

CITY OF OLYMPIA HEARING EXAMINER
STAFF REPORT

Project Name /File No.: Evergreen Park PUD amendment; file number: 23-2792

Applicant: Philip Stewart

Requested Action: Modify Evergreen Park PUD to permit residential/multifamily uses within the Commercial Retail Zone of the Evergreen Park PUD.

Project Location: **Evergreen Park PUD;** (Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 13A, 14, 15A, and 51 through 66, Tracts F and G, and Lot 3 of Short Plat SS-5099.) (Also see Ordinance 5215 with regard to Lot 3 of SS-5099 and Ordinance 4192 with regard to lots 65 and 66.)

Zone District: Planned Unit Development. (PUD)

Comp. Plan Designation: Planned Development.

SEPA Determination: A Determination of Non-significance (DNS) was issued for the proposed text amendment on November 17th, 2023, with an appeal period that expired on December 8th, 2023. No appeals were filed on the SEPA determination. (Attachment 7. Notice of Hearing and SEPA determination)

Public Notification: Public notification for this hearing was mailed to property owners within 300 feet of the subject property, parties of record and recognized neighborhood associations; on November 17th, 2023, and published in *The Olympian* on November 27, 2023, in conformance with OMC 18.78.020. (Attachment 7. Notice of Hearing and SEPA determination)

Staff Recommendation: Approval, subject to approval by city council.

Staff Contact: Jackson Ewing, Associate Planner Phone: 360.570.3776
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I. BACKGROUND INFORMATION

A. Property Description / Context / Site Conditions

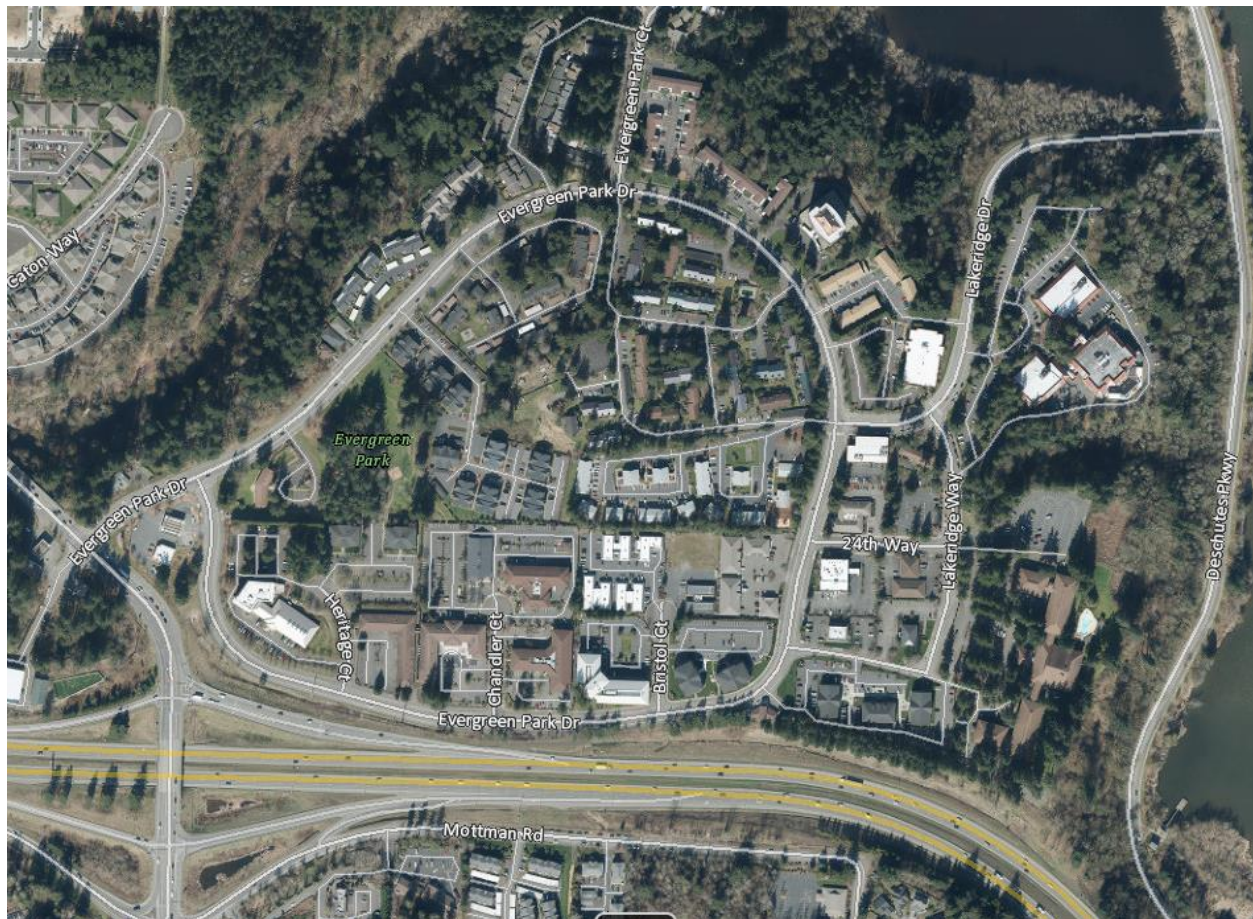
In 1973 the Olympia City Council first approved the Evergreen Park Planned Unit Development (PUD), one of a handful of PUDs approved under former provisions of the city's zoning code. The Evergreen Park development is located in southwest Olympia and is most commonly known by the Thurston County Courthouse location. It is bordered by Highway 101, the Deschutes Parkway, and Percival Creek. The Evergreen Park PUD, which has been amended a number of times over the years, most recently in 2006, and is the only remaining PUD of its kind in Olympia. There are very few undeveloped properties

