

## STAFF REPORT

**DATE:** September 24, 2019

**TO:** Pierce County Planning Commission

**FROM:** Dan Cardwell, Supervisor, Long Range Planning

**BY:** Erik Jaszewski, Associate Planner, Long Range Planning

**SUBJECT:** The Planning Commission will review and consider proposed amendments to Development Regulations Chapter 18A.65 “Affordable Housing Incentives” to improve the usability of the incentives and support continued development of affordable housing in Pierce County.

**NOTICE:** Notice of the Planning Commission public hearing was published in the News Tribune on September 10, 2019.

**SEPA:** The Responsible Official conducted an environmental review of the proposed amendments and issued a Determination of Nonsignificance (DNS) on September 18, 2019.

**ATTACHMENTS:**

**Attachment A Proposed Amendments to Title 18A, “Development Regulations – Zoning”**

## STAFF RECOMMENDATION

Staff recommends approval of the proposed amendments to Chapter 18A.65 “Affordable Housing Incentives.” Staff finds that the proposed amendments are consistent with the Growth Management Act, VISION 2040, Countywide Planning Policies, and the Comprehensive Plan requirements.

## PROPOSAL

The amendments to Chapter 18A.65 would make technical changes and clarifications, improve the usability of the incentives, and broaden the availability of incentives.

### Simplifying Conversion to Market-Rate Units

Currently, when the owner of a home chooses to sell a low-income unit at market rate, they are required to pay the difference between the income-restricted price and the market price to the

County. Stakeholders have expressed concern that this approach is difficult to implement. Instead, the proposal provides a clear process for affordable to market-rate conversions:

- If financial incentives were granted, any fees originally waived must be paid at current levels;
- If regulatory incentives were granted, 20% of the net proceeds from the sale must be paid to the County to capture a reasonable amount of that original benefit;
- If both types of incentives were originally granted, whichever method results in the greater value must be paid to the County.

All proceeds from market-rate conversion are to be reinvested into incentives offered through Chapter 18A.65.

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### Eliminating Plan Area Limitations on Fee Waivers

In Chapter 18A.65 each community plan area is limited to 11% of available fee waiver funds. Of the \$350,000 available in 2019, only \$38,500 would be available in each area. All current fees, including impact fees and application fees, total about \$23,000 per home. Any fee waivers applied with this limitation would be inefficient at incentivizing much affordable housing development. And funding in some community plan areas might run out while funding in other community plan areas may sit unused, limiting the intended impact.

The proposal eliminates the 11% plan area limitation. Fee waivers would simply be granted on a first come, first served basis.

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### Increasing Eligibility for Bonus Density Incentive

The bonus density incentive allows increased housing density based on the number of affordable units provided, to a certain limit based on the maximum density of the zone. Additional qualifications are:

- Proximity to transit; and
- Minimum proportion of affordable units.

The proposal eliminates these two additional criteria.

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### Providing More Incentives for Infill

Many of the incentives are currently available to projects with 10 or more housing units (among other limitations). This excludes small infill developments from being eligible. The proposal eliminates the 10 unit minimum.

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### Increasing Eligibility for Reduced Recreation and Parking Requirements

Chapter 18A.65 allows for on-site recreation and parking requirement flexibility.

- Recreation area is reduced if a project is  $\frac{1}{4}$  mile away from an existing recreation space.
- Parking can be reduced if a project is  $\frac{1}{4}$  mile away from public transit.

The proposal increases these qualifying distances to  $\frac{1}{2}$  mile. Additionally, the proposal provides greater flexibility in off-street parking locations.

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## Removing Limitation on Priority Review

Currently up to ten affordable housing projects are granted priority review per year. The proposal removes the limit of these projects that may receive priority review.

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## Other Technical Changes

The proposal eliminates repetitive text, eliminates incentives which are no longer necessary, provides clarifications, and revises text to reflect review procedures currently in practice.

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## Analysis

The proposal increases the availability of fee waivers. However, the waivers would continue to remain dependent on replacement funds being allocated so no major budget impact is expected from the proposal.

