing Authority of Thurston County and other non-profit organizations to income-restricted units proposed to be converted to market rate housing.	Not excluded, included.
Included (2.a)	Provide tenants displaced by redevelopment with relocation assistance.	Not excluded, included.
Implemented	With major comprehensive plan updates, confirm land is suitably zoned for development of all housing types.	Not excluded, implemented.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	On a regular basis, hold a series of community meetings to discuss how housing and zoning regulations affect equity goals.	See Action 5.a.
Implemented	Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc.).	Not excluded, implemented.
Excluded	Allow more housing types in commercial and industrial zones.	Creates inappropriate conflicts between uses.
Implemented	Allow more housing types in commercial zones.	Not excluded, implemented.
Included (4.a)	Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity of existing residential neighborhoods.	Not excluded, included.
Excluded	Develop a plan for adapting vacant commercial space into housing.	Action not implemented by the City, as it may raise questions about a gift of public funds. Every property is unique. If the there is a problem property, the City can focus resources on it. The City may want to consider a checklist of issues to address in such situations
Excluded	Expand allowance of residential tenant improvements without triggering land use requirements.	City had concerns about life and safety issues regarding this action and recommended that the action not be implemented.
Excluded	Prior to finalizing a draft for public review, vet comprehensive plans and development code changes with the development community to ensure desired housing types and locations are supported by market conditions.	See Action 1.e.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (1.e)	As part of comprehensive plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households.	Not excluded, included.
Implemented	Recognize modular/manufactured housing as a viable form of housing construction.	Not excluded, implemented.
Excluded	Provide for a dynamic mix of residential land uses and zones in order to create a diverse mix of sites available for different housing types.	This action is already implemented.
Implemented	Simplify requirements for accessory dwelling units (ex: title notification, owner living on site, etc.).	Not excluded, implemented.
Implemented	Allow accessory dwelling units in all residential zones.	Not excluded, implemented.
Excluded	Allow accessory dwelling units in commercial zones.	Not an issue that has ever been raised to staff; need to focus on actions that have real and lasting impacts.
Implemented	Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes.	Not excluded, implemented.
Implemented	Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types.	Not excluded, implemented.
Implemented	Identify strategically placed properties where up zoning is appropriate.	Not excluded, implemented.
Implemented	Require minimum residential densities.	Not excluded.
Excluded	Increase minimum residential densities.	The City already has reasonable minimum residential densities.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Implemented	Reduce minimum lot sizes.	Not excluded, implemented.
Excluded	Support and plan for assisted housing opportunities using federal, state, or local aid.	Action not clear/specific enough
Excluded	Support diverse housing alternatives and ways for older adults and people with disabilities to remain in their homes and community, as their housing needs change.	Action not specific enough. Other actions more specifically address the need to support diverse housing alternatives for seniors.
Excluded	Retain existing subsidized housing.	None of the cities has subsidized units at this time, so it is not an action they would pursue. Other actions can support other entities in retaining existing subsidized housing.
Excluded	Encourage new housing on transportation arterials and in areas near public transportation hubs.	Action not specific enough. See Actions 3.a for actions that more specifically address the issue of housing near transportation facilities.
Included (3.a)	Lower transportation impact fees for multifamily developments near frequent transit service routes.	Not excluded, included.
Implemented	Reduce parking requirements for multifamily developments near frequent transit routes.	Not excluded, implemented.
Implemented	Allow group homes in all residential zones and commercial zones that allow residential uses.	Not excluded, implemented.
Excluded	Limit the density of group homes in residential areas to prevent concentration of such housing in any one area.	May create a hindrance to ensuring there are enough housing opportunities for seniors. There are nearly 150 adult family homes in Thurston County now; their concentration in any one area is not known to be an issue.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Implemented	Provide funding for renovating and maintaining existing housing that serves low-income households or residents with disabilities.	Not excluded, implemented.
Excluded	Support programs to improve energy efficiency, health conditions and public recognition of improvements in low- income rental housing	Statewide need - not just a local need.
Excluded	Fund programs that improve the energy efficiency and health conditions in low-income rental housing.	Statewide need - not just a local need.
Excluded	Encourage self-help housing efforts and promote programs in which people gain home equity in exchange for work performed in renovation or construction.	Action not specific enough. See Action 1.l.
Included (1.l)	Partner with local trade schools to provide renovation and retrofit services for low- income households as part of on-the-job- training.	Not excluded, included.
Excluded	Establish a manufactured home park zone to promote their preservation.	Already in place in the City.
Implemented	Rezone manufactured home parks to a manufactured home park zone to promote their preservation.	Not excluded, implemented.
Excluded	Allow manufactured home parks in multifamily and commercial areas.	The City has enacted Ordinance No. O2008-009, which established the Manufactured Home Park (MHP) zone district in the City as the means to address this action and manufactured home parks are an inefficient use of land in multifamily and commercial zone districts.
Included (1.f)	Provide funding for low-income and special needs residents to purchase housing through community land trusts.	Not excluded, included.
Excluded	Fund programs that prevent homelessness for persons returning to the community from institutional or other sheltered settings (including foster care).	Action better suited to the Thurston County Homeless Response Plan.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	Fund self-sufficiency and transitional housing programs that help break the cycle of homelessness.	Deals with a temporary/emergency housing situation better addressed through the Regional Housing Council and other, more targeted efforts to address homelessness.
Excluded	Provide funding to the Regional Housing Council for temporary emergency housing programs.	Deals with a temporary/emergency housing situation better addressed through the Regional Housing Council and other, more targeted efforts to address homelessness.
Implemented	Adopt design standards that assist new forms or high-density housing and promote infill.	Not excluded, implemented.
Implemented	Allow single-room occupancy (SRO) housing in all multifamily zones.	Not excluded, implemented.
Included (4.b)	Strategically allow live/work units in nonresidential zones.	Not excluded, included.
Excluded	Promote Planned Unit Developments and cluster subdivisions.	See Action 1.b.
Implemented	Establish a multifamily tax exemption.	Not excluded, implemented.
Included (6.a)	Develop a comprehensive funding strategy for affordable housing that addresses both sources of funding and how the funds should be spent.	Not excluded, included.
Excluded	On a regular basis, evaluate the effectiveness of how the multifamily tax exemption is being used to further affordable housing goals.	Required by state law that an annual review be done for multifamily tax exemption projects.
Included (6.b)	Establish an affordable housing property tax levy to finance affordable housing for very low-income households.	Not excluded, included.
Included (6.c)	Establish an affordable housing sales tax.	Not excluded, included.
Implemented	Expand the multifamily tax exemption to make it available in all transit corridors.	Not excluded, implemented.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Implemented	Offer density bonuses for low-income housing.	Not excluded, implemented.
Excluded	Require developers to provide income- restricted units as part of low-density developments.	The Thurston Region does not have the market to implement this action. Requires a market evaluation before implementing.
Excluded	Require property owners to provide an affordable housing fee when building homes over a certain size.	The Thurston Region does not have the market to implement this action. Requires a market evaluation before implementing.
Excluded	Establish alternative development standards for affordable housing. (standards in the zoning code to support affordable housing)	Action not specific enough.
Excluded	Define income-restricted housing as a different use from other forms of housing in the zoning code.	The City considered this action as part of Ordinance No. O2020-005 Housing Affordability Text Amendments discussions, but determined that defining income-restricted housing as a different use in Title 18 Zoning created more potential complications and restrictions on the use.
Included (1.g)	Offer and/or expand fee waivers for low- income housing developments.	Not excluded, included.
Excluded	Expand fee waivers for affordable housing developments.	Combined w/ Action 1.g.
Included (3.b)	Allow deferral of impact fee payments for desired unit types.	Not excluded, included.
Included (1.h)	Require low-income housing units as part of new developments.	Not excluded, included.
Included (1.i)	Fund development projects that increase low-income housing through grants or loans.	Not excluded, included.
Excluded	Establish a regional housing trust fund to provide dedicated funding for affordable housing.	This should be what the Thurston Housing Authority does. The City should not create another entity.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	Establish a local housing trust fund to provide dedicated funding for low-income housing.	Coordination at the regional scale will have more of an impact than developing individual plans.
Excluded	Create partnerships with local housing groups to increase affordable housing options for seniors and other populations with unique needs.	Combined w/ Action 5.c.
Implemented	Make strategic investments in infrastructure expansion to reduce development costs.	Not excluded, implemented.
Excluded	Simplify land use designation maps in the comprehensive plan to help streamline the permitting process.	The City currently has six residential zone district and allows residential development in all other zone districts, except for industrial zone districts. This has not been raised as an issue by residential developers in the City.
Excluded	Inventory housing units dedicated for seniors, low-income households, and ADA-accessible units.	Data should support the actions that result in change.
Excluded	Inventory substandard housing units (units with poor energy efficiency, indoor air quality/mold issues, etc.).	Data should support the actions that result in change.
Included (5.d)	Establish a rental registration program to improve access to data and share information with landlords.	Not excluded, included.
Excluded	Require the owners of rental properties to obtain a business license.	Data should support the actions that result in change.
Excluded	On a regular basis, inventory rental housing.	Data should support the actions that result in change.
Excluded	Integrate or adjust floor area ratio standards.	The City uses floor area ratios in a very limited way for residential uses in the Capitol Boulevard Corridor – North Trosper District for mixed-use commercial and residential developments.
Implemented	Relax ground floor retail requirements to allow residential units.	Not excluded, implemented.
Implemented	Reduce setbacks and increase lot coverage/impervious area standards.	Not excluded, implemented.
Action Status (Plan Reference)	Action	Explanation for Exclusion
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Excluded	Maximize SEPA threshold exemptions for single-family and multifamily development proposals.	See Action 3.c.
Included (3.c)	Maximize use of SEPA threshold exemptions for residential and infill development.	Not excluded, included.
Excluded	Utilize SEPA exemptions to encourage infill development in urban growth areas	See Action 3.c.
Excluded	Create subarea plans with non-project environmental impact statements.	See Action 3.c.
Excluded	Develop SEPA-authorized "planned actions" to streamline permitting process in designated areas.	See Action 3.c.
Excluded	Consult with Washington State Department of Transportation as part of the SEPA review process to reduce appeals based on impacts to the transportation element for residential, multifamily, or mixed-use projects.	This has not been an issue for the City.
Implemented	Process short plat applications administratively.	Not excluded, implemented.
Excluded	Process preliminary long plat applications that meet specific requirements administratively.	Can implement this but if even one person requests a public hearing, a public hearing must be held. May not be worth implementing if a public hearing is always anticipated and it has different noticing requirements from the norm (administrative headaches).
Excluded	Market available housing incentives.	See Action 5.a.
Excluded	Establish a foreclosure intervention counseling program.	Already existing programs that fill this need.
Included (1.j)	Establish a program to preserve and maintain healthy and viable manufactured home parks.	Not excluded, included.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	Require developers to provide relocation assistance when a manufactured home park cannot be preserved.	No seen as an issue in the City.
Excluded	Help residents convert manufactured home parks into cooperatives.	See Action #63
Excluded	Adopt a just cause eviction ordinance.	See Action 2.e.
Excluded	Adopt a "right to return" policy for tenants if displaced by redevelopment.	Planning Commission and City Council decided that the action should not be implemented by the City, because this would involve the City too much in market decisions.
Included (2.c)	Adopt short-term rental regulations to minimize impacts on long-term housing availability.	Not excluded, included.
Included (2.d)	Establish a down payment assistance program.	Not excluded, included.
Excluded	Establish a property tax assistance program for low-income homeowners.	This may not be in the cities' purview.
Excluded	Establish a property tax assistance program for homeowners with disabilities.	This may not be in the cities' purview.
Excluded	Require an impact analysis for new housing and land use proposals.	This action will lead to an increase in housing costs. Transportation impact analyses are already required where needed.
Excluded	Require subsidized housing be integrated with unsubsidized housing.	See Action 1.h.
Excluded	Develop and implement an education and outreach plan for affordable housing options	See Action 5.a.
Included (5.a)	Conduct education and outreach around city programs that support affordable housing.	Not excluded, included.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (5.b)	Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues.	Not excluded, included.
Excluded	Review and, if necessary, update property maintenance codes (including standards for mold/moisture) to keep housing in good repair.	Enforcement of property maintenance codes is really the issue.
Included (1.k.)	Enhance enforcement of property maintenance codes to keep housing in good repair.	Not excluded, included.
Excluded	Co-locate emergency, transitional, and permanent affordable housing.	This is an action taken by the developer; may not be appropriate for the city to require.
Excluded	Working through the Regional Housing Council, identify appropriate locations for emergency housing within each jurisdiction.	This action deals with a temporary/emergency housing situation better addressed through the Regional Housing Council and other, more targeted efforts to address homelessness.
Included (5.c)	Identify and develop partnerships with organizations that provide or support for low-income, workforce, and senior housing as well as other populations with unique housing needs.	Not excluded, included.
Excluded	Look at options for creating workforce housing.	Action is not specific enough. Need to define what exactly should the cities be doing.
Implemented	Explore creating dormitory-style housing, similar to what colleges have, with common bathrooms and communal kitchens for transitional housing.	Not excluded, implemented.
Implemented	Identify underutilized properties ripe for redevelopment.	Not excluded, implemented.
Excluded	Review the recommendations in the Urban Corridors Task Force Report (TRPC, 2012).	Data should support the actions that result in change.
Excluded	Adopt a preservation ordinance.	Combined with Action 2.e.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (1.1)	Partner with low-income housing developers (such as Habitat for Humanity) to expand homeownership opportunities.	Not excluded, included.
Excluded	Identify and remove code and fee impediments/disincentives to affordable housing.	Like equity, need to review all actions through an affordable housing lens. See Action 1.e.
Included (6.d)	Use value capture to generate and reinvest in neighborhoods experiencing increased private investment (with a focus on areas with planned or existing transit).	Not excluded, included.
Excluded	Limit or regulate fees associated with rental housing applications.	See Action 2.e.
Excluded	Require landlords to establish payment plans for tenants that get behind on rent.	See Action 2.e.
Excluded	Eviction mitigation to find mutual termination of rental agreement instead of evicting tenants.	See Action 2.e.
Excluded	Improve access to enforcement landlord/tenant laws (court enforcement is a barrier).	See Action 2.e.
Excluded	Increase access to legal assistance for landlord/tenant issues (free or sliding scale).	See Action 2.e.
Excluded	Program to incentivize landlords to accept tenants with poor credit or criminal history.	See Action 2.e.
Included (2.e)	Identify and implement appropriate tenant protections that improve household stability.	Not excluded, included.