remaining within the PUD, and redevelopment and adaptive re-use of existing structures is the predominant development pattern in the PUD.

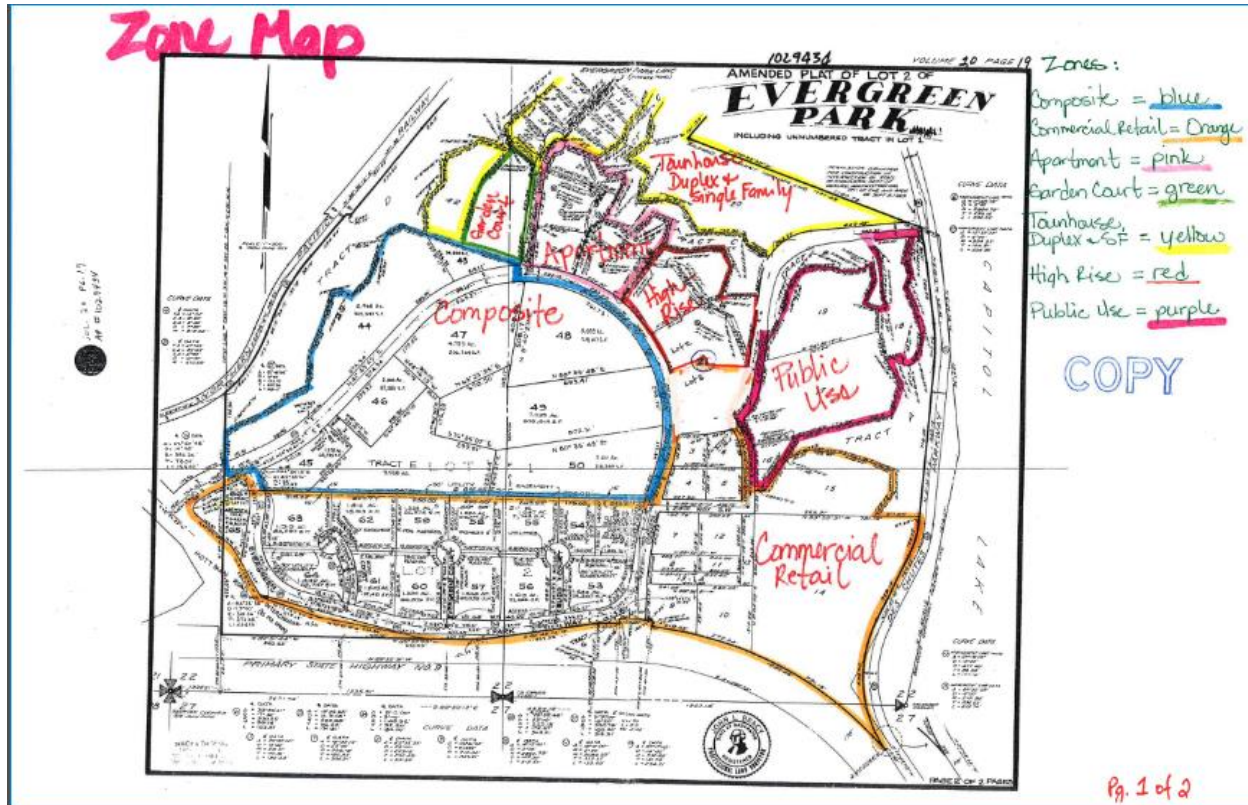
The PUD's adoption in 1973 is an important factor because it is rare to find code language that predates the Growth Management Act of 1990. The maps are hand drawn and some of the vocabulary within the documents text is a reminder of how language changes over time. Nevertheless, the content of the PUD has remained relevant over the last 50 years. The PUD was incorporated into the Comprehensive Plan and Zoning Code and establishes standards for the development of approximately 200 acres as a combined residential and commercial community. The general elements permit flexibility in the arrangement of structures on the sites in order to encourage good architectural design, to provide adequate greenbelt and open space areas, to provide the maximum possible protection of the natural amenities of the area, to provide adequate accesses and utilities for the uses permitted, to assure adequate light and air and to provide protection from discordant influences.