The proposal also revises how the County is currently reimbursed for incentives granted if a homeowner chooses to convert their home to market-rate. The proposed valuation method would simplify the calculation of converting low-income to market-rate units but would continue to adequately reimburse the County for a reasonable value of the original incentives provided.

The enhanced incentives offered under the proposal are intended to further reduce the costs to developing affordable housing. By reducing costs, the proposal encourages greater production of affordable housing than is occurring today.

## BACKGROUND

In 2010 the County Council amended Title 18A Development Regulations (Ordinance 2009-48s2), adopting Chapter 18A.65 “Affordable Housing Incentives” based on the County’s Housing Affordability Task Force recommendations. The incentives included expedited permitting, fee waivers, density bonuses, and streamlined development standards.

The fee waiver incentives were designed to be generally revenue-neutral, only being available when replacement funding is identified. No such funding had been available until 2019, when the County Council first appropriated \$100,000 through the annual budget, then added \$250,000 more for a total of \$350,000. Of this, approximately \$29,702 has been utilized for fee waivers as of September 2019.

Low-income housing created through this program is only available to families making 80 percent or less of area median income (AMI). Those homes must be priced below 30% of that monthly 80% AMI. Eighty percent AMI varies based on family size, from \$44,950 for a one-person household to \$69,300 for a five-person household.

From 2011 to 2018, median home prices in Pierce County rose by 57 percent and median rents rose by 24 percent. In contrast, median family incomes rose by 5 percent over that same period. As such, over half of all renter households are “cost-burdened,” meaning they spend more than 30% of their income on housing, according to the US Census Bureau. Nearly a third of all owner households are cost-burdened.

Since 2010, four projects—comprised only of low-income units—have taken advantage of the incentive program, which resulted in 682 new affordable units. Two additional projects currently under review have utilized the fee waiver incentives (\$29,702 in total) and are expected to benefit from other existing incentives.

Only those portions of Title 18A that are proposed to be amended are shown. Remainder of text, maps, tables, and/or figures is unchanged

## Chapter 18A.65 AFFORDABLE HOUSING INCENTIVES

### Sections:

- 18A.65.010 Purpose.
- 18A.65.020 Applicability.
- 18A.65.030 General Provisions.
- 18A.65.040 Financial Incentives.
- 18A.65.050 Regulatory Incentives.
- 18A.65.060 Procedure for Review and Approval.

### **18A.65.010 Purpose.**

The purpose of this Chapter is to encourage the development of affordable housing for households earning 80 percent or less than Pierce County median household income (low-income affordable housing). The Growth Management Act (GMA) requires Pierce County to make adequate provisions for existing and projected housing needs of all economic segments of the community. The County recognizes that the real estate market provides adequate housing for those households in the upper economic segments; however, a combination of financial and regulatory incentives will be necessary to adequately provide for the needs of households whose incomes are at or below the County's median household income. The implementation of the incentives recognizes the public benefits affordable housing contributes to local communities and businesses. This ~~new~~ Chapter is also intended to cite all the incentives available to construct affordable housing for low-income households within one Chapter of the Pierce County Code. (Ord. 2009-48s2 § 1 (part), 2010)

### **18A.65.020 Applicability.**

The affordable housing incentives for low-income households may be utilized for multi-family or single-family housing projects, including manufactured housing communities, within ~~residential~~ urban zones that include a minimum threshold of affordable units allocated for low-income households and other criteria as specified under each financial or regulatory incentive as listed in PCC 18A.65.040 and 18A.65.050. This Chapter shall not apply to proposed projects within the Residential Resource (RR) zone. ~~Eligible housing projects within the HSF zone or single family detached proposals with a density of 8 dwelling units or greater are required to be in compliance with the standards set forth in the small lot design standards (Chapter 18J.17 PCC) and may only utilize the financial incentives in this Chapter, if available.~~ Development proposals shall meet the design standards set forth under the appropriate community plan standards except as stipulated under the regulatory incentives of this Chapter in PCC 18A.65.050. (Ord. 2009-48s2 § 1 (part), 2010)

### **18A.65.030 General Provisions.**

- A. **Duration of Affordability.** Affordable housing units created as a result of the provisions of this Chapter shall remain affordable for 50 years. The duration of

affordability may be reduced to a minimum of 30 years if appropriate compensation is provided, consistent with RCW 36.70A.540. A recorded agreement, lien and covenant running with the land, binding all the assigns, heirs and successors of the applicant shall secure the affordability requirements. The recorded covenant must provide that if the property is converted to a use other than for low-income affordable housing as defined under this Chapter within the required affordability duration, the property owner must pay the applicable impact fees in effect at the time of conversion.