# Appendix C. Policy Evaluation Summary

# Evaluation of the Policies in the City's Comprehensive Plan Housing Element

This appendix evaluates the City's current Comprehensive Plan housing policies for connections to the gaps identified in the housing needs assessment and the status of policy implementation.

All the Housing Element goals, policies, and actions were reviewed and updated as part of 8-year GMA Comprehensive Plan Update in 2016 in Ordinance No. O2016-012 and there have been amendments to the Housing Element through the annual Comprehensive Plan amendment process since then.

As noted in Chapter 3 *Local actions*, some minor adjustments to the Housing Element goals, policies, and actions may be appropriate for consideration in a future Comprehensive Plan amendment docket to support the six strategies for addressing housing needs in the City.

#### Criteria

#### **Connections to Housing Needs Assessment and HAP Objectives**

Valid, continuing need for goal/policy to meet identified gap in Housing Needs Assessment (HNA) and/or Housing Action Plan (HAP) objectives.

A Amend to address:

1) One of the seven gaps identified in the Housing Needs Assessment:



**Affordability.** Reduce the cost of housing for low-income and cost-burdened households.



Supply. Increase the inventory of housing for all households.



Variety. Increase the variety of housing sizes and types



Seniors. Increase the stock of housing options needed for aging seniors.



**Improvements.** Maintain the existing housing stock, including improving energy efficiency and air quality.



**Stability.** Increase household wealth by providing safe, stable options for rental housing and pathways to homeownership.



**Supportive Housing.** Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

2) One of the six Housing Action Plan strategies:

 ${f 1}$  Increase the supply of permanent, income-restricted affordable housing.

2 Make it easier for households to access housing and stay housed.

**3** Expand the overall housing supply by making it easier to build all types of housing projects.

4 Increase the variety of housing choices.

**5** Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.

6 Establish a permanent source of funding for low-income housing.

 ${f N}$  Not directly related to housing needs or objectives.

# Achievement of goals and policies

1) Goals and policies, progress in implementation:

E Early/initiated

Moderate progress/maturing implementation through funding/code/program development

C Completed

2) Compatibility with Growth Management Act and County-Wide Planning Policies since Adoption:

 ${\bm R}$  Retain, still compatible and valid

 $\boldsymbol{U}$  Update to recognize recent city initiatives, clarity, or ease of implementation

#### **Housing Element**

Table 15. Housing Element policy and action evaluation – Goal H-1.

Goal, Policy, or Action Number GOAL H-1	Adopted Housing Element Goals, Policies, and Actions To conserve and improve the e	Status xisting city housing stock and quality of life of	ogquain to HAP	Achievement of Goals & Policies	Recommendation
Policy H-1.1	Assist city neighborhoods in maintaining and rehabilitating the existing housing stock as decent, safe, sanitary, and affordable housing.	Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 8) Encourage abandoned houses moving back into the active housing inventory under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.	V	E	The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. See Action H-3.1.2 and Policy 7.2.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-1.2	Encourage a range of housing, economic development, and community revitalization in the city.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2019-004 updated the Economic Development Plan.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy. See Policies H-4.1 and H-6.2.
Policy H-1.3	Promote the quality of life of existing communities and implementation of community housing goals through the preparation of comprehensive plans and the development review process.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	V	M R	Continue implementation of the policy. The eight-year GMA update is on proposed 2022 Long Range Planning work program.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-1.4	Provide assistance to improve community surroundings and infrastructure in residential areas.	The 2019 Housing Affordability Work Plans identified Development Fee Amendment Action #6 Make infrastructure investments for infill areas needing upgrades with follow-up by City staff to develop potential scenarios with emphasis on areas where affordable housing is most likely to occur to address this policy.	V	E R	Continue implementation of the policy. Development Fee Amendment Action #6 is on proposed 2022 Long Range Planning work program.
Policy H-1.5	Encourage and facilitate economic development as an important part of provision of housing by providing jobs.	Policy not directly related to housing needs or objectives. Ordinance No. O2019-004 updated the Economic Development Plan.	N	M R	Continue implementation of the policy. While the Economic Development Plan is not directly tied to housing, but it plays an important role in raising wages, which have not kept pace with housing costs.
Action H-1.5.1	Continue implementation of economic development efforts to provide jobs in Tumwater.	Policy not directly related to housing needs or objectives. Ordinance No. O2019-004 updated the Economic Development Plan.	N	M R	Continue implementation of the action. While the Economic Development Plan is not directly tied to housing, but it plays an important role in raising wages, which have not kept pace with housing costs.

#### Table 16. Housing Element policy and action evaluation – Goal H-2.

Goal, Policy, or Action Number GOAL H-2:	-	Status of single family dwelling units, multi-family dv le selection of housing to each economic segm	-		
Policy H-2.1	Provide sufficient, suitably zoned land for development of all housing types to accommodate the future needs for each type of housing, including single family, multi-family, and manufactured homes in manufactured home parks and on single lots.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. Draft 2021 Buildable Lands Report indicates that there is sufficient, suitably zoned land for development of all housing types.	V	M U	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy. Consider expanding the types of housing listed in the policy. Eight-year GMA update of the Comprehensive Plan is on proposed 2022 Long Range Planning work program.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-2.2	Provide opportunities for a range of housing types to provide for all economic segments of Tumwater's population.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-2.2.1	Monitor the Land Use Element and Zoning Code to ensure an adequate supply of suitably zoned land.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. The draft 2021 Buildable Lands Report indicates that there is sufficient, suitably zoned land for development of all housing types.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the action. Eight-year GMA update is on proposed 2022 Long Range Planning work program. See Action H-5.1 and H-6.2.1.

#### Table 17. Housing Element policy and action evaluation – Goal H-3.

Goal, Policy, or Action Number GOAL H-3	Adopted Housing Element Goals, Policies, and Actions To provide adequate, affordat moderate-income groups.	Status ble housing for residents of all income groups	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation cient housing affordable to low and
Policy H-3.1	Encourage the development of innovative plans, codes, standards, and procedures in order to take advantage of new private and public sector approaches to housing provision.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-3.1.1	The Zoning Code allows manufactured homes on single-family lots in all residential zones. It is the intent of the Housing Element to promote the designation of a sufficient supply of land for traditional mobile/ manufactured home parks and to recognize that modular/manufactured housing on single family lots and in manufactured home parks is a viable form of housing construction.	Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 6) Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the action.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-3.1.2	Increase code enforcement efforts and build pubic private partnerships to encourage renovations of unfit structures for use as transitional or affordable housing.	Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 8) Encourage abandoned houses moving back into the active housing inventory under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.	V	E U	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. See Policies H-1.1 and H-7.2.
Policy H-3.2	Encourage provision of adequate building sites through appropriate land use planning and zoning codes, infrastructure supply, and overall regulatory climate.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The draft 2021 Buildable Lands Report indicates that there is sufficient, suitably zoned land for development of all housing types.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-3.3	Tumwater should assume its "fair share" of housing for low and moderate income groups, in cooperation with other jurisdictions in Thurston County.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action C) Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.</li> <li>The City began formally working with the cities of Lacey, Olympia, and Yelm and Thurston County as part of the Regional Housing Council to address such issues in 2019.</li> </ol>	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue work with the Regional Housing Council and on implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-3.3.1	Monitor land supply, census data, and housing policies to ensure Tumwater accommodates its fair share of housing for low and moderate income groups.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action C) Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.</li> <li>The City began formally working with the cities of Lacey, Olympia, and Yelm and Thurston County as part of the Regional Housing Council to address such issues in 2019, including data collection.</li> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 10) Inventory and track affordable housing units in Tumwater under B) Boost Housing Affordability – Actions to increase affordable housing.</li> </ol>	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue work with the Regional Housing Council on implementation of the action.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-3.3.2	Work with Tumwater School District, Housing Authority, and other agencies and organizations to pursue grant funding and implement transitional housing strategies for families with children.	Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 2) Develop strategies with the Tumwater School District and nonprofit partners to house homeless students/families under A) Reduce Homelessness – Increase resources/actions to combat/decrease regional homelessness to address this action. The City has been working with Together! in the Tumwater School District to address these issues.	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the action.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-3.3.3	Establish a multi-family tax exemption program that gives financial incentive for developers to create multi- family structures in target areas and to set aside a percentage of units as low- income housing.	<ol> <li>Ordinance No. O2017-004 established the multi-family tax exemption program at the City.</li> <li>Resolution No. R2017-002 established the Brewery District and the Capitol Boulevard Corridor as the initial target areas.</li> <li>The 2019 Housing Affordability Work Plan Development Fee Amendment 3) noted Expand the multifamily tax exemption program to other areas of the City, such as the Town Center, and the Littlerock Road Subarea, and look at expanding the percentage of permanently affordable units that would need to be provided.</li> <li>Resolution No. R2019-022 expanded the target areas to include the Littlerock Subarea and the Town Center.</li> </ol>	V	C U	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. No further action needed on the action, beyond monitoring implementation of the programs.

#### Table 18. Housing Element policy and action evaluation – Goal H-4.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
GOAL H-4		nities for housing for all persons regardless o atus, marital status, ethnic background, sourc			
Policy H-4.1	Support the inclusion of living opportunities for families with children throughout the city.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> </ol>	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy.
		3. Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.			

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Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-4.2	Support and encourage a variety of housing types and price ranges through appropriate policies and regulations.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy. See Policies H-1.2 and H-6.2.
Action H-4.2.1	Continue the requirement for reasonable maximum lot sizes in order to create smaller lots that are more affordable and that allow a more efficient use of City services.	The draft 2021 Buildable Lands Report indicates that the new development is occurring on smaller lot sizes than the previous report.	V	M R	Continue implementation of the action.

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Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-4.2.2	Encourage homeowner associations to adopt Covenants, Conditions, and Restrictions (CCRs) consistent with this policy.	Part of the final project review and approval process.	v	E U	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the action.

#### Table 19. Housing Element policy and action evaluation – Goal H-5.

Goal, Policy, or Action Number GOAL H-5	Adopted Housing Element Goals, Policies, and Actions To supply sufficient, safe, suita over the next 20 years.	Status able housing sites and housing supply to mee	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation are housing needs for Tumwater
Policy H-5.1	Ensure appropriate land use designations and Zoning Code designations to provide sufficient land for housing construction.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. The draft 2021 Buildable Lands Report indicates that there is sufficient, suitably zoned land for development of all housing types	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-5.1.1	Monitor the Land Use Element and Zoning Code to ensure an adequate supply of suitably zoned vacant land. (2.1.1)	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. The draft 2021 Buildable Lands Report indicates that there is sufficient, suitably zoned land for development of all housing types.	V	M R	Continue implementation of the action. See Actions H-2.2.1 and H-6.2.1.
Action H-5.1.2	Continue joint planning with Thurston County to plan for future growth in Tumwater.	The City is currently working with Thurston County on an update to the Tumwater / Thurston County Joint Plan.	v	E R	Continue implementation of the action.
Policy H-5.2	Lands not suitable for development due to site constraints such as wetlands, steep slopes, geologically hazardous areas, etc., should be identified and considered when determining sufficient land for new housing in accordance with Tumwater's Conservation Plan.	Policy not directly related to housing needs or objectives. Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	N	M R	Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-5.3	Encourage construction practices, which exceed minimum standards. Tumwater will support the use of alternative building designs and methods that exceed the minimum standards set by Tumwater.	Ongoing evaluation process through amendments to the Development Guide and Building Codes. 2018 Building Codes adopted by Ordinance No. O2021-005.	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports the City's work to expand the range of housing options. Continue implementation of the policy.