A portion of the PUD known as the retail/commercial zone does not allow for residential uses. This application proposes to amend the Evergreen Park PUD to allow for residential uses within the retail/commercial zone.

Evergreen Park PUD location



Evergreen Park PUD zone map (orange represents retail/commercial zone).



B. CITY APPLICATION AND PUBLIC NOTICING

Application Submittal: The application was submitted and deemed complete on May 22, 2023. Application materials were routed to City staff for review.

Notice of Application and anticipated SEPA determination was issued June 28th, 2023. Notice was sent to property owners within 300 feet of the PUD, Recognized Neighborhood Groups and Applicable Agencies following proper procedures OMC 18.78.020 which was applicable at the time of application. Several public comments were received and are summarized further in this report. (Attachment 4.)

Staff Review: City staff reviewed the project for compliance with applicable codes appropriate sections of the comprehensive plan and found that a recommendation could not be rendered without additional information. The application was then returned for revision on August 23, 2023, to the applicant. The requested revisions included city suggested changes to the proposal to include revisions to the development standards of the PUD to ensure consistency with the standards for multifamily housing in the other districts of the Evergreen Park PUD that already allow residential development. The applicant submitted the requested revisions on August 25, 2023. City staff reviewed the revisions and determined they adequately addressed the concerns raised.

II. POLICY AND REGULATORY FRAMEWORK

The proposal has been reviewed for compliance with applicable plans and regulations. This report addresses those comprehensive plan and code sections that are of applicability and addresses compliance in relation to the following:

- Comprehensive Plan Goals and Policies;
- Title 14.04 Environmental Policy; The PUD text amendment application is subject to the State Environmental Policy Act (SEPA)
- Evergreen Park PUD development standards.
- PUD/PRD Plan Amendment Process.

A. Comprehensive Plan

The city of Olympia considers the Evergreen Park PUD a Planned Development. The following are applicable sections of the Comprehensive Plan related to Planned Developments and housing. PL stands for policy throughout the following excerpts.

The Comprehensive Plan is available for review through the following link:

<https://www.codepublishing.com/WA/Olympia/?OlympiaNT.html>

The section on Planned Developments includes a robust discussion about the added value of creating new mixed-use areas, wider variety of housing, convenient businesses, open space etc. What is important to recognize however, is that the Evergreen Park PUD was already developed when the City's first Comprehensive Plan was adopted. Much of the aspirational language within the Comprehensive Plan is intended for the creation/development of new development.

Planned Developments. This designation includes areas of mixed uses where specific 'master plans' are required prior to development. This designation is intended to achieve more innovative designs than in conventional developments, but which are also compatible with existing uses in the area. Innovative designs may include offering a wider variety of compatible housing types and densities, neighborhood convenience businesses, recreational uses, open space, trails and other amenities. **Two unique planned developments include substantial government office buildings and related uses - these are the Capitol Campus; and Evergreen Park, which includes the site of the Thurston County courthouse.**

Sites for 'neighborhood villages,' one 'urban village,' and the older Evergreen Park planned unit development, each with a compatible mixture of single and multi-family housing and businesses, are designated within the urban area.

While these villages and the Evergreen Park PUD will have many characteristics in common, the design and composition of each project varies in response to site conditions, location, market demand, available street and utility capacity, and the character of the surrounding neighborhood and will evolve over time.

