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Section 1. Middle Housing Review Introduction

This regional benchmarking assessment is intended as an initial scan of best practices and lessons learned from other regional peers. Recommendations and deeper dives on specific topics are going to be covered as the team starts developing the zoning framework and in future tasks involving zoning proposals and feasibility testing. In addition, bigger questions and requests for more information emerging from this regional benchmarking assessment helped shape the focus of future tasks.

This regional benchmarking assessment provides middle housing best practices guidance and insights from four peer communities who have implemented diverse housing options through zoning code and land use changes with a focus on why and how these communities integrated affordable housing actions. This benchmarking assessment focuses on key policies, zoning code approaches, and affordable housing incentives (regulatory and financial) that were advanced in the support of planning and land use strategies.

How Does Middle Housing Support Tacoma's Housing Growth Vision?

Home in Tacoma Phase I outlined a vision for Tacoma's housing growth that includes increasing housing options throughout the city and promoting affordability.¹ The overarching strategies in this plan promote the development of a housing supply meeting community needs throughout the City's neighborhoods and housing affordability reflecting the financial means of Tacoma residents. Equitable access to housing for people of all races, socio-economic groups, ages, and abilities is emphasized. This project helps carry out Affordable Housing Action Strategy (AHAS) Action 1.8: *Encourage more diverse types of housing development through relaxed land use standards, technical assistance, and financial incentives*. This strategy calls for Missing Middle Housing approaches to support improved housing affordability and choice. Tacoma's guiding principles in the Home In Tacoma (2021) report are as follows:

- Tacoma's growth strategy should accommodate new demand and existing residents with a full range of housing choices to serve the spectrum of needs while minimizing the displacement of residents who are not served by the private market.
- Dense development should be concentrated in centers and corridors with mid-scale transition zones into lower-scale neighborhoods.

¹ Home in Tacoma: Housing Action Plan (2021), Exhibit B.

- A range of Missing Middle infill housing types should be allowed in existing neighborhoods.
- Missing middle infill should be compatible in design and scale to minimize disruption in existing neighborhoods while providing opportunities for increased density through a form-based approach
- Tacoma should use a range of tools, including affordability incentives/requirements, to produce housing that is affordable for lower income households not served by the housing market.

Encouraging middle housing types can support diverse and more inclusive communities and accommodate new growth while complementing Tacoma’s distinctive neighborhoods. Middle housing can also support the City’s affordability goals by providing smaller-scale housing alternatives that cost less to construct and maintain than detached single-unit housing, which accounts for the majority of Tacoma’s ownership housing stock today.²³

Many middle housing types were once allowed in Tacoma and still exist in some older neighborhoods. In the 1950s, Tacoma put zoning in place that exclusively allowed single-family housing on most residential land, which has prevented new housing from meeting the needs of Tacoma’s diverse and growing community. In Tacoma today, households are getting smaller as the population ages and the need for smaller, accessible, and visitable housing will continue to increase. Black and Latinx households have significantly lower rates of homeownership than white households. Patterns of racial and economic segregation persist, and many high opportunities areas are inaccessible to people with low and moderate incomes.⁴ The development of new middle housing could provide options for community members to age-in-place, accommodate a variety of shared living situations, and expand opportunities for homeownership. Additional background on middle housing is provided in the Appendix.

² Source: 2018 Tacoma Affordable Housing Action Strategy, Appendix B, General Housing Characteristics.

³ However, recent analysis of permitting data shows growth in multifamily housing with 85 percent of the total units comprised of multifamily development between 2016 and 2020. In addition to multifamily, 13 percent of permits consisted of single unit detached homes and one percent consisted of duplexes and ADUs. Source: Home in Tacoma: Housing Action Plan (2021), Exhibit B.

⁴ Home in Tacoma: Housing Action Plan (2021), Exhibit B.

Exhibit 1. Examples of Low-Scale and Mid-Scale Housing Types

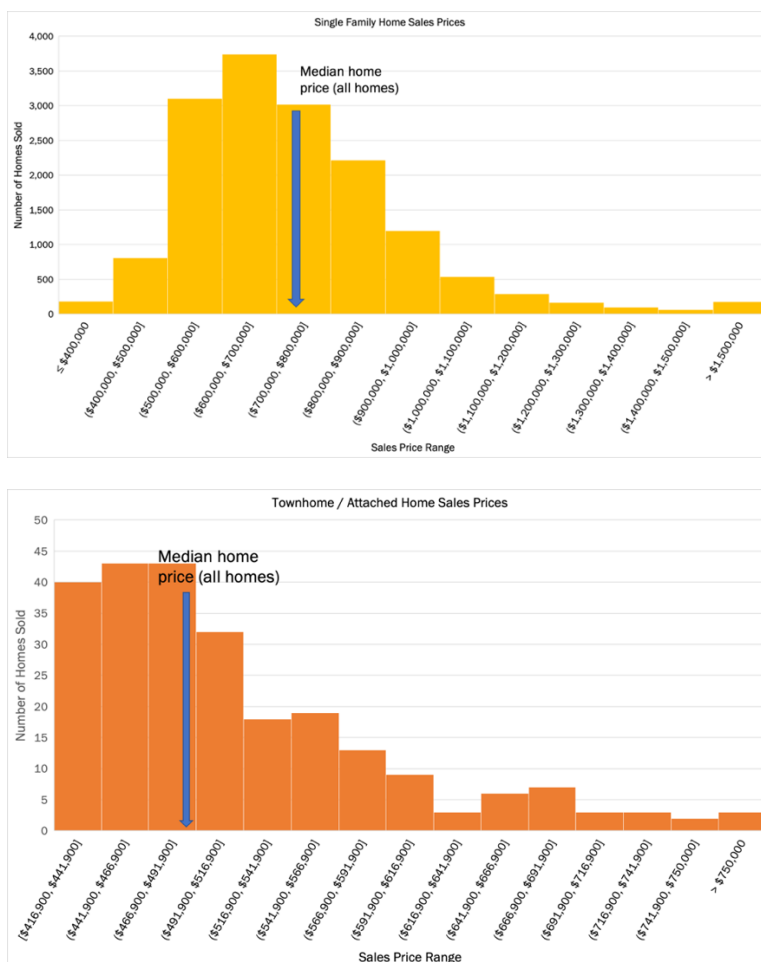


Source: [Home in Tacoma Project Overview](#)

The Market for Middle Housing

Middle housing tends to be more affordable than new single-unit detached housing since it spreads the cost of land and other fixed costs over more units. The exhibit below analyzes sale price ranges for single family residences compared to townhomes located locally in Pierce County to help explore variations in affordability levels. The analysis below includes housing built since 2010 and sold between 2017 to mid 2022 (over the last five years). This exhibit demonstrates how townhome sales prices tend to skew lower than the median single family detached prices. The median price for townhomes in the past five years was \$489,850 while the median price for single family detached homes was \$733,300 in Pierce County.

Exhibit 2. Housing Price Comparison for Single Family Versus Townhome in Pierce County



Source: Property Radar, October 2021, ECONorthwest analysis. Pierce County sales transactions from 2017-mid 2022 for homes built since 2010. There were not enough townhome values within the City of Tacoma, thus the project team expanded the project area to Pierce County. The lowest recorded value for a townhome sale was \$416,900.

Section 2. Middle Housing Barriers

Despite the various benefits of middle housing, there are both regulatory and non-regulatory barriers that can often prevent this type of housing from being available in communities. Support should be provided to enable the construction of middle housing to help expand the diversity of housing types and create more inclusive neighborhoods. The following section provides a summary of the main non-regulatory and regulatory barriers to middle housing.

Non-Regulatory Barriers

Local jurisdictions often take a comprehensive approach to facilitate middle housing development. While regulatory barriers are crucial to address, other barriers to constructing these housing types can persist. Middle housing might not be constructed due to the lack of local developer knowledge, capacity, and familiarity with these types of housing types. In addition, there might be infrastructure constraints needed for the increase in some forms of middle housing (such as wastewater infrastructure). Additional barriers can be related to private restrictive covenants, the lack of sufficient available land, barriers associated with the development approval process, and other context specific barriers.

It is also important to note that even when there are supportive regulations in place to allow, or even encourage more diverse housing types, market barriers can still exist. Middle housing allowances generally provide relatively small increases in entitlement and are unlikely to substantively change the economics of development at a city and neighborhood scale. In other words, if market rate development of other types of housing is not occurring today, it is unlikely that middle housing allowances will substantively increase the rate of development.

Overview on Common Regulatory Barriers

Allowing middle housing types more broadly in different zones or in different areas throughout a community is one important step in updating regulations. However, this is just one component of making it possible for new middle housing to be created. The development standards that apply to middle housing play a critical role in determining whether various types and scales of middle housing are physically possible and economically feasible to build. The permit review process that new middle housing development must go through is also an important factor in whether middle housing will be built or not.

In evaluating regulations that support middle housing, jurisdictions should be thoughtful about what development outcomes are most important. Examples include:

- Affordability / lower housing costs
- Increasing housing production / market feasibility (broadly, or in specific areas)
- House-scale buildings
- Design that supports walkable neighborhoods
- Private or shared open space surrounding buildings
- Retaining existing structures
- Avoiding on-street / spill-over parking

Sometimes these outcomes can support one another, but other times they will work at cross-purposes. For example, limiting scale can support affordability, but also create challenges for market feasibility and housing production. Making on-street or spill-over parking impacts a priority will create challenges for affordability, housing production, and walkable neighborhood design.

Jurisdictions also need to recognize that holding middle housing to a higher standard than single-family detached housing will tend to mean less middle housing production. For example, if lower housing costs are a priority for middle housing but not for single-family detached housing, this will tend to make it even harder for middle housing types to compete with detached single-family housing. For example, if middle housing was required to satisfy affordability requirements and single-family detached housing was not required to do the same, then single-family detached housing would generate more revenue, making it more likely that detached single family would be the development outcome even if more housing types were allowed.

Development and Design Standards Barriers

The most important considerations in setting appropriate development and design standards for middle housing are summarized below.

- **Density/minimum lot size:** The number of housing units that can be built on a lot of a given size (typically measured by dwelling units per acre) and/or the required lot size or land area for a given housing type or per unit. Requiring the same amount of land per unit as single-family detached housing will make middle housing very unlikely to get built, as there is no advantage relative to building single-family detached homes, and the land costs are likely to be too high. Jurisdictions can take several different approaches to change this:

- Use different approaches to regulate development (e.g., floor area ratio or a form-based code⁵) that are less focused on the number of units and more focused on the scale of the building(s).

Floor Area Ratio (FAR) is a measurement of a building's floor area compared to the area of the lot that the building is located on. FAR relates to the bulk or massing of a building on its site. Maximum FAR is commonly regulated through zoning codes.