- B. **Affordable Housing Incentives Program Agreement.** An application for a proposed project that incorporates any of the incentives in this Chapter shall not be deemed completed, issued permits or receive plat or land use approvals until the applicant has submitted a signed Affordable Housing Incentives Program Agreement as a component of the application package to Pierce County Human Services and Planning and Public Works. The agreement shall include, but not be limited to:
1. Identification of all the incentives, monetary and non-financial, that the project proposes to incorporate;
  2. Identification of the minimum number of affordable housing units required to be provided in the project to qualify for use of Chapter 18A.65 PCC;
  3. Binding language that protects the County's interests in the event that a developer obtains affordable housing incentives through the platting or building phases but fails to provide low-income affordable housing;
  4. Language that requires documentation of recording the required low-income affordability provisions prior to the approval of a final plat or multi-family building permit;
  5. Language that recognizes the need to possibly modify the agreement if the submitted project requires alternation through the review and approval process; and
  6. Language that stipulates the conditions of a breach of contract action if the applicant fails to provide the required number of affordable housing units as stipulated under the agreement. If a breach of contract is determined, the County shall place a lien against all properties associated with the project.
- C. The affordable housing units shall be rented, or sold, or resold to income-qualified households or a nonprofit organization through the end of the required affordability duration.
- D. **Construction of Affordable Housing Units.** If affordable housing units are constructed in phases or over a period of more than 12 months, a proportional amount of affordable housing units must be completed at or prior to the completion of related market rate housing units.
- E. **Location/Appearance of Affordable Housing Units.** When affordable housing units constructed under the provisions of this Chapter are intermixed with market rate housing, the general exterior design and appearance of the affordable housing units shall be compatible with the market rate housing units within the project.
- F. **Monitoring Continued Affordability.** The Pierce County Community Human Services Department shall be the responsible party to monitor the continued affordability of both rental and owner-occupied housing units.

- G. **Resale of Affordable Homeownership Units.** Affordable Housing units provided for under this Chapter may be sold or resold only to eligible low-income households or a nonprofit organization through the end of the required affordability duration. For Affordable Housing units to be sold or resold at market rate prior to the end of the required affordability duration, the benefit provided through this Chapter shall be accounted for as follows:
1. Payment in-lieu shall be made to Pierce County as reasonable compensation for the value of all incentives originally granted.
    - a. If only financial incentives were granted, as provided in Table 18A.65.040, the waived fees reasonably attributable to the converted unit(s) shall be repaid to the County by the seller upon final sale—at fee levels in place at time of sale.
    - b. If only regulatory incentives were granted, as provided in Table 18A.65.050, 20 percent of net proceeds from the sale shall be paid to the County.
    - c. If both financial and regulatory incentives were granted, payment shall be the greater of either amount specified in 18A.65.030 G.1.a and 18A.65.030 G.1.b.
    - d. No payment whatsoever shall be required if no net proceeds result from the sale.
  2. The County shall put all such conversion payments towards future incentives offered through this Chapter.
  3. A recorded agreement, lien, and covenant running with the land, binding all the assigns, heirs and successors of the applicant shall secure the conversion requirements in 18A.65.030 G. ~~The proceeds of any equity profit for the County that is not reinvested to bring another housing unit down to an affordable price point will be set aside in a housing trust fund for future reinvestments. The Pierce County Community Services Department shall develop resale procedures using a shared-equity approach to allocate the economic benefits from increased home value over time between the homeowner and Pierce County. The procedures will include the following elements:~~
    1. ~~The shared equity for the homeowner and Pierce County is calculated as the percentage difference between the market appraisal and price at which the unit is purchased;~~
    2. ~~Recapture of Pierce County's investment in the home is based on the market value of the home at resale;~~
    3. ~~Homeowner profit or loss is correlated with an increase or decrease in the housing unit's market appraisal, not longevity;~~
    4. ~~Acknowledgement that the affordability duration is Pierce County's commitment for continued re-investment, if necessary, to maintain an affordable price point for low-income households;~~
    5. ~~Pierce County's commitment to maintain a list of low-income households qualified to purchase the units at time of resale;~~
    6. ~~Pierce County's interest in the home is secured by recorded instrument; and~~
    7. ~~Pierce County's discretion to extend the duration of affordability to recover additional investments in the unit or contributions to maintain affordability.~~

