

ORDINANCE NO. 1612

CITY OF LACEY

AN ORDINANCE RELATED TO THE CITY'S HOUSING IMPLEMENTATION INITIATIVES, REPEALING CHAPTER 16.12, AMENDING SECTIONS 16.13.010, 16.13.020, 16.13.035, 16.13.050, 16.09.010, 16.40.050, 16.41.050, 16.61.030, 16.61.040, 16.62.020, 16.62.030, 16.67.050, 14.23.073, 1.20.020, AND 3.64.120, AMENDING TABLE 16T-13, ADDING NEW SECTIONS 1.20.040, 1.20.050, 1.20.060, 1.20.070, AND 1.20.080, ALL TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the City's Affordable Housing Strategy and Housing Action Plan contain recommendations pertaining to Low Density Zone Consolidation, the Fee Waiver Program, and Multi-Family Tax Exemptions; and

WHEREAS, A high priority action item identified in the City of Lacey's Affordable Housing Strategy is the reduction in lot sizes and widths in the existing Low Density 0-4 zoning district; and

WHEREAS, The Planning Commission conducted multiple meetings over a nine-month period and developed draft amendments to consolidate two existing zoning districts (Low Density 0-4 and Low Density 3-6) into a single zone; and

WHEREAS, the proposed new consolidated Low Density Residential zone would utilize the existing Low Density 3-6 zoning standards; and

WHEREAS, The Planning Commission held a public hearing and received public comments on the draft amendments on October 15, 2019; and

WHEREAS, After consideration of the public testimony and all other information received and analyzed, on December 17, 2019 the Planning Commission voted 6-2 to recommend approval of the amendments; and

WHEREAS, the City Council finds that approval of the recommended amendments would be in the interest of the citizens of Lacey; and

WHEREAS, A priority action item identified in the City of Lacey's Affordable Housing Strategy is to expand the program that waives fees for non-profits building low-income housing to include private sector builders that build low-income housing; and

WHEREAS, Amending Chapter 1.20 LMC to allow waiver and deferral of certain fees to all developers would be an optional program a developer could choose to pursue for development of low-income housing units; and

WHEREAS, the City Council finds that expansion of the program that waives fees for building low-income housing would be in the interest of the citizens of Lacey; and

WHEREAS, in 2014, the City Council adopted the Multi-Family Tax Exemption, to be effective for 10 years; and

WHEREAS, a recent analysis by city staff has found that the exemption has had a significant positive impact; and

WHEREAS, staff have recommended an amendment to the Lacey Municipal Code to extend the lifespan of the exemption; and

WHEREAS, the City Council finds that extension of the multi-family tax exemption would be in the interest of the citizens of Lacey.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. Chapter 16.12 of the Lacey Municipal Code is hereby repealed.

Section 2. Section 16.13.010 of the Lacey Municipal Code is hereby amended as follows:

16.13.010 Intent.

It is the intent of this chapter to:

~~A. Enhance the residential quality of the city by providing a high standard of development for single family residential areas of low density;~~

~~B. Designate certain areas in which single family structures on individual lots are the dominant type of dwelling unit;~~

~~C. Provide designated areas in which certain minimum and maximum densities apply to promote the efficient use of land;~~

~~BD. Allow a broad range of low density housing options ~~from three to six units per acre to provide a range of single family land use options including innovative smaller lot uses such as Z lot concepts;~~~~

~~EC. Guide residential development to those areas where:~~

- ~~1. Public sewers are in place prior to residential building construction, or~~
- ~~2. Sewers can be extended, or~~
- ~~3. New technology in the processing of domestic sewerage makes residential development in unsewered areas environmentally acceptable;~~

~~FD. Guide development of residential areas in such manner as to encourage and plan for the availability of public services and community facilities such as utilities, police and fire protection, streets, schools, parks and recreation;~~

~~GE. Guide development in such a manner as to provide protection between noncompatible uses.~~

Section 3. Section 16.13.020 of the Lacey Municipal Code is hereby amended as follows:

16.13.020 Permitted uses.

A. Specific types permitted in the low density residential district:

1. Single-family detached structures on individual lots with a density of not ~~less than three nor~~ more than six units per acre. ~~For unplatted parcels of less than one acre, properties may be divided into the maximum number of lots the minimum lot size will permit pursuant to LMC 16.13.035.~~ Single-family detached structures are subject to the design criteria established in LMC 14.23.072;
2. Cottage housing developments as provided in Chapter 16.62 LMC and subject to the design criteria in LMC 14.23.072;
3. Planned residential developments as provided in Chapter 16.60 LMC;
4. Townhouse developments as provided in Chapter 16.61 LMC;
5. ~~A limited percentage (up to five percent of total lots) of two and three family units, as noted on particular lots on the plat~~ Duplexes and triplexes on individual lots, provided design requirements of ~~Chapter 14.23~~ LMC 14.23.073 are satisfied. ~~Duplex and triplex units should not be placed adjacent to one another, but scattered throughout the development;~~
6. Housing for people with functional disabilities.

B. Other or related uses permitted:

1. Accessory buildings or structures clearly incidental to the residential use of the lot, such as buildings or structures for storage of personal property (including boats, recreational vehicles, etc.), or for the pursuit of avocational interests; or structures

designed for and related to recreational needs of the residents of a residential complex.

All such buildings or structures over sixteen feet in height shall comply with the design requirements of LMC 14.23.071;

2. Urban agricultural uses as permitted and limited under Chapter 16.21 LMC;
3. Home occupations as provided in Chapter 16.69 LMC;
4. Accessory dwelling as defined in LMC 16.06.055;
5. Conditional uses as provided in Chapter 16.66 LMC;
6. The keeping of common household animals or pets, provided that their keeping does not constitute a nuisance or hazard to the peace, health and welfare of the community in general and neighbors in particular;
7. Family day care homes as provided in Chapter 16.65 LMC.