#### Table 20. Housing Element policy and action evaluation – Goal H-6.

Goal, Policy, or Action Number GOAL H-6	Adopted Housing Element Goals, Policies, and Actions	Status sing that is decent, safe, and sound, in close	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
GUAL H-0	location, type, design, and pric	-	proximi		s and daily activities, and varies by
Policy H-6.1	Protect residential areas from undesirable activities and uses through aggressive enforcement of adopted City codes.	Ongoing code enforcement of the City's nuisance code (TMC 8.04) and the International Property Maintenance Code (TMC 15.18) by the City Police Department in cooperation with the Community Development Department. Same as Action H-8.2.1.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-6.2	Provide for a dynamic mix of residential land uses and zones in order to create a diverse mix of sites available for different housing types.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities. Continue implementation of the policy. See Policies H-1.2 and H 4.2.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-6.2.1	Continue to monitor the available land supply, census data, and City policies to ensure a diverse mix of land for residential housing stock.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. The draft 2021 Buildable Lands Report indicates that there is sufficient, suitably zoned land for development of all housing types	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities. Continue implementation of the action. See Actions H-2.2.1 and H-5.1.1.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-6.2.2	Continue to implement innovative design techniques, such as zero lot line developments, architectural design standards, alley houses, and attached single- family housing. Zero lot line developments are residential real estate in which the structure comes up to or very near to the edge of the property. Zero-lot-line houses are built very close to the property line in order to create more usable space.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.</li> </ol>	V	M U	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities. Continue implementation of the action. Update language to reflect current design techniques.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-6.3	Support increasing housing opportunities along urban corridors and centers.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 2) Strengthen incentives for affordable housing within the Capital Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor under Action B) Boost Housing Affordability – Actions to increase affordable housing.</li> <li>Ordinance No. O2017-004 established the multi-family tax exemption program at the City.</li> <li>Resolution No. R2017-002 established the Brewery District and the Capitol Boulevard Corridor as the initial target areas.</li> <li>Resolution No. R2019-022 expanded the target areas to include the Littlerock Subarea and the Town Center.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities and continued implementation of land use and transportation connections. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-6.4	Encourage provision of affordable housing near public transit routes to promote efficient transportation networks.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 2) Strengthen incentives for affordable housing within the Capital Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor under Action B) Boost Housing Affordability – Actions to increase affordable housing.</li> <li>Ordinance No. O2017-004 established the multi-family tax exemption program at the City.</li> <li>Resolution No. R2017-002 established the Brewery District and the Capitol Boulevard Corridor as the initial target areas.</li> <li>Resolution No. R2019-022 expanded the target areas to include the Littlerock Subarea and the Town Center.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of land use and transportation connections. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-6.4.1	Continue to involve Intercity Transit in Tumwater's development review process.	Action not directly related to housing needs or objectives.	Ν	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of land use and transportation connections. Continue implementation of the action.
Policy H-6.5	Tumwater will maintain current Building Code standards and will use the most up to date future Code editions.	Ongoing evaluation process through amendments to the Development Guide and Building Codes. 2018 Building Codes adopted by Ordinance No. 02021-005.	V	M R	Continue implementation of the policy.
Action H-6.5.1	Host training with developers and staff on implementation of Low Impact Development.	Completed in 2017.	V	C U	Completed action. Propose removing action.

#### Table 21. Housing Element policy and action evaluation – Goal H-7.

Goal, Policy, or Action Number GOAL H-7	Adopted Housing Element Goals, Policies, and Actions To ensure that housing is com facilities, and environmentally	Status patible in quality, design, and density with su	Connection to HNA or HAP	dchievement of Goals & Policies	Recommendation uses, traffic patterns, public
Policy H-7.1	Support the stability of established residential neighborhoods through appropriate plans and codes.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. Similar to Policy H-8.1 below.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities. Continue implementation of the policy. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-7.1.1	Continue to implement design standards for multi-family and attached single-family dwellings in order to ensure compatibility with existing neighborhoods.	Citywide Design Guidelines implemented by Ordinance No. O2016-013. Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued expansion of the City's design guidelines to balance increase in densities. Continue implementation of the action.
Policy H-7.2	Assure housing will be well maintained and safe.	Ongoing code enforcement of the City's nuisance code (TMC 8.04) and the International Property Maintenance Code (TMC 15.18) by the City Police Department in cooperation with the Community Development Department. Resolution No. R2018-016 Homelessness and Affordable Housing identified Action 8) <i>Encourage abandoned houses moving</i> <i>back into the active housing inventory</i> under B) <i>Boost Housing Affordability</i> – <i>Actions to increase affordable housing</i> to address this policy. Same as Policy H-8.2 below.	V	M R	Continue implementation of the policy. The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. See Policy 1.1 and Action 3.1.2. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-7.3	Enhance the appearance of and maintain public spaces in residential areas.	Ongoing code enforcement of the City's nuisance code (TMC 8.04) and the International Property Maintenance Code (TMC 15.18) by the City Police Department in cooperation with the Community Development Department. Same as Policy H-8.3 below.	V	E U	Continue implementation of the policy. The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.
Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
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Policy H-7.4	Promote community involvement to achieve neighborhood improvement.	Ongoing program. Same as Policy H-8.4 below.	V	E R	Continue implementation of the policy. The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

### Table 22. Housing Element policy and action evaluation – Goal H-8.

Goal, Policy, or Action Number GOAL H-8	Adopted Housing Element Goals, Policies, and Actions To support healthy residential	Status neighborhoods which continue to reflect a h	<mark>dap</mark> Connection to HNA or HAP	aa. Achievement of Goals & Policies	Recommendation ride in ownership or residency.
Policy H-8.1	Support the stability of established residential neighborhoods.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022. Similar to Policy H-7.1 above.	V	M R	Consider update of the policy to support Goal H-8. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy	Assure housing will be well maintained and safe.	Resolution No. R2018-016 Homelessness and Affordable Housing identified Action	v	M R	Update of the policy to support Goal H-8.
H-8.2		<ul> <li>8) Encourage abandoned houses moving back into the active housing inventory under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>Ongoing code enforcement of the City's nuisance code (TMC 8.04) and the International Property Maintenance Code (TMC 15.18) by the City Police Department in cooperation with the Community Development Department.</li> <li>Same as Policy H-7.2 above.</li> </ul>		N	The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. See Policy 1.1 and Action 3.1.2. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-8.2.1	Protect residential areas from undesirable activities and uses through aggressive enforcement of adopted City codes.	Ongoing code enforcement of the City's nuisance code (TMC 8.04) and the International Property Maintenance Code (TMC 15.18) by the City Police Department in cooperation with the Community Development Department. Same as Policy H-6.1 above.	V	M R	Update of the policy to support Goal H-8. The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-8.3	Enhance the appearance of and maintain public spaces in residential areas.	Ongoing code enforcement of the City's nuisance code (TMC 8.04) and the International Property Maintenance Code (TMC 15.18) by the City Police Department in cooperation with the Community Development Department. Same as Policy H-7.3 above.	V	M R	Update of the policy to support Goal H-8. The City could consider a formal maintenance and rehabilitation program beyond the current code enforcement procedures. This would be in coordination with its actions with the Regional Housing Council. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.
Policy H-8.4	Promote community involvement to achieve neighborhood improvement.	Ongoing program. Same as Policy H-7.4	V	E U	Update of the policy to support Goal H-8. During the next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022, eliminate duplication in policies and actions.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-8.4.1	Encourage neighborhood meetings to discuss community issues as situations and concerns arise.	Ongoing program.	V	E U	Continue implementation of the action.
Policy H-8.5	Encourage home ownership for Tumwater residents.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work</li> </ol>	V	E U	Continue implementation of the policy.
		Plans identified a number of text and fee amendments to support this policy.			

### Table 23. Housing Element policy and action evaluation – Goal H-9.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
GOAL H-9	To encourage a variety of hous or disability.	sing opportunities for those with special nee	ds, parti	cularly 1	hose with problems relating to age
Policy H-9.1	Require housing to meet the needs of those with special housing requirements without creating a concentration of such housing in any one area.	City is addressing this policy subject to the state requirements for location of special housing.	V	E U	As noted in the City's 2019 policy analysis, this policy directly supports continued efforts to address a range of special housing needs, including homelessness. Continue implementation of the policy.
Policy H-9.2	Assist social service organizations in their efforts to seek funds for construction and operation of emergency, transitional, and permanent housing.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action C) Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.</li> <li>The City began formally working with the cities of Lacey, Olympia, and Yelm and Thurston County as part of the Regional Housing Council to address such issues in 2019.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued efforts to address a range of special housing needs, including homelessness. Continue implementation of the policy through Council action and the Regional Housing Council.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-9.3	Support and plan for assisted housing opportunities using federal, state, or local aid.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action C) Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.</li> <li>The City began formally working with the cities of Lacey, Olympia, and Yelm and Thurston County as part of the Regional Housing Council to address such issues in 2019.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued efforts to address a range of special housing needs, including homelessness. Continue implementation of the policy through Council action and the Regional Housing Council.
Policy H-9.4	Encourage and support social and health service organizations, which offer support programs for those with special needs, particularly those programs that help people remain in the community.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action C) Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.</li> <li>The City began formally working with the cities of Lacey, Olympia, and Yelm and Thurston County as part of the Regional Housing Council to address such issues in 2019.</li> </ol>	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports continued efforts to address a range of special housing needs, including homelessness. Continue implementation of the policy through Council action and the Regional Housing Council.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-9.5	Encourage alternative housing strategies for homeless youth, which may include Host Homes.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified Action C) Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.</li> <li>The City began formally working with the cities of Lacey, Olympia, and Yelm and Thurston County as part of the Regional Housing Council to address such issues in 2019.</li> <li>City funding work with school aged children by Together! in the Tumwater School District</li> </ol>	V	E	As noted in the City's 2019 policy analysis, this policy directly supports continued efforts to address a range of special housing needs, including homelessness. Continue implementation of the policy through Council action and the Regional Housing Council.

### Table 24. Housing Element policy and action evaluation – Goal H-10.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
GOAL H- 10		npatible and harmonious with existing neigh earance and quality of Tumwater's neighborl		l charact	er through use of innovative
Policy H-10.1	Encourage innovation and variety in housing design and development. Tumwater will support efforts to build housing with unique individual character, which avoids monotonous neighborhood appearance.	Citywide Design Guidelines implemented by Ordinance No. O2016-013. Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of the expansion of the City's design guidelines to balance increase in densities. Continue implementation of the policy.
Policy H-10.2	Multi-family residential housing should be subject to design criteria that relate to density, structure bulk, size and design, landscaping, and neighborhood compatibility.	Citywide Design Guidelines implemented by Ordinance No. O2016-013. Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of the expansion of the City's design guidelines to balance increase in densities. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-10.2.1	Continue to implement multi- family housing design standards.	Citywide Design Guidelines implemented by Ordinance No. O2016-013. Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of the expansion of the City's design guidelines to balance increase in densities. Continue implementation of the action.

### Table 25. Housing Element policy and action evaluation – Goal H-11

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
GOAL H- 11	To provide housing to accomn infrastructure and services.	nodate Tumwater's housing needs in the urb	an grow	th area	and make the most efficient use of
Policy H-11.1	Reference the Transportation Element and anticipated transportation impacts when making housing decisions affecting the location and density of housing.	Policy not directly related to housing needs or objectives.	N	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of the policy supporting the land use and transportation connection. Continue implementation of the policy.
Policy H-11.2	Reference utility plans and the impact of housing decisions on capital improvements planning.	Policy not directly related to housing needs or objectives.	N	E R	Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-11.3	Encourage the construction of affordable housing, including cottage housing and accessory dwelling units, within a half mile or twenty minute walk of an urban center, corridor or neighborhood center with access to goods and services to provide access to daily household needs.	<ol> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2017-002 allowed cottage housing uses in the City.</li> <li>Ordinance No. O2020-005 expanded where cottage housing uses could be located and reduced size and parking requirements for ADUs.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of efforts to connect new housing types and increased density to transit corridors would support many different goals. Continue implementation of the policy.

### Table 26. Housing Element policy and action evaluation – Goal H-12.

Goal, Policy, or Action Number GOAL H- 12	Adopted Housing Element Goals, Policies, and Actions To encourage urban growth w	Status vithin the city limits with gradual phasing out	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation Irban core.
Policy H-12.1	Encourage the construction of housing on vacant property within the city and the redevelopment of underdeveloped property within residential areas to minimize urban sprawl and associated public service costs.	<ol> <li>Resolution No. R2018-016 Homelessness and Affordable Housing identified a number of actions under B) Boost Housing Affordability – Actions to increase affordable housing to address this policy.</li> <li>The 2019 Housing Affordability Work Plans identified a number of text and fee amendments to support this policy.</li> <li>Ordinance No. O2020-005 addressed a number of housing text amendments to increase the range of housing in the City.</li> </ol>	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of using an expanded range of housing types to support development of the core of the City outwards. Continue implementation of the policy.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-12.1.1	Continue to review and revise, as necessary, City Development Standards deemed unnecessary and make development more expensive and/or difficult.	Ongoing evaluation process through amendments to the development regulations, Development Guide, and Building Codes. 2018 Building Codes adopted by Ordinance No. 02021-005.	>	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of using an expanded range of housing types to support development of the core of the City outwards. Continue implementation of the action.
Action H-12.1.2	Continue to support high- density zoning within specific areas of the city that have the infrastructure and services to support high-density housing.	City has enacted high-density zoning for the Brewery District, Capitol Boulevard Corridor, and Town Center, and allows multifamily development in its commercial and mixed-use zone districts.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of using an expanded range of housing types to support development of the core of the City outwards. Continue implementation of the action.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Action H-12.1.3	Continue to implement minimum density levels for all residential zoning districts to ensure efficient use of the urban growth area.	Ongoing evaluation process through amendments to the Comprehensive Plan and development regulations. The next required eight-year GMA update of the Comprehensive Plan is expected to start in 2022.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports continued implementation of using an expanded range of housing types to support development of the core of the City outwards. Continue implementation of the action.
Action H-12.1.4	Work cooperatively with Thurston County to provide for more efficient and orderly annexations to facilitate urban service delivery.	Currently working with Thurston County on an update to the Tumwater / Thurston County Joint Plan as well as an annexation agreement to address "island" annexations.	V	E R	Continue implementation of the action.