- Allow middle housing with substantially less land (square footage) per unit than required for single-family detached housing.
- Scale standards so that smaller units are allowed at higher densities than larger units, and/or exempt units under a certain size (including ADUs) from density standards.
- **Parking requirements:** The number of private, off-street parking spaces that a development is required to provide. Parking matters largely because of the space it requires, which means less room for housing. Although it also adds some costs and can make pedestrian-friendly design more challenging.
 - In areas with high-quality transportation options, such as frequent transit service, and walkable access to goods and services, off-street parking should generally not be required.
 - In other areas, parking requirements should scale with unit size and generally should not be more than one space per unit except for large middle housing units (such as 3-4-bedroom units) in auto-oriented locations that do not have planning goals to become more multi-modal.
 - Allowing on-street parking abutting the development to count towards the parking requirement creates more flexibility.
 - If parking is required, a garage should not be mandatory and surface parking should be permissible to reduce construction costs.
- **Access, circulation, and parking location:** Driveway width and spacing standards, access management standards, and location/site design standards for off-street parking. Limiting the number of driveways crossing the sidewalk can make streets more pleasant and safer for pedestrians, but also limits options for site layout.
 - Requiring access from alleys or shared driveways can help limit vehicle/pedestrian conflicts, but can create challenges for narrow, street-

⁵ In 2004, state legislation (AB 1268) enabled form-based zoning. An estimated 400 municipalities throughout the country have adopted form-based zoning.

- facing units such as townhomes on interior lots where there are few options for access.
- Standards related to the width of shared driveways and how far they must be from the lot line are important for infill development on small sites.
 - Limiting options for parking location (e.g., prohibiting parking in front of the building or prohibitive parking area setback requirements) can make small sites more challenging to develop, though it can support walkable neighborhood design.
 - Allowing land divisions that create lots without street frontage with access only via shared driveways or walkways can make it easier to build for-sale middle housing, as units can be sold fee-simple.
-
- **Limits on scale and building size:** Standards such as maximum building height, maximum lot coverage or impervious surface, floor area ratio, and setbacks. Development standards taken together need to leave room for a reasonable unit size to make development feasible, while keeping an overall alignment with house-scale buildings.
 - Scale and building size limitations for middle housing should generally be no more restrictive than for new single-family detached homes. Often, allowing a somewhat larger or taller building in the case of middle housing is appropriate or even necessary to make middle housing work.
 - Standards addressing building scale can be designed to create an incentive to build more, smaller units, by allowing incrementally larger buildings when more units are proposed.
 - For several types of middle housing, including townhomes and some triplexes and six-plexes, being able to build a full three stories can make a difference in viability.
 - **Design standards:** window coverage, entryway location and design, garage width limitations, roof pitch, or other required design features. Design standards can help support walkable neighborhood design and avoid concerns about poor design outcomes. However, they can add costs, and some may not work well for middle housing.
 - Generally, building design standards should be no more onerous for middle housing than for single-family detached housing, and should focus on elements that help support walkable neighborhoods—such as requiring one

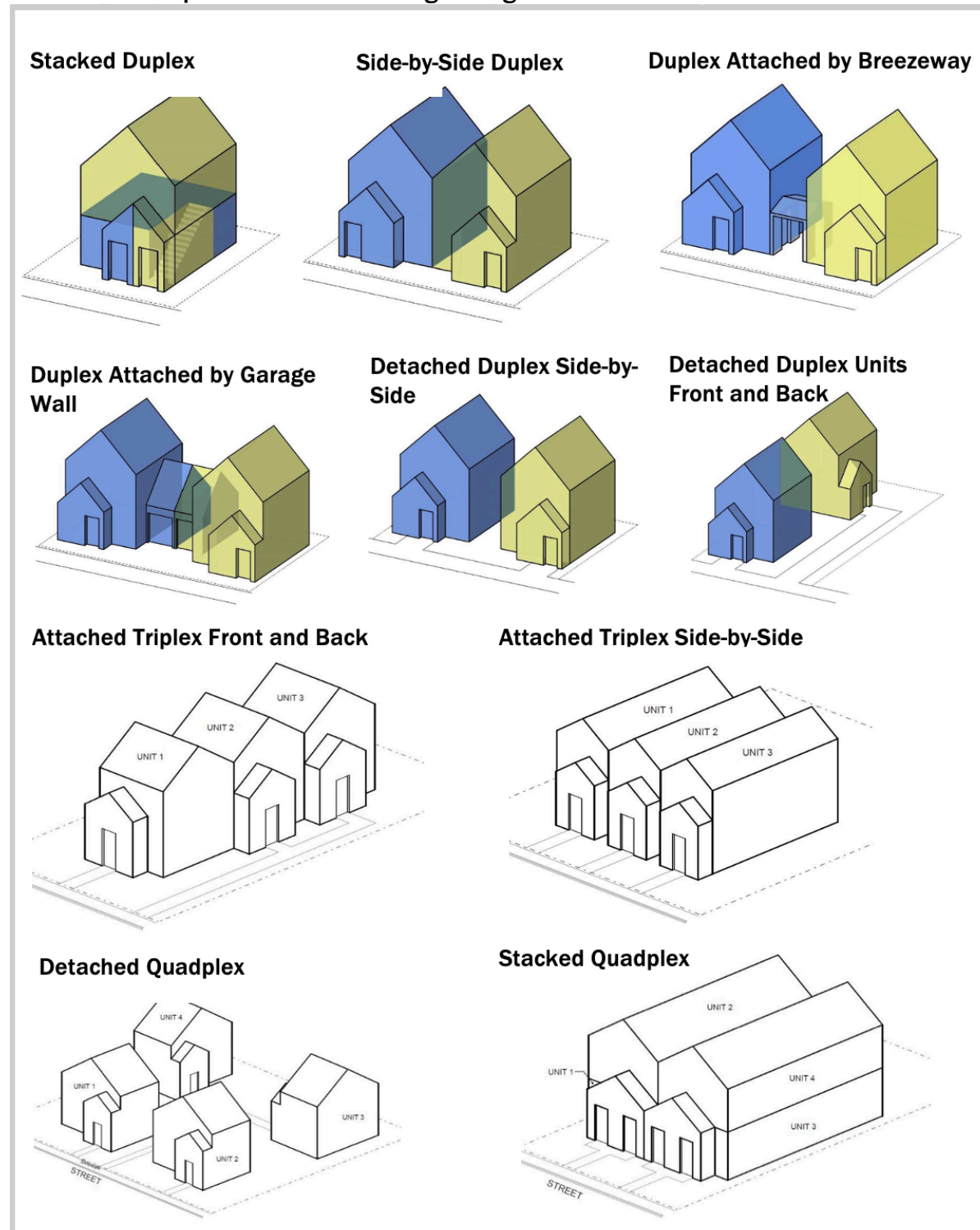
or more windows and doors facing the street for any units adjacent to a street—rather than requirements for a particular architectural style.

- Standards should recognize that not all middle housing units will front on a street. For example, a requirement that entrances face a street can be challenging for middle housing on narrow lots with less street frontage; allowing one unit's entryway to face the street and the others to face a walkway / driveway on the side of the lot allows better use of long, deep lots, while retaining a connection to the street.
- Design standards should generally be as clear and objective as possible to make permitting more straightforward. Offering an option with greater flexibility to respond to discretionary design guidelines can also be an effective way to regulate for design but provide options to support feasible development.

Best Practices Associated with Definitions

Incorporating clear and consistent definitions throughout a jurisdiction's plans and regulations helps avoid confusion on how to interpret regulations. This can be important for middle housing types if different regulations apply to different housing types or if some housing types are allowed but not others. Jurisdictions should check to ensure that all types of middle housing are clearly defined and not lumped into categories such as multifamily housing, which do not accurately depict their development scale.

Exhibit 3. Examples of Middle Housing Configurations and Definitions



Source: Oregon Department of Land Conservation and Development and SERA Architects

Best Practices Associated with Middle Housing Conversions

Some areas have larger single-family homes that can be converted into middle housing, either by adding an Accessory Dwelling Unit (ADU), or by converting to a duplex or other middle housing type. However, **building codes can be a challenge for internal conversions** of a single-family home to a triplex or quadplex.⁶ A 2016 report by DECA Architecture as part of Portland’s Residential Infill Project noted:⁷

“Conversion of a single-family house into three or more units often involves navigating complex and/or challenging issues such as:

- Transition from the residential to the commercial building code*
- Changes in occupancy from single family to apartments*
- Upgrading walls and floors/ceilings to achieve fire ratings*
- Upgrading walls and floors/ceilings to achieve sound ratings*
- Reducing exterior wall openings to meet commercial code*
- Adding fire sprinkler systems*
- Addressing ADA and accessibility issues*
- Seismic upgrade standards*
- Energy efficiency requirements”*

Jurisdictions should consider allowing conversion of existing single-family detached homes to middle housing (in addition to allowing ADUs). In some situations, conversions might be more viable for duplex conversion or by adding additional detached units on the property with the existing house. However, conversions of large homes to triplexes, quadplexes, and more have been accomplished. When internal-conversion, or additions to existing structures that preserve the main house are desired as a policy outcome, it is often helpful to have higher FAR/square footage allowances than for new construction to avoid complicated adjustment processes. Many older detached single-family structures could be larger than allowances for new construction and allowing increased density or higher FAR limits can support preservation of existing structures.

⁶ DECA Architecture (2016), City of Portland Residential Infill Project: <https://efiles.portlandoregon.gov/record/14733189>.

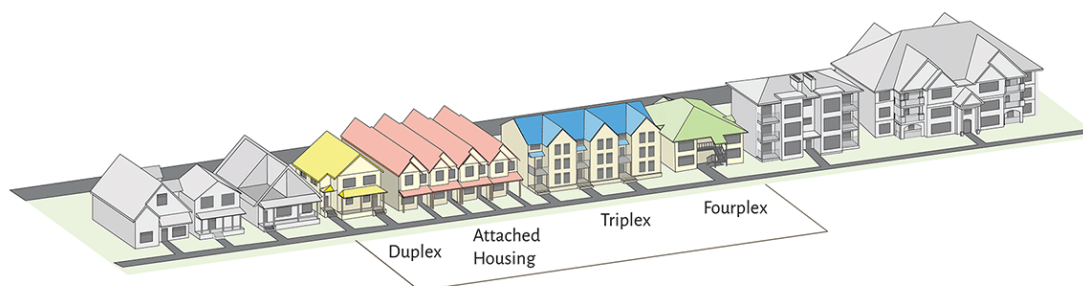
⁷ The study noted that “conversion of a single-family home into a duplex (two dwellings) can often be achieved quite readily and without complex or costly upgrades.” DECA Architecture, “Residential Infill Project Internal Conversion Report,” October 17, 2016; page 2.

Section 3. Best Practices Review of Four Cities

Numerous jurisdictions in Washington and Oregon have taken recent actions to support the development of middle housing types in their communities. Four cities and their various approaches to middle housing are described in this section, including their policy approach, strategies for encouraging affordability, and communication and outreach methods. The following section provides a comparison of the zoning framework approach of the cities we reviewed and the section thereafter goes into additional detail for each City.