Section 4. Section 16.13.035 of the Lacey Municipal Code is hereby amended as follows:

16.13.035 Densities and infill.

Densities ~~may range from not less than three to no more than~~shall not exceed six units per acre, provided that duplexes or triplexes either created by remodeling an existing single-family dwelling or constructed on an existing vacant lot of record are not subject to the maximum density limits. ~~For unplatted parcels of less than one acre, properties may be divided into the maximum number of lots the minimum lot size will permit. Provided said lot has infrastructure available to it to support the lots being created and provided created lots are not less than the average lot size of adjacent developed lots.~~ Every detached single family dwelling, with the exception of an accessory dwelling meeting the requirements of LMC

16.06.055 and every duplex or triplex, shall be located on its own lot. Creation of said lot shall meet all requirements of LMC Title 15 the Lacey subdivision and short subdivision code.

Section 5. Section 16.13.050 of the Lacey Municipal Code is hereby amended as follows:

16.13.050 Lot area.

A. The size and shape of ~~single family detached~~ lots shall be as follows, provided they adhere to the density requirements:

1. Minimum lot area, four thousand five hundred square feet where alleys are utilized; five thousand square feet where alleys are not provided.
2. Minimum lot width, forty feet where alleys are utilized, fifty feet where alleys are not provided. In the case of infill lots, the street frontage shall also be forty feet when alleys are utilized and fifty feet if alleys are not utilized.
3. Minimum front yard:
Sixteen feet.

In addition, setbacks are encouraged to be staggered as provided in LMC 15.12.080(F) for the purpose of modulating the streetscape and providing more convenient opportunities for offsetting windows for privacy of individual homes and other desired design outcomes.

Garages facing the street, twenty feet.

On front yard flanking streets, ten feet.

Unenclosed porches may project up to six feet into the front yard, provided the porches are at least forty-eight square feet in area with no dimension less than six feet.

4. Minimum side yards:

Minimum on one side, five feet.

Minimum total both sides, ten feet.

5. Alternative lot configurations may be approved provided they comply with all of the following:

- a. Other applicable standards in this chapter.
- b. Design criteria in LMC 14.23.072, particularly LMC 14.23.072(L).
- c. The design results in a superior land division layout considering its functionality and character with particular consideration given to privacy for individual lots, pedestrian access and convenience, and the design of public and/or private open space opportunities and natural features.

6. Minimum rear yard, ~~twenty~~ fifteen feet provided garages may be within three feet of the rear yard line, alley easement or paved surface when adjacent to an alley.

B. Lots intended for attached single-family development shall be reviewed and approved through a subdivision, townhouse, or PRD process where the concept is identified and the project is reviewed and approved subject to design requirements of LMC 14.23.080.

C. Development of lots not on sewer. Areas without sewer must be developed in a manner that maintains long-term potential to achieve minimum required densities and efficient provision of sewer once sewer becomes available. Areas developing without sewer must meet the following requirements:

1. The health department must review and approve plans for alternative sewage disposal.
2. Lots must be clustered in a configuration that results in urban size lots with one large reserve lot for future development.
3. Clustered lots must be between five thousand and ten thousand eight hundred ninety square feet.
4. Excluding the reserve parcel, clustered lots must meet density requirements of LMC 16.13.035.
5. Subdivisions and short subdivisions must have a statement on the face of the plat or short plat that when sewer becomes available to the area clustered lots shall hook up to sewer at each lot owner's expense. Such requirement shall also be provided for in protective covenants.

D. Other lot standards:

1. Minimum usable open space:

Where alleys are utilized, lots shall provide a contiguous open space equivalent to ten percent of the lot size. Specific open space requirements:

Shall feature minimum dimensions of fifteen feet on all sides, provided one side may be reduced to ten feet by the site plan review committee if it determines the space is designed with features that make it more inviting, private and usable. Design for reduction of the minimum dimension must include at least two of the following techniques:

- a. A pergola or other architectural feature with landscaping;
- b. An improved patio area with features for associated use such as sitting or barbeque;

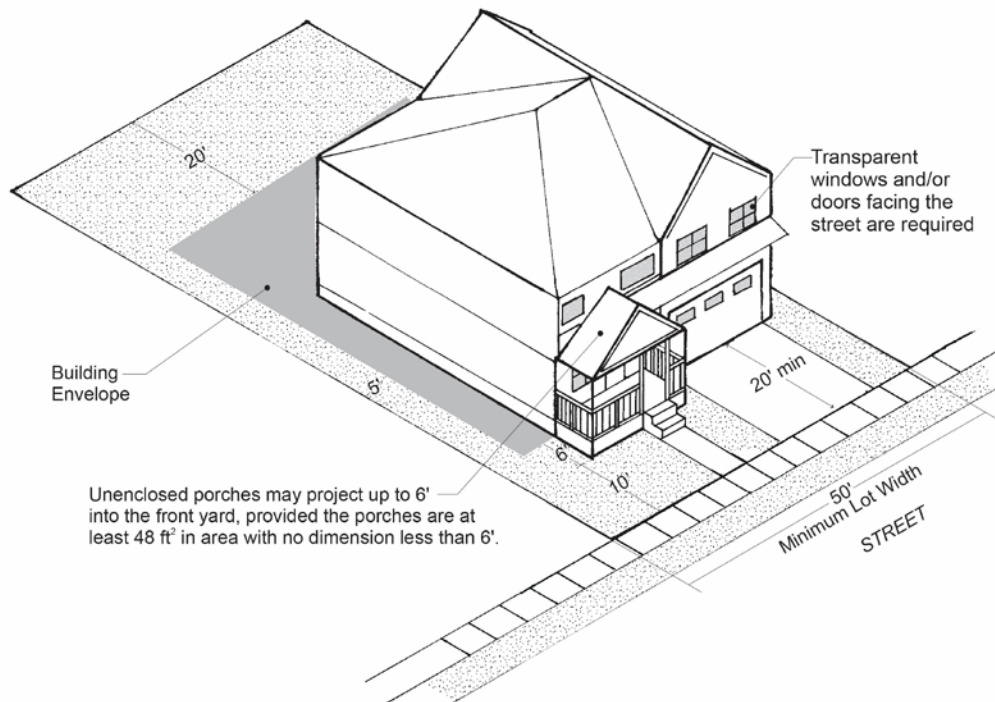
c. Other design features and improvements that add to the usability, privacy and desirability of the private space.

