



# Meeting Agenda

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501  
Information: 360.753.8244

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Thursday, February 20, 2025

4:00 PM

Online and Room 112

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### Register to Attend:

[https://us02web.zoom.us/webinar/register/WN\\_xqdTyLVgQ6qUYrlvnA3qBA](https://us02web.zoom.us/webinar/register/WN_xqdTyLVgQ6qUYrlvnA3qBA)

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF AGENDA**

4. **PUBLIC COMMENT**

*(Estimated Time: 0-15 Minutes)*

*During this portion of the meeting, community members may address the Committee for up to two (2) minutes regarding the Committee's business meeting topics.*

5. **APPROVAL OF MINUTES**

- 5.A [25-0152](#) Approval of the January 16, 2025 Land Use & Environment Committee Meeting Minutes

Attachments: [Minutes](#)

6. **COMMITTEE BUSINESS**

- 6.A [25-0117](#) Briefing on Middle Housing Phase II

Attachments: [Middle Housing Webpage](#)

- 6.B [25-0132](#) Consideration of a Regional Home Energy Assessment and Disclosure Policy Recommendation

Attachments: [Draft Ordinance](#)

[Budget](#)

[Stakeholder Feedback Summary](#)

[Policy Review Memo](#)

- 6.C [25-0126](#) Consideration of Capital Mall Triangle Subarea Planned Action Ordinance and Engineering Design and Development Standards Revisions Recommendation

Attachments: [Draft Planned Action Ordinance](#)

[Draft Engineering Design and Development Standards Ordinance](#)

[Planning Commission Recommendation for the Planned Action](#)

[Ordinance](#)

[Public Comment](#)

[Webpage](#)

- 6.D [25-0131](#) Consideration of the Land Use and Environment Committee 2025 Work Plan Recommendation

Attachments: [Draft Work Plan](#)

## 7. REPORTS AND UPDATES

## 8. ADJOURNMENT

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City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

## Land Use & Environment Committee

### Approval of the January 16, 2025 Land Use & Environment Committee Meeting Minutes

**Agenda Date:** 2/20/2025  
**Agenda Item Number:** 5.A  
**File Number:**25-0152

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**Type:** minutes   **Version:** 1   **Status:** In Committee

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**Title**

Approval of the January 16, 2025 Land Use & Environment Committee Meeting Minutes



# Meeting Minutes - Draft

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501  
Information: 360.753.8244

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**Thursday, January 16, 2025**

**4:00 PM**

**Online and Room 112**

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**1. CALL TO ORDER**

Chair Madrone called the meeting to order at 4:00 p.m.

**2. ROLL CALL**

**Present:** 2 - Chair Dani Madrone and Committee member Robert Vanderpool

**Excused:** 1 - Committee member Jim Cooper

**2.B OTHERS PRESENT**

City Manager Jay Burney  
Interim CP&ED Director Tim Smith  
CP&ED Principal Planner Joyce Phillips  
Public Works Associate Planner Kym Foley

**3. APPROVAL OF AGENDA**

The agenda was approved.

**4. PUBLIC COMMENT - None**

**5. APPROVAL OF MINUTES**

- 5.A** [25-0051](#) Approval of November 21, 2024 Land Use & Environment Committee Meeting Minutes

The minutes were approved.

**6. COMMITTEE BUSINESS**

- 6.A** [25-0042](#) Olympia 2045 - Natural Environment Chapter of the City of Olympia Comprehensive Plan Update

Ms. Foley presented the draft Natural Environment Chapter for the 2045 Comprehensive Plan update. Planner Foley summarized input received from the Planning Commission, Social Justice & Equity Commission, Squaxin Island Tribe, Parks & Recreation Advisory Committee and Utility Advisory Committee. Commissioners discussed the draft plan and recommended text revisions to the Introduction and Policies PN 3.1, PN 4.1, and PN 4.4.



**The discussion was completed.**

- 6.B**     [25-0031](#)     Community Planning and Economic Development 2025 Planning Work Program Discussion

Mr. Smith provided an overview of the 2025 work program for the Planning Division.

**The discussion was completed.**

- 6.C**     [25-0030](#)     Land Use and Environment Committee 2025 Work Plan Recommendation

Committee Members and Staff discussed and recommended to City Council approval of the LUEC 2025 work plan.

**Committee member Vanderpool moved, seconded by Chair Madrone, Committee member Vanderpool moved, seconded by Chair Madrone, to forward a recommendation to City Council for consideration to approve the Land Use and Environment Committee 2025 Work Plan. The motion carried by the following vote:**

**Aye:**            2 - Chair Madrone and Committee member Vanderpool

**Excused:**    1 - Committee member Cooper

**7.        REPORTS AND UPDATES - None**

**8.        ADJOURNMENT**

The meeting was adjourned at 5:29 p.m.



## Land Use & Environment Committee

### Briefing on Middle Housing Phase II

**Agenda Date:** 2/20/2025  
**Agenda Item Number:** 6.A  
**File Number:** 25-0117

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**Type:** discussion **Version:** 1 **Status:** In Committee

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#### **Title**

Briefing on Middle Housing Phase II

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Briefing only. No action requested.

#### **Report**

##### **Issue:**

Receive a briefing on the draft code amendments proposed to implement new state requirements for middle housing.

##### **Staff Contact:**

Joyce Phillips, AICP, Principal Planner, Community Planning and Economic Development (CPED),  
360.570.3722

##### **Presenter(s):**

Joyce Phillips, Principal Planner, Community Planning and Economic Development

#### **Background and Analysis:**

In 2023 and 2024, Washington State passed laws that require the City of Olympia to address middle housing, accessory dwelling units (ADUs), and co-living housing in its development regulations. Implementing these new requirements will require modifications to multiple Titles in the Olympia Municipal Code (OMC), although the majority of the changes are to OMC 18.04, Residential Districts.

In an effort to help community members understand the types of changes that would be needed, CPED staff prepared information sheets for Middle Housing, ADUs, and Co-Living Housing. The intention is to highlight the primary new requirements of the bills with a focus on what is not already addressed in the OMC. A summary of each is as follows and the information sheets can be found on the project webpage (see Attachment 1):

#### Middle Housing

- The City must now allow more than one unit per lot on all lots zoned primarily for residential use.
- The number of units allowed on a lot increases for affordable housing.
- The number of units allowed on a lot increases within a certain distance of key transit types.
- The City cannot require any standards for middle housing that are more restrictive than those required for detached single-family residences.
- The City may apply development regulations that are required for detached single-family residences including, but not limited to, setbacks, lot coverages, stormwater, clearing, and tree canopy and retention requirements to ensure compliance with existing ordinances intended to protect critical areas and public health and safety.
- The City must apply the same development permit and environmental review processes that apply to detached single-family residences to middle housing.

#### Accessory Dwelling Units

- Cannot assess impact fees on new ADUs that are greater than 50 percent of those imposed on the principal unit
- Must allow at least two ADUs on all lots located in all zoning districts within an urban growth area that allow for single-family homes
- Cannot establish a maximum gross floor area requirement for ADUs that is less than 1,000 square feet
- Cannot impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for ADUs that are more restrictive than those for principal unit
- Must allow ADUs to be converted from existing structures, including but not limited to detached garages, even if they violate current code requirements for setbacks or lot coverage
- Cannot prohibit the sale or other conveyance of a condominium unit independently of a principal unit solely on the grounds that the condominium was originally built as an accessory dwelling unit

#### Co-Living Housing

- Development Regulation standards cannot be more restrictive than those required for other types of multifamily residential uses in the same zone.
- Cannot require a review, notice, or public meeting for co-living housing when that is required for other types of residential uses in the same location, unless otherwise required by state law.
- Cannot exclude co-living housing from participating in affordable housing incentive programs under RCW36.70A.540.
- Cannot treat a sleeping unit in co-living housing as more than one-quarter of a dwelling unit for purposes of calculating dwelling unit density.
- A city may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections, unless the city makes a finding based on facts, that connection fees should exceed the one-half threshold.