1. City of Spokane Washington Middle Housing Regulatory Review

Exhibit 4. City of Spokane Middle Housing Illustration

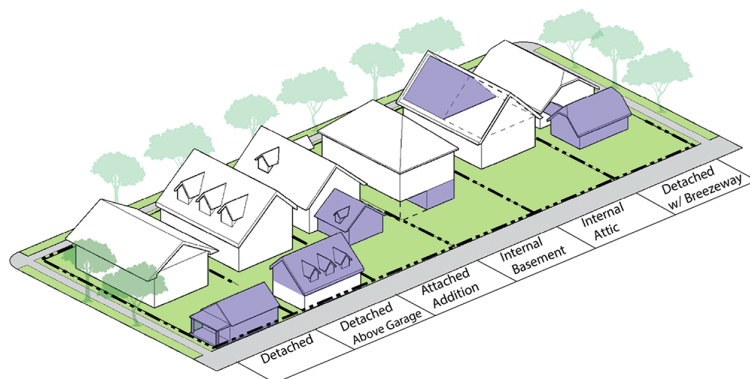


Source: City of Spokane

In July 2021, Spokane declared a housing emergency and subsequently adopted a Housing Action Plan to provide guidance for City staff, elected officials, and decision-makers to encourage the construction of additional affordable and market-rate housing that meets Spokane's current and future housing needs. Following the adoption of their Housing Action Plan, Spokane hired extra employees dedicated to process, outreach, and code amendments. By mid-2022, the city was able to improve flexibility in existing ADU development standards, eliminate a restrictive lot size transition provision, and make modest subdivision process improvements.

The City of Spokane's approach to supporting middle housing has focused on making improvements to the development code within 6 months after the approval of their Housing Action Plan. The actions were put in phases based on the magnitude of the changes needed.

Exhibit 5. City of Spokane Accessory Dwelling Unit Illustration



Source: City of Spokane

Then in July 2022, Spokane adopted an interim zoning ordinance that made temporary allowances for duplexes, triplexes, fourplexes, and townhomes on any residential lot in the city. The interim zoning rules were billed as the Building Opportunities and Choices for All (BOCA) Pilot Program and will be in effect for one year from the date of their approval.

The City of Spokane intends to use the yearlong timeframe to conduct needed outreach, approve comprehensive plan amendments, and make draft refinements to their development code for longer-term changes to promote middle housing types. They are currently working to update their comprehensive plan policies, revise residential land use designations, and update their Land Use Plan map. Their 1-Year Work Plan also includes work to permit more housing types in Residential Single Family (RSF) and Residential Two-Family (RTF) zones permanently, update the site development standards to be less restrictive, and update the residential development section of their code to be more user-friendly.

In September 2022, Spokane City Council imposed a six-month development moratorium on new residential development in two neighborhoods to update transportation impact fees and general facilities charges. These neighborhoods make up slightly less than 25 percent of the total land area of Spokane. While these two areas account for a small portion of the total land area in Spokane, they have had a recent increase in new development, which prompted the moratorium. The overlap in the timing of the adopted interim zoning ordinance and the development moratorium (two different actions) may have negative outcomes for use of the middle housing pilot program.

Affordability Approach

Spokane approached changes to middle housing as a way of increasing the supply and diversity of their housing stock to improve affordability for people of all incomes. Their regulatory changes focus on reducing minimum lot sizes, which in turn reduce barriers to affordability associated with land costs.

Spokane's communications about middle housing acknowledged that housing affordability could not be solved through zoning codes alone. In their public communications, they addressed other factors that influence housing costs such as financing, labor shortages, supply chain disruptions, and state regulations in efforts to set expectations around the impact of new middle housing on housing affordability.

Spokane has not developed any specific financial incentives or requirements for affordable housing for people with lower income alongside their middle housing pilot program. Middle housing projects are generally eligible to utilize existing state tax incentives for multi-family or single-family housing, but there are no middle housing specific incentives available.

Highlights from Code Standards for Middle Housing

The central change of the interim development regulations, or BOCA pilot, is the allowance of duplexes, triplexes, fourplexes, and attached housing on any residential lot in the city with Residential Single Family (RSF) or Residential Two Family (RTF) zoning districts. Key zoning code changes include increased height, elimination of FAR limits, and increased allowable building coverage. Attached housing types such as townhomes also have reduced lot sizes and widths. Most other development standards are the same for these housing types and detached single unit housing, including minimum lot size, setbacks, and parking requirements.

In addition to the changes within RSF and RTF zones, the BOCA pilot includes regulatory incentives for mixed-use residential construction in Center and Corridor Zones. Specifically, the interim zoning rules modified building standards for developments that are at least 50% residential, reduced parking requirements, and increased allowable FAR and building height.

Spokane Zoning Framework

Spokane focused their middle housing code on modifying standards related to lot dimensions and minimum lot sizes to allow duplexes, triplex, and fourplexes in all residential single-family zones as part of the interim zoning standards. Residential multifamily zones have a minimum density of 15 dwelling units per acre and a

maximum density of 30 dwelling units per acre. High density residential zones have a minimum density of 15 dwelling units per acre, but not maximum densities.

Spokane Lessons Learned

- The City built on the momentum of the housing action plan approval by moving forward with Code amendments. In addition, the City used an incremental approach that began with ADU changes and a pilot program that might be easier to adopt.
- The City has been impacted by the building moratorium (sorting out transportation and general facility fees) and this has stalled implementation.
- The temporary/interim period nature of the BOCA pilot is not long enough to allow for the development of middle housing.

2. City of Kirkland Washington Middle Housing Regulatory Review

The City of Kirkland made progress towards middle housing policy changes over several years beginning in 2018 with the adoption of a Housing Strategy Plan.⁸

Subsequent planning efforts and small area rezonings for the Greater Downtown Regional Center increased zoning allowances for middle housing types to strategically transition from more intense land uses near commercial

and mixed-use centers. Then in early 2020, Kirkland approved a series of development code changes aimed at implementing policies and goals from the Housing Strategy Plan and expanding opportunities for middle housing types citywide through an overlay zone.

Kirkland spent more time on the front end of the process getting buy-in on their citywide housing strategy, which made the process smoother to eventually adopt middle housing code amendments and process improvements.

Following the adoption of these code changes, Kirkland has invested time in ongoing education and engagement with the residential development community, including interested homeowners, to increase awareness of the changes and to prepare for iterative improvements to these regulations to support the development of these middle housing types. Kirkland also established a staff group, referred to as the “Cottage Council,” to stay apprised of development and process issues specific to middle housing that may warrant additional code adjustments. Since the code changes in 2020, Kirkland has observed an increase in interest for ADUs and cottage housing as indicated by an increase in pre-submittal meetings for these housing types.

Kirkland has strong tree preservation requirements to support their goals for tree canopy coverage; however, Kirkland allows for exceptions to these regulations in situations that would reduce the development potential of a site by reducing the maximum allowed density, FAR, or lot coverage or by precluding the ability to construct ADUs.

Cottage Housing (also known as Cottage Court, or Cottage Development), is a cluster of small, detached houses that are generally oriented around a central open space.

⁸ Kirkland Housing Strategy Plan (2018): <https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/housing-strategy-plan-1.pdf>. The purpose of this plan is to identify the most promising strategies for the city to explore in greater detail in the next three to five years. Various actions were identified that ranged from reviewing the Code, to incentivizing mixed-use developments, to evaluating the use of surplus, underutilized land for transit-oriented development.

Affordability Approach

The City of Kirkland supports middle housing as a way of creating relatively affordable and more compact housing as compared to detached single-unit housing. Middle housing may improve opportunities for smaller-scale housing on smaller lots, which can reduce the overall cost of construction and land per dwelling unit relative to larger, detached single-unit housing.

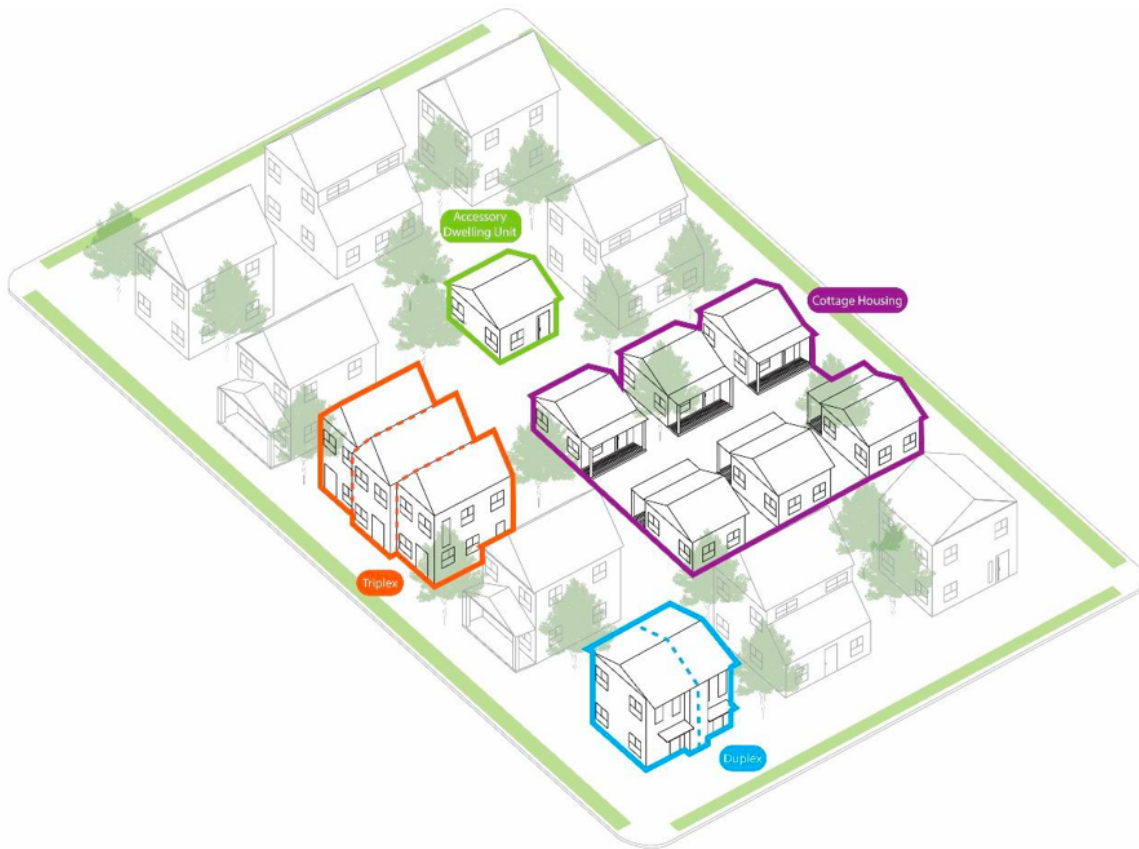
Kirkland does not have any financial incentives specific to middle housing types that support the development of affordable housing for people with lower incomes. Middle housing projects may be eligible to utilize existing state tax incentives for multi-family or single-family housing, but there are no middle housing specific incentives available. Middle housing projects are unlikely to surpass the unit threshold for inclusionary zoning, which would require a percentage of the total units to be set aside as affordable for households earning below the Area Median Income (AMI).⁹

Highlights from Code Standards for Middle Housing

The central change under Kirkland’s revised zoning code is that there are no longer parts of town that are zoned exclusively for detached single-unit housing, and all low-density residential zones allow for the development of duplexes, triplexes, and cottage clusters. Kirkland’s code standards for middle housing were adopted as an overlay district, which covers all residential areas of the city while underlying “single-family” zoning districts are retained. Kirkland also took steps to encourage middle housing types by allowing two ADUs on one property, reducing parking requirements, and increasing occupancy limits. The City made other adjustments to development regulations for middle housing types to more closely align with standards for detached single-unit housing.