### Table 27. Housing Element policy and action evaluation – Goal H-13.

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation	
GOAL H- 13	AL H- Ensure consistency with RCW 36.70A.070(2)(c) which requires sufficient land be available for all types of housing including manufactured housing.					
Policy H-13.1	Maintain the manufactured home park district zoning in appropriate areas in order to prevent conversion of affordable housing to other uses without replacement.	Continuing implementation of the Ordinance No. O2008-009, which established the Manufactured Home Park (MHP) zone district in the City as the means to address this policy.	V	M R	As noted in the City's 2019 policy analysis, this policy directly supports manufactured housing options. Continue implementation of the policy.	
Action H-13.1.1	Encourage manufactured housing park district zoning to locate near transit services.	Continuing implementation of the Ordinance No. O2008-009, which established the Manufactured Home Park (MHP) zone district in the City as the means to address this policy.	V	E R	As noted in the City's 2019 policy analysis, this policy directly supports manufactured housing options. Continue implementation of the action.	

Goal, Policy, or Action Number	Adopted Housing Element Goals, Policies, and Actions	Status	Connection to HNA or HAP	Achievement of Goals & Policies	Recommendation
Policy H-13.2	When locating zones and designations for manufactured home parks, carefully consider the risks from natural hazards, such as flooding and liquefaction, and the impacts of those hazards on the future residents of those manufactured home parks, Tumwater's emergency responders, and the city as a whole.	Part of Resolution No. R2017-013, which was an update to the Hazards Mitigation Plan for the Thurston Region.	V	M R	As noted in the City's 2019 policy analysis, this policy was a major focus of the City's recently adopted Hazard Mitigation Plan. Continue implementation of the policy.

# Appendix D. Regulations Evaluation Summary

# Evaluation of the Regulations in the City's Municipal Code

This appendix evaluates the City's current development regulations for connections to the seven gaps identified in the housing needs assessment as well as acknowledging the work the City has completed to date to address these gaps.

After the City Council adopted Resolution No. R2018-016 in the summer of 2018 and approved the 2019 Housing Affordability Work Plan, the City worked on a number of actions to reduce homelessness, increase affordable housing, and collaborate with other jurisdictions and agencies to explore regional solutions to these issues.

The evaluation of the regulations starts first summaries of the housing types allowed in the zone districts in the City and the density and bulk and dimensional regulations for those zone districts. Then there is a review of the regulations using the Puget Sound Regional Council's Housing Innovation Program and finally there is a development code barrier summary.

As noted in Chapter 3 *Local actions*, some minor adjustments to the development code may be appropriate for consideration in a future development code amendment docket to support the six strategies for addressing housing needs in the City.

### Regulations Evaluation #1 – Housing Types

Tables 28 - 30 *Development code housing type summary* list all the housing types that are allowed in the City by zone district.

Table 28. Development code housing type summary (1 of 3).

Housing Types	City Definition (TMC 18.04)	RSR Residential/Sensitive Resource Zone District (2-4 DU/Acre) <sup>1</sup>	SFL Single-Family Low Density Residential Zone District (4-7 DU/Acre)	SFM Single-Family Medium Density Residential Zone District (6-9 DU/Acre)
Single-family detached dwellings	A building that is not attached in any way to another dwelling unit or structure providing complete, independent living facilities for a family.	Allowed	Allowed	Allowed
Manufactured Homes	A single-family dwelling built according to the Department of Housing and Urban Development Manufactured Home Construction and Safety Standards Act, which is a national, preemptive building code. A manufactured home does not meet the criteria to be classified as a "designated manufactured home	Allowed	Allowed	Allowed

<sup>&</sup>lt;sup>1</sup> DU/Acre = Dwelling units per acre. For example, 2-4 DU/Acre means that the minimum allowed density in the RSR zone district is two dwelling units per acre and the maximum allowed density is four dwelling units per acre. In many zone districts, achieving the maximum listed DU/acre is dependent on the purchase of transfer of development rights in accordance with TMC Chapter 18.57. The calculation of the density requirements is based on the portion of the site devoted to residential and associated uses (e.g., dwelling units; private community clubs; open space; stormwater detention, treatment and infiltration). The following land is excluded from density calculations:

<sup>1.</sup> Land that is required to be dedicated for public use as open space, right-of-way, or land on which development is prohibited by TMC Title 16, Environment, and land that is to be used for private roads. Provided, that portion of open space/park areas that consists of stormwater facilities and that is designed for active and/or passive recreational purposes in accordance with the drainage design and erosion control manual for Tumwater shall not be excluded from density calculations;

<sup>2.</sup> Land that is intended for future phases of development created in accordance with TMC 18.14.060;

<sup>3.</sup> Land that consists of lots devoted to uses other than residential and associated uses, including but not limited to churches, schools, and support facilities (except for stormwater detention, treatment, and infiltration facilities).

Housing Types	City Definition (TMC 18.04)	RSR Residential/Sensitive Resource Zone District (2-4 DU/Acre) <sup>1</sup>	SFL Single-Family Low Density Residential Zone District (4-7 DU/Acre)	SFM Single-Family Medium Density Residential Zone District (6-9 DU/Acre)
Accessory Dwelling Units (ADUs)	A dwelling unit that is an accessory use or structure subordinate to a single-family detached dwelling subject to the general land use regulations found in TMC 18.42.010.	Allowed	Allowed	Allowed
Manufactured Home Parks	Any real property lot which is rented or held out for rent to others for the placement of three or more manufactured homes, designated manufactured homes, or new manufactured homes for the primary purpose of production of income, except where such real property lot is rented or held out for rent for seasonal recreational purposes only and is not intended for year-round occupancy			
Cottage Housing	A grouping of smaller than average detached single-family dwellings clustered around a common area and developed with a coherent plan for the entire site	Allowed	Allowed	Allowed

Housing Types	City Definition (TMC 18.04)	RSR Residential/Sensitive Resource Zone District (2-4 DU/Acre) <sup>1</sup>	SFL Single-Family Low Density Residential Zone District (4-7 DU/Acre)	SFM Single-Family Medium Density Residential Zone District (6-9 DU/Acre)
Duplexes	A building designed for and used exclusively for occupancy by two families independent of each other where both dwelling units are located on the same lot and are completely separated from each other by an unpierced wall extending from ground to roof or an unpierced ceiling and floor extending from exterior wall to exterior wall, except for common stairwell or garage exterior to both dwelling units.	Allowed <sup>2</sup>	Allowed <sup>3</sup>	Allowed <sup>4</sup>
Townhomes or Rowhouses	One of a line or row of dwelling units attached one to the other, having common walls between individual units, generally two stories in height (and sometimes three). Each unit occupies the space between common walls from the lowest level to the roof.			Allowed <sup>5</sup> Only within a residential planned unit development

<sup>&</sup>lt;sup>2</sup> Duplexes are allowed in the Residential/Sensitive Resource (RSR) and Single Family Low Density Residential (SFL) zone districts. Such uses shall not occupy more than twenty percent of the total lots in a new short plat or subdivision, which was legally established after April 15, 2021. In such cases, the Community Development Director shall have the discretion to alter the percentage in order to allow the new short plat or subdivision to meet minimum required densities due to topography or other special conditions related to the site, such as critical areas.

<sup>5</sup> Townhouses and rowhouses are allowed within a residential planned unit development in the Single Family Medium Density Residential (SFM) zone district.

<sup>&</sup>lt;sup>3</sup> Duplexes are allowed in the Residential/Sensitive Resource (RSR) and Single Family Low Density Residential (SFL) zone districts. Such uses shall not occupy more than twenty percent of the total lots in a new short plat or subdivision, which was legally established after April 15, 2021. In such cases, the Community Development Director shall have the discretion to alter the percentage in order to allow the new short plat or subdivision to meet minimum required densities due to topography or other special conditions related to the site, such as critical areas.

<sup>&</sup>lt;sup>4</sup> Duplexes are allowed in the Single Family Medium Density Residential (SFM) zone district. Such uses shall not occupy more than thirty percent of the total lots in a new short plat or subdivision, which was legally established after April 15, 2021. In such cases, the Community Development Director shall have the discretion to alter the percentage in order to allow the new short plat or subdivision to meet minimum required densities due to topography or other special conditions related to the site, such as critical areas.

Housing Types	City Definition (TMC 18.04)	RSR Residential/Sensitive Resource Zone District (2-4 DU/Acre) <sup>1</sup>	SFL Single-Family Low Density Residential Zone District (4-7 DU/Acre)	SFM Single-Family Medium Density Residential Zone District (6-9 DU/Acre)
Triplexes	A building designed for and used exclusively for occupancy by three families independent of each other where all three dwelling units are located on the same lot and are completely separated from each other, except for common stairwells or garages.			
Fourplexes	A building designed for and used exclusively for occupancy by four families independent of each other where all four dwelling units are located on the same lot and are completely separated from each other, except for common stairwells or garages.			
Multifamily Dwellings	A building designed and used for occupancy by five or more families all living independent of each other and where all dwelling units are located on the same lot.			
Boardinghouses and roominghouses	A dwelling unit having only one kitchen and used for the lodging (with or without meals) for compensation of persons other than the related family members or operator of such dwelling unit. A roominghouse that is rented for less than thirty consecutive days at a time requires a business license per TMC Chapter 5.04. A roominghouse may allow for an unlimited stay, unlike a bed and breakfast which is limited to two weeks.			

Housing Types	City Definition (TMC 18.04)	RSR Residential/Sensitive Resource Zone District (2-4 DU/Acre) <sup>1</sup>	SFL Single-Family Low Density Residential Zone District (4-7 DU/Acre)	SFM Single-Family Medium Density Residential Zone District (6-9 DU/Acre)
Independent Senior Housing Facility	An independent living facility consisting of dwellings designed for and occupied by persons fifty-five years of age or older in accordance with 42 U.S.C. 3607. These facilities may consist of individual dwelling units of a barrier-free design, with separate bathroom facilities and a full kitchen. These facilities may have a communal dining area, recreation facilities (such as a library, lounge, or game room), laundry facilities, and open space. No nursing staff or assisted living staff is provided in an independent living facility.			
Assisted Senior Housing Facility	An assisted living facility, which is an establishment which provides living quarters and a variety of limited personal care and supportive health care to persons fifty-five years of age or older in accordance with 42 U.S.C. 3607 who are unable to live independently, but who do not need the skilled nursing care of a rest home, nursing home, or convalescent center. These facilities may consist of individual dwelling units of a barrier-free design, with separate bathroom facilities and a full kitchen. The facility may provide a minimal amount of supportive health care monitoring, such as assistance with medication, but is limited to health care services that do not require state or federal licensing. These facilities may have a communal dining area, recreation facilities (such as a library, lounge, or game room), laundry facilities, and open space.			

Table 29. Development code housing type summary (2 of 3).

Housing Types	City Definition (TMC 18.04)	MFM Multifamily Medium Density Residential Zone District (9-15 DU/Acre)	MFH Multifamily High Density Residential Zone District (14-29 DU/Acre)	MU Mixed Use Zone District (14 DU/Acre and greater)
Special Zone District Notes				All residential uses are allowed, provided that minimum density standards are met
Single-family detached dwellings	A building that is not attached in any way to another dwelling unit or structure providing complete, independent living facilities for a family.	Allowed <sup>6</sup>	Allowed <sup>7</sup>	See above
Manufactured Homes	A single-family dwelling built according to the Department of Housing and Urban Development Manufactured Home Construction and Safety Standards Act, which is a national, preemptive building code. A manufactured home does not meet the criteria to be classified as a "designated manufactured home	Allowed		See above

<sup>&</sup>lt;sup>6</sup> Single-family detached dwellings constructed after April 15, 2021 are not allowed in the Multifamily Medium Density Residential (MFM) zone district, except as part of a PUD planned unit development overlay as regulated by TMC 18.36 if the site to be developed has more than one zone district.

<sup>&</sup>lt;sup>7</sup> Single-family detached dwellings and duplexes are not allowed in the Multifamily High Density Residential (MFH) zone district, except as part of a PUD planned unit development overlay as regulated by TMC 18.36 if the site to be developed has more than one zone district.