Examples of Shared Equity Approach:

When affordable housing units are purchased, equity in the home is shared between the homeowner and Pierce County. The shared equity is calculated based on the percentage difference between the market appraisal value and the purchase price of the unit. The following provides two examples, one in which the value increases at the time of resale, and the other describing a potential loss in home value.

If a unit is appraised at \$250,000 and based on the household size of a low income household, the purchase price is \$180,000, the County's equity would be 28 percent and the owner's equity share would be 72 percent. At the time of the home is resold, regardless of the period of time an owner has owned the unit, the homeowner shall receive 72 percent of the sale price. If the unit appraises for \$275,000 after 10 years, the County's equity in the unit would be \$77,000 (28 percent) and the homeowner's equity would be \$198,000 (72 percent). The County's equity would be applied to reduce the resale price for the next low income household to \$198,000. The difference between the owners original purchase price and their equity share of the increase in the home's appreciation would be \$18,000. The household size of potential qualified low income purchasers and current interest rates may prompt Pierce County to buy down the \$198,000 price to an affordable price point.

Alternatively, if the unit appraises for \$200,000 after 10 years (where the original appraised value was \$250,000), the County's equity in the unit would be \$56,000 (28 percent) and the homeowner's equity would be \$144,000 (72 percent). The County's equity would be applied to reduce the resale price for the next low income household to \$144,000. The seller's share of the depreciated home value would represent a loss of \$36,000 (based on the original purchase price of \$180,000). The household size of potential qualified low income purchasers and current interest rate may prompt Pierce County to buy down the \$144,000 price to an affordable price point.

- H. The guidelines for affordable housing, including the establishment of rental levels and housing prices, will be established and annually updated by the Department of Community Human Services through the consolidated housing and community development plan. The sale price of a housing unit shall be based on the affordable price point for the year the housing unit is offered for sale.
- I. **Annual Report.** An annual report shall be forwarded to the Pierce County Council prior to the budgeting process that provides details on all the projects that utilized the provisions of this Chapter. The report shall include, but is not limited to, the total number of housing units/lots constructed and the number of affordable units.
- J. **Participation Measure.** Every three years Pierce County Planning and Public Works (PPW) shall coordinate the review of applications submitted that incorporate the incentives provided for in this Chapter and calculate the amount of fees waived within each community plan area and the aggregate non-community plan urban area. Based on this review, PPW and Community Human Services shall review the effectiveness of this Chapter as part of the periodic Comprehensive Plan update and may recommend modifications to the incentives, eligibility thresholds, fee waiver distribution and applicability to increase participation and achieve affordable housing goals.

#### 18A.65.040 Financial Incentives.

The financial incentives are intended to reduce the financial burden of carrying a loan through the review process and alleviate up-front financial costs to developers and builders

associated with review and impact fees to reduce costs in exchange for providing affordable housing units.

- A. **Expedited Permit Processing.** Each multi-family and subdivision project pursuing an expedited permit process shall be considered a priority for all Pierce County departments with review responsibilities. A project manager within the Department of Planning and Public Works shall be assigned and responsible to coordinate the review process among all departments.
- B. **Waived Fees.**
  - 1. Fees listed under this Chapter may only be waived if sufficient funds are available through an alternative funding source and applied towards the applicable fund account to off-set revenue otherwise collected from an applicant.
  - ~~2. The total fee waivers available to all eligible projects within a community plan area with an urban area and the aggregate of non-community plan urban areas shall be restricted to 11 percent of the total off setting funds available for any given year and no more than 25 percent of the available funding in any 5 year period.~~
  - 3. With the exception of a school impact fee, fee waivers may be applied to all housing units within a project.
  - 4. Fee waivers associated with a school impact fee shall only be applied to the low-income affordable housing units within a project.
  - 5. Fee waivers for the Traffic Impact Fee shall only be available when the project property is located within one-half mile of a regularly scheduled transit route.