#### Decision Points

As the draft code amendments were being contemplated and developed, it was clear to staff that some things were being proposed because they are required under state law and other things could be proposed one way or another, because of a policy choice. Staff relied on earlier input from the

Land Use and Environment Committee members, language from the comprehensive plan or other city plans like the Housing Action Plan, and staff in development review roles to help shape the first draft.

However, staff wanted to help highlight those decision points for the public, to be transparent and to help community members develop comments that are the most relevant to parts of the proposal that could change in a future draft. A document highlighting the main decision points used in developing the draft has also been posted online.

#### Soliciting Public Comments

The first public draft was posted online the last week of January (accessible from Attachment 1). The information sheet pointing out the primary decision points was also provided. Staff will spend the next several weeks soliciting public comments and feedback. We expect to issue a public hearing draft in June of this year.

#### **Climate Analysis:**

Overall, the proposed amendments will support efforts to increase urban density and reduce urban sprawl. This work will promote infill residential development, making more use of the existing transportation and utility systems than development in undeveloped areas would. In addition, paratransit, retail deliveries, mail, and school buses already serve these areas with transportation services. Most parts of the City of Olympia are served with public transit. More development in these areas will support increased transit use and any increases in service that come with more density and higher ridership.

#### **Equity Analysis:**

Equity is challenging to address in code amendments. The code language applies citywide, or at least equally across the zoning district designations (standards are the same for all R4-8 zoning districts, regardless of where they are in the city). The systemic barriers that need to be overcome, that this effort may help address, have more to do with ensuring access to a variety of housing types in any and all neighborhoods, by rental or purchase.

Near term benefits will likely be more for people who are seeking housing, either to rent or purchase, especially in the areas of the city that are primarily made up of single family homes at lower densities (which make up approximately 70% of the City and Urban Growth Area).

The longer-term benefits may primarily be to the property owners, who can recoup construction costs through rents and can continue to build wealth over time. There are provisions in the draft that will allow further subdivision of these units (unit lot subdivisions) or conversion to condominium (condominiumization) of these units - but that is at the discretion of the property owners. Some may go through the process and offer for sale, likely at market rates, but many may hold on to them and rent them out to recoup costs and then to gain income. This provides flexibility for the current property owners but could also at least hold the income gap in status quo. However, allowing for these homeownership opportunities is also an opportunity for some people to buy a home that may not otherwise be able to do so.

#### **Financial Impact:**

The City was awarded a grant from the Washington State Department of Commerce, Growth Management Services, to help cover the costs of this work. The portion of the grant that helps fund

this work is for \$37,500. Under the terms of this grant, the City must produce a public hearing draft of the proposed code amendments by June 15, 2025.

**Neighborhood/Community Interests (if known):**

The draft amendments were just recently posted online and are rather lengthy (just over 100 pages) and complicated. Staff will spend several weeks informing people of what is in the proposal and what it means. Staff will meet with the Council of Neighborhoods Association and use additional opportunities to seek input from the community. It is likely that some people will support these efforts while others may oppose them or have questions and concerns.

**Options:**

Briefing only.

**Attachments:**

Middle Housing Webpage

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# Middle Housing



## What's happening?

The State of Washington amended the Growth Management Act, which contains specific requirements for cities to implement for a variety of “middle” housing types. Related amendments

also include Accessory Dwelling Units (ADUs) and Co-Living Housing. Staff went through a public process to review the codes to see where changes are needed to address new state requirements and how they should be implemented in Olympia.

The first draft is issued for public review and comment. At least one additional draft is anticipated prior to a public hearing (which is not yet scheduled).

- [Public Review Draft \(Jan 28, 2025\), 103 pages](#)
- [Policy Decision Points used in Draft](#)

In order to implement these requirements, several different parts of the Olympia Municipal Code (OMC) are proposed to be revised. We realize this may be confusing and are planning a variety of public engagement opportunities for people to learn more about the proposal.

Please submit any questions or comments to Joyce Phillips at [middle@ci.olympia.wa.us](mailto:middle@ci.olympia.wa.us). Please note, all comments submitted are public record and will be considered in the development of the next draft and by the Planning Commission and City Council in the decision-making process.

- [Community Engagement Plan](#)
- [Middle Housing Information Sheet](#)
- [Accessory Dwelling Units Information Sheet](#)
- [Co-Living Housing Information Sheet](#)
- [House Bill 1110 - Middle Housing Bill](#)
- [House Bill 1337 - Accessory Dwelling Unit Bill](#)
- [House Bill 1998 - Co-Living Bill](#)

## What is Middle Housing?

Middle Housing refers to a range of housing types that can provide more than one housing unit per lot in a way that is compatible in scale with single-family houses and contain two or more attached,

stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing. Middle Housing is a key component of the City's housing strategy, as it supports housing affordability for households across all income level - a key community vision in Olympia's Comprehensive Plan and Housing Action Plan.

"Accessory dwelling unit" means a dwelling unit located on the same lot as a single-family housing unit, duplex, triplex, townhome, or other housing unit.

Co-living housing means a residential development with 6 sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building. Local governments may use other names to refer to co-living housing including, but not limited to, congregate living facilities, single room occupancy, rooming house, boarding house, lodging house, and residential suites.



## Olympia City Hall

601 4th Ave E

Olympia, WA 98507-1967



## Contact Us

[View Directory](#)












Contact



Joyce Phillips  
Principal Planner

Phone 360.753.8314  
Email middle@ci.olympia.wa.us

Documents

-  Harmonization Report
-  Community Engagement Plan
-  Middle Housing Info Sheet
-  Accessory Dwelling Units Info Sheet
-  Co-Living Housing Info Sheet
-  House Bill 1110 - Middle Housing Bill
-  House Bill 1337 - Accessory Dwelling Unit Bill
-  House Bill 1998 - Co-Living Bill

  
Translate





## Land Use & Environment Committee

### Consideration of a Regional Home Energy Assessment and Disclosure Policy Recommendation

**Agenda Date:** 2/20/2025  
**Agenda Item Number:** 6.B  
**File Number:** 25-0132

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**Type:** recommendation   **Version:** 1   **Status:** In Committee

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#### **Title**

Consideration of a Regional Home Energy Assessment and Disclosure Policy Recommendation

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to forward the proposed model ordinance recommendation for a regional Home Energy Assessment and Disclosure Policy recommendation to City Council for consideration.

#### **Report**

##### **Issue:**

Whether to move to forward the proposed model ordinance recommendation for a regional Home Energy Assessment and Disclosure Policy to City Council for consideration.

##### **Staff Contact:**

Jaron Burke, Climate Program Specialist, City Manager's Office, 360.753.8429

##### **Presenter(s):**

Jaron Burke, Climate Program Specialist  
Pamela Braff, PhD, Director of Climate Programs

##### **Background and Analysis:**

###### Residential Energy Performance Rating and Disclosure Ordinance

The Residential Energy Performance Rating and Disclosure Ordinance, also referred to as the Home Energy Score (HES) Ordinance, is an education and outreach tool intended to help prospective homebuyers consider the full cost of home ownership, including energy costs, and identify (but not require) ways to increase the energy efficiency of the home. This policy requires that a HES is completed and disclosed as part of the real estate listing for subject buildings.

While the proposed HES Ordinance does not require energy-efficiency improvements, the HES

report produced by a HES assessment provides information on cost-effective improvements and the available federal, state, utility, and local rebates, incentives, and financing options to facilitate those improvements. This information has proven to be effective in encouraging homeowners to make energy efficiency upgrades.

A 2024 analysis of nearby City of Portland's HES Ordinance found that households with a HES in Portland are 10 times more likely to receive an energy efficiency upgrade than homes without a HES in Portland. 8.8% of HES recipient households in Portland pursued at least one energy efficiency upgrade offered by the Energy Trust of Oregon as compared to 0.8% of homes without a HES in a three-year period.

### Home Energy Score

Developed by the U.S. Department of Energy (DOE) and its national laboratories, the Home Energy Score (HES) provides homeowners, buyers, and renters directly comparable and credible information about a home's energy use. Like a miles-per-gallon rating for a car, HES is based on a standard assessment of a home's energy-related assets to easily compare energy use across the housing market.

