

STAFF REPORT



Date: November 26, 2024
To: City Council and Planning Commission
From: Brad Medrud, Planning Manager

2025 Development Code Periodic Update – Middle Housing

On a ten-year cycle, the City must conduct a Growth Management Act periodic update of its Comprehensive Plan and related development regulations. For the current cycle, the City is obligated to complete work on the periodic update by December 31, 2025.

The intent of the Planning Commission work session on Tuesday, November 26, 2024, is to discuss the details of the City’s approach to the State required middle housing amendments to the Tumwater Municipal Code (TMC) as part of the 2025 Comprehensive Plan and Development Code periodic update and discuss next steps to amend the Citywide Design Guidelines.

Contents

- Contents..... 1
- 1. The Need for Housing in Tumwater..... 2
 - A. Supply and Need..... 2
 - B. Who Are We Planning For?..... 3
 - C. Anticipated Future Housing Need 4
 - D. City’s Role in Development 5
 - E. Development Code Update Process 5
- 2. Middle Housing..... 5
 - A. State Requirements 5
 - B. Proposed Middle Housing Amendments..... 6
 - 1) Zone Districts 6
 - 2) Definitions..... 7
 - 3) Middle Housing Allowed Uses 8
 - 4) Dwelling Unit Density 11

5) Bulk and Dimensional Regulations 11

6) Citywide Design Review 11

7) Accessory Dwelling Units 11

8) Affordable Housing Requirements 12

9) Off-Street Parking Requirements 12

10) Cottage Housing Open Space 12

4. Next Steps 12

5. Resources and Guidance 13

1. The Need for Housing in Tumwater

A. Supply and Need

More needs to be done to increase the City's housing supply, even without the State requirements to do so.

Figure 1 shows the 2020 housing supply of the City and its associated urban growth area, and the expected 2020-2045 housing need based on the State's allocation to the Thurston County and subsequent process through the Thurston Regional Planning Council to allocate housing needs across all the jurisdictions in the County.

Table 1. Total 2020 Supply and 2045 Need.

	City	UGA	Total
2020 Housing Supply	11,064	1,210	12,274
2020-2045 Housing Need	6,676	2,516	9,192

Figure 1. 2045 Housing Allocation by Area Median Income (AMI).

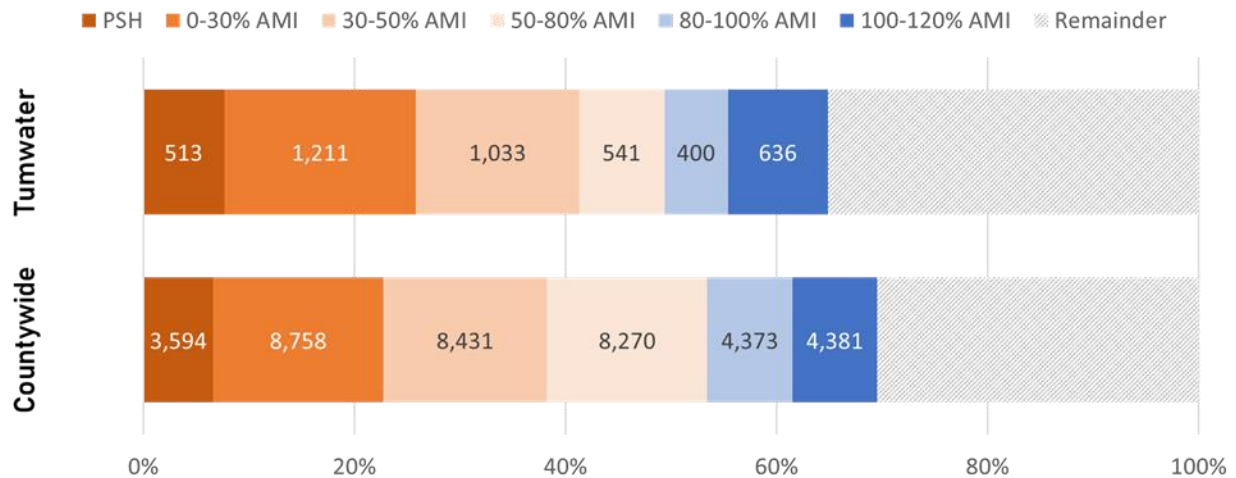


Table 2. Tumwater and Urban Growth Area Population Growth Projection.