<b>Table 18A.65.040. Financial Incentives</b>				
<b>Incentive</b>	<b>Minimum Threshold of Low-Income Affordable Housing Units/Lots</b>	<b>Limitation for Use of Incentive</b>	<b>Applicability</b>	<b>Specification of Incentive</b>
<b>Expedited Permit Processing</b>				
Building Permit Application	All Affordable Housing Units	Not Applicable	Only the Affordable Low-Income Units within a Project	All building permits for affordable housing units shall be a priority to review and process over other submitted market rate building permit applications by all Pierce County reviewing departments including, but not limited to, Planning and Public Works and Emergency Management (Fire Prevention Bureau).
Subdivision Applications (Short Plats, Preliminary Plats, Final Plats)	At least 20% of total housing units shall be low-income affordable units with a minimum of 10 total housing units within the development. 100% of project is low income	<del>Not to exceed a total of ten subdivisions per year, processed on a first come first served basis.</del>	Entire Project Area	Preliminary plat, short plat and final plat subdivision applications and other related applications including, but not limited to, site development and sanitary sewer extension

<b>Table 18A.65.040. Financial Incentives</b>				
<b>Incentive</b>	<b>Minimum Threshold of Low-Income Affordable Housing Units/Lots</b>	<b>Limitation for Use of Incentive</b>	<b>Applicability</b>	<b>Specification of Incentive</b>
	<del>affordable units/lots with a minimum of 5 total units/lots.</del>			applications shall be a priority to review and process over other submitted applications for market rate projects by all Pierce County reviewing departments including, but not limited to, Planning and Public Works and Emergency Management (Fire Prevention Bureau).
Road/Sewer Design Review	At least 20% of total housing units shall be low-income affordable units <del>with a minimum of 10 total housing units within the development.</del> 100% of project is low-income affordable <del>units/lots with a minimum of 5 total units/lots.</del>	<del>Not to exceed a total of ten subdivisions and multi-family projects per year, processed on a first come first served basis.</del>	Entire Project Area	The applications associated with road/sewer design review shall be a priority to review and process over other submitted applications for market rate projects by all Pierce County reviewing departments.
<b>Fee Waivers</b>				

Table 18A.65.040. Financial Incentives				
Incentive	Minimum Threshold of Low-Income Affordable Housing Units/Lots	Limitation for Use of Incentive	Applicability	Specification of Incentive
Building Fee Waiver	<p>PCC 17C.10.070 provides exemptions from Building Fees for low-income affordable single-family or two-family dwellings coordinated by a 501(c)(3) non-profit organization. All single family or two family (duplex) that are utilized as low-income affordable housing units shall be exempt from the building fees per PCC 17C.10.070 B.</p> <p>For fee waivers granted under this chapter, At least 20% of total housing units shall be low-income affordable units with a minimum of 10 total housing units</p>	<p><del>A fee waiver or reimbursement</del> Building Fee waivers granted under this chapter shall only be available on a first come first served basis if alternative funding is available and transferred to PPW.</p> <p>No limitation on fee waivers granted under PCC 17C.10.070.</p>	Entire Project Area	Any claim for an exemption for low-income housing must be made no later than the time of application for a building permit.