The Home Energy Score Report estimates home energy use, associated costs, and provides energy solutions to cost-effectively improve the home's efficiency. Each Home Energy Score is shown on a simple one-to-ten scale, where a ten represents the most efficient homes.

DOE-trained Home Energy Score Assessors can provide the Home Energy Score within an energy audit, home inspection package, or as a standalone product. Local and national partner organizations help Assessors meet training, mentorship, and quality assurance requirements.

### Regional Implementation

Thurston County and the cities of Olympia, Lacey, and Tumwater have been working together since 2021 to implement the Thurston Climate Mitigation Plan (TCMP). In 2023, the jurisdiction partners established the Thurston Climate Mitigation Collaborative (TCMC) to support regionally coordinated implementation of the TCMP. Each year, the TCMC selects a regional initiative to advance in a coordinated way among all TCMC jurisdictions.

In 2023, the TCMC selected the development of a Home Energy Score Ordinance as a 2024 TCMC Regional Initiative. Throughout 2024, TCMC staff completed key tasks to design and develop the regional HES Ordinance, including conducting a series of focus groups with key stakeholders from real estate, building and other industries, and drafting a model ordinance for consideration by each jurisdiction.

The model ordinance was presented and discussed during the TCMC Executive Committee meeting on January 27, 2025. The Executive Committee recommended forwarding the proposed HES model ordinance for consideration by the TCMC jurisdictions.

While all examples of HES Ordinances or similar policies in the U.S. are single-jurisdiction, staff and stakeholders believe that this ordinance would be most efficient and effective if implemented across the Thurston region. With support from the community and interested industries, the TCMC are bringing the HES Ordinance to all four TCMC jurisdictions for consideration and may be the first in

the nation to intentionally build a regional HES program.

Note, the Land Use and Environment Committee received a briefing in July 2023 on Home Energy Score Disclosure. Staff recommended during the briefing for the committee to postpone consideration of a Home Energy Score Policy to allow for the regional initiative to be developed before bringing it back to the committee for consideration.

### **Climate Analysis:**

The Thurston Climate Mitigation Plan (TCMP) identifies reducing energy use in existing residential buildings by requiring energy performance ratings and disclosures for homes at time of sale as a key strategy for local action to reduce greenhouse gas emissions (See TCMP Strategies B1).

The HES Ordinance will enable a long-term reduction in greenhouse gas emissions by allowing prospective homebuyers in Olympia to identify ways to increase the energy efficiency of their home.

### **Equity Analysis:**

To ensure energy performance assessments are not overly burdensome to low-income sellers, the proposed ordinance would require the provision of subsidized home energy score assessments for sellers whose households earn 80% or less than 80% of the Area Median Income as defined by the U.S. Department of Housing and Urban Development.

### **Neighborhood/Community Interests (if known):**

TCMC staff have engaged the public on the HES Ordinance in a variety of ways since it was selected as a 2024 Regional Initiative of the TCMC. The TCMC Executive Committee and Community Advisory Workgroup (CAW) were engaged in reviewing project plans and draft ordinance language throughout 2024. The CAW is comprised of up to 15 interested community members representing a diversity of interests, life experience, and work experience.

TCMC staff also convened four in-person focus group discussions with targeted stakeholder groups in September 2024, and interviewed HES program managers at the federal, state, and local level between September and October 2024. The model HES Ordinance have been updated to incorporate feedback from engaged stakeholders as well as the TCMC Executive Committee and CAW.

A complete summary of stakeholder feedback received during the focus groups is provided in the attachments.

### **Financial Impact:**

The total estimated cost for regional program development (one-time program launch costs) is \$81,000. If the HES Ordinance is adopted by all TCMC jurisdictions (Lacey, Olympia, Tumwater, and Thurston County) and costs are split equally across the jurisdiction partners, the estimated cost per partner would be \$20,250.

Total estimated ongoing program management costs for Olympia range from \$9,000 (if costs are equally shared across jurisdictions) to \$24,000 (if costs are incurred independently) each year. More details are provided in the attached preliminary budget for the Home Energy Score supporting program.

Anticipated one-time program launch costs were included in the 2025 Climate Program budget. No additional costs for program development are expected. Long term implementation would incur additional costs for ongoing program management, as described above, beginning in 2026.

**Options:**

1. Move to forward the proposed model ordinance recommendation for a regional Home Energy Assessment and Disclosure Policy recommendation to City Council for consideration.
2. Do not Move to forward the proposed model ordinance recommendation for a regional Home Energy Assessment and Disclosure Policy recommendation to City Council for consideration.
3. Move to forward the proposed model ordinance recommendation for a regional Home Energy Assessment and Disclosure Policy recommendation to City Council for consideration with modifications.

**Attachments:**

Draft Ordinance  
Budget  
Stakeholder Feedback Summary  
Policy Review Memo

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE** of the City Council of the City of Olympia, Washington, adopting a Residential Energy Performance Rating and Disclosure Policy and adding a new chapter entitled Chapter 16.07 *Residential Energy Performance Rating and Disclosure* to Title 16 *Buildings and Construction*, as more particularly described herein.

**WHEREAS**, climate change is an existential crisis posing one of the most serious threats to the existence of humanity and all species on the planet; a threat that intersects and compounds all other crises facing humanity and our earth; and

**WHEREAS**, in February 2021, Olympia City Council passed a Resolution Declaring a Climate Emergency (Resolution No. M-2194); and

**WHEREAS**, in 2021, the City of Olympia accepted the Thurston Climate Mitigation Plan as a regional framework to reduce community-wide greenhouse gas emissions 45 percent below 2015 levels by 2030 and 85 percent below 2015 levels by 2050; and

**WHEREAS**, in addition to working on the regional Thurston Climate Mitigation Plan, in 2019, Olympia City Council passed a Resolution Expressing a Commitment to Protect the Youth of this Community from the Risks of Climate Destruction (Resolution No. M-2045) and to achieve net zero emissions by 2040; and

**WHEREAS**, in November 2021, the City of Olympia joined the Cities Race to Zero Campaign; and

**WHEREAS**, the Race to Zero is a global campaign to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero carbon transition that unlocks inclusive, sustainable growth; and

**WHEREAS**, the objective of this campaign is to build momentum around the shift to a decarbonized economy, and inspire action from cities around the world to cut emissions in half by 2030 and achieve net-zero by 2050 or sooner; and

**WHEREAS**, at the 2023 Thurston Climate Mitigation Collaborative (TCMC) Annual Retreat and subsequent Executive Committee meeting on June 26, 2023, the TCMC agreed to advance two regional initiatives for focused regional coordination in 2024: (1) design a Residential Energy Efficiency and Electrification Campaign and (2) develop a Home Energy Score Model Ordinance; and

**WHEREAS**, in 2023 the City Council approved an Interlocal Agreement among Thurston County and the cities of Lacey, Olympia, and Tumwater to support the implementation of the 2024 TCMC Regional Initiatives (Resolution No. M-2461); and

**WHEREAS**, the TCMC has engaged the TCMC Community Advisory Workgroup, members of the public, and held five focus group discussions with key stakeholders to develop this proposed Ordinance; and

**WHEREAS**, the TCMC finds that for a home energy disclosure policy to be effective at reducing emissions and informing prospective homebuyers, jurisdiction's codes should be amended to include this requirement.

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE** as follows:

Title 16 Buildings and Construction of the Olympia Municipal Code is amended to include Chapter 16.07 Residential Energy Performance Rating and Disclosure.

**Section 1. Purpose.**

The purpose of Residential Energy Performance Rating and Disclosure is to require that homebuyers be provided with information about residential building energy performance prior to the time of property purchase to enable more informed decisions about the full costs of operating dwelling units and to encourage investments in improvements that lower utility bills, reduce carbon emissions, and increase the comfort, safety, and health of building occupants. This disclosure is in addition to the minimum disclosures described in chapter 64.06 RCW.