⁹ The City of Kirkland has a voluntary inclusionary zoning program available for projects with four or more residential units in commercial, high density residential, medium density or office zones. The program offers development incentives (such as height bonus, development capacity bonus, etc.) in exchange for the public benefit of providing affordable housing units (10 percent of the units must be affordable). Kirkland Code Chapter 112 provides detail: <https://www.codepublishing.com/WA/Kirkland/html/KirklandZ112/KirklandZ112.html>

Exhibit 6. City of Kirkland Middle Housing Illustration



Source: City of Kirkland

Kirkland also established density minimums within medium and high-density residential zones. In these zones, new projects must develop at between 80% and 100% of the maximum densities by code. Additional detail is provided in the Exhibit 12. Zoning Comparison Table.

Kirkland Zoning Framework

The City of Kirkland applied an overlay zone for duplexes, triplexes, and cottage housing allowances across all lower density residential zones in the city. These allowances in the lower density residential zones are related to a hierarchy of residential allowances in medium and high-density zones where four or more residential uses per lot are allowed in both zones. Medium and high-density zones

allow density consistent with minimum lot sizes between 1,800 square feet of lot per dwelling to 3,600 square feet of lot area per dwelling.

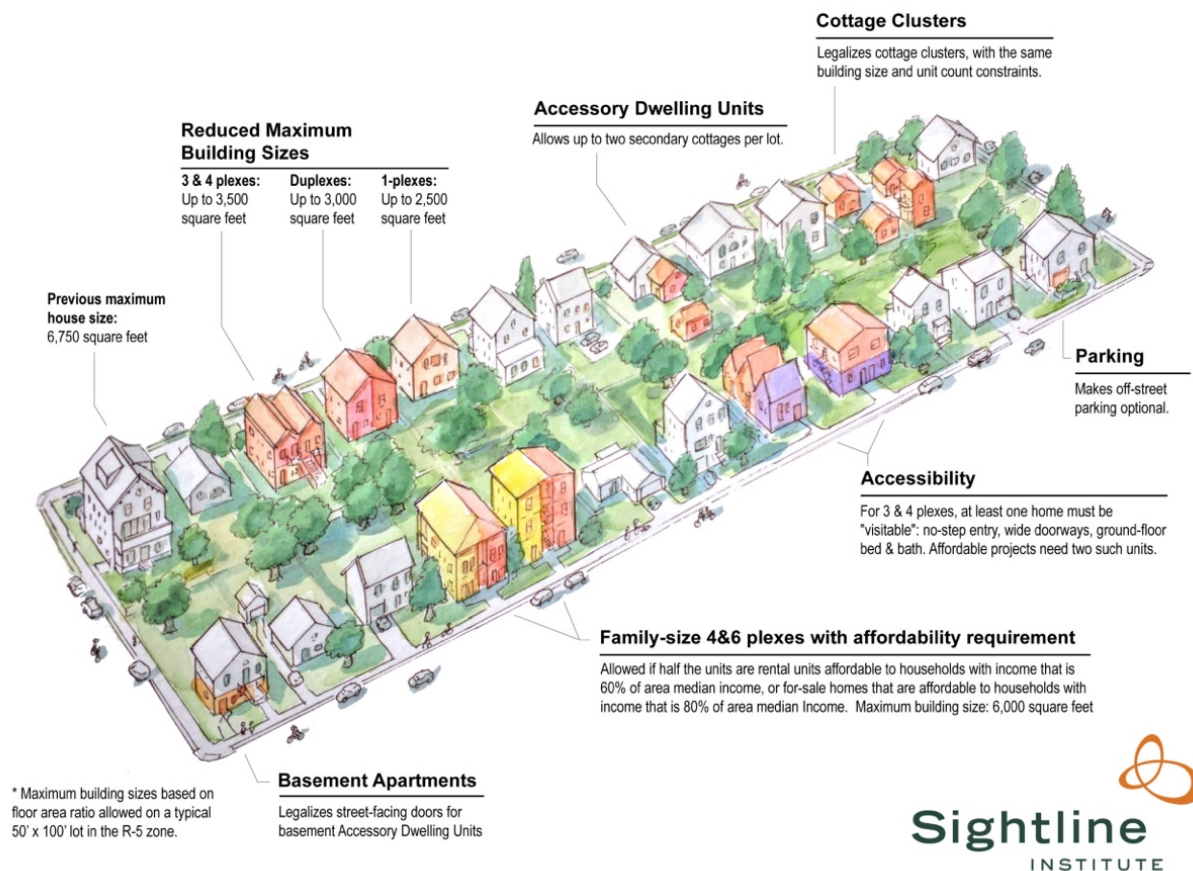
Kirkland Lessons Learned

- The City used an incremental approach to allowing more middle housing after the approval of their housing strategy in 2018. They started with small area rezonings for the Greater Downtown Regional Center to increase zoning allowances for middle housing types and then in early 2020, Kirkland approved a series of development code changes aimed at implementing policies and goals from the Housing Strategy Plan and expanding opportunities for middle housing types citywide through an overlay zone.
- The City found it helpful to spend time on the front end to provide education and discussion on the topic which was useful for gaining City Council buy-in.
- The City is issuing code interpretations to support consistency and continuous code improvements through a “cottage council,” a staff group that stays in tune with development and process issues specific to middle housing types. The use of this cottage council helps the City stay apprised of development and process issues specific to middle housing that may warrant additional code adjustments.
- There has been more interest in ADU and cottage housing, as measured by an increase in pre-submittal meetings for these housing types.

3. City of Portland, Oregon Middle Housing Regulatory Review

Exhibit 7. City of Portland Middle Housing Illustration

Portland's Residential Infill Project Re-legalizing "middle housing" citywide



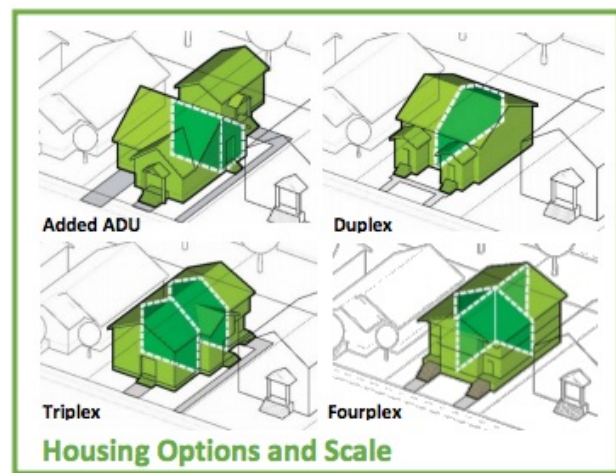
Source: [Sightline Institute, https://www.sightline.org/2020/08/11/on-wednesday-portland-will-pass-the-best-low-density-zoning-reform-in-us-history/](https://www.sightline.org/2020/08/11/on-wednesday-portland-will-pass-the-best-low-density-zoning-reform-in-us-history/)

In 2020, the City of Portland approved comprehensive reforms to their low-density residential zones to allow smaller-scale middle housing types throughout the city.¹⁰ These code changes are known as the Residential Infill Project, or RIP, and became

effective one year later in August 2021. A smaller batch of changes were recently approved in June 2022 as RIP2.

The goals of RIP are to expand housing options in traditionally detached, single-unit zones and to make more accessible and less expensive housing available. The goals were also to require smaller houses that better fit existing neighborhoods, create more housing choices for people’s changing needs, and establish clear and fair rules for narrow lot development.¹¹ The RIP project was also focused on how to guide the market through well calibrated standards to provide smaller and less expensive housing options.

The process to develop and implement RIP lasted roughly six years and navigated numerous political challenges by addressing multiple policy objectives instead of focusing solely on eliminating detached single-unit zoning. In addition to allowing more housing options such as duplexes, triplexes, fourplexes, and cottage clusters in all residential zones, RIP also creates limits on new single-unit detached housing sizes, limits one-for-



one redevelopments of single-unit detached housing to discourage demolitions of existing housing and includes provisions that support the development of affordable housing for people with lower incomes within smaller-scale housing types. A group of affordable housing developers, housing advocates, civic groups, and environmentalists formed a coalition to support middle housing during the RIP development process and this helped build support.

Portland conducted many different analyses related to financial feasibility, housing production projections, and displacement risk throughout its multiyear process to develop the regulations that were ultimately approved. Portland was ultimately successful with this project in large part due to the substantial community buy-in

¹⁰ Prior to 2020, the City of Portland had implemented a variety of middle housing provisions. In 2016, the council legalized duplexes and corner triplexes in parts of the City and then in 2018, allowed up to four homes in any project and ended mandatory parking for buildings that created more or affordable homes. Much earlier, Portland passed provisions to allow accessory dwelling units (ADUs). Source: www.sightline.org/2020/08/11/on-wednesday-portland-will-pass-the-best-low-density-zoning-reform-in-us-history/ and www.portland.gov/bps/planning/rip/about-project

¹¹ <https://www.portland.gov/bps/planning/rip/about-project>

through community coalitions that shaped the policy to achieve multiple goals for sustainability, affordability, anti-displacement, and more.¹²