Type	Number
Housing Units Needed (2020-2045)	9,192
Household Size (2020)	2.39
Population (2020) ¹	28,707
Projected Population Increase (2020-2045) ²	21,969
Projected Population (2045)	50,676

B. Who Are We Planning For?

The State Growth Management Act requires Tumwater to “**plan for and accommodate housing affordable to all economic segments of the population.**”

Housing is one of the most important parts of the everyday lives of Tumwater residents. One of the City’s top priorities is to work to provide opportunities for residents to have a range of housing options within their budget so that their home is suitable and affordable.

According to HUD, a moderate income at 100% of area median income (AMI) for a Thurston County household of three would be \$102,500.

Table 3. Income Categories by Thurston County Household Incomes.

Income Category	Percent of Area Median Income	Equivalent Household Income*
Permanent Supportive Housing	0-30% AMI	Less than \$30,750
Extremely Low-Income		
Very Low-Income	30-50% AMI	\$30,751 to \$51,250
Low-Income	50-80% AMI	\$51,251 to \$82,000
Moderate-Income	80-100% AMI	\$82,001 to \$102,500
	100-120% AMI	\$102,501 to \$123,000
Remainder	>120% AMI	\$123,001 and greater

Also: Emergency Shelter, Emergency Housing (temporary shelter for people experiencing homelessness or at imminent risk of becoming homeless).

* - 2023 HUD Estimate from the Thurston Regional Planning Council

¹ 2020 Population includes the Census calibrated numbers both within the City of Tumwater (25,573) and its urban growth area (3,134).

² Determined by multiplying housing units needed from 2020-2045 by 2020 household size.

Table 4. Income Categories by Typical Jobs.

Income Category	Percent of Area Median Income	Typical Jobs that May Fall in this Range for Household Income
Permanent Supportive Housing	0-30% AMI	Farm workers, Fixed Incomes
Extremely Low-Income		
Very Low-Income	30-50% AMI	Childcare, Food Preparation, Landscaping
Low-Income	50-80% AMI	Vet. Technicians, Construction, Truck Drivers
Moderate-Income	80-100% AMI	Nurses, Plumbers
	100-120% AMI	Analysts
Remainder	>120% AMI	Lawyers, Managers

C. Anticipated Future Housing Need

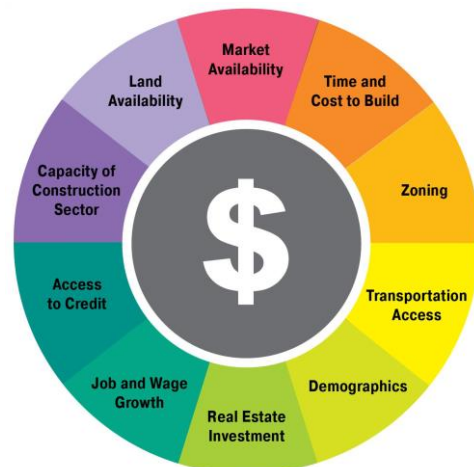
Table 5. 2045 Housing Unit Allocation by AMI.

0-30% AMI	31-50% AMI	51-80% AMI	81-120% AMI	Above 120% AMI
1,724 units 26% of total	1,033 units 15% of total	541 units 8% of total	1,036 units 16% of total	2,342 units 35% of total
Rental: Public support needed in all markets	Rental: Public support needed in most markets	Rental: Incentives needed in many markets Home Ownership: Subsidy or incentives needed in many markets	Rental or Home Ownership: Incentives or zoning flexibility needed in some markets	Market Rent and Home Ownership

D. City's Role in Development

Tumwater's zoning, regulations, permit procedures, and fees directly influence where and the intensity of what can be built:

- Zoning and regulations under the State Growth Management Act
- Permit procedures.
- Infrastructure that facilitates housing development.



E. Development Code Update Process



2. Middle Housing

A. State Requirements

The Development Code updates required by the State to address middle housing include:

- Allowing at least two units per lot in residential zones and at least four units per lot in residential zones if at least one unit is affordable housing. As an alternative, meet density requirements on 75% of City lots that are primarily dedicated to single-family housing.
- Allowing at least six of the nine types of middle housing in residential zones.
- Allowing zero lot line short plats.
- Limiting design review for middle housing to standards that apply to single-family houses.
- Limiting parking requirements for middle housing to one parking space on lots less than 6,000 square feet and two spaces on lots greater than 6,000 square feet.
- Requirements apply to zone districts that consist of “all lots zoned predominantly for residential use.”

- Unit density and allowed use standards do not apply to zoning districts “permitting higher densities or intensities.”
- Mixed-use zone districts which permit by-right multifamily and a variety of commercial uses are not included within the definition of “all lots zoned predominantly for residential use”.
- Manufactured home park zone districts are excluded from these requirements.