**Section 2. Definitions.**

Certain terms, words and phrases shall, whenever used in this chapter, have the meanings defined in this section.

- A. "Director" means the director of the community development department of the city or their designee.
- B. "Energy" means electricity, natural gas, propane, heating oil, wood, or other fuel used for purposes of providing heating, cooling, lighting, water heating, or powering other end-uses in the building and related facilities.
- C. "Home energy performance report" means the report prepared by a registered home energy score assessor utilizing the reporting template provided by the director. The report must include the following information:



1. The home energy performance score, using methods developed by the United States Department of Energy, and an explanation of the score;
  2. An estimate of the total annual energy used in the dwelling unit in retail units of energy by fuel type;
  3. An estimate of the total annual energy generated by onsite solar electric, wind electric, hydroelectric, and/or solar water heating systems in retail units of energy, by type of fuel displaced by the onsite generation;
  4. An estimate of the total monthly or annual cost of energy purchased for use in the subject building in dollars by fuel type, based on the current average annual retail residential energy price of the utility serving the subject building at the time of the report and the average annual energy prices of nonregulated fuels by fuel type;
  5. The current average annual utility retail residential energy price in dollars by fuel type and the average annual energy prices by fuel type;
  6. At least one comparison home energy performance score that provides context for the range of potential scores. Examples of comparison dwelling units include, but are not limited to, a similar dwelling unit with Washington's average energy consumption, the same type of dwelling unit built to Washington energy code, or the same type of dwelling unit with certain energy efficiency upgrades;
  7. The identification of efficiency measures that may be installed directly by consumers;
  8. The date when the building energy assessment was performed;
  9. The name, contact information, and business license number for the registered home energy score assessor who completed the scoring; and
  10. Such other information as specified by the director.
- D. "Home energy score" means the U.S. Department of Energy's Home Energy Score which is an asset rating based on physical inspection of the dwelling unit or review of the design documents used for the dwelling unit's construction.
- E. "Low-income" means any household of the City of Olympia earning 80% or less than 80% of the Area Median Income as defined by the U.S. Department of Housing and Urban Development.
- F. "Real estate listing" means any real estate listed publicly for sale in the city by a property owner, representative of a property owner, or a licensed real estate agent.

Real estate listings include any printed advertisement, internet posting, or publicly displayed sign, including Regional Multiple Listing Service, Craigslist, Nextdoor and other social media platforms, Redfin, Zillow, Trulia, and other third-party listing services.

- G. "Registered home energy score assessor" means a person who has a valid and up-to-date certification from the U.S. Department of Energy as a home energy score assessor and who is registered with the city to provide a home energy performance report. To be registered with the city, a person must meet all registration requirements established by the director.
- H. "Sale" means the conveyance of title to real property because of the execution of a real property sales contract. Sale does not include the transfer of real property as defined in code 64.06.010 RCW.
- I. "Seller" means any of the following: any individual or entity possessing title to real property that includes a subject building, the association of unit owners responsible for overall management in the case of a condominium, or other representative body of the jointly owned building with authority to make decisions about building assessments and alterations.
- J. "Subject Buildings" means single-family detached dwellings, duplexes, triplexes, quadplexes, cottage housing, townhouses, and attached accessory dwelling units as defined in OMC Chapter 18.02.

### **Section 3. Authority of the Director.**

- A. The director shall administer and enforce this chapter's provisions.
- B. The director shall adopt rules and regulations, procedures, and forms to implement this chapter's provisions.

### **Section 4. Home Energy Score Rating and Disclosure for Subject Buildings.**

Prior to publicly listing any dwelling unit(s) of a subject building for sale, the seller of the dwelling unit shall:

- A. Obtain a home energy performance report for the dwelling unit(s) of the subject building from a registered home energy score assessor;
- B. Include the home energy score in all real estate listings and contact information to request the home energy performance report;
- C. Append the home energy performance report when attachments are accepted by the listing service;

- D. Provide a copy of the home energy performance report to all the following:
  - 1. All licensed real estate agents working on the seller's behalf; and
  - 2. Prospective homebuyers while the subject building is listed publicly for sale; and
- E. Maintain a copy of the home energy performance report available for review by the director upon request for quality assurance and evaluation of policy compliance.

#### **Section 5. New Construction of Subject Buildings.**

At or prior to the time of the first sale of a newly constructed subject building, the seller of the dwelling unit may:

- 1. Provide a home energy score that was generated from either design specifications or an on-site inspection.
- 2. Obtain and replicate a single home energy performance report for subject buildings constructed within the same land division using identical design specifications with identical features including, but not limited to, floorplan, type and amount of insulation, windows, attic fans, heating and cooling systems, hot water heaters, and appliances.

#### **Section 6. Exemptions and Waivers.**

- A. Subject buildings on federal land or tribal land shall be exempt from the requirements outlined in Section 4.
- B. The director shall exempt a seller from the requirements of this chapter if the seller submits documentation that the subject building is undergoing a transfer of real property as defined by code 64.06.010 RCW.
- C. The director may exempt a seller from the requirements of this chapter after confirming that compliance would cause undue hardship for the seller under the following circumstances:
  - 1. The subject building qualifies for sale at public auction or acquisition by a public agency due to arrears for property taxes;
  - 2. A court-appointed receiver is in control of the subject building due to financial distress;
  - 3. The senior mortgage on the subject building is subject to a notice of default; or

### **Section 7. Expiration**

The home energy score is valid for eight years after the assessment date (including new construction assessments as described in Section 4.F.), provided that no changes to mechanical systems, building envelope, energy efficiency or square footage in the home has occurred. For the purposes of this section, an assessment date is the date the assessment was completed.

### **Section 8. Violation.**

It is a violation of this chapter for any person to fail to comply with the requirements of this chapter or to misrepresent any material fact in a document required to be prepared or disclosed by this chapter.

*It shall be a civil infraction for a person, firm, or corporation to violate or fail to comply with any term or provision of this title. Each day shall be a separate infraction. A person, firm, or corporation found to have committed a civil infraction shall be assessed a monetary penalty as follows:*

- 1. First offense: Class 3 (\$50), not including statutory assessments.*
- 2. Second offense arising out of the same facts as the first offense: Class 2 (\$125), not including statutory assessments.*
- 3. Third offense arising out of the same facts as the first offense: Class 1 (\$250), not including statutory assessments.*

*Enforcement. [REDACTED] city may, but is not obligated, to enforce this chapter through chapter 4.44 OMC, Uniform Civil Enforcement.*

### **Section 9. Subsidy.**

The City of Olympia shall fully subsidize home energy score audits as required by OMC 16.07 for sellers whose households meet the low-income definition of this chapter.

### **Section 10. Limitation of liability.**

- A. This chapter shall be enforced for the benefit of the health, safety, and welfare of the general public and is not intended to create any class of persons to be benefited or protected nor to create any reliance relationship between the city and property owners, land purchasers, their successors, occupants, or users of structures built with or without a permit, or any other persons.
- B. This chapter is not intended to create any duty running in favor of particular persons.

- C. The obligations to comply with the provisions of this chapter are upon the property owner and their agents.
- D. Acts or omissions to act by the city, its officials, or employees, under this chapter shall not create any liability on the part of the city or its officials or employees, including but limited to actions that would subject them to damages in a civil action.
- E. This chapter is not intended to create a warranty of home energy performance, and functions to provide disclosures only. This chapter is not part of an agreement between a seller and buyer.

**Section 11. Corrections.** The City Clerk and codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

**Section 12. Ratification.** Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

**Section 13. Severability.** The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

**Section 14. Effective Date.** This ordinance shall become effective on May 1, 2026, after passage, approval and publication as provided by law.

ADOPTED this                      day of                      , 20                      .

CITY OF OLYMPIA

Dontae Payne, Mayor

ATTEST:

Sean Krier, City Clerk

APPROVED AS TO FORM:

Jake Stillwell, Deputy City Attorney

Published:

Effective Date:

DRAFT

## Preliminary Budget

The tables below provide a preliminary budget for the Home Energy Score (HES) Supporting Program, including anticipated one-time program launch costs and ongoing program management costs. Regional program launch and management costs may be split across the participating jurisdictions. Each jurisdiction would independently fund any costs for subsidized assessments and staff time within their jurisdiction.