As an example, a forty-five-hundred-square-foot lot would require a contiguous open space of at least four hundred fifty square feet, or approximately fifteen feet by thirty feet in area for a standard dimension, or ten feet by forty-five feet if the dimension is reduced and design features added.

Such open space shall not be located within the front yard.

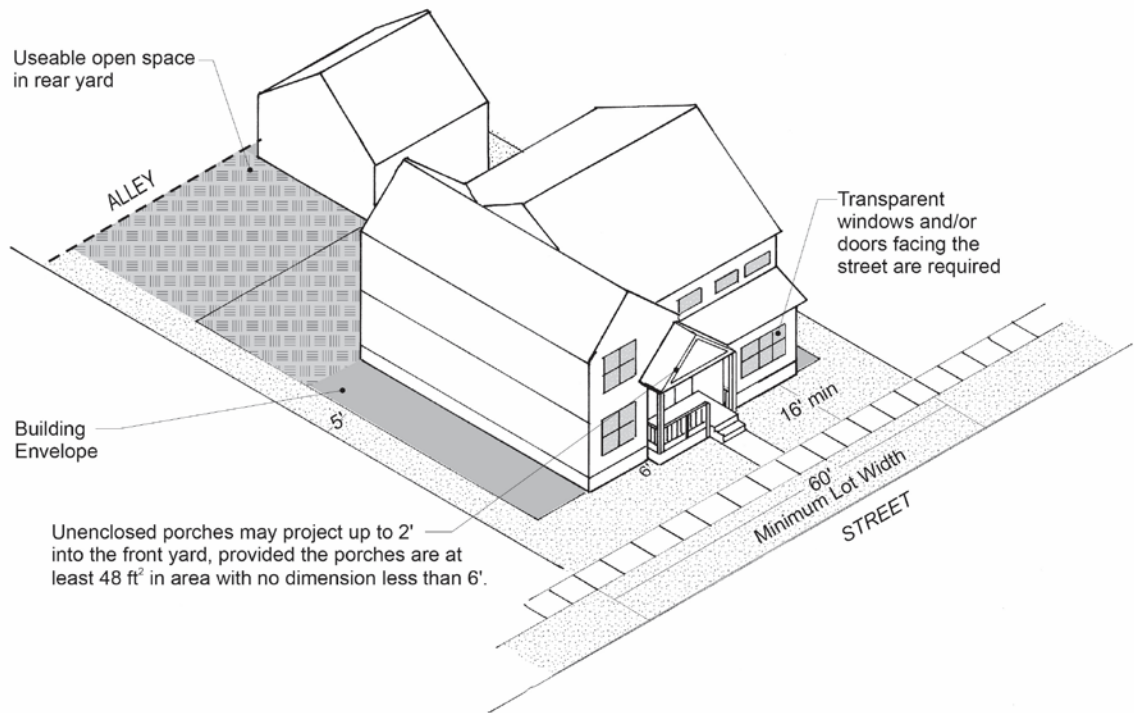
For duplexes and triplexes, each dwelling unit must have direct access to its own usable open space. (See Tables 16T-75 and 16T-76.)

Table 16T-75



Minimum standards for front-loaded lots in the Low Density Residential ~~(3-6)~~ District.

Table 16T-76



Minimum standards for alley-loaded lots in the Low Density Residential ~~(3-6)~~ District.

2. Maximum building area coverage, fifty percent. ~~Undeveloped lots vested prior to May 15, 2008, shall be exempted from this standard provided they meet minimum usable open space requirements herein.~~

3. Maximum development coverage, sixty-five percent. Side and rear yard patios are exempt from development coverage restrictions provided the paving material used is considered a pervious pavement by the city of Lacey's public works department.

4. Maximum height:

Main building and accessory dwelling, twenty-five feet; thirty-five feet where the roof pitch is at least four feet vertical to twelve feet horizontal.

Townhouses, thirty feet; thirty-five feet where the roof pitch is at least four feet vertical to twelve feet horizontal.

Accessory building, shall be limited to the height of the primary building, provided structures over sixteen feet in height shall require design review. Design shall demonstrate a compatibility with the primary structure and shall not dominate the site visually.

An additional two feet in height is permitted for structures with green roofs occupying at least fifty percent of the area of the roof.

5. Accessory buildings. ~~All a~~ Accessory buildings ~~must~~ shall comply with the current building setbacks as stated in this chapter; provided, however, if the accessory building is less than two hundred square feet, the following setbacks are permitted:

Front yard, ~~fifteen~~ sixteen feet.

Side yard, five feet.

Rear yard, three feet.

6. Accessory dwelling units: All attached accessory dwelling units shall comply with the setback requirements contained in this chapter; provided, however, minimum setbacks for single-story detached accessory dwelling units shall be as follows:

Front yard, sixteen feet.

Side yard, five feet.

Rear yard, five feet.

Front yard flanking streets, ten feet.

If the detached accessory dwelling unit is more than a single story, minimum setbacks shall be as follows:

Front yard, sixteen feet.

Side yard, ten feet.

Rear yard, ten feet.

Front yard flanking streets, ten feet.

Section 6. Section 16.09.010 of the Lacey Municipal Code is hereby amended as follows:

16.09.010 Land use or zoning districts established.

To carry out the purpose of this title, the city is divided into the following districts:

Agricultural, McAllister Springs Geologically Sensitive Area Residential District, Low-Density Residential ~~0-4~~, ~~Low Density Residential 3-6~~, Lacey Historical Neighborhood, Moderate-Density Residential, High-Density Residential, Mixed Use Moderate Density Corridor, Mixed Use High Density Corridor, Hawks Prairie District, Village Center, Neighborhood Commercial, Community Commercial, General Commercial, Central Business Districts 4-7, Saint Martin's University, Woodland District, Community Office, Light Industrial/Commercial, Light Industrial, Industrial, Mineral Extraction, Open Space/Institutional, Cemetery, Environmentally Sensitive Areas (overlay), Limited Zone (overlay), Planned Industrial Park Development (overlay).