Affordability Approach

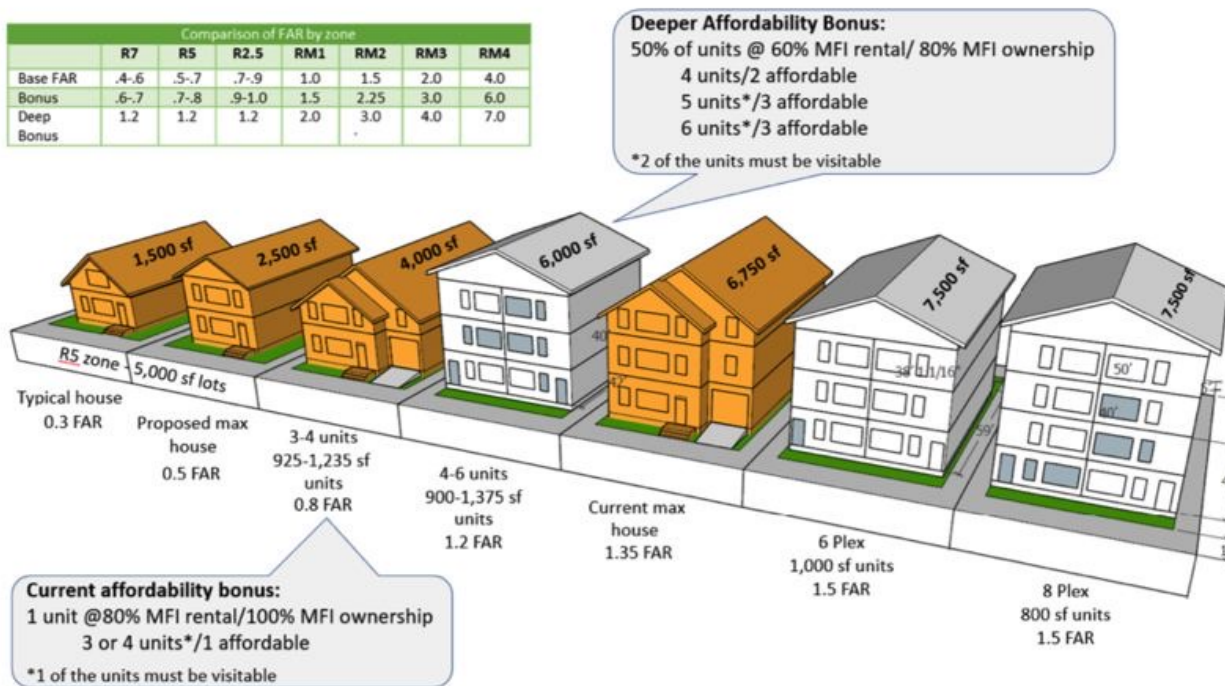
Beyond an overall approach that improved regulatory feasibility of more naturally affordable housing types and discouraged demolitions of existing housing stock, Portland created a two-tiered affordable housing density bonus as part of the middle housing revisions.

The first tier of the affordability bonus was calibrated for workforce housing. While up to four units are allowed by right on most residential lots, five or six units may be built if at least half are affordable to income-qualified households earning less than 60% of AMI for rental or 80% AMI for ownership. The deeper affordability bonus was structured to make the code changes work better for affordable housing providers by better using non-profits' dispersed site portfolios, providing for efficiency for more units to leverage affordable housing, and enabling affordable housing providers to be more competitive for site acquisition with market rate developers.

While utilization of these regulatory incentives may not be economically viable for most market-rate developers, it is intended to be beneficial for extending public subsidies and other incentives for Affordable Housing. This incentive was also designed to improve the competitiveness of affordable housing developers in these lower density contexts and improve the opportunities for the development of below market-rate housing on historically single unit exclusive properties that are already owned by Affordable Housing developers. Affordability targets were set to align with existing financial and regulatory incentives as well as targeted towards income levels at 80% AMI for ownership housing given minimum standards for loan approval, income levels to housing price levels, and debt to loan ratios for traditional and subsidized ownership loan products.

¹² City of Portland Anti-Displacement Action Plan: <https://www.portland.gov/bps/planning/adap>

Exhibit 8. Examples of Middle Housing Configurations and Definitions



Source: [City of Portland Bureau of Planning and Sustainability](#)

Additionally, Portland has financial incentives in the form of fee waivers and tax exemptions that can help to make affordable middle housing projects more feasible. The Homebuyer Opportunity Limited Tax Exemption (HOLTE) and the Multiple-Unit Limited Tax Exemption (MULTE), all offered by the City of Portland, provide a range of property tax exemptions to support the development of affordable housing.¹³ Many affordable housing projects are also eligible for fee waivers that also support the construction of housing for low-income people.

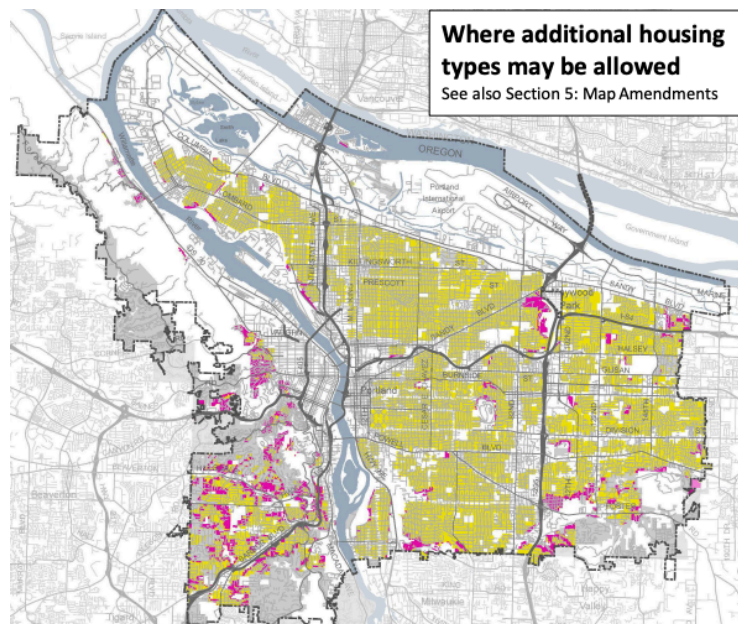
¹³ [HOLTE](#): Prior to obtaining a building permit, verified home builders meeting the income limit requirements and purchasing a HOLTE-approved home, can receive a 10-year property tax exemption on structural improvements to the home. The qualifying property must restrict the rents of the exempted units to be affordable to households earning no more than 60% of AMI. [MULTE](#): Under this program, multiple-unit projects receive a ten-year property tax exemption on structural improvements to the property if program requirements are met.

Highlights from Code Standards for Middle Housing

The RIP was enacted through amendments to Portland's Comprehensive Plan and zoning code and through some parcel-level rezonings. The central change to the zoning code was the legalization of up to four homes on most residential lots throughout Portland. The City also implemented a scaled approach to building size that allows increases in allowable building area as the number of units increases through incremental FAR regulations. This graduated FAR approach was structured to incent the development of smaller housing options over detached single unit dwellings.

Similarly, they also created new provisions geared towards discouraging one-for-one redevelopments and large, detached single-unit housing while incentivizing the preservation and conversion of existing housing stock. Portland also removed parking minimums in many areas and requires alley-loaded parking when available.

The city also included specific regulatory incentives in the RIP project to support the preservation of older structures through the conversion to multiple units. The City pursued changes to historic districts and some of the changes allowed for reduced time and cost for the demolition of garage and sheds, streamlined review improvements, refinements to compatibility criteria, and increased allowances and incentives for adaptive reuse integrating conversions of existing homes into multiple units.¹⁴



Portland Zoning Framework

Portland's zoning code structure for residential uses is driven predominantly through a hierarchy of base zones that enable various scales of development and residential density allowances. All FAR ranges below reflect higher density (FAR) allowances

¹⁴ https://www.portland.gov/sites/default/files/2019-11/hrp_historic_districts_summary.pdf

consistent with an affordable housing bonus system.¹⁵ There are plan district regulations in various districts across Portland, but base zone allowances supersede any plan district regulations and generally base zones represent the floor of entitlement allowances in plan districts.

- Single Dwelling Zones (RF, R20, R10, R7, R5, R2.5) are generally developed with detached single-family residences and after HB2001 allow the full range of middle housing types as described above. Single dwelling zones allow development between .4 FAR and 1:1 FAR depending on the zone.
- Multi-Dwelling Zones- (RM1, RM2, RM3, RM4, RX, RMP) are generally developed with medium to high-density apartments and the zone is structured to prioritize residential uses though some commercial uses are allowed in limited amounts depending on base zones. Multi dwelling zones allow development between .4 FAR and 6:1 FAR depending on the zone.
- Commercial / Mixed Use Zones - (CR, CM1, CM2, CM3, CE, and CX) are generally developed with commercial uses. Some of the zones encourage commercial areas that serve the surrounding neighborhoods, while other zones serve a larger, often regional, market. Commercial and mixed-use zones allow development between .4 FAR and 6:1 FAR depending on the zone.

Portland Lessons Learned

- Graduated FAR approach useful to target desired outcomes. There is still strong demand for detached single family development.
- The rate of change under new code allowances will be moderate and not result in rapid community-level or block-level change.
- Mandatory affordability requirements at this scale of development are not possible. There are marginal increases in value that can be captured to support affordable housing from marginal increases in density.
- Allowing fee simple development is critical to supporting homeownership goals.

What is fee simple development?
Builders and buyers generally prefer “fee simple” ownership in which the buyer owns the structure and the land in comparison to condominiums, in which the buyer generally owns the unit itself but not the land, and sometimes not the exterior of the building.

¹⁵ https://www.portland.gov/sites/default/files/2020-02/ih_adopted_final.pdf

- Understanding how displacement impacts can occur in different neighborhoods is important.
- There is a cost to that status quo. The baseline performs worse across all measures of affordability, housing production, and displacement impacts than the adopted code.

4. City of Eugene Oregon Middle Housing Regulatory Review

Exhibit 9. City of Eugene Middle Housing Illustration



Source: [City of Eugene](#)

In response to Oregon Housing Bill 2001, the City of Eugene adopted a set of middle housing code amendments in May 2022 that complied with the statewide requirements but went further by supporting more affordable housing types. In 2019, the State of Oregon outlined minimum requirements for the allowance of middle housing types and shared a model code for cities to use in updating development regulations. Eugene took the opportunity to thoughtfully identify development standards that were appropriate for the local context. They focused on smaller home ownership options, flexibility in physical form, and clear and objective development and design standards that make desired housing types possible without discretionary review.

Their success was due in part to their inclusive community engagement as well as their investment in communication and educational materials. The City developed an overall communication and engagement plan and integrated a variety of engagement tactics. They established a Citizen Involvement Committee, included social media engagement (Nextdoor, reddit, Facebook live community conversations), the development of a meeting in a box (open house, community/stakeholder presentations), the use of an online survey, and developed education acknowledging the history of exclusionary residential zoning. The City also launched a “healthy democracy” pilot where they compensated representatives participating in focus groups and roundtable workshops.