<b>Table 18A.65.040. Financial Incentives</b>				
<b>Incentive</b>	<b>Minimum Threshold of Low-Income Affordable Housing Units/Lots</b>	<b>Limitation for Use of Incentive</b>	<b>Applicability</b>	<b>Specification of Incentive</b>
	<del>within the development.</del>			
Traffic Impact Fee Waiver	<p><del>All low income housing units shall be exempt from the Traffic Impact Fee per PCC 4A.10.010 B.2.</del>                      exempts low-income housing units from Traffic Impact Fees.</p> <p>For fee waivers granted under this chapter, At least 20% of total housing units shall be low-income affordable units <del>with a minimum of 10 total housing units within the development.</del></p>	<p>The project property shall be located within one-half mile of a regularly scheduled transit route. Traffic Impact Fee waivers granted under this chapter shall be available on a first come first served basis if alternative funding is available and transferred to the Traffic Impact Fee Fund.</p> <p>No limitation on fee waivers granted under PCC 4A.10.010 B.2.</p>	Entire Project Area	Any claim for an exemption for low-income housing must be made no later than the time of application for a building permit or site development activity permit.
School Impact Fee Waiver	All low-income affordable housing units shall be exempt from School Impact fees.	A fee waiver or reimbursement shall <del>only</del> be available on a first come first served basis if alternative funding is available and transferred to the	Only the Affordable Low-Income Units within a Project	

<b>Table 18A.65.040. Financial Incentives</b>				
<b>Incentive</b>	<b>Minimum Threshold of Low-Income Affordable Housing Units/Lots</b>	<b>Limitation for Use of Incentive</b>	<b>Applicability</b>	<b>Specification of Incentive</b>
		appropriate School district account.		
Park Impact Fee Waiver	<del>All low-income affordable housing units shall be exempt from Park Impact fees.</del> At least 20% of total housing units shall be low-income affordable units <del>with a minimum of 10 total housing units within the development.</del>	A fee waiver or reimbursement shall <del>only</del> be available on a first come first served basis if alternative funding is available and transferred to the Impact Fee fund account.	Entire Project Area	
Park Impact Fee Waiver	All low-income affordable housing units shall be exempt from Park Impact fees.	A fee waiver or reimbursement shall be available on a first come first served basis if alternative funding is available and transferred to the Impact Fee fund account.	Only the Affordable Low-Income Units within a Project	
Sanitary Sewer System/ Facilities Charge Waiver	At least 20% of total housing units shall be low-income affordable units <del>with a minimum of 10 total housing units</del>	Fee exemptions shall <del>only</del> be available on a first come first served basis if funding is authorized through the Pierce County sanitary sewer fund to off-set the waived fee.	Entire Project Area	

Table 18A.65.040. Financial Incentives				
Incentive	Minimum Threshold of Low-Income Affordable Housing Units/Lots	Limitation for Use of Incentive	Applicability	Specification of Incentive
	<del>within the development. 100% of project is low income affordable units/lots with a minimum of 5 total units/lots.</del>			
Preliminary Plat/Formal Plat/Short Plat Application Fee Waiver	At least 20% of total housing units shall be low-income affordable units <del>with a minimum of 10 total housing units within the development.</del>	A fee waiver or reimbursement shall <del>only</del> be available on a first come first served basis if alternative funding is available and transferred to PPW.	Entire Project Area	All fees associated with the approval of a new plat provided for in Chapter 2.05 PCC including, but not limited to, the preliminary plat application, final plat application, design standards, environmental review, critical areas, and development engineering review shall be exempt. Any claim for an exemption for low-income housing must be made no later than the time of application for a subdivision or site development

<b>Table 18A.65.040. Financial Incentives</b>				
<b>Incentive</b>	<b>Minimum Threshold of Low-Income Affordable Housing Units/Lots</b>	<b>Limitation for Use of Incentive</b>	<b>Applicability</b>	<b>Specification of Incentive</b>
				activity permit. Any claim not so made shall be deemed waived.

**18A.65.050 Regulatory Incentives.**

The regulatory incentives are intended to provide site design flexibility to developers in maximizing the bonus density provisions as provided for under this Chapter.

**A. Bonus Housing Units.**

1. The density within all zones, except the High Density Single-Family (HSF), may exceed the maximum density provisions called out in Title 18A PCC, Pierce County Development Regulations – Zoning, for the entire site (including that portion not accommodating low-income housing).
- ~~2. Developments utilizing this provision shall be located on property within one half mile of a regularly scheduled transit route.~~
3. Accessory dwelling units shall not be permitted in developments that increase its allowed housing units through this density bonus provision. Refer to Table 18A.65.050 A. for the maximum low-income housing thresholds and permitted bonus units as provided for under this Chapter.