Section 7. Section 16.40.050 of the Lacey Municipal Code is hereby amended as follows:

16.40.050 Site requirements.

Minimum site requirements shall be as follows:

- A. Lot area, twenty thousand square feet.
- B. Lot width, one hundred feet.
- C. Side yard setback, fifteen feet.

- D. Rear yard setback, twenty-five feet.
- E. Front yard setback, twenty feet.
- F. Buildings of more than two hundred thousand square feet shall meet the requirements of LMC 16.40.052.
- G. Wherever there are multiple buildings on the same lot, a minimum separation distance, meeting the requirements of LMC 14.23.083, shall be maintained between such buildings.
- H. When adjacent to a residential zoned property (LD ~~0-4, LD 3-6~~ MD, or HD), or an open space institutional zoned property (OSI), the minimum yard setback adjacent to the residential or open space institutional zone shall be fifty feet.
- I. Truck bay doors and/or loading or unloading areas shall not face residential zoned property (LD ~~04, LD 3-6~~, MD or HD), if within two hundred fifty feet of said zones, unless separated by the placement of a building without bay doors and/or loading or unloading areas facing the residential zone.

Section 8. Section 16.41.050 of the Lacey Municipal Code is hereby amended as follows:

16.41.050 Site requirements.

Minimum requirements shall be as follows:

- A. Minimum Lot Size. The lot size shall be sufficient to accommodate the use(s) and requirements of the Lacey Municipal Code and Development Guidelines and Public Works Standards;
- B. Setbacks.
 - 1. Front Yard. The front yard shall be a minimum of fifteen feet.

2. Yard Area on Flanking Street or Corner Lot. The yard area on a corner lot shall be the same as the front yard under subsection (B)(1) of this section.
3. Side Yards. The side yards shall be a minimum of fifteen feet.
4. Rear Yards. The rear yards shall be a minimum of fifteen feet.
5. Setbacks required by this section may be waived by the site plan review committee pursuant to the policies of this chapter.

C. Transitional Buffer. When adjacent to residential zones (~~LD-0-4, LD-3-6~~, MD, or HD) and where parking areas, truck bay doors and or loading or unloading areas face the residential use, a yard of not less than fifty feet shall be provided. Where placement of a building without bay doors and/or loading or unloading areas face the residential zone, standard yard requirements apply; provided, that the requirements of LMC 16.80.050(B) are met for Type 1 landscaping.

D. Height Limitation. Building heights are limited to sixty feet.

Section 9. Section 16.61.030 of the Lacey Municipal Code is hereby amended as follows:

16.61.030 Where permitted.

Townhouse developments may be permitted in the following land use districts, consistent with the development standards in this chapter:

- A. Low Density ~~3-6~~ Residential District;
- B. Moderate Density Residential District;
- C. High Density Residential District.

Section 10. Section 16.61.040 of the Lacey Municipal Code is hereby amended as follows:

16.61.040 Development standards.

A. Density. The density of the underlying zone governs unless a density increase is granted as provided in this chapter.

B. Density Increase. The city may approve an increase in the dwelling unit density of up to fifteen percent in the Low Density ~~3-6~~ District, twenty percent in the Moderate Density District and twenty-five percent in the High Density District, rounded up to the nearest whole number; provided, that four of the five following environmental and recreational amenities are implemented:

1. Develop and equip significant recreational areas within the common open space with such features as, but not limited to, swimming pools, tennis courts, bike or pedestrian path systems, children's play areas.
2. Substantial retention of natural ground cover, bushes and trees.
3. Vegetated LID facilities are included in the design and serve as a visual amenity.
4. Provide significant access to a lake, river, stream or other natural water body.
5. Provide substantial and exceptional landscaping treatment either as an adjunct to or in natural landscaping beyond the minimum required.

C. Lot Area and Width of Each Townhouse Unit. Townhouse units may either be condominiumized, provided the city has adopted an ordinance providing this option, or subdivided into individual lots. Lot configurations shall be governed by density, setbacks, open space, and other requirements and guidelines herein.

- D. Height. The maximum height of any townhouse shall not exceed that allowed in the district in which the development is located.
- E. Right-of-Way Setback. Right-of-way setbacks shall be the same as those specified in the applicable zoning district.
- F. Rear Yard Requirements. For front loaded units, the minimum rear yard requirement shall be fifteen feet to the rear property line. Townhouses with a rear load may have garages within three feet of the rear lot line or paved alley.
- G. Private Yard Area. Every lot containing a townhouse must provide a private yard of at least three hundred square feet. Acceptable private yard space may include landscaped front or rear yards, porches, balconies, and rooftop decks (where designed to accommodate outdoor pedestrian uses). Up to fifty percent of the required private yard area can be included as additional common open space provided for the applicable townhouse group. Such common open space must be above and beyond minimum open space requirements of LMC 15.12.120.
- H. Side Yard Requirements. The minimum side yard requirement shall be the same as the underlying zone.
- I. Maximum number of townhouses in one building: Six.
- J. Minimum Distances Between Townhouse Groups. No portion of a townhouse, accessory structure or other building type in or related to one group or cluster of contiguous townhouses shall be nearer than twenty feet to any portion of a townhouse or accessory structure of another townhouse building or cluster.
- K. Access. When the only driveway is from the street, each pair of units must share a common curb cut. Alternative configurations may be considered through the design review process, provided they mitigate negative safety, visual, and compatibility impacts.

L. Design. Townhouses are subject to design criteria established in LMC 14.23.080.

M. Conversion. Conversion of existing structures to a townhouse project will be permitted provided all townhouse development standards as outlined in this section can be satisfied.

(See Table 16T-84)

Section 11. Section 16.62.020 of the Lacey Municipal Code is hereby amended as follows:

16.62.020 Where permitted.

Cottage housing development shall be permitted in the following land use districts, consistent with the development standards in this chapter:

- A. Low Density Residential ~~3-6~~ District.
- B. Moderate Density Residential District.
- C. High Density Residential District.
- D. Cottage housing developments are intended to be integrated with other housing types.

Specifically, no more than five clusters of cottages are permitted in any individual development, except for large developments where cottages represent less than twenty five percent of the total number of dwelling unit.