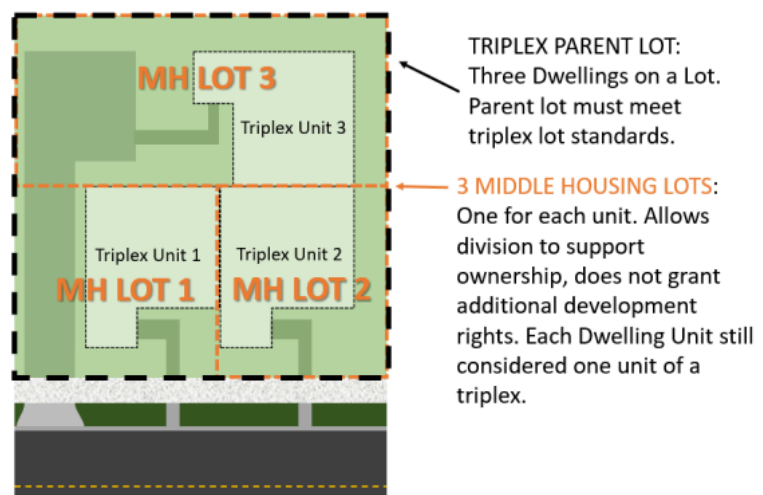
Affordability Approach

The City of Eugene’s approach to affordability was primarily to create more affordability by design. This approach was integral to their decision to move beyond making middle housing types legal and into finding ways to remove barriers and reduce costs to building middle housing. Eugene made decisions based on an understanding that most middle housing will be relatively affordable as compared to new detached, single-unit housing, and that smaller units lead to lower operating and

long-term maintenance costs. To lower development and rental or acquisition costs, Eugene encourages the development of smaller units on smaller lots and offers a minimum lot size reduction of 25 percent when units are smaller than 900 square feet. Additionally, there are affordable housing bonuses within the middle housing development standards that incentivize the creation of affordable housing for people with lower incomes. Development incentives such as minimum lot size reductions, minimum parking requirement waivers, and higher densities for townhouses are available if 50 percent or more of the total project units are affordable and reserved for people whose income is less than 80% of AMI.¹⁶

Eugene also has an impact fee waiver (locally known as a System Development Charge exemption) for affordable housing, which improves the overall development feasibility of middle housing projects that include units set aside as affordable for people with lower incomes (60% AMI for rental housing and 80% AMI for ownership housing).¹⁷

Eugene also allowed land divisions for fee simple development to help support more affordable home ownership. They held discussions around alternative ownership models like shared equity co-ops.¹⁸ Additional implementation projects are underway at the City of Eugene to help align financial and regulatory incentives more broadly across the City and to develop an anti-displacement plan.¹⁹



¹⁶ Additional information from the City of Eugene on middle housing affordability approach: <https://www.eugene-or.gov/DocumentCenter/View/63609/Middle-Housing-Affordability-QA>

¹⁷ Typically, there are very few opportunities for very low-income households to own homes in urban areas like the City of Eugene and there is more of an opportunity to own homes for households earning at least 80% AMI.

¹⁸ Additional background on shared equity co-ops can be retrieved from the following ECONorthwest report: Co-Op+Housing+Whitepaper_February-2022.pdf (squarespace.com).

¹⁹ More information about the City of Eugene's anti-displacement planning: <https://www.eugene-or.gov/DocumentCenter/View/63914/Agenda-Packet-11-10-21-Work-Session---council?bidId=>

Highlights from Code Standards for Middle Housing

Eugene developed a framework for adopting code standards for middle housing that built upon the minimum state requirements. They created three categories to demonstrate the anticipated impact of the regulatory changes:

- **Allow** – These changes meet state requirements (HB 2001) and are in alignment with minimum standards.
- **Encourage** – These changes exceed state requirements and remove some barriers to middle housing development.
- **Incentivize** – These changes exceed state requirements and do even more to remove barriers and lower the cost of middle housing. Changes that were intended to incentivize middle housing were developed with affordability in mind. Incentives in this package include changes to dimensional standards like lot coverage and height as well as lot minimums and parking reductions.²⁰

²⁰ <https://www.eugene-or.gov/DocumentCenter/View/61796/Draft-Code-Summary>

Exhibit 10. Eugene Middle Housing Code Scenario

| Allow | Encourage | Incentivize |
|-------------------------------|---|---|
| Follow the Minimum Standards. | Remove some barriers to middle housing. | Do even more to remove barriers and lower the cost of middle housing. |

Encourage

| | |
|---------------------|---|
| <i>Lot Size</i> | The proposed minimum lot size is less than the maximum allowed by the state's minimum standards. |
| <i>Lot Width</i> | The proposed minimum lot width, in some cases, is less than the minimum requires by the state's minimum standards. |
| <i>Height</i> | The proposed maximum height, in some cases, is greater than the minimum required by the state's minimum standards. |
| <i>Lot Coverage</i> | The proposed maximum lot coverage percentage, in come cases, is greater than the minimum required by the state's minimum standards. |

Incentivize⁶

| | |
|--|--|
| <i>Detached Middle Housing</i> | Middle housing may be attached or detached. |
| <i>Lot Size Reduction</i> | Minimum lot sizes can be decreased by 25 percent if middle housing units are small and/or for low-income occupants. |
| <i>Reduction of On-Site Parking Requirements</i> | Minimum on-site parking requirements can be decreased if middle housing is nearby a frequent transit route, through on-street parking credits, for small middle housing units, and/or for middle housing for low-income occupants. |

Source: [City of Eugene](#)

The most substantial change to the zoning code was to allow duplexes, triplexes, fourplexes, rowhouses, and cottage clusters to be built in all neighborhoods in Eugene.²¹ The City also used regulatory tools to encourage the development of middle housing compared to detached single-unit housing by decreasing the minimum lot size requirements for duplexes and triplexes, allowing multiplexes to be attached or detached, granting additional height for most middle housing types, and increasing the allowable building coverage for multiplexes. They had developed code alternatives to facilitate community conversations around desired outcomes.

They also took a number of actions to go beyond encouraging and incentivize the creation of middle housing types including reducing parking requirements, reducing minimum lot size requirements for small units, and creating a density bonus that offers additional development entitlements in exchange for units that are affordable.

Eugene Zoning Framework

With the Eugene Middle Housing Project, duplexes, triplexes, fourplexes, townhomes, and cottage housing are allowed in the lowest residential density R-1 zone in Eugene. Up to 14 dwelling units per acre densities are allowed in the R-1 zone. Middle housing allowances in the R-1 zone also relate to a hierarchy of residential density allowances

²¹ City of Eugene Middle Housing Amendments: <https://www.eugene-or.gov/4244/Middle-Housing>

across four residential zones in Eugene. All residential zones besides R-1 zones have minimum densities and allow limited range of non-residential uses to help provide services for residents and enhance the quality of residential development.

- The R-2 Medium-Density Residential zone is to implement the comprehensive plan by providing areas for medium-density residential use and encourage a variety of dwelling types at 13 to 28 dwelling units per acre.
- The purpose of the R-3 Limited High-Density Residential zone is to implement the comprehensive plan by providing areas for limited high-density residential use that encourage middle housing and multiple-unit dwellings between 20 and 56 units per acres.
- The R-4 High-Density Residential zone is designed to implement the comprehensive plan by providing areas for high-density residential use and is intended to provide an opportunity for a dense living environment with densities between 20 units and 112 units per acre.

Exhibit 11. Eugene Residential Zones Density and Height Allowances

| | R-1 | | R-2 | R-3 | R-4 |
|--|------------|--|----------|----------|-----------|
| Density (1) | | | | | |
| Minimum Net Density per Acre | No Minimum | | 13 units | 20 units | 20 units |
| Maximum Net Density per Acre | 14 units | | 28 units | 56 units | 112 units |
| Maximum Building Height (2), (3), (4), (5), (16), (17), (18) | | | | | |
| Main Building. Does not include main building on Alley Access Lot in R-1 | 30 feet | | 35 feet | 50 feet | 120 feet |

Source: [City of Eugene](#)

Eugene Lessons Learned

- Engagement strategy was critical in getting a more diverse range of perspectives than traditional planning processes. The intentional briefing and education process with decisions makers helped build support for this project.
- Strong rental markets in and near the university had different impacts on viability.

- Code alternatives that were clearly aligned and evaluated against the guiding principles and vision to focus on outcomes.
- It is difficult to have all the right incentives in place to support affordability outcomes during code projects. Refinement/implementation projects to align incentives is important.
- Clear project materials including an analysis of impacts and outcomes that instills trust in the recommendations.

Zoning Comparison Table

Exhibit 12. Zoning Comparison Table

| Code Standard | Spokane | Kirkland | Portland | Eugene |
|--|---|--|---|---|
| Duplex | | | | |
| Definition | A building that contains two primary dwelling units on one lot. The units must share a common wall or common floor/ceiling. | Two-Unit Home - A structure containing two dwelling units designed to look like a detached single-family home | | Two dwellings on a single lot or parcel in any configuration. If one of the dwellings on the lot or parcel is an accessory dwelling, the two dwellings on that lot or parcel are not considered a duplex. |
| Where is it allowed? | Under the BOCA pilot program (interim zoning ordinance), duplexes are allowed on all residentially zoned lots in Spokane, excluding the Residential Agricultural (RA) zone. | All low-density residential zones | All low-density residential zones | |
| minimum lot size or maximum density | varies by base zoning low-density zones range from 1,800 sf (RTF) to 4,350 (RSF) | varies by base zoning low density zones range from 2 units per acre to 16 units per acre | varies by base zoning low density zones range from 1,500 sf to 12,000 sf | 2,250 sf |
| max building coverage | varies by base zoning RSF and RTF zones - 60% | 50% | varies by lot size 50% of lot area for lots smaller than 3,000 sf decreasing allowable coverage as lot size increases | varies by base zoning low density zones range from 60% to 75% |
| max height | varies by base zoning RSF and RTF zones - 40ft roof height, 30ft wall height | 25ft | varies by base zoning low density zones range from 30ft to 35ft | varies by base zoning low density zones range from 30ft to 35ft |
| max FAR | none | varies by base zoning low density zones range from 20% to 50% of lot size | varies by base zoning low density zones range from .5 to .8 FAR | n/a |
| Parking Requirements | 1 per unit plus 1 per bedroom after 3 bedrooms; 1 per Accessory Dwelling Unit (ADU) | 1 space per unit if within one-half mile of frequent transit service 1 space per unit 1,000 SF or smaller 1.5 spaces per unit larger than 1,000 SF | | 1 space per dwelling parking reduction incentives available for: - on-street parking - proximity to transit - reduced parking for income-qualified middle housing |
| Other | | attached ADUs are allowed as part of a two-unit home | | |