Housing Types	City Definition (TMC 18.04)	MFM Multifamily Medium Density Residential Zone District (9-15 DU/Acre)	MFH Multifamily High Density Residential Zone District (14-29 DU/Acre)	MU Mixed Use Zone District (14 DU/Acre and greater)
Accessory Dwelling Units (ADUs)	A dwelling unit that is an accessory use or structure subordinate to a single-family detached dwelling subject to the general land use regulations found in TMC 18.42.010.	Allowed	Allowed	See above
Manufactured Home Parks	Any real property lot which is rented or held out for rent to others for the placement of three or more manufactured homes, designated manufactured homes, or new manufactured homes for the primary purpose of production of income, except where such real property lot is rented or held out for rent for seasonal recreational purposes only and is not intended for year-round occupancy	Allowed		See above
Cottage Housing	A grouping of smaller than average detached single-family dwellings clustered around a common area and developed with a coherent plan for the entire site	Allowed		Allowed
Duplexes	A building designed for and used exclusively for occupancy by two families independent of each other where both dwelling units are located on the same lot and are completely separated from each other by an unpierced wall extending from ground to roof or an unpierced ceiling and floor extending from exterior wall to exterior wall, except for common stairwell or garage exterior to both dwelling units.	Allowed		See above

Housing Types	City Definition (TMC 18.04)	MFM Multifamily Medium Density Residential Zone District (9-15 DU/Acre)	MFH Multifamily High Density Residential Zone District (14-29 DU/Acre)	MU Mixed Use Zone District (14 DU/Acre and greater)
Townhomes or Rowhouses	One of a line or row of dwelling units attached one to the other, having common walls between individual units, generally two stories in height (and sometimes three). Each unit occupies the space between common walls from the lowest level to the roof.	Allowed	Allowed	See above
Triplexes	A building designed for and used exclusively for occupancy by three families independent of each other where all three dwelling units are located on the same lot and are completely separated from each other, except for common stairwells or garages.	Allowed	Allowed	See above
Fourplexes	A building designed for and used exclusively for occupancy by four families independent of each other where all four dwelling units are located on the same lot and are completely separated from each other, except for common stairwells or garages.	Allowed	Allowed	See above
Multifamily Dwellings	A building designed and used for occupancy by five or more families all living independent of each other and where all dwelling units are located on the same lot.	Allowed	Allowed	Allowed

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Housing Types	City Definition (TMC 18.04)	MFM Multifamily Medium Density Residential Zone District (9-15 DU/Acre)	MFH Multifamily High Density Residential Zone District (14-29 DU/Acre)	MU Mixed Use Zone District (14 DU/Acre and greater)
Boardinghouses and roominghouses	A dwelling unit having only one kitchen and used for the lodging (with or without meals) for compensation of persons other than the related family members or operator of such dwelling unit. A roominghouse that is rented for less than thirty consecutive days at a time requires a business license per TMC Chapter 5.04. A roominghouse may allow for an unlimited stay, unlike a bed and breakfast which is limited to two weeks.	Allowed, as an accessory use	Allowed, as an accessory use	See above
Independent Senior Housing Facility	An independent living facility consisting of dwellings designed for and occupied by persons fifty-five years of age or older in accordance with 42 U.S.C. 3607. These facilities may consist of individual dwelling units of a barrier-free design, with separate bathroom facilities and a full kitchen. These facilities may have a communal dining area, recreation facilities (such as a library, lounge, or game room), laundry facilities, and open space. No nursing staff or assisted living staff is provided in an independent living facility.	Allowed	Allowed	Allowed

Housing Types	City Definition (TMC 18.04)	MFM Multifamily Medium Density Residential Zone District (9-15 DU/Acre)	MFH Multifamily High Density Residential Zone District (14-29 DU/Acre)	MU Mixed Use Zone District (14 DU/Acre and greater)
Assisted Senior Housing Facility	An assisted living facility, which is an establishment which provides living quarters and a variety of limited personal care and supportive health care to persons fifty-five years of age or older in accordance with 42 U.S.C. 3607 who are unable to live independently, but who do not need the skilled nursing care of a rest home, nursing home, or convalescent center. These facilities may consist of individual dwelling units of a barrier-free design, with separate bathroom facilities and a full kitchen. The facility may provide a minimal amount of supportive health care monitoring, such as assistance with medication, but is limited to health care services that do not require state or federal licensing. These facilities may have a communal dining area, recreation facilities (such as a library, lounge, or game room), laundry facilities, and open space.	Allowed, as a conditional use	Allowed, as a conditional use	Allowed

### Table 30. Development code housing type summary (3 of 3).

Housing Types	City Definition (TMC 18.04)	CBC Capitol Boulevard Community Zone District (30 DU/Acre and greater)	TC Town Center Mixed Use and/or Town Center Residential Subdistrict (30 DU/Acre and greater)	BD Brewery District Zone (10 DU/Acre and greater)	MHP Manufactured Home Park Zone District (6-9 DU/Acre)
Special Zone District Notes		All residential uses are allowed, provided that minimum density standards are met	Residential uses approved after June 9, 2002, provided the minimum density standards in TMC 18.23.030(B)(2) and Residential uses which were legally established prior to June 9, 2002 are met, rooming houses, and senior housing facilities are allowed	"Residential" uses are permitted in the zone district	
Single-family detached dwellings	A building that is not attached in any way to another dwelling unit or structure providing complete, independent living facilities for a family.	See above	See above	See above	Allowed

Housing Types	City Definition (TMC 18.04)	CBC Capitol Boulevard Community Zone District (30 DU/Acre and greater)	TC Town Center Mixed Use and/or Town Center Residential Subdistrict (30 DU/Acre and greater)	BD Brewery District Zone (10 DU/Acre and greater)	MHP Manufactured Home Park Zone District (6-9 DU/Acre)
Manufactured Homes	A single-family dwelling built according to the Department of Housing and Urban Development Manufactured Home Construction and Safety Standards Act, which is a national, preemptive building code. A manufactured home does not meet the criteria to be classified as a "designated manufactured home	See above	See above	See above	Allowed
Accessory Dwelling Units (ADUs)	A dwelling unit that is an accessory use or structure subordinate to a single- family detached dwelling subject to the general land use regulations found in TMC 18.42.010.	See above	See above	Allowed	
Manufactured Home Parks	Any real property lot which is rented or held out for rent to others for the placement of three or more manufactured homes, designated manufactured homes, or new manufactured homes for the primary purpose of production of income, except where such real property lot is rented or held out for rent for seasonal recreational purposes only and is not intended for year-round occupancy	See above	See above	See above	Allowed

Housing Types	City Definition (TMC 18.04)	CBC Capitol Boulevard Community Zone District (30 DU/Acre and greater)	TC Town Center Mixed Use and/or Town Center Residential Subdistrict (30 DU/Acre and greater)	BD Brewery District Zone (10 DU/Acre and greater)	MHP Manufactured Home Park Zone District (6-9 DU/Acre)
Cottage Housing	A grouping of smaller than average detached single-family dwellings clustered around a common area and developed with a coherent plan for the entire site			Allowed only in the Triangle, Bates South, Bluff, and Deschutes Subdistricts	
Duplexes	A building designed for and used exclusively for occupancy by two families independent of each other where both dwelling units are located on the same lot and are completely separated from each other by an unpierced wall extending from ground to roof or an unpierced ceiling and floor extending from exterior wall to exterior wall, except for common stairwell or garage exterior to both dwelling units.	See above	See above	See above	
Townhomes or Rowhouses	One of a line or row of dwelling units attached one to the other, having common walls between individual units, generally two stories in height (and sometimes three). Each unit occupies the space between common walls from the lowest level to the roof.	See above	See above	See above	

Housing Types	City Definition (TMC 18.04)	CBC Capitol Boulevard Community Zone District (30 DU/Acre and greater)	TC Town Center Mixed Use and/or Town Center Residential Subdistrict (30 DU/Acre and greater)	BD Brewery District Zone (10 DU/Acre and greater)	MHP Manufactured Home Park Zone District (6-9 DU/Acre)
Triplexes	A building designed for and used exclusively for occupancy by three families independent of each other where all three dwelling units are located on the same lot and are completely separated from each other, except for common stairwells or garages.	See above	See above	See above	
Fourplexes	A building designed for and used exclusively for occupancy by four families independent of each other where all four dwelling units are located on the same lot and are completely separated from each other, except for common stairwells or garages.	See above	See above	See above	
Multifamily Dwellings	A building designed and used for occupancy by five or more families all living independent of each other and where all dwelling units are located on the same lot.	See above	See above	See above	

Housing Types	City Definition (TMC 18.04)	CBC Capitol Boulevard Community Zone District (30 DU/Acre and greater)	TC Town Center Mixed Use and/or Town Center Residential Subdistrict (30 DU/Acre and greater)	BD Brewery District Zone (10 DU/Acre and greater)	MHP Manufactured Home Park Zone District (6-9 DU/Acre)
Boardinghouses and roominghouses	A dwelling unit having only one kitchen and used for the lodging (with or without meals) for compensation of persons other than the related family members or operator of such dwelling unit. A roominghouse that is rented for less than thirty consecutive days at a time requires a business license per TMC Chapter 5.04. A roominghouse may allow for an unlimited stay, unlike a bed and breakfast which is limited to two weeks.	See above	See above	See above	
Independent Senior Housing Facility	An independent living facility consisting of dwellings designed for and occupied by persons fifty-five years of age or older in accordance with 42 U.S.C. 3607. These facilities may consist of individual dwelling units of a barrier-free design, with separate bathroom facilities and a full kitchen. These facilities may have a communal dining area, recreation facilities (such as a library, lounge, or game room), laundry facilities, and open space. No nursing staff or assisted living staff is provided in an independent living facility.	Allowed	Allowed	Allowed	

Housing Types	City Definition (TMC 18.04)	CBC Capitol Boulevard Community Zone District (30 DU/Acre and greater)	TC Town Center Mixed Use and/or Town Center Residential Subdistrict (30 DU/Acre and greater)	BD Brewery District Zone (10 DU/Acre and greater)	MHP Manufactured Home Park Zone District (6-9 DU/Acre)
Assisted Senior Housing Facility	An assisted living facility, which is an establishment which provides living quarters and a variety of limited personal care and supportive health care to persons fifty-five years of age or older in accordance with 42 U.S.C. 3607 who are unable to live independently, but who do not need the skilled nursing care of a rest home, nursing home, or convalescent center. These facilities may consist of individual dwelling units of a barrier-free design, with separate bathroom facilities and a full kitchen. The facility may provide a minimal amount of supportive health care monitoring, such as assistance with medication, but is limited to health care services that do not require state or federal licensing. These facilities may have a communal dining area, recreation facilities (such as a library, lounge, or game room), laundry facilities, and open space.	Allowed	Allowed	Allowed	Allowed

### <u>Notes</u>

• Courtyard apartments are not addressed specifically by the zoning code, but would be allowed as a triplex, fourplex, or multifamily dwelling, depending on the number of units.

- Tiny houses as defined by state law would be allowed as detached single-family dwellings or as accessory dwelling units.
- Adult family homes and residential care facilities are allowed in all residential zone districts, except for the MHP Manufactured Home Park zone district and in all commercial zone districts.
- Group foster homes are allowed in all residential zone districts and in the Neighborhood Commercial (NC) zone district as a conditional use and are allowed in all other commercial zone districts except the Historic Commercial (HC) zone district.
- Convalescent centers, rest homes, and nursing homes are allowed in the Mixed Use (MU), Capitol Boulevard Community (CBC), and General Commercial (GC) zone districts.
- High-rise residential (five stories or more) uses are permitted in the some subdistricts of the Capitol Boulevard Community (CBC), Brewery District (BD), and Town Center (TC) zone districts and it is a conditional use in the GC General Commercial zone district.
- Mid-rise multifamily residential (three or four stories) uses are permitted in the GC General Commercial zone district.
- Multifamily dwellings, adult family homes, and residential care facilities are a permitted use in the HC Historic Commercial zone district.
- Independent Senior Housing Facilities are allowed in the Neighborhood Commercial (NC) zone district and Assisted Senior Housing Facilities are allowed in the Neighborhood Commercial (NC) zone district as a conditional use.
- Dwelling or dwelling unit is defined in the TMC as a building or a portion thereof designed for occupancy by one family for residential purposes, having kitchen and bathroom facilities, and on a permanent foundation. A dwelling used as a rental unit shall not be rented for less than thirty consecutive days at a time.
- Family is defined in the TMC as an individual or two or more persons, related by blood, marriage or adoption, or two or more persons with functional disabilities as defined in TMC Chapter 18.53, or a group of not more than six unrelated persons, living together to share a single dwelling unit. Mayor's June 6, 2021 Comment: The Mayor noted the legislature changed the law in 2021 limiting our ability to limit the number of unrelated persons in a house.
#### Regulations Evaluation #2 – Density, and Bulk and Dimensional Regulations

Tables 31-33 *Development code density, and bulk and dimensional regulation summary* lists the density, and bulk and dimensional regulations for each of the zone districts that allow housing in the City.

Density and Bulk and Dimensional Regulations <sup>8</sup>	RSR Residential /Sensitive Resource Zone District	SFL Single-Family Low Density Residential Zone District	SFM Single-Family Medium Density Residential Zone District
Density (low to high number of dwelling units per acre)	2 to 4 <sup>9</sup>	4 to 7 <sup>8</sup>	6 to 9 <sup>8</sup>
Lot Size (Minimum)	9,000 SF	3,200 SF	3,200 SF
Lot Size (Maximum)	None	None	None
Clustered Subdivision	Yes	Yes	Yes
Impervious Lot Coverage	Depends on lot size	60%	70%
Structure Height	35 feet	35 feet	35 feet
Front Yard	20 – 25 feet	10 feet	10 feet

Table 31. Development code density, and bulk and dimensional regulation summary (1 of 3).