Section 12. Section 16.62.030 of the Lacey Municipal Code is hereby amended as follows:

16.62.030 Development standards.

- A. Density. The density of the underlying zone governs unless a density increase is granted as provided in this chapter.

B. Density Increase in the Low Density Residential ~~(3-6)~~ and Moderate Density Residential Districts. The city may allow two cottage units for each regular dwelling unit allowed under existing standards in the Low Density Residential ~~(3-6)~~ and Moderate Density Residential Districts.

C. Maximum Gross Floor Area. The maximum allowed gross floor area is one thousand two hundred square feet per dwelling. The maximum gross floor area for the ground floor or main floor is eight hundred square feet per dwelling.

D. Platting. A cottage development may be completed through a subdivision plat, short plat, or condominium provided the city has adopted an ordinance providing this option.

E. Design. Cottages are subject to the design criteria in LMC 14.23.072. Where there are conflicts between LMC 14.23.072 and the standards in this chapter, the standards herein shall apply.

F. Minimum Common Space. The minimum common space required is three hundred square feet per dwelling. The common open space shall be configured so that at a minimum:

1. The common open space abuts fifty percent of the cottages in a cottage housing development.
2. Cottages are oriented around at least two sides of the common open space.
3. Cottages are oriented around the open space with an entry facing the common open space.
4. Cottages should be within sixty feet walking distance of the common open space.
5. Area required to meet minimum private open space, setback, and parking requirements may not be used in the calculations for common open space.

6. Common open space shall be accessible to all cottage residents in the applicable cluster and maintained by the development's homeowners association.

G. Minimum Private Open Space. The minimum private open space required is two hundred square feet per dwelling. Required open space shall be adjacent to each dwelling unit and for the exclusive use of the cottage resident(s). The private space shall be:

1. Usable (not on a steep slope).
2. Oriented toward the common open space as much as possible.
3. No less than eight feet in dimension on any side. A desirable configuration for this private open space is an area between the dwelling unit and the common open space, similar to what's shown in the examples in Table 16T-85.

H. Facades and Porches.

1. Cottages facing the common open space or common pathway must feature a roofed porch at least eighty square feet in size with a minimum dimension of eight feet on any side.
2. Cottages fronting on a street shall provide a covered entry feature with a minimum dimension of six feet by six feet facing the street. This is in addition to the porch requirement, where the cottage is adjacent to a common open space or pathway.
3. All facades facing common open space, pathways, and streets shall comply with architectural details and windows and transparency design criteria specified in LMC 14.23.072(C) and (I), respectively.

I. Maximum Height for Cottages.

1. The maximum height for cottages with a minimum roof slope of six feet vertical to twelve feet horizontal is twenty-five feet. All parts of the roof above eighteen feet shall be pitched.
2. The maximum height for cottages with a roof slope less than six feet vertical to twelve feet horizontal is eighteen feet.
3. The maximum height for all accessory structures is eighteen feet.

J. Setbacks. The setback requirements are the same as the other residential uses in the underlying zone.

K. Minimum Distance Separating Structures. The minimum required distance separating structures (including accessory structures) is ten feet.

L. Parking Requirements.

1. The required number of parking spaces is an optional minimum of one space and a maximum of one and one-half spaces per dwelling.
2. Parking shall be located on the same property as the cottage development.
3. Parking and vehicular areas shall be screened from public streets and adjacent residential uses by landscaping or architectural screens. The illustration in Table 16T-85 provides a good example of screening with columnar trees separating the driveway from the adjacent property.
4. Parking shall be located in clusters of not more than five adjoining uncovered spaces (except where parking areas are adjacent to an alley or vegetated LID facilities).
5. Parking is prohibited in front and interior yard setback areas. The top illustration and photo in Table 16T-85 provide good examples of parking location.

6. All detached parking structures shall have a pitched roof design.
7. Garages may be attached to individual cottages provided all other design standards have been met and the footprint of the ground floor, including the garage, does not exceed one thousand square feet. Such garages shall be located away from common open spaces to the extent possible.
8. At least fifty percent of the required parking spaces shall be enclosed. Such structures shall be designed consistent with the cottage architecture. This includes similar building materials, rooflines, and detailing.

M. Utility Elements. Utility meters and heating/cooling/ventilation equipment shall be located/designed to minimize visual impacts from the street and common areas.

N. Existing Nonconforming Structure and Accessory Dwelling Units.

1. On a lot to be used for a cottage housing development, an existing detached single-family residential structure, which may be nonconforming with respect to the standards of this chapter, shall be permitted to remain, provided the house and any accessory structures are not enlarged and the development meets the standards herein. The existing dwelling shall be included in determining the allowable density for the site.
2. For any cottage development containing an existing house and an accessory dwelling unit, the accessory dwelling unit shall be counted as a cottage for the purposes of determining allowable density for the site.

O. Clustering Groups. Developments shall contain a minimum of four and a maximum of twelve dwellings located in a cluster group to encourage a sense of community among the residents. A development site may contain more than one cluster.

P. Cottage housing developments are subject to design review requirements of Chapter 14.23 LMC.

Q. The city desires to form partnerships with nonprofit housing authorities and the private development community in promoting infill, providing affordable housing and achieving GMA smart growth and livable city objectives. To provide for innovation and creativity in achieving housing and livable city objectives of the Plan, flexibility may be permitted where a specific cottage project furthers the Plan's objectives, but zoning code requirements would prevent the project, make it less effective in implementing the Plan's intent, or act as a barrier to implementation of the Plan's vision. The city may waive said code provisions under the following conditions:

1. The city and the private/public partners believe the subject project meets community objectives of smart growth, livable city and sustainability as identified in the city Comprehensive Land Use Plan;
2. Design of the project gives significant attention to place making and functionality that will enhance the livability of the neighborhood in which it is located, as identified in the Comprehensive Land Use Plan and/or the applicable neighborhood plan;
3. Design includes energy conservation features that promote sustainability goals as identified in the Comprehensive Land Use Plan and/or other plans developed to promote energy conservation and sustainability;
4. The project addresses target demographics or specific community housing need as identified in the Comprehensive Land Use Plan's Housing Element and/or the applicable neighborhood plan;

5. Based upon a determination by the director, the proposed project design will better implement objectives of the Comprehensive Land Use Plan.