Additional considerations:

- There is a possibility for Commerce approval of ‘substantially similar’ plans and regulations to those required by state requirements.
- There is a possibility for Commerce to give a timeline extension if it will result in displacement or overburdened infrastructure. The Capital Facilities Plan update can also be delayed by the City if an extension is granted.
- Common Interest Communities (e.g., condominium or homeowners’ associations) cannot prohibit the implementation of the State requirements.
- Note that the other state requirements for accessory dwelling units, parking, and transit availability are broader than these State requirements.
- Meeting the two ADUs per lot requirements may address some of these requirements.

B. Proposed Middle Housing Amendments

1) Low Density Zone Districts

Remove references to “single-family” from the titles of the current Single-Family Low Density Residential and Single-Family Medium Density Residential land use designations and zone districts.

References in the Single-Family Low Density Residential (SFL) and Single-Family Medium Density Residential (SFM) zone district intent statements to single-family housing being the primary form of development in those districts will be removed and the land use designation descriptions in the Comprehensive Plan will be updated as well.

Single-family detached dwellings will continue to be allowed in these districts.

The City is exploring combining the current Single-Family Low Density Residential and Single-Family Medium Density Residential land use designations and zone districts into a single Low Density Residential land use designation and zone district.

2) Excluded Low Density Zone Districts

Two primarily residential zone districts are proposed to be excluded from middle housing requirements as allowed under state law: the Residential/Sensitive Resource (RSR) and the Manufactured Home Park (MHP) zone districts.

The intent of the Residential/Sensitive Resource (RSR) zone district is to accommodate and establish low density residential neighborhoods in a manner that is compatible with areas of unique open space character and environmental sensitivity with a minimum density of two dwelling units per acre and maximum density of four dwelling units per acre. The Residential/Sensitive Resource (RSR) zone district is found primarily on the west side of the City in areas with large wetlands and Percival Creek or in the south side where there are high groundwater flooding concerns. The Residential/Sensitive Resource (RSR) zone district currently allows for duplexes and cottage housing.

The Manufactured Home Park (MHP) zone district is intended to provide sufficient land for manufactured homes in manufactured home parks.

3) Definitions

The following definitions will be added or modified to TMC Chapter 18.04:

“Administrative design review” means a land use permit review process whereby a design review application is reviewed, approved, or denied by the director of community development or their designee based solely on objective design standards found in the citywide design guidelines without an open recording hearing, unless such review is part of a consolidated review and decision process pursuant to TMC Title 14 Development Code Administration, otherwise required by state or federal law, or the structure is a designated landmark or historic district established under the city’s preservation ordinance. A city will utilize the process found in the citywide design guidelines to consider, recommend, or approve requests for deviations.

“Affordable housing” means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed thirty percent of the monthly income of a household whose income is: (A) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or (B) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

Cottage housing” means residential units on a lot with a common open space that either: (A) Is owned in common; or (B) has units owned as condominium units with property owned in common and a minimum of twenty percent of the property as open space.

“Dwelling unit density” means the number of dwelling units, including accessory dwelling units, allowed on a lot, regardless of lot size.

“Major transit stop” means (A) a stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW; (B), commuter rail stops; (C)

stops on rail or fixed guideway systems; or (D) stops on bus rapid transit routes, including those stops that are under construction.

“Middle housing” means buildings that are compatible in scale, form, and character with single-family dwellings and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, quadplexes, townhouses, stacked flats, and cottage housing.

“Multifamily Dwelling” means 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.

“Quadplex” means 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.

“Single-family detached dwelling” means a building that is not attached in any way to another dwelling unit or structure providing complete, independent living facilities for a family.

“Stacked flat” means dwelling units in a residential building of no more than three stories in which each floor may be separately rented or owned as one dwelling unit.

“Townhouse” or “rowhouse” means one of a line or row of three or more 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, where common walls are the property lines between units and that have a yard or public or private street, alleys, pathways, or similar feature which the public has a right of use on not less than two sides.

4) Middle Housing Allowed Uses

The City will be adding the following six of nine middle housing building types in its residential zone districts:

Duplexes



Triplexes



Quadplexes



Townhouses



Stacked flats



Cottage housing



The City will not be adding the following three of nine middle housing building types in its residential zone districts, which will continue to fall under the City's definition of multifamily dwelling.