<sup>&</sup>lt;sup>8</sup> Table 31 is intended to be a summary for general comparison only. Refer to the Tumwater Municipal Code for additional requirements and exceptions.
<sup>9</sup> DU/Acre = Dwelling units per acre. For example, 2-4 DU/Acre means that the minimum allowed density in the RSR zone district is two dwelling units per acre and the maximum allowed density is four dwelling units per acre. In many zone districts, achieving the maximum listed DU/acre is dependent on the purchase of transfer of development rights in accordance with TMC Chapter 18.57. The calculation of the density requirements is based on the portion of the site devoted to residential and associated uses (e.g., dwelling units; private community clubs; open space; stormwater detention, treatment and infiltration). The following land is excluded from density calculations:

<sup>1.</sup> Land that is required to be dedicated for public use as open space, right-of-way, or land on which development is prohibited by TMC Title 16, Environment, and land that is to be used for private roads. Provided, that portion of open space/park areas that consists of stormwater facilities and that is designed for active and/or passive recreational purposes in accordance with the drainage design and erosion control manual for Tumwater shall not be excluded from density calculations;

<sup>2.</sup> Land that is intended for future phases of development created in accordance with TMC 18.14.060;

<sup>3.</sup> Land that consists of lots devoted to uses other than residential and associated uses, including but not limited to churches, schools, and support facilities (except for stormwater detention, treatment, and infiltration facilities).

Density and Bulk and Dimensional Regulations <sup>8</sup>	RSR Residential /Sensitive Resource Zone District	SFL Single-Family Low Density Residential Zone District	SFM Single-Family Medium Density Residential Zone District
Side Yard	7.5 feet	5 feet	5 feet
Rear Yard	20 – 25 feet	20 feet <sup>10</sup>	20 feet <sup>11</sup>
Planned Unit Development	Not Allowed	Allowed	Allowed

<sup>&</sup>lt;sup>10</sup> Accessory dwelling units may be located a minimum of five feet from property line.

<sup>&</sup>lt;sup>11</sup> Accessory dwelling units may be located a minimum of five feet from property line.

Density and Bulk and Dimensional Regulations <sup>12</sup>	MFM Multifamily Medium Density Residential Zone District	MFH Multifamily High Density Residential Zone District	MU Mixed Use Zone District
Density (low to high number of dwelling units per acre)	9 to 15 <sup>813</sup>	14 to 29 <sup>814</sup>	14 and greater
Lot Size (Minimum)	N/A	N/A	None
Lot Size (Maximum)	None	N/A	None
Clustered Subdivision	N/A	N/A	N/A
Impervious Lot Coverage	70%	70%	85%
Structure Height	40 feet	Lesser of 50 feet or five stories <sup>15</sup>	Lesser of 50 feet or five stories
Front Yard	10 feet	10 feet	No minimum
Side Yard	5 feet	5 feet	No minimum
Rear Yard	5 feet	5 feet	No minimum
Planned Unit Development	Allowed	Allowed	Allowed

Table 32. Development code density, and bulk and dimensional regulation summary (2 of 3).

<sup>&</sup>lt;sup>12</sup> Table 32 is intended to be a summary for general comparison only. Refer to the Tumwater Municipal Code for additional requirements and exceptions. <sup>13</sup> Note that maximum density in the Multifamily Medium Density Residential (MFM) zone district can be increased to 20 dwelling units per acre if permanently affordable housing units are provided in a new multifamily housing project ten or more dwelling units in size and meet the requirements of TMC 18.42.140. <sup>14</sup> Note that maximum density in the Multifamily High Density Residential (MFH) zone district can be increased to 39 dwelling units per acre if permanently affordable housing units are provided in a new multifamily housing project ten or more dwelling units in size and meet the requirements of TMC 18.42.140. <sup>15</sup> Note that maximum height in the Mixed Use (MU) zone district can be increased to the lesser of 60 feet or six stories if permanently affordable housing units are provided in a new multifamily nousing project ten or more dwelling units in size and meet the requirements of TMC 18.42.140.

Table 33.	Development cod	le density,	and bulk and	dimensional	regulation	summary (3 of 3).

Density and Bulk and Dimensional Regulations <sup>16</sup>	CBC Capitol Boulevard Community Zone District	TC Town Center Mixed Use and/or Town Center Residential Subdistrict	BD Brewery District Zone	MHP Manufactured Home Park Zone District
Density (low to high number of dwelling units per acre)	30 and greater	30 and greater	10 and greater	6 to 9 <sup>8</sup>
Lot Size (Minimum)	None	None	None	N/A
Lot Size (Maximum)	None	None	None	N/A
Clustered Subdivision	N/A	N/A	N/A	N/A
Impervious Lot Coverage	None	None	75% - 100%	85%
Structure Height	50 to 65 feet <sup>17</sup>	55 to 85 feet <sup>18</sup>	35 to 55 feet <sup>19</sup>	40 feet
Front Yard	12 feet from curb line	0 feet	0 to 10 feet	10 feet
Side Yard	No minimum	0 feet	0 to 10 feet	5 feet
Rear Yard	No minimum	feet	0 to 10 feet	5 feet

<sup>&</sup>lt;sup>16</sup> Table 33 is intended to be a summary for general comparison only. Refer to the Tumwater Municipal Code for additional requirements and exceptions.

<sup>&</sup>lt;sup>17</sup> Note that maximum height in portions of the Capitol Boulevard Community (CBC) zone district can be increased to 75 feet or 50 feet if permanently

affordable housing units are provided in a new multifamily housing project 30 or more dwelling units in size and meet the requirements of TMC 18.42.140.

<sup>&</sup>lt;sup>18</sup> Note that maximum height in portions of the Town Center (TC) zone district can be increased to 65 feet if permanently affordable housing units are provided in a new multifamily housing project 30 or more dwelling units in size and meet the requirements of TMC 18.42.140.

<sup>&</sup>lt;sup>19</sup> Note that maximum height in portions of the Brewery District (BD) zone district can be increased by 10 feet if permanently affordable housing units are provided in a new multifamily housing project 30 or more dwelling units in size and meet the requirements of TMC 18.42.140.

Density and Bulk and Dimensional Regulations <sup>16</sup>	CBC Capitol Boulevard Community Zone District	TC Town Center Mixed Use and/or Town Center Residential Subdistrict	BD Brewery District Zone	MHP Manufactured Home Park Zone District
Planned Unit Development	Allowed	Allowed	Allowed	Not Allowed

#### <u>Notes</u>

• The General Commercial (GC) zone district, new multifamily or mixed use projects with a total of thirty or more dwelling units that provide thirty percent of those units as permanently affordable housing units would be allowed a maximum building height increase of ten feet, subject to imaginary airspace surface limitations. This would create a new maximum height limit of 75 feet. Projects providing permanently affordable housing units by this method would have to meet the requirements of TMC 18.42.140.

#### Regulations Evaluation #3 – Housing Innovation Program

Table 34 *Housing innovation program review* assesses the number of housing tools that are currently used the City by comparing them to those recommended in the Puget Sound Regional Council's Housing Innovation Program. The Housing Innovation Program was created to promote housing options and affordability in local communities. This assessment of housing tools will assist in the development of Housing Action Plan strategies to increase housing options in the city.

This evaluation shows that the City utilizes 32 of the 49 Housing Innovation Program Housing Tools and the City would be willing to consider using more of the tools.

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments
Development Types	1	
Accessory dwelling units (ADU)	Yes	Accessory dwelling units have been allowed in the City with minimal restrictions. The City Council updated the codes further in 2021 by Ordinance No. O2020-005 on March 16, 2021. In addition, the City is providing free accessory dwelling unit house plans for residents wanting to build units.
Cluster development	Yes	Allowed through the transfer of development rights program.
Cottage housing	Yes	Cottage housing allowed as a use in 2017. The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to allow cottage housing in all single- family zone districts.
Infill development	Yes	Encouraged and allowed.
Master planned communities	No	The City has limited areas that would be appropriate for a master planned community, but the City does use the Planned Unit Development process, as well as development agreements to meet the intent of a master planned community.

Table 34. Housing innovation program review.

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments
Mixed use development	Yes	Brewery District (BD), Capitol Boulevard Community (CBC), Town Center (TC), and Neighborhood Commercial (NC) and Mixed Use (MU) zone districts encourage these types of development as well as the General Commercial (GC) zone district.
Mobile/manufactured homes	Yes	Allowed in all residential zone districts.
Multifamily development	Yes	Allowed in multifamily zone districts as well as Brewery District (BD), Capitol Boulevard Community (CBC), Town Center (TC), and Neighborhood Commercial (NC) and Mixed Use (MU) zone districts encourage these types of development as well as the General Commercial (GC) zone district.
Planned unit development	Yes	Encouraged and allowed.
Preservation & rehabilitation	Yes	Encouraged and allowed.
Small lot single family development	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to allow 3,200 SF lots in the Single Family Low Density Residential (SFL) and Single Family Medium Density Residential (SFM) zone districts.
Townhomes	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to expand where such uses are allowed.
Zero lot line development	Yes	Part of townhouse and rowhouse developments. The City Council updated the codes in 2021 by Ordinance No. O2020- 005 on March 16, 2021 to expand where such uses are allowed.

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments
Other Regulatory Tools		
Design guidelines	Yes	Design guidelines adopted in 2016.
Flexible single family development regulations	No	The City would be willing to consider this tool in certain areas of the City.
Form based zoning	No	The City would be willing to consider this tool in certain areas of the City.
Inclusionary zoning	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to allow in multifamily zone districts as well as Brewery District (BD), Capitol Boulevard Community (CBC), Town Center (TC), and Neighborhood Commercial (NC) and Mixed Use (MU) zone districts encourage these types of development.
Lot size averaging	No	The City would be willing to consider this tool in certain areas of the City.
Minimum densities	Yes	In all zone districts that allow residential uses.
No maximum densities	Yes	In the Brewery District (BD), Capitol Boulevard Community (CBC), Town Center (TC), Neighborhood Commercial (NC), Mixed Use (MU), and General Commercial (GC) zone districts.
Performance zoning	No	The City would be willing to consider this tool in certain areas of the City.
Regulatory streamlining	Yes	Ongoing process of identifying and improving regulatory processes.
SEPA categorical exemptions	Yes	In November 2019, the City Council approved Ordinance No. O2019-022, which raised the SEPA categorical exemption threshold for multifamily projects to the maximum under State law.

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments
Short plats	Yes	Short plats are defined as nine or fewer lots to match the maximum allowed by state law.
Transit oriented development (TOD) overlays	Yes	The Brewery District (BD), Capitol Boulevard Community (CBC), Town Center (TC) and zone districts are effectively this kind of overlay. Could be expanded to include the Littlerock Subarea.
Transfer of development rights (TDR) for affordable housing	No	The City would be willing to consider this tool. There would need to be work with Thurston County to do this.
Up-zones & rezones	Yes	The City has been exploring more options for this tool, most recently in 2020 in various locations in the City.
Incentives		
Density bonuses	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to allow for density bonuses as an incentive for permanently affordable multifamily housing as well as the already existing bonuses for transfer of development rights for rural development.
Fee waivers or reductions	Yes	The fee reductions were identified in a strategy to pursue in the 2019 City Council Affordable Housing Work Program. City is currently developing a fee resolution for review and approval by the City Council in 2021.
Incentive zoning	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to allow for permanently affordable housing to be built in exchange for density or building height increases depending on the zone district.

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments
Multifamily tax exemption (MFTE)	Yes	The City Council established the Multifamily tax exemption program on April 4, 2017 by Ordinance No. O2017-004 for 8-years and the 12-year Multifamily Tax Exemption developments in the Brewery District (BD) and Capitol Boulevard Community (CBC) plan areas.
		On January 21, 2020, the City Council approved Ordinance No. O2019-023, which expanded the 12-year Multifamily Tax Exemption program to the Tumwater Town Center (TC) and Littlerock Road Subarea.
Parking reductions	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to reduce parking requirements for certain residential use.
Permitting priority	No	The City has considered a permitting priority system for affordable housing, but has not seen the need given the current permit approval timelines.
Planned action EIS	No	The City would be willing to consider this tool in certain areas of the City, such as the Brewery District or the Capitol Boulevard Community Plan Areas.
Other Financial Tools	L	
Commercial linkage fees	No	Economic conditions at not right for the City to use this tool.
Credit enhancement	No	Economic conditions at not right for the City to use this tool.
Local housing fund	Yes	The City is working with the regional Housing Council in allocating regional housing funds as well as allocating CDGB funds for housing assistance.

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments		
Public land for affordable housing	No	The City has considered this tool, but it did not identify any surplus public land that could be used for this purpose.		
Project-Level Tools				
Affordability covenants	Yes	The City Council updated the codes in 2021 by Ordinance No. O2020-005 on March 16, 2021 to allow for permanently affordable housing to be built in exchange for density or building height increases depending on the zone district to be managed by permanent covenants and restrictions.		
Development agreements	Yes	The City uses development agreements for new development now and it can be used for affordable housing projects.		
Renter/Homeowner Assistance	•			
Displacement resources	No	The City has considered this tool, but has decided it does not have the financial or staff resources to fund and manage its use. If it is considered, it may be part of the actions of the Regional Housing Council.		
Direct Household Assistance	Yes	The City has considered this tool, and has funded local non-profits to run programs for rental assistance.		
Foreclosure resources	No	The City has considered this tool, but has decided it does not have the financial or staff resources to fund and manage its use. If it is considered, it may be part of the actions of the Regional Housing Council.		
Partnerships				
Nonprofit partnerships	Yes	The City has a number of local non-profits it work with directly as well as regional non- profits through the Regional Housing Council.		