Anticipated One-Time Program Launch Costs (2025)	
Item	Item Cost
Regional Program Launch Costs: <ul style="list-style-type: none"><li>Launch IT System</li><li>Launch Home Energy Score Report with Local Branding</li></ul>	\$25,000
Regional Program Launch Support Costs: <ul style="list-style-type: none"><li>Home Energy Score Report Customization</li><li>Program Workflow Tracking and Data Reporting Customization</li><li>Local MLS Analysis</li><li>Program Marketing and Outreach</li></ul>	\$36,000
Regional Home Energy Score Assessor Onboarding and Enrollment	\$20,000
<b>Total One-Time Regional Cost</b>	<b>\$81,000</b>
<b>Total One-Time Cost per Partner Jurisdiction*</b>	<b>\$20,250</b>

\* This cost estimate assumes an equal cost share across Lacey, Olympia, Tumwater, and Thurston County after adoption of the HES Ordinance in each jurisdiction.

## Preliminary Budget

Anticipated Ongoing Program Management Costs		
Item	Item Cost	Cost to Olympia
<b>Regional Program Management Costs:</b> <ul style="list-style-type: none"> <li>IT System Fees</li> <li>Quarterly Client Meetings, Quarterly Reports, Basic Data Analysis</li> <li>Annual Summary Report</li> </ul>	\$20,000 per Year	\$5,000 per Year*
<b>Additional Administrative Costs:</b> <ul style="list-style-type: none"> <li>Assessor Continuing Education &amp; Technical Assistance</li> <li>5% Quality Assurance (QA) Rate</li> </ul>	\$35-50 per Score	N/A - Supported by Administrative Fee
Subsidized Assessments for Low-Income Households	Set per Jurisdiction	\$4,000 per Year
Staffing Costs for Compliance	Set per jurisdiction	Negligible**
<b>Total Ongoing Regional Cost</b>	<b>\$20,000 per Year</b>	
<b>Total Ongoing Cost to Olympia</b>	<b>\$9,000 per Year</b>	

\* This cost estimate assumes an equal cost share across Lacey, Olympia, Tumwater, and Thurston County after adoption of the HES Ordinance in each jurisdiction.

\*\* This cost is negligible if compliance is implemented through a required field on the Northwest Multiple Listing Service (NW MLS).



# Thurston County Climate Mitigation Collaborative (TCMC)

## *Home Energy Score (HES) Model Ordinance Development Stakeholder Engagement – Focus Groups*

### Summary Report – October 2024

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## Background:

In September 2024, the TCMC team conducted a series of in-person focus groups focused on the TCMC and HES Model Ordinance Development. The TCMC team presented HES activities to key groups of industry professionals, and collected critical feedback for use in recommendations to finalize the HES policy. The following summaries of each focus group are provided for reference.

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### Focus Group 1: Real Estate Transaction

**Date/Time:** 9/17/2024, 3 -5 p.m.

**Attendees:** Dwayne Boggs, Home Inspector, Boggs Inspection Services  
Polly Barber, Realtor, Homes by Polly Barber  
Anya Myer, Realtor, ReMax  
Kim Piper, Realtor, Thurston County Realtors Association  
Garen Thatcher, HES Provider, SwiftSure Energy Services

### Key Points:

- General
  - HES will not drive home sellers to do upgrades, but may educate and inform them for future homes, and may provide a roadmap for buyer-financed improvements. The HES is then informational and educational only.
  - There is general confusion about the HES and the Home Energy Rating System (HERS, used in new construction primarily).
  - The real estate transaction process is complicated, already overly bureaucratic and time-constrained in its procedure, and highly emotional. The group felt that adding a HES requirement without creating a simple, streamlined approach would add additional burden and that home buyers and sellers would not be motivated to take any action on HES results during the transaction process. **They strongly suggested that the HES at some other point in the process could be highly educational and valuable to homeowners, but not during sale.**
  - Energy is currently part of the home inspection discussion, but not front and center because there are so many other competing, higher-priority issues.
  - This is more of an educational and informational opportunity than opportunity to directly influence upgrades at time of listing.
  - Thurston County doesn't have low income purchasing, it's too unaffordable.
- Administration of HES Program:
  - **Should be separate from real estate agents to create third party neutrality to scoring. Real estate agents also do not want associated liability. Also note in the**

skill set of real estate agents. Differentiation was noted in the training and licensing requirements of Realtors versus real estate agents.

- Program administration (i.e. Energy Trust Oregon) can be income producing.
- There is concern about the quality of information generated by the HES versus a full inspection using traditional test methods (i.e. blower door, duct blaster).
- Utility programs used to offer free energy “inspections” that could have been used to provide HES free of charge to qualified utility customers. Now they are online/consumer-implemented.
- Should target key neighborhoods for outreach where both income level and age of buildings is optimal for improvements.
- Consensus was that if it’s not a mandatory program it’s not worth pursuing. However, compliance became a large point of discussion and most felt that it was not enforceable because of current understaffing and the necessary focus on health and safety.
- Tracking projects over time in a countywide database to see progress over time is necessary and prudent.
- Valuation & Financing
  - There is a disconnect between the cost of implementing energy upgrades and the value realized in the appraisal process. There should be engagement with the appraisal industry and some requirement for the use of Green Addendum (Appraisal Institute).
  - If a model like Energy Spark (Energy Efficient Mortgage lenders) could be promoted and HES were a requirement by the County, it would allow more homeowners to utilize an EEM.
- Workforce Development
  - Mandatory program creates demand for service and demand for trained workforce.

**Focus Group 2:** Building Industry

**Date/Time:** 9/18/2024, 9 -11 a.m.

**Attendees:** Ben Francois, Habitat for Humanity  
Mark Shepherd, New Homebuilder Superintendent, Rob Rice Homes  
Jessie Simmons, New Homebuilder Owner  
Kevin Zwink, City of Lacey, Code Compliance Officer  
Nate Kilby, Right Way Home Inspections, Owner/Inspector

**Key Points:**

- General
  - Contractors are not recommended directly as it can be seen as favoritism, but there are often no consistent methods to vet contractors
  - The idea of a new facet to hinder the already burdened transaction process resurfaced, and that **negative information might decrease the value of the home or profit for the seller.**
  - Anything that is a new requirement from the government will leave a bad taste in people's mouths.
  - Passive House Institute was referenced as a good source of education. **It was suggested that a trifold brochure or other communications materials describing the HES, with QR code to more information, would be helpful in transactions with consumers.**
  - Write low-income subsidization of the cost of getting HES into all program rules and processes.
- Compliance
  - Jurisdictions have limited code compliance and inspection teams who are already unable to complete caseloads, and are focused on life safety and health concerns first. The likelihood that compliance can be supported by local government is next to none.
  - Potentially, if compliance was tied to mortgage signing, the fees could be taken out of escrow at closing to pay and collect HES. **There has to be a way to handle it outside of municipal enforcement.**
- New Construction
  - Energy performance is driven by energy code, which is very stringent already. **New homes will inherently score very well with HES because of code requirements.**
  - **A path needs to be provided to provide "equivalent" score on new homes meeting energy codes – and other voluntary above-code programs – without adding cost or process.**

- Energy improvements raise costs that are then incurred by the homebuyers, and that raises prices on other homes in the market.
- Meeting high levels of energy performance has increased cost.
- Existing Homes
  - Energy is not part of the conversation with sellers and buyers, just when noting equipment or features (i.e. windows, no insulation, old equipment) that could need to be updated and suggestion to talk with contractor.
  - Appraisal process should be looked at – how would they calculate these improvements into their values (Green Addendum, Appraisal Institute was again referenced).
- Low-Income
  - Low-income buyers should not be expected to handle the financial burden of incurring rebates, they should be grant.
  - Need to be cognizant that low HES could eventually equate to lower home value, making older homes in low—income situations less desirable or valuable in the market.