| Code Standard | Spokane | Kirkland | Portland | Eugene |
|--|---|--|---|--|
| Multiplex (Triplex, Four/Quadplex) | | | | |
| Definition | A residential building that contains three or four dwelling units on one lot. The units share a common wall or common floor/ceiling. | A structure containing three dwelling units designed to look like a detached single-family home. | | Three/Four dwellings on a single lot or parcel in any configuration |
| Where is it allowed? | Under the BOCA pilot program (Interim zoning ordinance), triplexes and fourplexes are allowed on all residentially zoned lots in Spokane, excluding the Residential Agricultural (RA) zone. | All low-density residential zones | All low-density residential zones, except those with "-z" overlay or unpaved streets | |
| minimum lot size or maximum density | varies by base zoning low-density zones range from 1,800 sf (RTF) to 4,350 (RSF) | varies by base zoning low density zones range from 2 units per acre to 16 units per acre | varies by base zoning low density zones range from 3,200 sf to 5,000 sf | 3,500 sf |
| max building coverage | varies by base zoning RSF and RTF zones - 60% | 50% | n/a | varies by base zoning low density zones range from 60% to 75% |
| max height | varies by base zoning RSF and RTF zones - 40ft roof height, 30ft wall height | 25ft | varies by base zoning low density zones range from 30ft to 35ft | varies by base zoning low density zones range from 30ft to 35ft |
| max FAR | none | varies by base zoning low density zones range from 20% to 50% of lot size | varies by base zoning low density zones range from .6 to .9 FAR Affordability bonus FAR up to 1.2 | n/a |
| Parking Requirements | | 1 space per unit if within one-half mile of frequent transit service 1 space per unit 1,000 SF or smaller 1.5 spaces per unit larger than 1,000 SF | | varies by lot size 1 space per triplex for lots under 3,000 sf 2 spaces per triplex for lots 3,000 - 4,999 sf 3 spaces per triplex for lots 5,000 sf and over |
| Other | | attached ADUs are allowed as part of a three-unit home | | |

| Code Standard | Spokane | Kirkland | Portland | Eugene |
|--|---------|--|--|---|
| Cottage | n/a | | | |
| Definition | n/a | Cottage - A detached, single-family dwelling unit containing 1,700 square feet or less of gross floor area. | Cottages are separated units that are connected by a system of pedestrian paths and organized around a larger common outdoor area. | A grouping of no fewer than four detached dwellings per acre with a footprint of less than 900 square feet each that includes a common courtyard. Cottage clusters are not fourplexes or multiple-unit dwellings. |
| Where is it allowed? | n/a | All low-density residential zones | Some low-density residential zones | |
| minimum lot size or maximum density | n/a | varies by base zoning low density zones range from 2 units per acre to 16 units per acre | varies by base zoning low density zones range from 5,000 sf to 7,000 sf minimum densities vary by base zone maximum density up to 16 units per site | 4,500 sf four units per acre |
| max building coverage | n/a | 50% | n/a | n/a |
| max height | n/a | 25ft | 25ft | 25ft |
| max FAR | n/a | varies by base zoning low density zones range from 20% to 50% of lot size | no limit | n/a |
| Parking Requirements | n/a | 1 space per unit if within one-half mile of frequent transit service 1 space per unit 1,000 SF or smaller 1.5 spaces per unit larger than 1,000 SF | | 1 space per cottage parking reduction incentives available for: - on-street parking - proximity to transit - reduced parking for income-qualified middle housing |
| Other | n/a | 200 to 300 sf of common open space required per unit in developments of 5 or more units attached covered porches are required - each unit must have a covered porch with a minimum area of 64 square feet per unit (minimum 7ft on all sides) attached ADUs are allowed as part of a cottage | 150 sf to 200 sf per unit of common area is required. Each outdoor area must be at least 450 sf. | |

Section 4. Appendix

Middle Housing Background

History of Exclusionary Zoning and Discrimination

Like the rest of the U.S., the City of Tacoma has a documented history of redlining neighborhoods in the late 1930s. Although the redlining provides mapped evidence, institutional racism occurred long before.²² During the first half of the 20th Century, institutional racism was a common practice in land use planning, and it often played out in housing policies especially through redlining practices, racially restrictive covenants, and exclusionary single-family zoning. These practices excluded communities of color from public investment for many decades and the opportunity to accumulate intergenerational wealth through homeownership, and collectively, these practices led to segregated neighborhoods.⁹

The redlining in Tacoma is estimated to have impacted more than two-thirds of the city residents by limiting access to funds for buying or building a home in areas populated primarily by people of color. The maps like the one in Exhibit 1 were created for most urban areas in the country by the Home Owners Loan Corporation. These maps were used to guide federal investments into homeownership to support the housing market and preclude foreclosures and the economic crises stemming from the Great Depression. The areas shaded in red were deemed as “definitely declining” and “hazardous” for mortgage lending, and they correlate with where communities of color were predominantly living. These maps steered lenders towards investing exclusively in segregated white communities, with lower-density housing, reinforced by restrictive single-family detached zoning preventing rentals, multi-family housing, and middle housing from being constructed.⁹

In addition, racially restrictive covenants have been used in certain neighborhoods to prevent homeownership by people of color. These covenants are legal restrictions developers and property owners recorded on residential property deeds to ban property owners from selling or renting the property to specific races, ethnicities, and religions.⁹ Although a series of provisions have been enacted by federal and state laws to prohibit racial discrimination in real estate transactions, particularly through fair

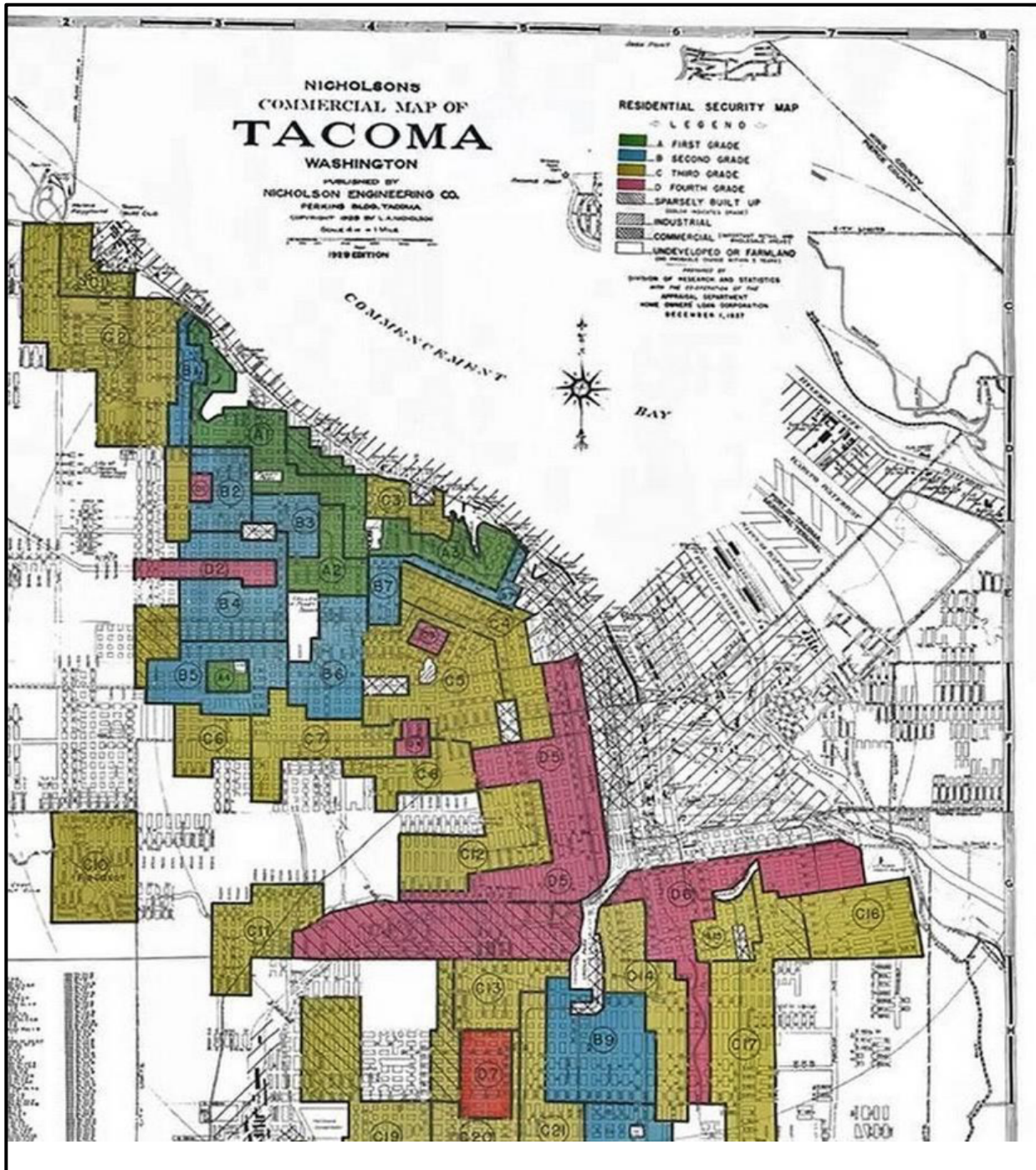
²² APA PAS. Paul Mogush. (2021). Advancing Racial Equity Through Land-Use Planning.

housing laws in the 1960s, addressing the lingering effects of these discriminatory covenants has been a slow ongoing process, continuing today.²³

Ultimately, this discrimination blocked many people of color from building wealth and led to increased segregation. The Home in Tacoma project report (2021) describes how Tacoma's residents of color have reported feeling as if they have fewer opportunities for community engagement and that there is little acceptance for people of diverse backgrounds.

²³ MRSC. Oskar Rey. (2021). The Lasting Impacts of Discriminatory Restrictive Covenants.

Exhibit 13. Redlining in the City of Tacoma, 1937 Residential Security Map



Source: Home Owners Loan Corporation

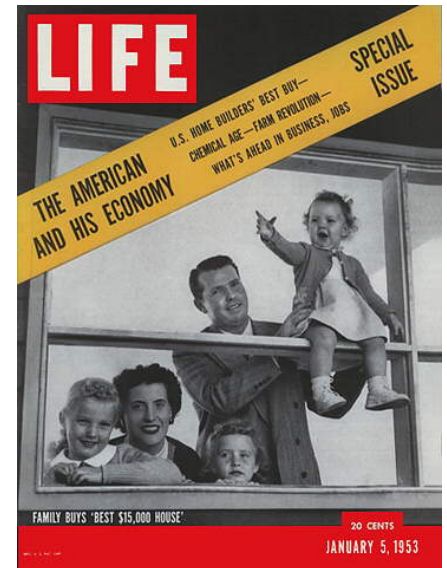
History of Exclusionary Zoning

In the U.S., restrictive zoning laws were first enacted to prevent industrial pollution impacts from encroaching on residents.²⁴ Over time, zoning laws became more restrictive by regulating building heights, lot sizes, and site design standards to eventually demarcating certain areas exclusively for single-family detached homes. Particularly after World War II, these restrictive zoning requirements led to an overall decline in the construction of middle housing.²⁵

Zoning protections for single-family homes are part of a history of racially discriminatory land use and housing policies. Essentially zoning moved to outlining development scale and separating uses to separating people by race and income level. This process is known as “Redlining” due to the red lines in Residential Security Maps from the 1930s which home loaning officers used to identify “desirable” neighborhoods – which were far from ethnic minorities. The Fair Housing Act (passed in 1968) prohibited outright housing discrimination on the basis of race but this did not prevent segregation being codified by other means.²⁶ Decades after the Fair Housing Act passed, we still see persistent racial and economic segregation albeit in a more subtle way through exclusionary zoning.²⁷ Today exclusionary zoning has replaced redlining as the de facto method of excluding racial and ethnic minorities from affluent neighborhoods by artificially increasing property values by broadly imposing steep restrictions in single-family zones.²⁸ As a result, the construction of middle housing has declined. In fact, the total share of middle housing in America’s housing stock being sold declined from 20% in 1986 to 10% in 2014.²⁹

Nowadays, much of America’s middle housing can be found in older neighborhoods, urban areas with medium to high residential densities, and in communities where regulations have been updated to allow for more housing diversity and single-family housing conversions. Most of the increase in middle housing is expected to occur with new construction.