<b>Table 18A.65.050 A. Bonus Housing Units</b>					
	<b>Minimum Threshold</b>	<b>Limitation for Use of Incentive</b>	<b>Bonus Units</b>	<b>Applicability</b>	<b>Example</b>
Low-Income Rental Units	<del>At least 10% of the total housing units permitted by the underlying zone density shall be affordable units for low-income households</del>	<del>Developments utilizing this provision shall be located on property within one half mile of a regularly scheduled transit route.</del>	1.5 bonus units of market rate housing for each low-income affordable housing unit.	Entire Project Area	10 affordable units = additional 15 market rate units
Low-Income Owner-Occupied			1.0 bonus units of market rate housing for	Entire Project Area	10 affordable units = additional 10

<b>Table 18A.65.050 A. Bonus Housing Units</b>					
	<b>Minimum Threshold</b>	<b>Limitation for Use of Incentive</b>	<b>Bonus Units</b>	<b>Applicability</b>	<b>Example</b>
Housing Units			each low-income affordable housing unit.		market rate units
<b>Density Limitation</b>					
Single-family residential zones = 133% x maximum density (MSF Max. Density = 6 x 1.33 = 7.98 du/a)					
Multi-family/Mixed Use zones that allow for Multi-Family development = 120% x maximum density (CC Max. Density = 25 x 1.20 = 30 du/acre)					

B. **Alternative Development Standards.** Development proposals shall meet the design standards set forth under the appropriate community plan standards except as stipulated under the regulatory incentives described in Table 18A.65.050 B.

<b>18A.65.050 B. Alternative Development Standards</b>			
<b>Parking Requirements</b>			
<b>Minimum Threshold</b>	<b>Applicability</b>	<b>Locational Criteria</b>	<b>Reduced Standard</b>
<del>At least 10% of the housing units within a project shall be affordable units for low-income households.</del> None	Only the Affordable Low-income Units within a project	The project shall be within a safe walking distance of a quarterone-half mile of a scheduled transit route stop to reduce the number of required off-street parking stalls.	Off-street parking requirement for multi-family dwelling units may be reduced to one space per unit for each affordable low-income unit.
None	Only the Affordable Low-income Units within a project	Not applicable	Multi-family projects which maintain the standard off-street parking standard may increase the number of compact stalls to 75% of total parking stalls.
At least 20% of the housing units within a project shall be affordable units for low-income households.	All Dwelling Units within a Project	Not applicable	Off-street parking shall not be required to be located adjacent to the housing unit it is intended to serve. Off-

<b>18A.65.050 B. Alternative Development Standards</b>			
			street parking may be provided for within a parking court within <del>400</del> 660 feet of the housing unit it is intended to serve.
<b>Parks and Open Space Requirements</b>			
<b>Minimum Threshold</b>	<b>Applicability</b>	<b>Locational Criteria</b>	<b>Reduced Standards</b>
At least 10% percent of the housing units within a project shall be affordable units for low-income households.	Entire Project Area	Proposed development is located within a walking distance of <del>1,320 feet</del> 2,640 feet (1/2 mile) to an existing recreation space such as a public park, University, or public school property with an on-site recreational area that is free and accessible by the general public after school hours.	The required on-site active recreation area located within the project may be reduced at a one to one ratio for the active recreation area provided within the off-site recreation space <del>public park and/or public school property and a safe walking route is provided.</del>
	Entire Project Area	Not applicable	On-site public trail construction and dedication may substitute on a square footage basis for open space when the proposed trail is identified within an adopted community plan. The following requirements shall be met: (a) The trail must be identified within an adopted community plan, (b) The trail shall be constructed to standards specified by the Pierce County Parks and Recreation Department, (c) The

