**STAFF REPORT**

DATE: December 2, 2024

TO: Mayor Hayden and City Council

FROM: Ryan Windish, Director of Economic and Community Development

RE: **Zoning Code Text Amendment: Housing and Land Use Regulations**

File #: CTA-2024-0001

**I. BACKGROUND**

**Purpose:** The City Council is being asked to take action on Ordinance No. 2907, for the 2024 Comprehensive Plan updating land use regulations related to Housing and Land Use.

**Why amendments are being proposed**

The State Growth Management Act (GMA) requires cities to complete a “10-year periodic update” of their Comprehensive Plans. Sumner’s 10-year update involves extensive revisions to the Comprehensive Plan and regulations to reflect new State laws and changes that have occurred over the last decade.

The GMA, Countywide Planning Policies (CPPs) and the Regional VISION 2050 Plan include providing a variety of housing types, and affordable housing, as one of many planning goals. The Pierce County Countywide Planning Policies and VISION 2050 emphasize equity, growth near transit, housing options, homeownership opportunities, infill development, and anti-displacement. In addition, there have been recent bills passed by the State legislature that require cities to update local codes with less-restrictive accessory dwelling units (ADU) standards, to allow a minimum of 2 ADUs per single-family lot, and to allow 2 dwelling units per lot. New regional growth targets have been established by the State and County, requiring each city to plan for its fair share of jobs and housing growth. The assigned growth targets for Sumner for 2020-2044 are 1,985 housing units, 5,313 jobs, and 4,904 residents. The policies proposed in the 2024 Sumner Comprehensive Plan are intended to address GMA, new State laws and growth projections. New regulations described below are proposed to implement these policies.

The Planning Commission reviewed the proposed housing/land use amendments, along with other 2024 Comprehensive Plan and regulations updates, during 2023 and 2024, and held a public hearing on the Plan and regulations on April 4, 2024.

**II. SUMMARY OF PROPOSAL**

The proposed amendments to Sumner Municipal Code Title 18 Zoning Code would update regulations related to housing types and densities allowed in residential zones, and the Town Center and East Sumner subareas. Key changes are described below.

1. Updates to definitions for consistency with State law and case law, such as: Definition of family, which cannot limit the number of unrelated persons.
2. Increased housing density in residential zones
	1. Allow 2 Accessory Dwelling Units (ADUs) per single-family residential lot (per State law).
	2. Update design standards for ADUs to simplify and make less restrictive (per State law), including:
		* Maximum size of 1,000 s.f.
		* Attached or detached allowed
		* Maximum building height of 24 feet or same as principal dwelling
		* Setbacks not more restrictive than for principal dwelling
		* Conversions of existing accessory structures allowed, with fewer restrictions.
	3. Allow duplexes on any one lot in lieu of one single family detached dwelling (per State law requirement to allow 2 dwelling units). Duplexes are already allowed in Medium Density Residential (MDR) and High Density Residential (HDR) zones.
	4. Prohibit new single-family homes in the HDR zone and establish a maximum lot size in MDR for new single-family homes.
	5. Allow triplex and fourplex buildings on “larger” single-family lots in the LDR 8.5 and LDR 12 zones (on parcels more than 1.5 times the minimum lot size).
	6. Allow small-scale (3-story) apartments in the MDR zone.
	7. Increase the density allowed in MDR zone to better accommodate multiplexes and small apartments: Maximum density would change in MDR from 15 to 22 dwelling units per acre.
3. Add allowances for affordable housing developments by religious organizations: Allow affordable housing apartments by religious organizations through density and height bonuses (similar to affordable senior housing process).
4. Change the current use of Multifamily Tax Exemptions (MFTE) credits in Town Center:
* Offer the Multi-family Tax Exemption only for affordable housing in the Town Center, to create an incentive for affordable housing.
* Note: Affordable means affordable to low-moderate income households, which are those whose income is between 80%-115% of the median income in Pierce County.
1. Expand the current MFTE allowance for a targeted area in East Sumner to apply to all development in the East Sumner Urban Village boundary, to create incentives for affordable housing.
2. Change regulations to create more allowances for manufactured homes:
* Allow a manufactured home to be placed on a single-family lot, even if the home is not new.
* Allow manufactured home parks as a conditional use in all residential zones.
* Note: The City is now required by State law to include policies and strategies for anti-displacement of vulnerable and low-income residents.
1. Update provisions (per State law) for permanent supportive housing, transitional housing, and emergency housing/shelters:
	* Conditional Use Permit still required.
	* Change current occupancy limits to instead be based on fire/building code.
	* Changes spacing requirements to no closer than 880 feet from another (versus 1,000 feet).

**III. ANALYSIS**

Sumner code requires that proposals to amend the Zoning Code include an explanation of how the proposed amendment implements the comprehensive plan (SMC 18.56.149(C)(2)). Relevant sections and policies related to the proposed text amendment are presented below.

LAND USE ELEMENT – DESIGNATIONS

* Purpose of medium density designation: The medium density designation is intended to provide for multi-family living to ensure that opportunities to obtain reasonable-cost housing exist for community residents…
* Purpose of high density designation: This designation allows for higher density multi-family developments to allow for a broad range of housing choices in areas with existing and planned infrastructure, and to allow for infill development and the reduction of sprawl.
* The Planned Residential Development (PRD) process…”offers greater flexibility to develop a mix of housing types with varying lot sizes and dimensions, increased density as appropriate, adequate open space, and building setbacks and heights that are compatible with adjacent residential uses…”
* Proposed code updates to the uses, housing types, and densities in these zones are consistent with the stated purpose of these designations.

