

## Exhibit B – Port Townsend Infill Zoning Approach

The City has identified several specific zoning actions, meeting at least one of the four guiding objectives to:

- Empower local residents to add to the housing supply,
- Streamline the permitting processes to make it easy to do the “right” thing,
- Facilitate inclusion of multiple types of housing to suit the needs of a variety of households, and
- Generally increase the supply of housing overall to satisfy pent-up demand and accommodate a wider variety of income levels.

The table beginning on page 2 identifies each action the City prioritized and which objectives it satisfies. The “work to be done” column outlines next steps and supporting Comprehensive Plan goals. Finally, the “Amendment pack” column identifies the packets which follow this memo. Packets include analysis and amendments in legislative format. The strikethrough/underline display makes it easier to see the extent to which existing code is proposed to change.

Several action items reference multiple packets. This reflects the multiple strategies needed to implement one action. Conversely, a packet may be tied to more than one action item, reflecting the overlap. Code writing is an art – layering multiple sections to shape a desired outcome.

Some of the changes will be relatively minor, resulting in the insertion or deletion of words, phrases, or sentences. Others, however, may suggest either major reworking of the existing code or the creation of entirely new sections. All of them will work in concert to increase the supply of missing middle housing in town, navigating within the existing code to achieve those types of changes suggested by RCW 36.70A.600.

The amendment packets include changes to:

- Permit more accessory dwelling units (Packet A)
- Streamline review of cottage housing (Packet B)
- Permit “tiny homes” in a variety of circumstances (Packet C)
- Provide for innovative ways for development flexibility to achieve comprehensive plan densities, including “unit lot” subdivisions (Packet D)
- Further reduce mandatory off-street parking requirements (Packet E)
- Permit temporary residential occupancy in traditionally non-residential areas (Packet F), and
- Clarify condominium, cooperative, or other collective ownership forms (Packet G)
- Shift residential intensity calculations in mixed use zones to FAR from units per acre (Packet H)
- Tackle various other minor provisions consistent with the infill project (Packet I).

Action item	Work to be done	Empower individual	Streamline permitting	Facilitate variety	Increase supply	Amendment pack
<b>1. Single-family attached</b> Amending definitions to clarify housing types	Review the definitions for various housing types to ensure applicability and consistency with objectives to facilitate “missing middle” types. (17.08 Definitions) (RCW Nexus: 36.70a.600(1)(d)) (Comp Plan Policy: Housing Element Goal 4, Policy 2.2, 2.7, Policy 4.1, 4.1.1, 4.2.3)		Y	Y	Y	D,I
<b>2. Permitted housing uses</b> Modifying permitted use tables to make more housing types available in residential, commercial, and mixed-use zones	Study the various permitted use tables and ensure there’s more flexibility in providing varied housing types in most residential zones and, where appropriate, in commercial or mixed zones, consistent with comp plan density policy. (17.16.020 Residential Zoning Districts – Permitted, Conditional and Prohibited Uses) (RCW Nexus: 36.70a.600(1)(d), (v)) (Comp Plan Policy: Housing Element Goal 4, Policy 2.2, 2.7, Policy 4.1, 4.1.1, 4.2.3)		Y	Y	Y	A,B,C, D,H
<b>3. Lot size minimums</b> Reevaluating minimum lot size requirements considering maximum density requirements	Review lot size and plat requirements to make sure they permit intensities consistent with comprehensive plan density ranges, potentially through condominium provisions. (17.16.030 Residential Zoning Districts – Bulk, Dimensional, and Density Requirements, 17.32.030 PUD lot area, and Title 18. Plat) (RCW Nexus: 36.70a.600(1)(d), (m), (v)) (Comp Plan Housing Policy 2.2, 2.7, 4.2, 4.2.2, 4.5)		Y	Y	Y	B,D,I
<b>4. Accessory dwelling units</b> Permitting more than one ADU on a single-family lot while achieving consistency with the comprehensive plan	Revisit ADU and parking provisions to modify ADU area limits, encourage “carriage house” (above garage) style units, explicitly permit multiple units on a single lot, and ensure parking requirements are appropriate for conditions (RCW nexus: 36.70a.600(n), (q)) (Comp Plan: Housing Element Policy 4.1.3, 4.2.3)	Y	Y	Y	Y	A,C,E
<b>11. Cottage housing</b> Simplifying design standards and permitting processes	Update standards for cottage housing and parking to simplify permitting and increase opportunity to develop this type, potentially through “unit lot” subdivisions, condominiums, or other avenues ((17.34 Cottage Housing Development Design Standards, administrative procedures, residential zones, use tables by zone)					B,D