**Focus Group 3:** Mixed Industry Professional

**Date/Time:** 9/18/2024, 12 – 2 p.m.

**Attendees:** Jordan Howden, Weatherization Program Manager, Community Action Council  
 Nate Krebs, Weatherization Superintendent, Community Action Council  
 PK Long, Code Compliance Officer, City of Tumwater  
 Doug Mah, Director of Public Policy, Thurston County Chamber of Commerce  
 Dietrich Schmitz, Advanced Downpayment Assistance Program Manager, Washington State Housing Finance Commission

**Key Points:**

- General
  - Energy Spark program (energy efficient mortgage) is available in Washington and requires a HES. There is little awareness or uptake of the program, seemingly due to low promotion and lack of HES at sale, transaction process timing limitations. There were additional concerns raised about anything that complicates listing and sale of houses, already very complex, arduous, expensive.
  - There is little awareness of the HES and high concern about additional government intervention in private-sector processes.
  - Programs must be mandatory or they are ineffective, at best.

- HES is very “watered down” compared to other home energy assessment models.
- Sellers and buyers can circumvent the required HES at listing by simply not listing the house (i.e. for sale by owner). This needs to be remedied somewhere in the finance process.
- This could be considered akin to septic system inspection and functionality requirements at sale, where energy performance and carbon emissions are considered (in future) to have some limitation at time of sale. Could also be considered like wood stove replacement at time of sale or major upgrade (building permit pull).
- Concerns were raised about future requirements for certain energy performance levels at time of sale.
- PSE should participate significantly in providing assessments.
- Before requiring HES, there should be an education and outreach campaign leading up to launch.
- Compliance
  - There are significant barriers to cities and jurisdictions doing enforcement of noncompliance of HES at listing, most related to funding and staffing issues that will remain unresolved. Needs to be built into financing process to be effective, could also be financially incentivized instead of fine-based.

**Focus Group 4:**      Mixed Industry Professional

**Date/Time:**            9/19/2024, 2:30 – 4:30 p.m.

**Attendees:**            Thea LaCross, Executive Director, Thurston Housing Land Trust  
                                  Kristine Rompa, Senior Local Government Affairs Representative, PSE  
                                  Mackenzie Winchel, HES Program Manager, Earth Advantage

**Key Points:**

General

- Land trusts are unique, and considered as developers not “homeowners” and cannot access some incentives. It is a confusing landscape for new initiatives like the Thurston County Land Trust to figure out how to improve home performance for their buyers pre-sale.
- There is question about renters and creating incentive for landlords.
- Transaction timing is a legitimate concern. Requirements should be put in place for those vendors agreeing to provide scores to conduct quick turnaround times, and contingencies should be in place in case timeline isn’t going to work.

- Workforce – need to create a training plan to ensure there is enough trained workforce 3-6 months ahead.
- PSE energy assessment and upgrade programs should be engaged to provide input and participation.
- In Portland, data shows that homes with HES are 10 times more likely to access utility rebates for improvements.
- The home sale process is already fraught with cost, bureaucracy, and emotion. This process needs to not add red tape, and be part of existing processes such that it's an insignificant effort.

#### Program Administration

- Starting with an education phase and moving into compliance is wise, rather than starting with "a hammer"
- Ensure administrative rules and processes are clear and simple.
- Oregon systems allow real estate agent to go into MLS and bring information from HES scoring tool into MLS. Need to think through this process in Thurston. May need to do outreach to assist in the process. Technology is important – what is being used to generate the score, store the score, and connect it to systems like MLS?

## Notes:

### Focus Group 1

Garen does HERS scores and Built Green.

1. General Questions?
2. Assessment Type Topic: Are you familiar with the US DOE HES?
  - Garen: Energy Trust of Oregon uses this as an income producing. \$25 of every audit went to energy trust to maintain the system. He saw that almost every realtor decided to get certified as well as part of their service.
  - Kim: Inspections are usually separate from the realtors, a third party on purpose. New requirements tied to time of sale, realtors are against because its more cost to the seller. What about off-market sales? Sellers disclosure statement like septic inspection. Only 150-300 bucks and its great to connect homeowners to figure out how to make their homes more efficient. A lot of their life is driven by the appraisal process, they don't see that appraisers are willing to give value to a more efficient home. There has to be a way to assign value to a more efficient home so the lender will write the loan for the buyer. Also, liability with what is disclosed.
  - Polly: I wouldn't want that liability on a score, that's not her forte.
  - Garen: There is no liability, its such a subjective thing. [...] There are probably 5-6 energy rating companies in Portland area when this was produced, nearly 300 people wanting to get into this business but didn't have the expertise in how to do in-depth audits. If you've got someone that skilled, its hard to get their (50-75 bucks an hour 3 hours to do the job), its hard to provide at a good cost. When a homeowner got the score, they would not necessarily make improvements nor pay for the scoring to update with improvement.
  - Polly: It depends on the client if this would be valuable. If there is a seller unwilling to improve any of the findings, who is holding them accountable?
  - Kim: A home inspection process the seller may not perform any of the items the buyer wants, but the buyer has more information about what they're purchasing and create a plan. A different demographic of buyer will be interested in this. There is liability, if a homeowner makes a statement about something and its found later there is a different finding there can be issues. She thinks there is a lot of confusion between HES and HERS, but it is usually done in new homes.
  - Dwayne: Has been hearing about this for a couple of years, and it died off. Where is the value, how do we turn this? Where is the education for the seller or the possible buyer, and where are the incentives? He is surprised to hear it come back up. He is the



President of local building inspectors association, hasn't heard anything about this for years. Has there been any place where this has taken off and worked?

- Garen: How much value would there be if you're only spending 45 minutes on an inspection? Concerned that companies doing this would do poor quality, surface level – no blower door, no crawl space, no r-value inspection.
- Dwayne: Where is the education? Need to provide information on incentives.
- Polly: not in favor of it, if you find something that is old you need to do a home warranty and maybe the buyer doesn't have the finances to fix things. This is more of a government run money maker. The buyer is going to have an inspection anyways. She gets you want the best for all parties, but you would hope that the owner would be upkeeping the home. Weigh what the benefits are for that home or those clients.
- Anya: Struggling to find out why we would do this. If there was a demand, inspectors would see that in demand for his services. Part of their conversations with their clients is energy, yes, but also shiny nice things that buyers want in their homes. When they get to the table of negotiations and buyers want certain things, sellers can refuse. Why are we asking the seller to take on more costs to just have a number associated with their home so the buyer has more opportunity to negotiate. Requiring the seller to pay for something that mostly benefits the buyer. Does it really benefit the buyer?
- Dwayne: Years ago the County did a \$99 audit on existing home, not part of a transaction. The seller could make improvements and the buyer could still walk. Why wouldn't we use an entity to target existing people? When we did the \$99 audit, how did that work for you guys?
- Garen: it was a subsidy, cities paid a portion for that. For a while some of the jurisdictions were using City staff.
- Dwayne: do they have any data?
- Kim: that's why they suggested this, we don't have any data, and the built environment is a large emitter. Why is it part of the real estate transaction? Why not go neighborhood by neighborhood to educate. We keep missing the forest for the trees, most of the time its the air flow its the gaps, insulation, etc. Target neighborhoods at a certain age, especially if neighborhoods were built at a certain time. Educate groups of people.
- Garen: the one good thing that it does it increases the visibility and importance of this. If it shows up on your listing, people start realizing this is important. Any European city real estate says the cost of heating and cooling per year.
- There is no way right now to get operation costs, you can request it from PSE and they wont give it and the occupant behavior impacts that.