LAND USE ELEMENT

1.1 Ensure appropriate transitions so that more intensive uses do not adversely impact adjacent uses.

1.1.1 Maintain the design guidelines and ordinances to achieve compatible and attractive new residential, commercial, and industrial uses.

1.1.2 Maintain zoning and subdivision regulations to ensure adequate setbacks, landscaping, and buffering are required where land use conflicts and impacts may occur.

1.2 Encourage infill development on vacant properties with existing public services and public utilities, and new development in areas with existing or planned public facilities.

1.3.1 Annually review development regulations to remove unnecessary requirements and to balance environmental protection, public participation, and housing and economic development goals.

COMMUNITY CHARACTER ELEMENT

1.7 “Preserve the single-family residential scale and historic character of existing residential streetscapes through various means such as floor area ratio and setback requirements.”

2.6 “In recognition of the need for a variety of housing, allow through the Comprehensive Plan and Zoning Code a mix of residential uses as appropriate to the neighborhood character.”

HOUSING

*Goal 1. Encourage the maintenance and preservation of existing housing stock and residential neighborhoods.*

1.4 In order to balance the protection of viable neighborhoods and the need to provide for a range of housing to all life stages and economic segments, allow for accessory units in single-family neighborhoods.

1.5 “Accommodate local non-profit housing agencies' efforts to purchase and rehabilitate housing to meet affordable housing needs and special needs of the community.”

*Goal 2. Provide a range of housing types for all life stages and economic segments of the Sumner community.*

2.1.1 “Develop a housing strategy to implement fair share objectives...” and a phased approach to meet the community’s fair share housing allocation.

2.2 “Plan for an adequate supply of land in appropriate land use designations and zoning categories to accommodate projected household growth.”

2.3 “Encourage a variety of housing available to all economic segments of the community.

2.3.1 “Review the Zoning Code, Subdivision Code, Building Codes, and other development-control ordinances to identify and remove excessive, duplicative, or unnecessary regulations...”

2.3.3 Consider implementing strategies such as an inclusionary housing program, minimum densities, density bonuses, adaptive re-use, and others to promote affordable housing.

2.4 Provide for a jobs and housing relationship that satisfies the local need for housing and affordability.

2.5 Promote fair and equal access to housing for all persons in accordance with state law.

2.8 Provide incentives for developing senior housing in the downtown such as permit fee waivers and reductions, parking requirement reductions, and multi-family tax exemptions.

*Goal 4. Provide for a variety of housing types and densities in the town center in close proximity to the train station.*

4.1 Promote the construction of housing stock in the Town Center by at least 500-1000 dwelling units by 2035.

4.7 Adopt a Multi-family Tax Exemption allowance per RCW 84.14 that would create substantial incentives for re-development in the Town Center by providing property tax relief for qualified multifamily and affordable housing developments for 8-12 years.

FAMILY AND HUMAN SERVICES

2.2 As prescribed in the City of Sumner’s Housing Element, support the development and implementation of programs that offer housing for all stages of life.

2.2.1 Support programs that develop adequate access to emergency and temporary housing.

CONCLUSION

Sumner’s Comprehensive Plan provides a general policy basis for promoting housing that offers a variety of options and types. Proposed code amendments will further the policies in the Comprehensive Plan by expanding opportunities for various types of housing and housing that is affordable to a range of incomes. The amendments bring Sumner’s regulations into compliance with new State legislation’s requirements for housing. The amendments also include development standards to minimize impacts of increased density, such as for ADUs, multiplexes, and small-scale apartments, and will support efforts of non-profit agencies to provide affordable housing and will help meet Sumner’s housing targets. The amendments, overall, are consistent with the goals and policies related to the environment within the City’s Comprehensive Plan, including the policies discussed above. Additional analysis is contained in the Draft Environmental Impact Statement for the 2024 Comprehensive Plan (Volume II), issued March 1, 2024.

**IV. PUBLIC & AGENCY COMMENTS**

The public notice for the Draft Comp Plan and Draft EIS was issued March 1, 2024, with a public comment period from March 1 to April 30, 2024. An additional 15-day notice of the Planning Commission public hearing was published on March 12. Comments received were forwarded to the Planning Commission prior to final recommendations.

**V. SEPA ENVIRONMENTAL REVIEW**

The State Environmental Policy Act (SEPA) establishes a process for SEPA review of Comprehensive Plan and regulations updates. In compliance with State SEPA environmental regulations, the 2024 Draft Comprehensive Plan (Volume I) and Draft Environmental Impact Statement for the 2024 Comprehensive Plan (Volume II) were issued March 1, 2024 for public review through April 30, 2024. The EIS consists of an evaluation of the potential impacts of proposed policy and regulation changes , and is available for review on the City’s website at: <https://connects.sumnerwa.gov/planning-sumners-future>.

**VI. PLANNING COMMISSION RECOMMENDATION**

The Planning Commission voted unanimously to recommend that the City Council “Move to approve of Ordinance No. 2907 for the 2024 Comprehensive Plan Housing/Land Use Regulations dated September 10, 2024.”

**VII. EXHIBITS & REFERENCES**

1. Ordinance No. 2907: Housing/Land Use Regulations dated September 10, 2024