HIP Housing Tools	Housing Tools Currently Available in in the City	Comments
Interjurisdictional cooperation	Yes	The City has worked with other jurisdictions in a number of ways, such as the development of the regional Thurston Climate Mitigation Plan and the Housing Action Plan development process, as well as formally on homelessness and affordable housing through the Regional Housing Council.
Education & Outreach		
Community outreach plans	No	The City would be willing to consider developing this tool.
Educating permitting officials	No	The City would be willing to consider developing this tool.
NIMBY, strategies to address	No	The City would be willing to consider developing this tool.
Strategic marketing	No	The City would be willing to consider developing this tool.

#### Regulations Evaluation #4 – Development Code and Other Barrier Summary

Table 35 *Development code barrier summary* identifies potential barriers to building housing within the City's current development codes and practices.

Table 36 *Other potential barriers summary* identifies potential barriers to building housing within the City's current development codes and practices.

The identification of these potential barriers will assist in the development of Housing Action Plan strategies to increase housing in the City.

Table 35.	Development	code	barrier	summary.
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	Potential Development Code Barriers	
Housing Types		
HIGH DENSITY		
Multifamily	Pedestrian & Vehicle Access and Circulation	
	Explore reciprocal access easements for adjacent developments	
	Parking	
	<ul> <li>Consider reducing minimum stall size for some portion of parking requirements</li> </ul>	
	Re-examine required minimum parking requirements	
	Re-examine drive aisle minimum width	
	<ul> <li>Consider shared parking provisions as a means of reducing parking requirements</li> </ul>	
	Landscaping	
	Explore options for alternative landscape buffer widths	
	Consider changes to parking lot landscaping requirements	
	Consider granting more flexibility in landscape chapter	
	Incentives	
	<ul> <li>Explore expanding incentives, including by encouraging three bedroom units</li> </ul>	

	Potential Development Code Barriers
MEDIUM DENSITY	
Triplex and Fourplex	<ul> <li>Allowed Uses</li> <li>Expand as a permitted use to the Single-Family Medium Density</li> </ul>
	Residential (SFM) zone district
	Parking
	Re-examine required minimum parking requirements
	<ul> <li>Consider shared parking provisions as a means of reducing parking requirements</li> </ul>
Townhouse	Allowed Uses
	<ul> <li>Expand as a permitted use to the Single-Family Medium Density Residential (SFM) zone district without a Planned Unit Development</li> </ul>
	• Expand as a permitted use to the Single-Family Low Density Residential (SFL) zone district with a Planned Unit Development
	Parking
	Re-examine required minimum parking requirements
	<ul> <li>Consider shared parking provisions as a means of reducing parking requirements</li> </ul>
Duplex	Allowed Uses
	<ul> <li>Expand as a permitted use without restrictions in the Single-Family Low Density Residential (SFL) and Single-Family Medium Density Residential (SFM) zone districts</li> </ul>
	Parking
	Re-examine required minimum parking requirements
	<ul> <li>Consider shared parking provisions as a means of reducing parking requirements</li> </ul>

	Potential Development Code Barriers	
LOW DENSITY		
Small Lot Single Family	Parking	
	Re-examine required minimum parking requirements	
	<ul> <li>Review parking requirements to allow tandem garages or clustered parking</li> </ul>	
	Other	
	Consider adding a provision regarding zero-lot line development	
Accessory Dwelling Units	Parking	
	Re-examine required minimum parking requirements	
	Other	
	<ul> <li>Consider increasing accessory dwelling unit size to 1,000 square feet</li> </ul>	
	Simplify water and sewer connection requirements	
	Work on promotion of accessory dwelling unit options	
Detached Single family	Parking	
	Re-examine required minimum parking requirements	
	<ul> <li>Review parking requirements to allow tandem garages or clustered parking</li> </ul>	
	Other	
	Review lot coverage and setback requirements	
Manufactured Homes	Parking	
	Re-examine required minimum parking requirements	
Code Requirements		
GENERAL STANDARDS		
Density	Potential Density Increases	
	• Explore increasing minimum densities for multifamily zone districts	
	• Consider allowing up zones within the large lot residential low zones once utility infrastructure, such as sewers, is available	

	Potential Development Code Barriers
Landscaping Standards	Landscaping
	<ul> <li>Consider changes to the landscaping code that would be more supportive of and complimentary to higher density and mixed use residential development types</li> </ul>
	Consider options for alternative landscape buffer widths
	Consider changes to surface parking landscaping
	<ul> <li>Consider removing/reducing the non-compatible buffer requirement between residential developments of different densities, and certain commercial uses</li> </ul>
Parking	Parking
	<ul> <li>Reduce required off-street parking ratios in residential areas near transit service and where there is sufficient on street parking to increase the buildable land available for housing</li> </ul>
Incentives	Development Incentives
	• Add a development incentive chapter to Title 18 <i>Zoning</i> to explore methods to incentivize methods to incentivize a variety of different housing types
OTHER	
Design Guidelines	• Review design guidelines to determine if amendments are needed to allow for the development of more affordable housing
Parking Lots, Driveways	<ul> <li>Consider reducing the amount of pavement required in parking lots and driveways for multifamily developments</li> </ul>
Planned Unit Development	• Review the Planned Unit Development requirements and consider amendments to TMC 18.36 <i>Planned Unit Development (PUD) Overlay</i>
Height Limits	Explore increasing height limits
Neighborhood Compatibility	Consider reducing requirements for multifamily developments     near higher intensity uses
	<ul> <li>Examine setbacks and screening and consider basing it on structure height or mass as opposed to zone district</li> </ul>

	Potential Development Code Barriers
Unit Lot Subdivision	• Explore options for subdivision of attached units (unit lot subdivision) to allow for fee-simple ownership instead of condominium ownership. This would be specifically for detached and attached housing units in multifamily residential and mixed-use zone districts
General Development Standards	<ul> <li>Vary development standards, such as parking, open space, and setbacks, by certain housing types to provide permanently affordable housing</li> </ul>

#### Table 36. Other potential barriers summary.

	Other Potential Barriers	
OTHER BARRIERS		
Infrastructure Investments	• Make infrastructure investments for infill areas needing upgrades with follow-up by City staff to develop potential scenarios with emphasis on areas where affordable housing is most likely to occur	
Development Standards	<ul> <li>Review the City's Engineering Development Standards to identify potential barriers</li> </ul>	
Comprehensive Plan Map Amendments and Rezones	• Review the City's Comprehensive Plan and the Citywide zoning map designations and determine if there are areas in the City that could support a higher range of residential densities	

### Appendix E. Previous Work

#### Background

After the City Council adopted Resolution No. R2018-016 in July 2018, the City has been working on a number of actions to reduce homelessness, increase affordable housing, and collaborate with other jurisdictions and agencies to explore regional solutions to these issues.

The Planning Commission and the City Council undertook a significant effort from September 2018 to May 2019 to develop the Affordable Housing Work Plan for the City Council to use in make informed decisions when prioritizing the next steps to implement Resolution No. R2018-016. Since 2019, the City had spent a substantial amount of time implementing the 2019 Affordable Housing Work Plan through ordinances and process changes.

While the City was implementing the 2019 Affordable Housing Work Plan, the state legislature passed E2SHB 1923 in 2019, which created state grants through the Department of Commerce to address the need to create more affordable housing through the creation of local housing action plans. Seeing an opportunity to pool resources and work regionally to create materials to support the development of a City's Housing Action Plan, the City joined with the Cities of Lacey and Olympia in applying for the state grant.

By January 2020, the three cities were awarded the grant, agreed to an interlocal agreement to work together on the initial work products, and contracted with the Thurston Regional Planning Council (TRPC) to do the work. With the help of TRPC staff, a stakeholder group made up of developers, real estate professionals, and housing activists, as well as staff from the three jurisdictions, over the course of 2020 and into January 2021, a Regional Needs Housing Assessment, a Landlord Survey, and a draft Housing Action Plan template were completed.

#### 2016 Comprehensive Plan Update

In 2016 to ensure the plan complied with the requirements of the GMA, Chapter 36.70A RCW as part of the Growth Management Plan requirement to update the City's Comprehensive Plan every eight years in accordance with RCW 36.70A.130(1) under Ordinance No. O2016-012, the City reviewed and revised the Housing Element of the Comprehensive Plan.

#### 2018 Resolution No. R2018-016 Homelessness and Affordable Housing

In the first half of 2018, the City Council devoted considerable time to discussions of the causes of and resources available to address homelessness and the lack of affordable housing in the City. In July 2018, the City Council adopted Resolution No. R2018-016 Homelessness and Affordable Housing, which included a number of actions to start to reduce homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

#### A. <u>Reduce Homelessness</u> – Increase resources/actions to combat/decrease regional homelessness.

Take the following actions now:

- 1. Review, and clarify as necessary, policies related to homelessness for first responders.
- 2. Develop strategies with the Tumwater School District and nonprofit partners to house homeless students/families.
- 3. Better understand and describe the extent and general location of Tumwater poverty and low-income areas.
- 4. Commit more current City resources to targeted regional homelessness actions.
- 5. Act to better connect people to services.
- 6. Continue to participate in homeless count each year.
- 7. Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness.
- 8. Assess and track homeless/low-income services in Tumwater.

Review and evaluate the following actions once the actions above are complete and their outcomes evaluated:

- 1. Further explore community support for a new tax/fee source for targeted homeless housing and services.
- 2. Evaluate Tumwater's future role in providing managed encampments, safe overnight parking areas, and shelters. May include code amendments addressing these land uses.

#### B. <u>Boost Housing Affordability</u> – Actions to increase affordable housing.

Take the following actions now:

- 1. Pursue grants for affordable housing.
- 2. Strengthen incentives for affordable housing within the Capital Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor.
- 3. Evaluate and, if necessary, propose amendments to City code and zoning to support smaller scale affordable housing in neighborhoods to offer a greater variety of housing options.
- 4. Promote actions property owners can take to increase affordable housing such as accessory dwelling units.
- 5. Participate in regional discussions to understand factors affecting housing affordability and what steps can be taken to mitigate new housing costs.
- 6. Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents.
- 7. Encourage more housing development overall.
- 8. Encourage abandoned houses moving back into the active housing inventory.

- 9. Enact policies to protect tenants experiencing housing instability, which may include:
  - a. Review current eviction/renter protection policies, laws, and legal services and assess possible actions.
  - b. Assess need for/knowledge of landlord-tenant conflict resolution services.
  - c. Support renter resources (mediation, etc.).
- 10. Inventory and track affordable housing units in Tumwater.

Review and evaluate the following actions once the actions above are complete and their outcomes evaluated:

- 1. Further explore community support for a new tax/fee source to support affordable housing and low-income services.
- Consider options for reducing fees and service charges for certified affordable housing units.
- 3. Focus on creating one significant affordable housing project with partners in the next five years.
- C. <u>Ongoing Regional Actions</u> Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.

#### 2019 Housing Affordability Work Plans

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City worked on a number of actions to reduce homelessness, increase affordable housing, and continue to collaborate with other jurisdictions and agencies to explore regional solutions to these issues.

One of those tasks was the City Council's 2019 Housing Affordability Work Plan, which is intended to increase the amount of privately and publicly funded residential development in the City to bring the supply and demand of housing in the City more into balance.

#### Objective

The City Council's development text and fee work plans addressed the following actions from Resolution No. R2018-016, which support the goal of increasing housing affordability:

#### **GOAL: Boost Housing Affordability**

Action #2 – Strengthen incentives for affordable housing within the Capitol Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor

Action #3 – Evaluate and, if necessary, propose amendments to City code and zoning to support smaller scale affordable housing in neighborhoods to offer a greater variety of housing options

Action #4 – Promote actions property owners can take to increase affordable housing such as accessory dwelling units

Action #7 – Encourage more housing development overall

#### Background

After the City Council adopted Resolution No. R2018-016, the Planning Commission studied material on homelessness and the lack of affordable housing in the City in the fall of 2018. In the winter of 2019, the Planning Commission reviewed potential implementation actions the City could take to increase its affordable housing supply by reviewing the City's land use regulations and development fee structures for barriers to affordable housing.

Staff prepared draft tables of potential implementation actions for the Planning Commission to consider, which included background information as well as a rough estimate of the complexity of enacting the change, its relative effect in increasing the affordable housing stock in the City, and potential costs to the City. The Planning Commission completed its recommended development text and fee work plans on March 12, 2019.

The City Council reviewed the Planning Commission's proposed development text and fee amendment work plans at worksessions on March 26, 2019, April 23, 2019, and May 28, 2019. At their May 28, 2019 worksession, the City Council decided to focus on specific items in the Planning Commission's proposals in the final development text and fee amendment work plans.

#### **Development Code Text Amendments**

The intent of the development code text amendments is to increase the amount of privately and publicly funded residential development in the City, which would increase the overall supply of housing. Some of the development code text amendments would focus on increasing the amount of permanently affordable housing in the City.