Planned development policies in the comprehensive plan:

GL1. PL1.6 Provide for a compatible mix of housing and commercial uses in commercial districts and village sites that enables people to walk to work and shopping, supports transit and includes convenience businesses for residents. Integrate adjacent uses with walkways and bike paths leading from residential areas to commercial districts and neighborhood-oriented businesses.

PL11.1 Encourage increasing the intensity and diversity of development in existing commercial areas by mixing commercial and multi-family development along with entertainment and cultural centers in a way that will reduce reliance on cars and enable people to work, shop, recreate and reside in the same area.

PL11.3 Work with developers to identify commercial areas for infill and redevelopment, to remove unnecessary barriers to this type of development, and to provide the infrastructure needed for intensive commercial and mixed-use development.

Staff Finding: The existing PUD was written at a time when there was less interest in mixed use within a district. While the existing PUD is mixed use because it allows a mix of uses the mix is separated by zoning district locations. This is unique to this PUD. The other Planned Developments within the City encourage mixed use buildings and allow residential within the commercial districts. The proposed amendment would bring the PUD into closer conformance with the Comprehensive Plan by increasing the residential density within the commercial district.

Housing chapter policies:

PL16.1 Support increasing housing densities through the well-designed, efficient, and cost-effective use of buildable land, consistent with environmental constraints and affordability. Use both incentives and regulations, such as minimum and maximum density limits, to achieve such efficient use.

PL16.2 Adopt zoning that allows a wide variety of compatible housing types and densities.

PL16.5 Support affordable housing throughout the community by minimizing regulatory review risks, time and costs and removing unnecessary barriers to housing, by permitting small dwelling units accessory to single-family housing, and by allowing a mix of housing types.

PL16.8 Encourage and provide incentives for residences above businesses.

PL16.13 Encourage adapting non-residential buildings for housing.

Staff finding: The policies of the housing chapter support the proposed amendment because the proposal is to increase the area within the City in which adaptive re-use of existing buildings can include housing options. The area is currently served by public streets and utilities adequate to provide for housing. The area has access to transit with ¼ mile of all lots affected by the proposal. And the proposed amendment would allow residential units to be built above existing or future office space. This proposal supports increasing housing stock and housing options which is consistent with the goals and policies of the City.

B. Zoning Compliance OMC Title 18:

Note: The permit processing sections of the OMC have been updated, but this application is vested to the provisions that were in effect at the time of the application being deemed complete (May 22, 2023) If using the online version of the code, use the correct version (January 2023).

OMC Title 18 provides the code path for modifying existing PUDs in the city of Olympia. The following outlines process, procedures and authority regarding the proposed PUD amendment.

OMC 18.54 provides for the regulations of a Planned Unit Development. OMC 18.54.060 specifically addresses the Evergreen Park PUD and states that any major adjustment shall be permitted only in accordance with the procedures of section 18.56.120.B.

OMC 18.56 regulates Planned Residential Developments (PRD), as opposed to PUD which are regulated in OMC 18.54. Given the similarities of these two development types the amendment process outlined in OMC 18.56 applies to both PRD and PUD's the same. According to OMC 18.56.120.b.2 major adjustments are those which substantially change the character, basic design, density, open space or other requirements and conditions of the Planned Residential Development. When a change constitutes a major adjustment, no building or other permit shall be issued without prior review of such adjustment by the Hearing Examiner and approval by the City Council. As such, this amendment application is required to be reviewed by the Hearing Examiner. If recommended for approval, it would be forwarded to the City Council for review and approval.

OMC 18.82 outlines the Hearing Examiner Authority. OMC 18.82.120 identifies the types of projects the Examiner has the jurisdiction to review. This section identifies rezones, master planned developments and planned residential developments. PUD is not explicitly identified, likely because of the City's intent to prohibit new PUD applications. Nevertheless, the omission appears to be in error because the code specifically directs amendments of the PUD to the examiner review process. The City concludes the Examiner has the authority to review this application and the responsibility to conduct a public hearing as outlined in OMC 18.82.200 and make a recommendation to the City Council.

PRD Preliminary approval applies 18.56.060. Final approval is not necessary as this is not actually a PRD. The approval process follows the process outlined in section C. and D. of the subject sections. The City Council decision shall be based upon the record which was established at the hearing held by the Hearing Examiner, provided that new evidence which was not available at the time of hearing may be included.