- Kim: We just need to get started somewhere.
- Anya: I think that there is value in this, she did an energy audit herself because she felt it was important and valuable. But if she was in the midst of buying a home (costs, emotions, etc) this may not be the most important thing – but when not involved in that it could have more weight. Maybe in America we're a little flashy and we value the backslash more, than European energy value disclosure.
- Dwayne: What if this was done in existing homes and it could be a selling point – you have to have the consumer that wants to upgrade the house to increase the score. It's got to be a good homeowner. During a transaction, its too much going on.
- Summary: the valuation of energy improvement, the incorporation of HES or eval during the transaction process because of the noise. Equity issues related to lower income clients.
- Garen: Last year helped a friend homebuying process in Portland, looked at 50 homes, every one had HES, she never brought it up it was not part of her decision. Anecdote of one person. He asked realtors, how many people are paying attention to this.
- Kim: It ends up being like the seller disclosure statement in WA, or the Thurston County time of transfer. She agrees we need a database to not have failing systems. Real estate transactions are much more miserable than they used to be. There isn't much time to do all this discovery. Austin succeeded too, because the score and the outcome of the score then ties the homeowners to the resources and connected with contractors, and an allotment per property to help with improvements.
- Polly: Did they incentivize the people of Austin to do this?
- Kim: They had approved contractors and oversight. The government organized it but independent companies supported it. Its not always about capitalism and money, we have a planet.
- Polly: But then people are paycheck to paycheck
- Kim: lots of young people will buy a smaller home to have a smaller footprint
- Polly: if this was done community to community would it work better?
- Kim: Yes, and connect them to the resources.
- Polly: doesn't feel like its being shoved through their throat.
- Dwayne: the timeframe of getting contractors to do work within the transaction time also is difficult, it ends up being the homebuyer who makes the changes.
- Garen: what about making it part of the inspection process?

- Kim: its optional
- Dwayne: we do a limited score, but we don't even send the energy report out until 5 – 6 days after we do the inspection. They explain that this is future, down the road stuff for the buyer. Most people who buy into that care about carbon, etc. Younger people do this, but they lay it out later after they do the negotiation for the sale, but they still give them a punch list. Its not a negotiable report, its a FYI.
- Garen: wonder how useful if the inspection is done on a non-windy day, that only gets caught if they do a blower door test.
- Dwayne: there are a lot of emotions involved in a sale.
- Anya: if its part of the inspection, its a buyer cost not a seller cost. But then the murky waters the seller doesn't get to see the inspection anymore. How do we work through the negotiations if only one party has the number. I do think this is important, but I'm struggling with how we would attach it to an already challenging situation.
- Dwayne: buyers and sellers get their heads wrapped around the silliest things. I didn't see a reason to have their heads spin around something that is basically irrelevant.
- Garen: would finding mold in the crawlspace be as important as no insulation in the attic or walls?
- Kim: health issue and air quality, and that is the trigger for some remediation.
- Garen: he has inspected homes that pass the inspection and then a month later found that ducts were disconnected in the attic and weren't heating. A comprehensive HES (too little), HERS is too far. HES is lipstick on a pig.
- Dwayne: timing of safety and health issues.
- Kim: One of the brokers in her office, she had a duplex and the furnaces were failing (gas), Capitol sheet metal came in and knew everything about the rebates and taught the homeowner for the tenants about electrification. They did the math for her what the benefit would be for her tenants, and brought the cost down to a reasonable level. Capitol sheet metal chose to be an expert.
- Dwayne: you go to the existing homeowner. Target them, homes 15 years or older.
- Kim: Or with pulling permits for new construction or remodel.

### 3. Discuss the impact of occupancy and operation.

- Anya: I don't think we have low income purchasing in Thurston County based on our prices. They can't afford to buy in this market. The home inspectors do a really good job of educating clients, like a wall heater could be challenging on a pocketbook.
- Garen: I put my duplex HERS score on the zillow rental listing, both tenants said I'm choosing this because I know my utility bills will be lower with you than if I went to the duplex down the street. Got faster turnaround on vacancies because got people who were looking for that and came to him for that.
- Dwayne: See the listing and see average payment, people are willing to disclose that. I don't see what the issue is for an average utility price.
- Polly: I've had clients asked to find what the utilities are per month and they've done it. There is a way to get it, and then it just goes back to what their budget is set for.

#### 4. Energy Performance Reporting slide

- Polly: the usefulness of the information would depend on the buyer.
  - Kim: depends on education and communication. How do we create a desire for buyers to see this?
  - Anya: I think it would be beneficial. We have more inventory than we have had in the past, but we still lack. If I show waterfront and we've been looking for a year and meets all the needs but the score sucks, the buyer would buy it and figure out how to fix that at a later date.
  - Garen: I would concur, and with new construction model as well.
  - Kim: I did an experiment. I worked hard to build a green home and she did an appraisal done, and the appraisal wanted to do the appraisal so he could see the house. \$300,000 worth of improvements made into the design – no attic, no crawlspace, extra rigid foam, but there was no way for him to give value to that.
  - Garen: did you rater give the energy addendum? Not much bump in value? I got a \$90k increase in mine. Aren't all appraisers being trained on the green energy addendum. Every house we do, we give the addendum.
  - Stacy – its used to standardize anything green for appraisal. It comes back to valuation and investments in a property and how they're valued by appraisers.
- #### 5. Energy Performance Disclosure slide – are the results of a HES something you would discuss with clients or would it be incidental?
- Kim: I would discuss it with clients, especially first time homebuyers because they don't understand the holding costs.

- Garen: How much are Energy Spark mortgages used in our County? That would be a huge thing, it would be a brilliant. 1 point reduction.
- Pamela – you would need to have the HES at time of listing if you want to use this lending opportunity, if it didn't exist when you come to the table it would be too late with the timing of sales
- \*none of the realtors knew about the Energy Spark mortgage program
- \*there was a visible a-ha moment for relators

## 6. Compliance

- Garen: Question – brand new house, low hers score, does not require HES score be disclosed if it was. Would that cause conflict in how a home is listed in MLS if it had a HERS score and didn't have to give a HES score.
- Kim: that's confusing that its opposite with HES and HERS
- Garen: Another conflict would be a brand new house that doesn't get a high performance home standard but is meeting recent state energy code which is very high in WA. What HES does it come as a default? What reporting and disclosure comes from a 2021 code house? Can it just come defaulted?
- Garen: How would it have any weight if its not mandatory?
- Polly: There is no accountability.
- Kim: if you have more money you can hire an attorney and fight stuff. Fine high. People wealthy enough don't care about the fines.
- Anya: Voluntary doesn't exist to me. Who is going to volunteer to spend more money on something that is typically expensive.
- Dwayne: Why would we try mandatory since we don't even enforce what is out there now?
- Kim: Current practices make compliance a joke.
- Dwayne: its a whole state issue – accountability.
- Kim: the administration of a fine system probably costs \$180 to collect when the fine is \$100. What a full time FTE is? What if all that money was spend on education.
- Garen: I've had lots of these conversations with Code officers. Energy code is not being applied as a code across the state. They look at their job to protect health and safety – they're looking at issues that could harm someone. The fact that there is a code out

there that can save the state 0.5% in electricity usage statewide is not as important to them as health and safety. I can't argue with their point.

- Garen: If this happens, I would advocate for there to be a countywide database stored and that be mandatory. Whoever inspects these homes needs to keep a database of the scores and addresses, so we can look in 5 years to see if we're doing any better.
- Dwayne: This has been around forever, but there isn't data on the system.

## 7. Low-Income Subsidization

- Anya: More information is always better. Who is providing that information and that follow up to their questions? Is it realtors is it inspectors? Who will give that information?
- Kim: Who do they go to for that expert advice? We are not the experts on this.
- Polly: I wouldn't feel comfortable to give that information.
- Kim: We have to get started somewhere. I have a sense of urgency about climate change. We need to put cooling in for tenants, how do we modify our infrastructure for storms?
- Stacy – if the collaborative could provide that information, would that help?
- Polly: Sure, that's more information that you're able to provide to your client. I'd rather go to a third-party vendor who has that as their forte.
- Kim: Way fewer than half of real estate sales are brokers anymore, there is a difference between who does this. There is a diverse level of skill in our industry. That's why we defer to experts and referrals.
- Garen: I look at it as an educational thing for the seller completely. I will never sell another home without having an inspector come in and tell me what the buyer's inspector will find. I'd do the same thing with an energy rater. As a seller, you rely on the realtors to give you expertise, and they could give that information.
- Polly: is most of your work up north?
- Garen: tacoma, seattle, portland, vancouver. We've done a lot of audits on normal residential properties.
- Kim: Buyer pays for inspection but forms are very clear that we don't disclose what we find on the inspection. We end up not providing – once seller knows condition of the home they can't un-know that there is something large failing – and we all think you'd share that information but if there is financial hardship it doesn't get shared.
- Dwayne: what about that changed with the whole disclosure?