Move to the Suburbs



Source: [Life Magazine](#)

Urban Institute, [educational](#) video about exclusionary zoning, urban.org/zoning

²⁴ American Planning Association, [Planning History Timeline](#)

²⁵ In addition, suburban development grew due to federal benefits, highway construction, rising car ownership, etc.

²⁶ Wegmann, Jake. (2020). Death to Single-Family Zoning...and New Life to the Missing Middle, Journal of the American Planning Association, 86:1, 113-119.

²⁷ <https://www.urban.org/urban-wire/three-ways-strengthen-affordable-rental-housing-supply>

²⁸ <https://www.sightline.org/2016/04/20/how-exclusionary-zoning-robs-our-cities-of-their-best-qualities/>

²⁹ <https://nextcity.org/features/view/cities-affordable-housing-design-solution-missing-middle>

Benefits of Middle Housing

A range of core benefits middle housing brings to communities is outlined below.

- Middle housing provides a unique form of housing that is often smaller in size. It offers a living option for those wanting less yard and indoor space to maintain.
- Middle housing mixes well with other building types and can be designed to be well-integrated into existing residential neighborhoods. This form of housing can help to gently increase residential density in existing single-family residential neighborhoods.
- These homes help expand the homeownership opportunities. Homeowners tend to benefit from security of tenure, the ability to use tax deductions (such as for mortgage interest), and economic mobility.³⁰
- Smaller units and attached housing tend to be more energy efficient and sustainable due to factors such as less water and energy use.
- When built near urban centers and transit, middle housing can expand opportunities to live in walkable communities with a shorter commute.
- Certain types of middle housing such as ADUs can serve as a living option for family members (multigenerational housing) or caregivers.
- New middle housing tends to be more affordable than new detached housing since it spreads the cost of land and other fixed costs over more units.
- Integrating middle housing within high-opportunity neighborhoods can enable a wider range of residents to benefit from the resources and amenities provided in these communities.
- Supporting middle housing will help communities build more housing in areas with scarce buildable land and diversify housing options available in a broad range of neighborhoods. The small footprint and broad range of possible configurations of middle housing (such as stacked) helps developers use small or irregularly shaped lots that would otherwise be vacant or underutilized.

³⁰ Schill, M, Wachter, S. (2001). Principles to Guide Housing Policy at the Beginning of the Millennium. *Cityscape: A Journal of Policy Development and Research*. Volume 5, Number 2.

Glossary

Accessory dwelling unit. Accessory dwelling units (ADU), which are sometimes called “mother-in-law units,” are extra living units created on the property of a single-family home. An ADU has a kitchen, bathroom and sleeping facilities. Subject to local regulations, ADUs may be located either inside, attached to, or detached from the primary home.

Affordable housing. The U.S. Department of Housing & Urban Development (HUD) defines housing as affordable if its occupants pay no more than 30 percent of their income for rent and utilities or for mortgage, taxes, and insurance. Generally, the term “affordable housing” is used to describe regulated housing units that have income- or rent-restrictions to ensure the housing is occupied by households earning a certain threshold of the area median family income. The definition of affordability must be based on Area Median Income (AMI or MFI) data that is published annually by the US Department of Housing and Urban Development (HUD).

Area Median Income/Median Family Income. Another way to comprehend housing affordability is to look at how much each income level can afford in housing costs. Each year, the U.S. Department of Housing and Urban Development (HUD) uses data from the US Census to define an area’s Median Family Income (MFI) based on family size (2022 values are provided below). The MFI benchmark helps determine eligibility for HUD housing programs (often including rent-restricted housing) and supports the tracking of different housing needs for a range of household incomes. The term Area Median Income tends to be used more generally in the industry than MFI. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD’s MFI.

Fee Simple Development. Builders and buyers generally prefer “fee simple” ownership in which the buyer owns the structure and the land in comparison to condominiums, in which the buyer generally owns the unit itself but not the land, and sometimes not the exterior of the building.

Floor Area Ratio (FAR). A measurement of a building’s floor area compared to the area of the lot that the building is located on. FAR relates to the bulk or massing of a building on its site. Maximum FAR is commonly regulated through zoning codes.

Form Based Code. A form-based code is a land development regulation that uses the physical form (rather than the separation of uses) as the organizing principle for the code. A form-based code addresses the relationship between building facades and the

public realm, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks. The regulations and standards in form-based codes are presented in both words and clearly drawn diagrams and other visuals.³¹

Inclusionary zoning. Inclusionary zoning is a regulatory tool that incentivizes or mandates affordable housing in exchange for additional residential development capacity, generally height, floor area ratio or other benefits to the development. Under an incentive approach, additional development capacity is provided only if the developer elects to provide a certain amount of affordable housing. Under the mandatory approach, the developer is required to provide affordable housing in exchange for changes to regulations or other benefits already applied to the development.

Lot Coverage. Typically, this is considered the size of the footprint of a building and structure on a lot divided by the size of the parcel, expressed as a decimal number. Lot coverage can include impervious surfaces which are mainly structures or water-resistant materials such as asphalt, concrete, brick, stone, or rooftops.

“Missing-Middle” Housing. Missing middle housing is a term coined by Opticos Design to refer to housing types that fall between single-family detached homes and multifamily housing on a continuum of housing scale and density.³² Basically middle housing could be considered “house-scale buildings with multiple units in walkable neighborhoods.”³³ Examples of middle housing include: duplexes, triplexes, townhouses, small courtyard style apartments, cottage clusters, or accessory dwelling units, though not all places consider all of these housing types as middle housing. This type of housing has been missing from many neighborhoods outside of urban cores largely due to zoning/development regulations limiting where and how it can be built. Recent efforts call for relegalizing missing middle housing to increase affordability in highly walkable, opportunistic neighborhoods.

³¹ Form-Based Codes Institute: <https://formbasedcodes.org/definition/>

³² Urban Land Institute, Terwilliger Center for Housing. (2019). *Attainable Housing: Challenges, Perceptions, and Solutions*.

³³ Parolek, D., Opticos. (2019). Middle Housing: Thinking Big and Building Small to Respond to the Housing Crisis. Opticos Design. 2019. “Missing-Middle Housing.” Available from: opticosdesign.com/missing-middle-housing/

Addendum 1: Review of Regional Benchmarking Approaches to Upper Middle Scale Housing

In Phase 1 of Home in Tacoma, a range of housing types were included as representative examples of Low-Scale and Mid-Scale housing. Housing types that were included in Mid-Scale housing included small multifamily (up to 3 stories) medium multifamily (up to 4 stories). Mid-Scale areas are generally close to shopping, transit and other urban activities, and provide a transition between dense centers and nearby Low-Scale areas. This scale of housing is addressed differently in each of the cities reviewed in the regional benchmarking study. The following summary explores how each jurisdiction regulates this scale of housing, and how that relates to their Missing Middle Housing initiatives.

Spokane, WA

Spokane's missing middle initiative includes attached single family dwellings and fourplexes as the upper limit of housing types. Small and medium multifamily is allowed through existing zoning, primarily in the Residential Multi-Family (RMF) district. Intended development under the RMF district is described as: "one to four story structures and a higher percentage of building coverage...The major types of development will include attached and detached single-family residential, condominiums, apartments, duplexes, townhouses and row houses." As with other Spokane residential zones, RMF establishes minimum and maximum allowed densities. For RMF, these are 15 units/acre minimum and 30 units/acre maximum (net). Minimum lot size for multiunit structures is 2,900 sf, with a 50% maximum lot coverage. Minimum setbacks are: 15 ft front setback, 3-5 ft side setback (depending on lot width), and 10 ft rear setback. Maximum allowed height is 35 ft.

Kirkland, WA

The City of Kirkland's residential zoning districts are organized into three categories: low density, medium density, and high density. Of these, the medium density is closest to Tacoma's Mid-Scale category. A key feature of Kirkland's code is that it includes a large number of zoning districts within this medium density category (12 as of this writing). This leads to a range of different standards for each district. However, there are typical standards which illustrate Kirkland's approach to this scale of development. Generally, minimum lot sizes are the primary tool for regulating density, with minimum lot sizes ranging from 1,800 sf to 5,000 sf. Minimum front setbacks are typically 20 ft, with side and rear setbacks of 5 ft and 10 ft, respectively. Maximum

heights are typically 30 ft. Note that this height can be a constraint for developing Mid-Scale missing middle housing, which often requires at least 35 ft heights to achieve high quality design. Maximum lot coverage requirements range from 60%-80%.

Eugene, OR

Eugene's Middle Housing Code reflects the State of Oregon's guidance on missing middle housing, which requires municipalities to plan for up to fourplexes in residential zones. Because of this state framework, Mid-Scale residential housing is accommodated through existing zoning and policies. Eugene allows housing consistent with Tacoma's Mid-Scale designation in R2 and R3 zones. These zones are defined by minimum and maximum allowed densities, as well as dimensional standards like setbacks, heights, and lot sizes. R2 allows for 13-28 dwelling units per net acre, and R3 allows for 20-56 dwelling units per net acre. Minimum lot size is 4,500 sf, with exceptions for duplexes, triplexes, four-plexes, and cottage clusters. Maximum height allowed for R2 is 35 ft, and 50 ft for R3. Minimum setbacks are 10 ft front setbacks and 5 ft side setbacks in both zones. One off-street parking space per unit is required, with some exceptions for parcels proximate to transit.

Portland, OR

Portland's Residential Infill Pilot accommodates development up to sixplexes, which is the lower range of Tacoma's Mid-Scale designation. Other small multifamily and medium multifamily are allowed through existing zoning, which is organized into four zones: RM1, RM2, RM3, and RM4. Of these, RM1 and RM2 are closest to Tacoma's Mid-Scale. These zones are defined by allowed FAR, which ranges from 1 FAR in RM1 to 1.5 FAR in RM2 (achieving the maximum FAR can require affordable housing or other provisions). Maximum height also varies across zones, from 35 ft in RM1 to 45 ft in RM2. Maximum density is not regulated in these zones. Minimum front setbacks in both zones are 10 ft, and minimum side and rear setbacks are 5 ft. RM1 includes a maximum building coverage of 50% and RM2 has a maximum building coverage of 60-70%. Both RM1 and RM2 include maximum building façade length of 100 ft, with rules for modulation and applicability. Another compatibility-focused standard in Portland's zoning is a required stepdown height that limits building height within 25 ft of single dwelling parcels. In such cases, buildings are limited to 35 ft in RM-1 and 45 ft in RM-2.