Action item	Work to be done	Empower individual	Streamline permitting	Facilitate variety	Increase supply	Amendment pack
<b>14. Temporary housing</b> Facilitating employer-provided housing for temporary employee occupancy, potentially on commercial or industrially-zoned property	Reviewing use tables by zone, special use standards, and administrative procedures, putting in place new guidance for housing in traditionally non-residential areas (RCW Nexus: 36.70a.600(v), Comp Plan Housing Policy: 2.2, 4.2, 4.2.3, 6, 6.1)		Y	Y	Y	C,F
<b>17. Setbacks</b> Redesignating frontage setbacks in the R-III and evaluating front, side, and rear setback requirements in other residential zones	Permitting additional flexibility in setbacks to make properties more easily developed, while also retaining “daylight plane” requirements and not necessarily encouraging larger single-family homes (RCW Nexus: 36.70a.600 (u)) Comp Plan Housing Element 4.2, 4.2.3)	Y	Y		y	A,D,I
<b>19. Duplex, triplex, fourplex</b> Clarifying permitability by zoning district and ensuring achievable design standards	Reviewing definitions for various housing types and updating permitted use tables to allow opportunity for varied housing types and conversion of existing single-family homes (RCW Nexus: 36.70a.600(1)(d), (v)) (Comp Plan Policy: Housing Element Goal 4, Policy 2.2,2.7, Policy 4.1, 4.1.1, 4.2.3)		Y	Y	Y	A,D,I
<b>24. Application requirements</b> Confirming materials required for applications are consistent with the degree of review and breadth of permit	Reviewing application requirements in administrative procedures and subdivision codes to ensure the City requires only what is necessary to consider permit scope (RCW Nexus: 36.70a.600(1)(i), (v)) (Comp Plan Policy: Housing Element Goal 4, Policy 2.2,2.7, Policy 4.1, 4.2.3)		Y	Y	Y	B,D,F,I
<b>25. Tiny Home/manufactured home park communities</b> Permitting these development types under certain circumstances and with design standards	Reviewing development type options, best practices to target potential changes to permitted use tables, design guidelines, and special regulations to permit tiny homes (Comp Plan Policy: Housing Element Goal 4, Policy 2.2,2.7, Policy 4.1, 4.1.1, 4.2)		Y	Y	y	C
<b>5. Mixed use FAR</b> Changing residential intensity standard from units per acre to FAR, permitting construction of more but smaller units in mixed-use structures	Consider options to expand residential unit construction by converting to height and bulk formulas rather than just residential where permitted by the comprehensive plan (as in mixed use subarea plan Table 17.31.080).					H
<b>10. Land trust facilitation</b> Auditing zoning to ensure no explicit or implicit limitations on land trust ownership in residential zones	Reviewing subdivision/zoning codes and removing potential roadblocks to land trust instruments (RCW Nexus: 36.70a.600(1)(e), (u)) (Comp Plan: Housing Element 8.1)	Y	Y		Y	B,C,D,I

Action item	Work to be done	Empower individual	Streamline permitting	Facilitate variety	Increase supply	Amendment pack
<b>18. Bonding requirements</b> Requiring adequate infrastructure improvement	Reviewing subdivision bond requirements to ensure effectiveness, surety, and flexibility					-

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## Packet A – Accessory dwelling units

Port Townsend’s existing zoning permits accessory dwelling units, and many property owners have taken advantage of these provisions to construct them. Many have added to the number of rental units in town, but others remain available for other uses, such as for guest houses, studios, or other activities. These proposed amendments to the code are intended to increase the number of ADUs by allowing property owners in single-family zones to construct more than what the code now permits.