<b>18A.65.050 B. Alternative Development Standards</b>			
			<p>trail must be dedicated to, and accepted by, Pierce County as a public trail, and (d) Trail dedication and construction shall reduce the required common open space on a square footage basis. For example, if the area of land dedicated for trail purposes is 50,000 square feet, an equivalent reduction in open space shall be granted.</p>
<b>Lot Area/Lot Width</b>			
<b>Minimum Threshold</b>	<b>Applicability</b>	<b>Locational Criteria</b>	<b>Reduced Standard</b>
<p>At least 10% of the housing units within a subdivision shall be affordable units for low-income households.</p>	<p>The number of lots which may have reduced lot area shall be equal to the number low-income affordable housing units within the project.</p>	<p>Not applicable</p>	<p>Lot area and lot width may be reduced by 20% of the minimum standard. Low-income housing units or market rate units may be built on the lots with a reduced lot area. Architectural Design that minimizes the visual impacts of the garage, provides for porches or covered stoops, and variety of roof forms are required. Refer to PCC 18J.17.040 D., 18J.17.050 B., G., and H.</p>
<b>Infill Compatibility</b>			
<b>Minimum Threshold</b>	<b>Applicability</b>	<b>Locational Criteria</b>	<b>Reduced Standard</b>

<b>18A.65.050 B. Alternative Development Standards</b>			
<del>At least 20% of the housing units within a subdivision shall be affordable units for low income households.</del>	<del>Entire Project Area</del>	<del>Not Applicable</del>	<del>When a new residential development is proposed adjacent to lots of less than one acre in size and of lesser density, at the discretion of the Hearing Examiner a minimum of one of the design requirements identified under PCC 18J.15.020 E. shall be required.</del>
<b>Road Standards</b>			
<b>Minimum Threshold</b>	<b>Applicability</b>	<b>Locational Criteria</b>	<b>Reduced Standard</b>
<del>At least 20% of the housing units within a project shall be affordable units for low income households.</del>	<del>Entire Project Area</del>	<del>Not Applicable</del>	<del>Projects may incorporate the narrower road widths of Neighborhood Streets and Access Lanes consistent with the road standards detailed in Chapter 18J.17 PCC, Pierce County Design Standards—Small Lot Design, and the "Manual on Design Guidelines and Specifications for Road and Bridge Construction in Pierce County," as published by the Pierce County Engineer. Each housing unit accessed through a Neighborhood Street or Access Lane shall have an interior sprinkler system that</del>

<b>18A.65.050 B. Alternative Development Standards</b>			
			<p><del>meets NFPA 13 D specifications within all living spaces. Lots fronting a common open space are not required to front on a private or public road. A pedestrian entry easement shall be provided to all homes that do not front on a public road, park or common green as defined through Chapter 18J.17 PCC, Small Lot Design Standards. Pedestrian entry easements shall be a minimum of 15 feet wide with a minimum 5 foot sidewalk. All lots not fronting on a private or public road shall be within 150 feet of an emergency vehicle access.</del></p>

**18A.65.060 Procedure for Review and Approval.**

- A. **Customer Information Meeting.** A Customer Information meeting shall be required for any land application that incorporates any financial or regulatory incentives provided for within this Chapter. Customer Information Meeting fees shall be waived for developments providing 100 percent affordable units and for developments being coordinated by a 501(c)(3) non-profit organization using some volunteer labor.
- B. **Affordable Housing Incentives Program Agreement.** An application for a proposed project that incorporates any of the incentives in this Chapter shall not be ~~deemed~~ ~~completed~~ ~~approved~~ until the applicant has submitted a signed Affordable Housing Incentives Program Agreement stipulated in PCC 18A.65.030 B. as a component of the application package.
- C. **Reduction in Development Regulations.** Land use proposals shall not be required to obtain a variance or PDD approval to incorporate any of the regulatory incentives provided for within this Chapter but shall be required if a development application

proposes deviation to standards not addressed in this Chapter. Standards addressed in this Chapter shall not be modified through a variance or PDD approval.

- D. **Required Documentation.** Prior to the final approval of any land use application or building permit that incorporates any incentives provided for within this Chapter, the owner of the property shall provide a recorded agreement, lien and covenant running with the land, binding all the assigns, heirs and successors of the applicant shall secure the affordability requirements as stated under this Chapter. The recorded covenant must provide that if the property is converted to a use other than for low-income affordable housing as defined under this Chapter within the required affordability duration, the property owner must pay the applicable impact fees in effect at the time of conversion.