18.72 processing SPRC to HEX to Council.

The Development Standards and other criteria outlined in the PRD section are not applicable as this is not a PRD, nor an amendment to a PRD, rather a PUD. OMC 18.54 provides very little regulatory guidance regarding the parameters of acceptable amendments. This is primarily due to the fact that it is the only PUD in the City and OMC 18.54.020 indicates that no new PUD's may hereafter be made. The only applicable guidance to the intended development character of the PUD within the municipal code is found in the purpose statement of OMC 18.54.020 which states:

“The Evergreen Park PUD district is intended to permit flexibility in design, placement of buildings and use of open spaces, including modification in requirements for lot frontage, building setbacks and design of circulation facilities to best use potentials of sites characterized by special features of geography,

topography, size or shape, and to encourage a more creative approach in the development of land that will result in a more efficient, aesthetic and desirable environment in harmony with that of the surrounding area.”

Staff Finding: In reviewing the proposed amendment, Staff looks to the intent to permit flexibility and creativity that would result in a more efficient and desirable environment in harmony with the surrounding area and the city at large. Staff finds that the proposal will be harmonious with the surrounding area because the area is served by utilities and public transit. The proposed changes are consistent with the goals of the Thurston County Housing Action plan which aim to increase housing stock within the city in areas already served by existing infrastructure. Staff also determined that areas which allow retail uses, generally allow residential uses in other zoning districts throughout the city. The only restriction on residential uses is in Industrial zone area where, residential uses are not compatible with typical industrial uses.

PUBLIC COMMENT

The city received a number of public comments which have been provided for review in (Attachment 4.) The following provides a summary of the major issues raised in the comment letters.

- Fear that increased residential use could result in increases of crime, reduced security for existing businesses and houselessness were brought up as concerns in letters and emails submitted to the city.
- potential loss of the Olympia Hotel located in the PUD within the retail/commercial PUD zone. These concerns relate to potential loss of jobs at the hotel and loss of lodging and conference space.
- Uncertainty regarding the application materials and a desire for increased clarity of project scope.

Staff response: Generally, the concerns expressed about crime, security and houselessness are faced throughout the city. The current application does not approve any construction or conversion of any existing structures. If the hotel is to be converted to multifamily housing, then applicable permits and review will be required. The city reached out to concerned community members to answer questions about what the application is proposing and to further explain the process.

The applicant has revised the Environmental Checklist, and the proposed code amendment is consistent with other areas allowing multifamily housing in the Evergreen PUD.

The concern regarding loss of hotel and conference space for events and the underlying jobs are not within the scope of this amendment. These issues are economic issues, and the application is to amend the PUD to allow more flexibility of use in the future, specifically to allow multifamily use where it is currently restricted. Future redevelopment will be initiated by individual property owners.

Staff has determined that the existing Comprehensive plan supports increased flexibility to provide additional housing units and that market conditions will determine future use.

C. Review of Proposed Code

The proposed changes to development standards would require new multifamily projects to comply with consistent zoning standards for multifamily development in the Evergreen Park PUD. Existing multifamily development standards would be followed. Section 2.C. of (attachment 2) covers how new multifamily projects shall follow the Development Standards found under Section III Apartment Zone. Any change of use to an existing building into apartments or other multifamily housing is permitted, regardless of the development standards being met as found under that section. Vehicle and bicycle parking requirements shall be required per OMC 18.38

Staff Finding: This amendment would allow for multifamily complexes similar to existing multifamily development in the Evergreen Park PUD. New projects and conversions would be allowed as described above.

III. CONCLUSION AND RECOMMENDATION

Staff recommends approval of attachment 2 as the new use and development standards adopted for the Evergreen Park PUD. The specific changes are shown highlighted in red throughout the document. If approved by the Hearing Examiner, the proposed amendment will go before city council for final approval as described in OMC 18.56.

On behalf of the site plan review committee:

Jackson Ewing, Associate Planner.

Attachments:

- 1 - Staff Report
- 2 - Evergreen Park PUD use and development standards proposed amendment 2023.
- 3 - SEPA Environmental Checklist.
- 4 - Public Comments Combined.
- 5 - Evergreen Park PUD Official Map.
- 6 - Evergreen Park PUD use and development standards amended June 1, 2006. (Currently Adopted)
- 7 - Notice of Hearing and SEPA determination.