Section 13. Section 16.67.050 of the Lacey Municipal Code is hereby amended as follows:

16.67.050 Sensitive land uses.

The following uses, properties and zones are considered sensitive as referenced in LMC

16.67.030:

- A. Property used for public and private schools;
- B. Property used for public parks;
- C. Property used for public libraries;
- D. Property used for state-certified day care;
- E. Property used for community teen centers;
- F. Property used for churches, cemeteries or other religious facilities or institutions;
- G. Property used for residential and lodging uses and property zoned primarily for residential uses, including ~~LD-0-4, LD-3-6~~, MD, and HD zones;
- H. Property used for organizations, associations, facilities and businesses which provide, as a substantial portion of their activities, function or business, the provision of services to children and/or youth, so that the premises of the organization, facility or business would have children and youth in attendance or at the location during a predominant portion of the operational hours of an adult entertainment facility.

Section 14. Table 16T-13 of the Lacey Municipal Code is hereby amended as follows:

Use	Unit Measure	Optional Min	Max	Required Bicycle Parking Spaces
BUSINESS PARK				
General business park ¹	Per 1,000 square feet	2	4	See offices
COMMERCIAL				
Banks	Per 1,000 gross square feet	2	3	See offices
Billiard halls	Per table	1	2	1 per 20 auto stalls. Minimum of 4
Bowling alleys	Per alley	3	5	1 per 20 auto stalls. Minimum of 4
Commercial recreation	Per 1,000 square feet	3	5	1 per 20 auto stalls. Minimum of 4
Daycare, preschools, nursery schools	Per teacher plus one drop-off loading area per 7 students	0.5	1	1 per 25 auto stalls. Minimum of 1
Hotels, motels	Per room or suite	1	2	See retail
Medical offices	Per 1,000 square feet of GFA	2	4	See offices
Mini storage	Per 100 units or a minimum of 3 spaces plus 2 for permanent on-site managers	1		None
Mortuaries, funeral homes	Per 4 seats	1	2	None
Neighborhood commercial shopping area	Per 1,000 square feet	1	2	See retail
Office building	Per 1,000 square feet of GFA			1 per 15 auto stalls. Minimum of 2
	• With on-site customer service	2	4	

Use	Unit Measure	Optional Min	Max	Required Bicycle Parking Spaces
	• Without on-site customer service	1.5	3	
Regional shopping centers, food and drug stores	Per 1,000 square feet of GFA	3	6	See retail
Restaurants	Per 100 square feet of dining area	1	4	See retail
Retail	Per 1,000 gross square feet	3	6	1 per 20 auto stalls. Minimum of 2
Retail in mixed use development ²	Per 1,000 gross square feet	2	4	See retail
Service stations (mini marts are retail uses)	Per employee plus per service bay	0.5	1	None

INDUSTRIAL

General industrial	Greatest number of employees on a single shift plus one square foot of parking for each square foot of display area plus one space for each vehicle owned, leased or operated by the company	0.5	1	See offices
Warehouse	Per 1,000 square feet of GFA plus	1		None
	Per 400 square feet of GFA used for office or display area	1		

INSTITUTIONAL

Convalescent facilities, nursing homes	Per 2 patient beds	1	3	See offices
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Use	Unit Measure	Optional Min	Max	Required Bicycle Parking Spaces
Hospital	Per bed	0.5	1	See offices
Libraries	Per 200 square feet of GFA	0.5	1	1 per 20 auto stalls. Minimum of 2
Schools, elementary and junior high	Per classroom and office	1	1.5	1 per classroom
Schools, senior high	Per classroom and office plus per each 5 students of designated capacity	1	2	1 per five auto stalls. Minimum of 2
PLACES OF ASSEMBLY				
Places of assembly without fixed seats	Per 1,000 square feet of GFA ³	10	11	1 per 25 auto stalls. Minimum of 2
Places of worship	Per 4 seats	1	2	1 per 40 auto stalls. Minimum of 4
Stadiums, auditoriums, gymnasiums, theaters ⁴	Per 4 seats of the permitted assembly occupants.	1	1.5	1 per 25 auto stalls. Minimum of 4
RESIDENTIAL				
Accessory dwelling unit	Per dwelling unit	1		None
Single-family	Per dwelling unit	2 ⁶		None
Duplexes <u>and Triplexes</u>	Per dwelling unit	2		None
Multifamily structures <u>greater than three units</u>	Per dwelling unit	1.5		1 per 10 auto stalls. 2 minimum per building
Manufactured home subdivision	Per dwelling unit	2		None
Manufactured home parks ⁵	Per dwelling unit	1.5		None

Use	Unit Measure	Optional Min	Max	Required Bicycle Parking Spaces
Rooming houses, lodging houses, bachelor or efficiency units	Per occupant	1	3	None
Senior citizen apartments	Per 3 dwelling units	1	2	See multifamily

¹ When calculating need, a lower ratio of five-tenths per one thousand square feet of GFA can be justified when a covenant is attached to the property that limits the occupancy load to ninety-five percent of the parking stalls available. In addition, the SPRC may authorize a parking ratio up to five spaces per one thousand square feet of GFA if the need can be demonstrated.

² If retail space in a mixed-use development exceeds forty percent of the gross floor area of the development, the retail use parking requirements of this section apply to the entire space.

³ Gross square feet does not include enclosed or covered areas used for off-street parking or loading, mechanical floor areas or covered public spaces.

⁴ School and/or public facility parking spaces may be used provided the facilities are on the same or contiguous parcels within three hundred feet of the theater or auditorium.

⁵ In manufactured home parks, the parking spaces in excess of one per manufactured home may be grouped in shared parking areas.

⁶ For single-family residential development, a minimum of two parking spaces is required.