Fiveplexes



Sixplexes



Courtyard apartments



Table 5. Residential Uses by Residential District

RESIDENTIAL DISTRICTS	SFL	SFM	MFM	MFH
Cottage housing	P	P	P	
Designated manufactured home parks			P	
Designated manufactured homes	P	P	P	
Duplexes	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	
Multifamily dwellings			P	P
Manufactured home parks				
Permanent supportive housing	P	P	P	P
Planned unit developments	P	P	P	P
Quadplexes	<u>P</u>	<u>P</u>	<u>P</u>	P

RESIDENTIAL DISTRICTS	SFL	SFM	MFM	MFH
Senior housing facilities, assisted			C	C
Senior housing facilities, independent			P	P
Single-family detached dwellings	P	P		
Single-family detached dwellings existing prior to April 15, 2021			p ²	
Stacked flats	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
Townhouses and rowhouses	<u>P</u>	P	P	P
Transitional housing	P	P	P	P
Triplexes	<u>P</u>	<u>P</u>	P	P

Notes:

- Proposed amendments shown in red.
- Restrictions on the percentage of lots allowing duplexes in new subdivisions removed.

5) Dwelling Unit Density

The permitted dwelling unit density on all lots in the Single-Family Low Density Residential (SFL), Single-Family Medium Density Residential (SFM), Multifamily Medium Density Residential (MFM), and Multifamily High Density Residential (MFH) land use designations and zone districts will be two dwelling units per lot with four dwelling units allowed per lot if at least one dwelling unit on the lot is affordable housing that meets the requirements of TMC 18.42.160.

The dwelling unit density requirements would not apply to lots less than 1,000 square feet.

Because detached single-family residences are not a type of middle housing, the City is not required to allow multiple detached single-family homes per lot.

6) Bulk and Dimensional Regulations

Rear yard setbacks would be reduced in the Single-Family Low Density Residential (SFL), Single-Family Medium Density Residential (SFM) zone districts from twenty feet to five feet for middle housing, as is currently allowed for accessory dwelling units.

7) Citywide Design Review

The Citywide Design Guidelines will be updated to ensure that the requirements for single-family dwellings are the same as middle housing dwellings.

8) Accessory Dwelling Units

Two accessory dwelling units will be allowed per residential lot and the maximum area of an accessory dwelling unit will be increased from 800 to 1,000 square feet.

9) Affordable Housing Requirements

To qualify for up to the four additional units under the middle housing affordable housing provisions, the required number of affordable housing dwelling units will be required to meet the following standards:

1. *Such dwelling units shall meet the definition affordable housing in TMC 18.04.010;*
2. *Such dwelling units shall be maintained as affordable housing in perpetuity;*
3. *A covenant or deed restriction shall be approved by the city and recorded by the property owner that ensures the rental or ownership of units subject to these affordability requirements will remain consistent with the conditions in chapter 84.14 RCW in perpetuity; and*
4. *Dwelling units dedicated as affordable housing shall:*
 - a. *Be provided in a range of sizes comparable to other units in the project;*
 - b. *Contain the same proportion of the number of bedrooms in affordable units as the other dwelling units within the project; and*
 - c. *Be distributed throughout the project.*

10) Off-Street Parking Requirements

As required under state law, the off-street parking requirements for middle housing will be:

1.0 space per dwelling unit for lots no greater than 6,000 square feet and 2.0 spaces per dwelling unit for lots greater than 6,000 square feet (before any zero lot line subdivisions or lot splits).

11) Cottage Housing Open Space

As required under state law, the open space required for cottage housing will be:

- K. *Open space.*
 1. *Open space shall be provided equal to a minimum 20 percent of the lot size.*
 2. *Required open space may include common open space, private open space, setbacks, critical areas, and other open space.*
 3. *At least one outdoor common open space shall be provided.*

4. Next Steps

The Planning Commission and City Council will hold a joint work session on December 10, 2024, at 6 p.m. The topics of the joint work session will include land use, housing, and middle housing amendments, as well as the 2025 long range planning work program.

Staff will be working on amendments to the Citywide Design Guidelines to present to the Planning Commission for discussion in early 2025.

5. Resources and Guidance

All documents related to the periodic update are on the [City's periodic update webpage](#), including:

- Information on all meetings
- State guidance materials.
- Drafts of the Elements as they are prepared.
- Staff reports and presentations.

Balancing Nature & Community

Tumwater's Path to Sustainable Growth

Every ten years, the City is required by the state to conduct a periodic update of its Comprehensive Plan and related development regulations to ensure that they comply with the Growth Management Act and respond to changes in the City.

GET INVOLVED	+
PROJECT SCHEDULE	+
PUBLIC ENGAGEMENT	+
CITY MEETINGS	+
DRAFT ELEMENTS	+
GUIDANCE DOCUMENTS	+
CITY PRESENTATIONS	+
CITY PUBLIC ENGAGEMENT	+
CITY STAFF REPORTS	+