This is achieved by:

- Potentially permitting two ADUs per lot (17.16.020)
- Exempting ADUs from density limits, except in R-III zones
- Permitting ADUs as accessory uses for non-conforming single-family, detached development (17.16.020)
- Allows additional exterior entrances oriented beyond side and rear lot lines (17.16.020)
- Revisiting parking standards to ensure appropriateness with two ADUs
- Revisiting setback standards

## Packet B – Cottage housing

Cottage housing is a conditionally permitted use in the R-1 district and a permitted use in the R-II and R-III districts, consisting of a grouping of individual small detached housing units with a common open area, common parking, and common service facilities. The type already has a few developed examples in Port Townsend. The intent of these changes is to make it easier to develop cottage housing projects, ensuring their design is generally compatible with their surroundings and their densities conform to the comprehensive plan’s policy.

The revisions make cottage housing easier to develop by:

- Reducing the minimum lot size in the R-1 zone to 10,000 sf and adjusting intensity (17.34.030)
- Eliminating cottage housing separation requirements (17.34.200)
- Reviewing the permitted use chart to clarify how cottage housing is permitted (17.16.020)
- Making review a Type IA administrative decision by the PCD Director rather than a Type III, Hearing Examiner decision (17.16.020, 17.34.010, 17.46.030 and 20.01.040)

## Packet C – Tiny Houses

The Planning Commission prioritized proposing new standards to make tiny houses on wheels more easily permitted in Port Townsend, allowing them as ADUs and within tiny house communities. The existing code has relatively little in place now to permit or regulate tiny houses, so these revisions propose a new zoning chapter to address them.

Among other things, the new chapter:

- Permits tiny houses on wheels by right as an ADU, subject to Type I review and conformance to minimum design considerations
- Permits tiny houses to be occupied in tiny house communities and retain their wheels for future movement to another site

## Packet D – Maximum comprehensive plan densities and unit lot subdivisions

The comprehensive plan assigns density ranges to each land use category, and each zoning district mirrors the comprehensive plan land use map. This direct correspondence between comprehensive plan land use designation and zoning district leads to the assignment of minimum lot size requirements in zoning. The minimum lot size requirements, however, may not always permit development in residential zones to attain the maximum permitted density noted in the comprehensive plan.

Nearby Port Angeles adopted a unit lot subdivision ordinance, allowing for the creation of smaller-than-normal residential parcels within the scope of a larger development project. This creates a subdivision type similar to binding site plans, except it is designed specifically for residential purposes. This approach can create postage-stamp lots surrounded by common area, bound together by a set of operating conditions and development requirements to ensure continued access, drainage management, property maintenance, and other elements normally regulated in subdivisions. It is similar to the binding site plan process, but it is intended specifically to apply to housing types.

The proposed revisions here make it easier to attain maximum permitted residential densities in the various residential districts. They do this by:

- Treating townhouses or rowhouses of up to four units as single-family attached dwellings. Five or more single-family attached units are subject to multifamily design standards.
- Facilitating conversion of larger detached single-family homes into two, three, or four units.
- Eliminating minimum lot size requirements in favor of overall density, proposing a new chapter on unit lot subdivisions to create small parcels for townhomes and cottage housing development while ensuring continued management of critical design elements
- Clarifying the diversity of housing types permitted in each zoning district
- Allowing increased design flexibility without requiring planned unit development (PUD) approval for townhouses or unit lot subdivisions

## Packet E – Parking

Port Townsend has already reduced its minimum off-street parking requirements. This set of revisions proposes to reduce them even further. The revisions are intended to:

- Relax minimum off-street parking requirements for duplex, triplex, and fourplex structures, particularly where streets are fully improved with curb and gutter.
- Preserve elimination of parking space for first ADU.
- Relax minimum off-street parking for multi-family housing types in R-IV and mixed-use districts.
- Revise parking design standards to reduce improvement costs, enhance land utilization efficiency, facilitate active transportation, and ensure adequate stormwater management.