The following notes apply to all of the above uses:

- Minimum automobile spaces listed in the table are optional guidelines provided in LMC [16.72.030\(D\)\(1\)\(c\)](#) (optional minimum guidelines). Minimum parking spaces for bike parking are mandatory.
- Parking ratios for mixed use development projects shall be determined by calculating the percentage of GFA by use multiplied by the appropriate parking ratio for each use plus a five percent parking reduction for two uses, ten percent parking reduction for three uses and fifteen percent parking reduction for four or more uses.
- Parking spaces provided as part of the above/below grade parking amenity identified in Table [14T-12](#) shall be exempt from all maximum parking requirements.
- All major employers or major worksites, as defined by RCW [70.94.524](#), shall designate at least five percent of auto spaces as carpool spaces. These spaces must be located as close to the main employee entrance as possible and shall be called out on the site plan.
- Where adjacent roads are designed for on-street parking and approved by the public works director, parking credit may be given for on-street parking.

Section 15. Section 14.23.073 of the Lacey Municipal Code is hereby amended as follows:

14.23.073 Design Criteria For Duplexes And Triplexes In Areas Predominantly Built Out With Single-Family Detached Structures.

To locate duplex and triplex units in areas developed with single-family structures will be controversial because of perceptions that rental units could potentially devalue traditional single-family units. One way to allay these perceptions is to provide duplex and triplex units that blend in with the environment. This can enrich the architectural standards and appearance of the surrounding subdivision or neighborhood. To do this, special guidelines are needed to promote outstanding design and quality of such units.

A. Similarity to Single-Family Detached Structures. To accomplish this, duplex and triplex units in single-family residential areas shall comply with the design criteria for detached single-family dwellings in LMC 14.23.072 unless otherwise noted below. (See Table 14T-39.)

B. Supplemental Design Criteria. Where there is a conflict with the detached single-family design criteria set forth in LMC 14.23.072, the design criteria herein shall apply.

1. Entry Design.

- a. Use either a single entry providing access to multiple units with appearance of a single entry to a single-family house or separate distinct covered entries;
- b. For duplexes located on street corners, entries shall be provided on different sides of the structure so only one entry is visible from any one street.

2. Location of Garages. Garages for each of the units shall be separated from one another by living units of one or more of the units, except where designed with adjacent single or tandem garages. No more than two single or tandem garages may be placed in a row.

3. Architectural Variety. When reviewing developments with multiple adjacent duplexes, each duplex structure shall be reviewed as an individual home or building in terms of compliance with LMC 14.23.072(J).

C. Design Option. Duplexes and triplexes can either be designed to look like one single-family house (containing one distinct entry) or designed to look like two or three distinct dwelling units (each with their own individual covered entry). Both design options shall utilize complementary design elements as described in subsection D of this section.

D. Complementary Design. Units shall have a design that provides significant architectural interest and is complementary to single-family units in the subdivision. A number of techniques can be used to achieve architectural interest:

1. Roof breaks, use of dormers, masonry chimneys;
2. Modulation of facades and fenestration;
3. Use of balconies, decks and porches.

E. Landscaping. Utilize native and drought-tolerant landscaping and/or vegetated LID facilities that complement the architecture of the unit.

F. Privacy Standards.

1. Window Placement. Placement of windows shall consider privacy so residents from one unit to the next cannot look directly into another unit.

2. Location and orientation of dwelling units shall consider privacy.

3. Side Yard Screening Options. All developments shall utilize one of the following screening methods in side yards:

a. Provide Type I, II, or III landscaping (as defined in LMC 16.80.050) between adjacent homes.

- b. Provide solid wood fence or masonry wall, or combination of wood and masonry, six feet in height and located along the property line.
 - c. Provide a zero-lot line configuration or other similar treatment whereby one side of a home does not feature transparent windows or other openings and thus maximizing privacy on the side yard of the adjacent dwelling unit.
 - d. Other treatments that meet the intent of the criteria as approved by the director. Examples can include lower fencing and/or reduced or alternative landscaping treatments. (See Table 14T-28.)
- G. Frontage improvements. Duplexes and triplexes shall comply with the street frontage improvement requirements of Chapter 4B of the Development Guidelines and Public Works Standards.

Section 16. Section 1.20.020 of the Lacey Municipal Code is hereby amended as follows:

1.20.020 Council policy regarding the waiver of building permit and other construction-related fees for community-based housing development organizations, Habitat for Humanity, and Boys and Girls Club of Thurston County projects.

The city manager is authorized, in accordance with the standards and conditions set forth in that certain council policy entitled “Waiver of Building Permit and Construction-Related Fees,” to waive the fees that otherwise would be required under the Lacey Fee Schedule adopted by resolution of the city council and the following provisions of the Lacey Municipal Code for community housing development organizations that meet the requirements set by the

U.S. Department of Housing and Urban Development (HUD), Habitat for Humanity, and Boys and Girls Club of Thurston County projects:

- A. “Water Meter Only” and “Construction Water” - LMC 13.32.010.
- B. Building Permit Fee - Chapter 14.04 LMC.
- C. Mechanical Permit Fee - Chapter 14.05 LMC.
- D. Plumbing Permit Fee - Chapter 14.06 LMC.
- E. Electrical Permit Fee - Chapter 14.13 LMC.
- F. Plan check fees in conjunction with the permits listed above.
- G. Transportation Mitigation Fee - Chapter 14.21 LMC.

Section 17. There is hereby added to the Lacey Municipal Code a new section, 1.20.040, as follows:

1.20.040 Waiver of building permit and other construction-related fees for affordable housing projects.

The City Manager is hereby authorized to waive the following fees for affordable housing projects that otherwise would be required under the Lacey Fee Schedule adopted by resolution of the City Council and the provisions of the Lacey Municipal Code:

- A. “Water Meter Only” and “Construction Water” - LMC 13.32.010.
- B. Building Permit Fee - Chapter 14.04 LMC.
- C. Mechanical Permit Fee - Chapter 14.05 LMC.
- D. Plumbing Permit Fee - Chapter 14.06 LMC.
- E. Electrical Permit Fee - Chapter 14.13 LMC.
- F. Plan check fees in conjunction with the permits listed above.