The City Council's final work plan for development code text amendments to provide more housing, affordable and otherwise, in the City included the following actions:

- 1. Review the City's Comprehensive Plan and the Citywide zoning map designations and determine if there are areas in the City that could support a higher range of residential densities.
- 2. Provide an affordable housing density bonus in addition to the maximum density permitted in residential zone districts in limited areas of the City, if the proposed project provides permanently affordable housing units. In addition, consider a density bonus to incentivize developers to provide specific housing types in limited areas of the City that provide permanently affordable housing units.
- 3. Expand the locations where special residential development types such as accessory dwelling units and cottage housing and smaller types of housing such as micro-housing, tiny homes, and smaller lot single-family development are permitted. In addition, consider incentives for including accessory dwelling units with new single-family home developments.
- 4. Streamline accessory dwelling unit permitting by researching what other jurisdictions such as the City of Lacey and the cities in east King County are doing and look at ways to incorporate that work into the City's processes.
- 5. Add duplexes or other smaller types of housing units as a permitted uses to single family residential zone districts, such as the Residential/Sensitive Resource (RSR), Single-Family Low Density Residential (SFL), and Single-Family Medium Density Residential (SFM) zone districts.

- 6. Increase height limits in the Knoll subdistrict of the Brewery District zone district for permanently affordable housing projects.
- 7. Reduce required off-street parking ratios in residential areas near transit service and where there is sufficient on street parking to increase the buildable land available for housing. In addition, consider eliminating the 1.0 parking space per dwelling unit requirement for accessory dwellings.
- 8. Vary development standards, such as parking, open space, and setbacks, by certain housing types to provide permanently affordable housing. Note: Council asked that a more detailed proposal be prepared for this item before it gives its approval to include in the work plan.
- 9. Require new housing created specifically to be affordable to remain affordable in perpetuity with protective covenants and deed restrictions.
- 10. Raise the SEPA categorical exemption thresholds for multifamily residential development from 25 to 60 multifamily residential units.
- 11. Explore options for subdivision of attached units (unit lot subdivision) to allow for fee-simple ownership instead of condominium ownership. This would be specifically for detached and attached housing units in multifamily residential and mixed-use zone districts.

#### **Development Fee Amendments**

Based on the implementation actions identified in the Brewery District and Capitol Corridor Subarea Plans, the City Council's development fee amendment work plan included actions to reduce development fees to encourage the building of more housing, which could include permanently affordable housing. The actions in the development fee amendment work plan are focused in the Brewery District and the Capitol Boulevard Corridor subareas, the Town Center, and the Littlerock Road Subarea.

The intent would be to improve the financial viability of new development by allowing private and public developers to spread out or reduce the costs of infrastructure and capital improvements over the course of the development process and in turn allow more dwelling units of all types to be built.

The City Council's final work plan for development code fee amendments to provide more housing in the Brewery District, the Capitol Boulevard Corridor, the Town Center, and the Littlerock Road Subarea of the City included the following actions:

- 1. Lower, delay, or adjust the timing of development fees, such as impact fees and connection charges, such as:
  - a. Transportation impact fees where there is a nexus between the location of affordable housing and access to transit and after working with the Public Works Department to assess transportation demand in these neighborhoods;
  - Park impact fees after reviewing the assumptions the City considered as part of the Metropolitan Park District ballot measure and working with the Parks and Recreation Department;
  - c. Water and sewer connection fees after working with the Public Works Department; and
  - d. Sewer capacity development charges for permanently affordable housing after working with the Public Works Department.

- 2. Exempt emergency housing from impact fees (SHB 2538).
- 3. Expand the multifamily tax exemption program to other areas of the City, such as the Town Center, and the Littlerock Road Subarea, and look at expanding the percentage of permanently affordable units that would need to be provided.
- 4. Cut, reduce, or cap fees for nonprofits building permanently affordable housing.
- 5. Reduce fees for private-sector development of permanently affordable homes and units.
- Make infrastructure investments for infill areas needing upgrades with follow-up by City staff to develop potential scenarios with emphasis on areas where affordable housing is most likely to occur.
- 7. Reduce fees for affordable, single-family homes (under 1,500 sq. ft.) and manufactured homes.

Attachment C

### City of Tumwater Affordable Housing Actions

April 11, 2023 Planning Commission Discussion



### Purpose

- The Planning Commission requested a summary of the actions taken by the City since 2018 to address the need for more affordable housing
- The actions reviewed will in turn inform the 2025 Comprehensive Plan update



### Issues

- Not enough housing in the City to meet demand
- Wages are not rising as fast as housing costs
- Lack of housing driving up prices and making housing less affordable to more people
- While the private market will continue to supply most of the City's new housing in the future, there is the need for public funding of permanently affordable housing

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## **Summary of Actions**

- 1. Resolution No. R2018-016
- 2. Regional Housing Council
- 3. WSDOT Right-of-Way Initiative Process
- 4. Tumwater Housing Action Plan
- 5. Multifamily Tax Exemption Program
- 6. Housing Text Amendments
- 7. Housing Fee Amendments
- 8. Rental Housing Code

### **Resolution No. R2018-016**

- The City Council adopted Resolution No. R2018-016 Actions to Address Homelessness and Increase Affordable Housing in the City in 2018
- In 2018 and 2019, the Planning Commission and City Council undertook a significant effort to create Housing Affordability Work Plans
- Since then, the City has worked on actions to reduce homelessness, increase affordable housing, and collaborate on regional solutions

## **Regional Housing Council**

- Started in 2020
- Primary purpose is to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing
- The Council considers issues specifically related to funding a regional response to homelessness and affordable housing

## **Regional Housing Council**

- Council implements the County's five-year Homeless Crisis Response Plan by setting priorities and making funding decisions on projects and programs
- Two Tumwater City Councilmembers sit on the Regional Housing Council and the City's has committed 0.25 FTE in City staffing to Regional Housing Council work

## WSDOT Right-of-Way

- Rights of Way Initiative Process is intended to address the short-term goal of transitioning people from specific prioritized state rights-of-way into housing
- The agreement is between the Washington State Department of Commerce, the Washington State Department of Transportation, the Washington State Patrol, the cities of Lacey, Olympia, and Tumwater, and Thurston County

# WSDOT Right-of-Way

This is carried out by the following strategies:

- Promptly identifying shelter and housing for people living in rights of way
- Engaging people living in rights of way to assess their needs and refer them to identified services prior to the clearing of rights of way
- Identifying and implementing strategies to keep cleared sites uninhabited
- Implementing a more comprehensive long-term approach to individuals and families living in public places

### **Housing Action Plan**

- The Tumwater Housing Action Plan was the next step in the process of identifying ways to increase housing in the City
- The Plan is long-term planning document
- The Plan used regional data and local analysis to identify specific strategies and actions to preserve existing housing and create more housing

## Background

- Focus of the Plan was on preserving and creating permanent housing rather than emergency actions to address homelessness
- Equity was an overarching lens
- The Plan did not address household income and wage strategies

### **Products of the Joint Effort**

- Identify trends and data on demographics, housing, and income in Lacey, Olympia, and Tumwater
- Report issued September 2020; updated December 2020 and January 2021

- Understand the amount and the type of housing needed over the next 25 years to ensure residents will have access to affordable housing
- Gap Analysis Included in the Regional Housing Needs Assessment
  - Gain a better understanding of the local rental market, especially for single-family homes which are not typically reported in rental data
- Landlord Survey Survey mailed October 2020 and responses returned December 2020. Summary report issued January 2021

Template for the Housing Action Plan

Regional Housing Needs Assessment

- Develop a menu of actions Lacey, Olympia, and Tumwater can take to improve housing affordability
- Stakeholder meetings August through December 2020. Draft plan template issued January 2021
## Housing Gaps

The Housing Needs Assessment identified seven housing gaps that the Plan needed to address:

- 1. <u>Affordability</u> Reduce housing costs for low-income and cost-burdened households
- 2. <u>Supply</u> Increase the overall housing supply
- 3. <u>Variety</u> Increase the variety of housing sizes and types
- 4. <u>Seniors</u> Increase senior housing options

# Housing Gaps

- 5. <u>Improvements</u> Maintain in good condition and improve the existing housing stock
- 6. <u>Stability</u> Provide safe, stable options for both renters and homeowners
- 7. <u>Supportive Housing</u> Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness

## **Strategies to Address Gaps**

To address the seven housing gaps, the Plan identified six strategies for addressing housing needs in the City:

- 1. Increase the supply of permanent, income-restricted affordable housing
- 2. Make it easier for households to access housing and stay housed
- 3. Expand the overall housing supply by making it easier to build all types of housing projects

## **Strategies to Address Gaps**

- 4. Increase the variety of housing choices
- 5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies
- 6. Establish a permanent source of funding for low-income housing

## **Housing Actions**

- Under each of the six strategies there are 50 specific actions for the City to implement
- The City had already implemented a further 31 actions identified in the Plan

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## Legislative Agenda

- While the Plan outlines actions the City can take to address housing gaps, needs, and equity, barriers also exist at the state and federal levels
- By far, the largest barrier is a lack of funding for lowincome and income-restricted housing, whether it is construction, improvement, rehabilitation, or rental subsidies

#### **Multifamily Tax Exemption**

- The MFTE program exempts property taxes on improvements made for multifamily development within designated areas of the City
- Exemptions can be for either eight years with market rate housing or 12 years if at least 20% of the units provided are for affordable housing

#### **Multifamily Tax Exemption**

- The MFTE program is intended to provide a tax incentive to encourage the development of multifamily housing units in targeted areas of Tumwater
- The tax exemption applies to the new housing improvement portion of the property taxes

#### **MFTE 2017**

- The MFTE program was established in 2017 to use residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor
- The City's subarea plans adopted in 2015 indicated that a variety of financial incentives were needed for the redevelopment envisioned by the plans
- Adding residents was intended to encourage the development of retail, services, and employment

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#### **MFTE 2019**

- The MFTE program was expanded to the Town Center and the Littlerock Road Subareas in 2019
- R2018-016 encouraged more housing to be built overall in the City to meet demand and to provide some level of affordable housing
- In the Town Center and the Littlerock Road Subareas, the MFTE program was limited to the 12-Year option that required 20% of those units to be affordable

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#### **MFTE To Date**

- To date, 441 total units in the City are through at least the MFTE conditional approval process
- 66 are affordable units and the rest are market rate
- The MFTE program will expire at the end of 2026, so the City has a deadline built into the code to evaluate if the program is doing what was intended
- General Government Committee will be meeting in June 2023 to discuss the MFTE program

## Housing Text Amendments

- The intent of the housing affordability text amendments was to increase the amount of residential development in the City and to bring the supply and demand for housing more into balance
- In addition, some of the housing affordability text amendments were intended to increase the amount of affordable housing units in the City through inclusionary zoning for households with incomes less than or equal to 80 AMI

## **Housing Text Amendments**

The amendments included:

- Incentives for permanently affordable housing units
- Amendments to the senior housing facility definition
- More specific dwelling definitions to allow for more flexibility
- Expansion of where "duplexes" were allowed
- Expansion of where "townhouses and rowhouses" were allowed

## Housing Text Amendments

- Reducing zone districts where "single family detached dwellings" were allowed
- Expanding where "cottage housing" were allowed
- Reducing minimum lot sizes
- Other changes to residential uses
- Amendments to required off-street parking

### Housing Fee Amendments

- The amendments adjusted impact fees, connections charges, and permit fees for permanent low-income housing
- The amendments included a fee reduction for smaller homes as a way to encourage a variety of homes available citywide

## **Housing Fee Amendments**

Specific amendments included:

- 50% transportation impact fee discount if a dwelling was within one-half mile to public transit for permanent lowincome housing
- 50% park impact fee discount if an active park/open space area at least one-half acre in size was included in the development in which the dwelling was being built or the dwelling was within one-half mile of a park at least onehalf acre in size for permanent low-income housing

## **Housing Fee Amendments**

Specific amendments included:

- 25% off transportation impact fee and park impact for new single family houses less than 1,200 square feet in size
- 50% water connection fee discount for permanent lowincome housing
- Discounted building permit fee and plan review fee of 50% off for permanent low income housing

## **Rental Housing**

- As part of the work on Resolution No. R2018-016, the City reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed
- The City Council reviewed potential actions that the City could undertake alone or on a regional basis to address tenant protection

## **Rental Housing**

In 2022 the City Council asked for the following:

- Ordinances to address tenant protections in Title 5 Business Taxes, Licenses and Regulations
- An ordinance to establish a rental registration program to communicate with tenants and landlords about rental regulations
- A contract with the Dispute Resolution Center for tenant and landlord conflict resolution services specifically for Tumwater residents

## **Other Actions**

- Work with Tumwater School District and nonprofit partners to house homeless students / families
- Continue to participate in homeless count each year
- Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness
- Pursue grants for affordable housing

### **Other Actions**

- Accessory dwelling units
- Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents
- Encourage abandoned houses moving back into the active housing inventory

#### **2025 Housing Element Update**

- In 2021, the State Legislature amended the Growth Management Act to mandate that Comprehensive Plans "plan for and accommodate housing affordable to all economic segments of the population..."
- The state will provide countywide housing need projections for moderate, low, very low, and extremely low-income households, permanent supportive housing, emergency housing, and emergency shelters

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#### **2025 Housing Element Update**

- Jurisdictions within a County are collectively responsible for meeting the projected housing needs of each type
- Comprehensive Plans must demonstrate sufficient land capacity to accommodate housing projections at the specific levels of affordability and must address racially disparate impacts, displacement, and exclusion in housing