## Packet F – Employer-Provided Housing

Employers in Port Townsend have complained about the lack of affordable housing for their employees, noting they have difficulty attracting and then retaining staff at all levels because of the area’s housing shortage. This revision to code allows employers to provide housing within their properties, permitting housing for employee occupancy on lands which may not now permit residential uses.

The State of Washington already has provisions for “farmworker housing,” acknowledging the need for less expensive, temporary housing intended to serve employees in what might be remote locations. This initiative would be similar, allowing for housing for public-serving institutions and industrial or manufacturing employees and incorporating design and operational standards to ensure health and safety.

The changes propose:

- Amending the permitted land use table to allow residential uses under certain conditions in commercial, public, park and open space, marine-related, and manufacturing zones, as appropriate
- Establishing a conditional use permit review process to ensure such housing is safe and generally compatible with recreational, commercial, manufacturing, and industrial activities, as appropriate

## Packet G – Collective ownership

Land trusts, condominiums, cooperatives, and other collective ownership types are not now discussed in Port Townsend’s development regulations. This is a shortcoming only in that their omission adds to the confusion of what a land trust or condominium is, frequently leading to the belief they are development types rather than ownership types. Almost any residential development type can be owned as a condominium, cooperative, or land trust, and amendments to the zoning ordinance will ensure these types of ownership can be applied to a variety of housing types.

For example, a community land trust can develop housing of a detached or attached type, sell a divided interest in the housing unit and then retain an undivided interest in the common area. The land trust model also frequently retains interest in keeping units affordable, entering into contracts with buyers to ensure permanent affordability. While the ownership model is relatively complex, the housing type to which it applies is often indistinguishable from similar types nearby.

Proposed amendments add definitions to the zoning ordinance and propose surgical changes to the permitted use tables to ensure the code accepts collective ownership types easily. The proposals here:

- Include definitions as appropriate to permit forms of collective or cooperative ownership of residential projects, such as cohousing, cooperatives, land trusts, and others.
- Clarify attached residential housing types (duplexes, triplexes, and fourplexes) can be permitted in commercial districts in conjunction with commercial 

## Packet H – Floor area ratio (FAR)

Port Townsend has mixed-use zoning already in place, and, in some areas, residential uses are permitted in commercial zones. These proposed revisions will focus intensity regulation away from units per acre and, instead, focus on floor area ratio. By concentrating on building bulk rather than on the number of units included within that bulk, the code will provide more flexibility for mixed-use developers to vary the types and sizes of individual residential units. If demand moves toward smaller, more affordable units, projects can include them without necessarily running into density limitations – as long as they remain within maximum permitted FAR.

In addition, FAR bonuses can be used to reward developers who guarantee a share of their units will be rented at below-market rates. This can contribute to variety in the type of unit included in a single project and provide flexibility to project designers.

The revisions to the zoning include:

- Consistent use of FAR rather than units per acre in all mixed-use and commercial districts permitting residential uses
- Bonus FAR increases to projects promising perpetual affordable rents for 20% of its units
- Eliminating density limitation based on units

## Packet I – Miscellaneous revisions

This process has revealed several instances where the code's review processes, application requirements, definitions, or land use tables can benefit from a good scrubbing. This can be particularly helpful in clarifying inconsistencies, codifying administrative interpretations, or adjusting thresholds to make the construction of missing middle housing easier.

Some of the changes proposed here include:

- Streamlining application requirements to ensure materials required for various permits are only what is needed for permit review and action.
- Adjusting application “types” to quicken reviews and approvals
- Relaxing residential setback requirements, particularly for front yards in the R-III district and in other residential districts related to accessory structures.
- Increase maximum lot coverage thresholds to permit construction of additional dwelling units in R-I and R-II districts.