G. Transportation Mitigation Fee - Chapter 14.21 LMC.

Section 18. There is hereby added to the Lacey Municipal Code a new section, 1.20.050, as follows:

1.20.050 Project eligibility.

A proposed project must meet the following requirements for consideration of a waiver of fees identified in Lacey Municipal Code 1.20.040:

A. Location. The project must be located within the Lacey corporate limits.

B. Proposed Completion Date. The construction of housing units granted a waiver shall be completed within two years from the date of approval of the application.

C. Minimum Percentage. A minimum of 10 percent of the total number of proposed units within a development that is granted a waiver shall be designated affordable under section 1.20.050 (F).

D. Other Regulations. Units granted a waiver shall comply with all applicable Federal, State, and local affordability standards.

E. Targeted Area Median Income. Proposed affordable housing units shall be rented or sold to individuals with an area median income of 80% or less as established by the most recent Department of Housing and Urban Development calculation for the Olympia-Tumwater WA Metropolitan Statistical Area.

F. The applicant agrees the units granted a waiver will remain designated for those with an area median income of 80% or less as established by LMC 1.20.050(E) in perpetuity. This classification shall be established through restrictive covenants, deed restrictions, or other binding affordability agreement approved by the City. These affordability covenants or deed

restrictions must be in place as a written agreement that is recorded with the deed of the property and limits transfer of the property to another qualified household. The covenants or deed restrictions will apply permanently.

G. An agency designated by the City shall monitor compliance of the affordability requirements established by LMC 1.20.050(F) for units granted waivers.

Section 19. There is hereby added to the Lacey Municipal Code a new section, 1.20.060, as follows:

1.20.060 Administration.

A. Fee waiver grantees shall be required to provide a certified written annual report to the City of Lacey and the designated agency demonstrating continued compliance with affordable housing requirements as well as reporting occupancy and vacancy statistics of the affordable housing units.

B. If an applicant is planning to utilize a third-party entity to provide and manage the affordable units, the applicant and the third party must enter into an agreement that clarifies the management, use and oversight of the affordable components. This agreement is in addition to a deed restriction and/or affordability covenant.

C. The affordable units shall be distributed proportionally throughout the development, appropriately designed and integrated with the market-rate units, and, as feasible, contain the same number of bedrooms as the market-rate units. Thirty percent (30%) of affordable units must be delivered in the first phase (where applicable) and the remainder of the units must be delivered proportionally based on the development build-out and phasing.

D. The waiving of fees will only apply to the affordable units within a development. The City will not waive fees for market-rate units.

Section 20. There is hereby added to the Lacey Municipal Code a new section, 1.20.070, as follows:

1.20.070 Application review.

A. The City Manager may certify as eligible an application which is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within ninety (90) calendar days of receipt of a complete application.

B. Approval. The City Manager may approve the application upon the finding that:

1. The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved; and

2. The applicant has complied with all standards and guidelines adopted by the city under this ordinance.

C. The City Manager shall issue a written decision on issuance of a waiver to the applicant.

D. Availability of Waivers. The City of Lacey is limited in the number of waivers distributed each year. The number of waivers available shall be limited to 50 units per year. These waivers will be distributed on a first come, first served basis.

Section 21. There is hereby added to the Lacey Municipal Code a new section, 1.20.080, as follows:

1.20.080 Cancellation of project.

A. If the designated agency determines the applicant is not in compliance with the terms of this chapter, the waiver of fees will be canceled. This cancellation may occur in conjunction with the annual review or at any other time when noncompliance has been determined. If a cancellation of fees occurs, the current owner of the unit will be required to reimburse the City all waived fees adjusted annually for inflation.

B. If the developer or property owner wishes to terminate their waiver of fees, they must provide thirty (30) days' written notice to the City Manager. Upon cancellation, reimbursement shall be made to the City for all waived fees adjusted annually for inflation.

C. Notice and Appeal. Upon determining that a waiver of fees is to be canceled, the City Manager shall notify the property owner by mail, return receipt requested. The property owner may appeal the determination by filing a notice of appeal with the City Manager within thirty (30) calendar days, specifying the factual and legal basis for the appeal. The Hearings Examiner will conduct a hearing at which all affected parties may be heard and all competent evidence received. The Hearings Examiner will affirm, modify, or repeal the decision to cancel the exemption based on the evidence received. Any appeal of the Hearings Examiner's decision shall be to Thurston County Superior Court.

Section 22. Section 3.64.120 of the Lacey Municipal Code is hereby amended as follows:

3.64.120 Effective period.

This chapter shall remain in effect through December 31, ~~2024~~2034, and shall automatically expire after that date unless, prior to that date, the city council takes action to extend the same.

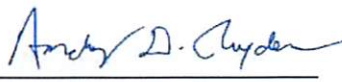
Section 23. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 24. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 25. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY,
WASHINGTON, at a regularly-called meeting thereof, held this 20th day of
January, 2022.

CITY COUNCIL

By: 
Mayor

Approved as to form:


City Attorney

Attest:


City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1612

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on January 20, 2022, Ordinance No. 1612, entitled “AN ORDINANCE RELATED TO THE CITY’S HOUSING IMPLEMENTATION INITIATIVES, REPEALING CHAPTER 16.12, AMENDING SECTIONS 16.13.010, 16.13.020, 16.13.035, 16.13.050, 16.09.010, 16.40.050, 16.41.050, 16.61.030, 16.61.040, 16.62.020, 16.62.030, 16.67.050, 14.23.073, 1.20.020, AND 3.64.120, AMENDING TABLE 16T-13, ADDING NEW SECTIONS 1.20.040, 1.20.050, 1.20.060, 1.20.070, AND 1.20.080, ALL TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.”

The main points of the Ordinance are described as follows:

1. The Ordinance repeals Chapter 16.12 of the Lacey Municipal Code related to Low-Density District (0-4).
2. The Ordinance amends sections of the Lacey Municipal Code related to Low-Density District (3-6).
3. The Ordinance amends Chapter 1.20 of the Lacey Municipal Code related to waiver and deferral of fees for building of low-income housing.
4. The Ordinance amends Chapter 3.64 of the Lacey Municipal Code related to the multi-family tax exemption.
5. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: January 24, 2022.