- Anya: litigation

#### 8. Regional Coordination

- Garen: No, they should not create a countywide policy to implement this on a countywide process. HES is doing to cause more confusion than implement its goals. I did 2 of these, and I won't do anymore. Its not a profitable line of business and it doesn't help the buyer or the seller.
- Kim: Its really difficult to explain if there is a different score or practice. If something does happen, its better if its the same in all the jurisdictions.
- Garen: Do you have 1 utility?
- Dwayne: If everyone is doing something different, it would be a mess.
- Garen: if you're doing it, do it regionally. If you're going to implement a bad program, do it consistently.
- Polly: it should be all equal and across the board.

#### 9. Anything else?

- Garen: Id like to hear more about Energize Thurston.

## Focus Group 2

### 1. Assessment Type

- Jessie: Is this creating something new or is it similar to HERS rating, and does it create a market where it disrupts that pipeline – like a homeowner moving to a better house, but I want to sell my house is it going to block me from selling my house? How would this impact that pipeline?

### 2. Experience with home energy performance

- Nate: As a home inspector we don't do much at all with energy performance, looking for damages or existing situations. Nate does the basics well, but some inspectors have add-ons and do thermo-imaging and will charge extra to look at a home's insulation values and make some assessments, but generally its not done for normal home inspection. Customers do not ask about energy performance or climate. Intrigued by energy assessments of homes for energy to be an attractive feature as part of home-buying.
- Ben: Looking at it from a different angle, we've been partnered with Olympia for Energize Olympia and we do do some minor efficiency work. We haven't looked at ratings yet. This year they have about 1 Million in grants for home repairs. We also build the new homes energy efficient, funded by grants, ESDS and things. Homeowners opt into tracking and get a \$50 gift certificate – they can either show bills or get a tracker installed in their equipment. Evergreen Sustainable Development Standard.
- Mark: Its not an elective process, its driven by the energy code. We do a lot of stuff we don't want to do and it doesn't make sense and it adds a lot of cost. We do stuff like solar panels, and we don't have sun. Getting to meet energy code is really hard, we have to try new products that haven't been tested well, you don't know what problems you'll run into. A hidden cost goes directly to homeowner, there are groups out there doing home assessments based on the energy but that goes into appraisals. The energy score rating increases the cost of the house, the cost savings in energy gets rolled into the cost of the house. A house you could sell for 690 sells for 717k – the cost goes back to the consumer, and that market price raises other home prices.
- Kevin: I'm around building inspectors and building official and they're always dealing with energy credits for new housing, that puts a strain on some developers.
- Ben and Mark: the new energy cost is expensive.
- Jessie: Over the past 10 years the cost to meet energy code has gone up ~\$100,000 The last code cycle 14-20k, code cycle before 10-15k.
- Mark: Solar doesn't make sense here, but its a way to meet energy code here.

### 3. Compliance Slide



- Mark: That feels a bit inverted because the homes that need the most improvements are not included.
- Jessie: My thoughts are around the new building code, we're at least 2 code cycles ahead of the rest of the country. People may see as doubling down on these requirements when they're already meeting new energy codes. Might affect the sale of the home. Maybe up to 4 years ago homes built might be exempt as well.
- Mark: All new homes in WA are EnergyStar certified because of the energy code. Getting an additional rating doesn't make sense in WA.
- Nate: Would Energy Star work for the high efficiency standard requirement?
- Jessie: in theory the new builds would have a higher score because of the energy code?
- Ben: Since we built to the ESDS, its actually higher than the state code. We get a third part analyst who comes and certifies the homes to meet those standards.

#### 4. LMI buyers

- Jessie: I wouldn't say there are no low income homebuyers, they might just not think that they can. Low income buyers may just not be buyers because they don't think they can. I've been poor enough to have to scrape for change in the ashtray to get gas, I get it, if you don't know you can afford it you think you can't. This ordinance might increase the upfront home cost, but people are concerned about the upfront cost even if there is cost savings over time.
- Nate: they just want home ownership.
- Jessie: Poor people don't seek rebates.
- Ben: Our average household we serve between 80-130% AMI, we have a waitlist of 500 families in Thurston County. We just had one homeowner drop out because they got higher income, for that one house we have 50 applicants.
- Ben: I think the impact would come to LMI homeowners currently and going to sell their house and getting a decent price to make it affordable to move on. With the energy program with City of Olympia, we saw a lot of homeowners who have been in the home for a long time and they don't have heat or cooling, its an old housing stock. Would a HES score affect their ability to sell their home if it was a low score. We have a large older population now transitioning to moving out of WA because of affordability, might be a less favorable house for someone to come in and purchase.

#### 5. Education with Score

- Nate: its a great conversation and a real conversation, to have information that would help improve that homes' performance. During an inspection, sure, if I had the

knowledge to communicate what the score means and what I'm seeing everyday then refer to specialists. A score would add an interesting conversation – information is power and its important.

- Ben: Commerce puts out a lot of funding for nonprofits to do webinars, and education across the state. We got SEEK funding to energize. There is funding to facilitate the right educational pieces.
- Mark: Target group is current homeowners, not new builders.
- Nate: for remodelers, yes

#### 6. Transaction

- Mark: the seller makes the improvements to try to cash out on more money. I did this, added insulation. It was 5k improvement and I got 20k more out of the sale.
- Nate: my gut says 10% or less of sellers might be savvy enough, with conversations with real estate, they might have that conversation and make some improvements to get ready for sale. 10% maybe would put money into the improvements might cause the value of the home to increase. 10% would be fairly substantive.
- Ben: I see this as a potential hinderance, they don't want anything that is going to affect the transaction. Might drop the value of the home because there are obvious needs for retrofits, or the cost of retrofits decreases profit for seller.

#### 7. Energy Performance Reporting

- Jessie: the incentive information could be useful, but it depends, LMI people are not seeking rebates, but if it was built in somehow
- Ben: going through this, for nonprofit, this is beneficial I can go to grants to help these people.
- Ben: Energy spark helps the seller be less burdened if the buyer could roll that into the mortgage.
- Jessie: people need to know that program is there.

#### 8. Implementation of upgrades

- Nate: the home improvement specialists, but where do they go to get the money to do some special loans for this? The resources you go to the weatherization specialists, remodeling, etc
- Jessie: Go to omb.org there is a business directory for everything you can think of associated with the building industry. We do have tons of members with experience with energy efficiency, mostly self-selected.

- Kevin: we don't give recommendations from the city as that could show favoritism.
- Jessie: LNI website to check a contractor's background, but outside of that no vetting on energy professionals
- Ben: King County and nonprofits that are in the educational aspect of energy efficiency, but we haven't applied for those grants locally
- Jessie: City of Olympia has a good program to learn about incentives.

#### 9. Regional

- Jessie: it could be good, smart people will replicate what was done right first. Olympia has a good program, model after energize. Do the things that are already working.
- Ben: They are, with Energize Thurston. Our educational program for group purchase is attracting people from all over the county.
- Nate: Energy is not part of the conversation. The simple you've got old windows, versus updating windows, do your own cost benefit. If you've got an older furnace, suggest they do cost analysis and talk to specialists. We have those general conversations about the homes as we're inspecting them. I have folks that I know and refer as specialists.

#### 10. Disclosed

- Nate: probably going to have some grumbling of sellers and their real estate agents for the first few years as they're getting used to it. This is going to detract from potential market price and during inspections they will have to have that discussion.
- Kevin: I could see people trying to sell their homes before this is implemented if their home is older and they think it could affect the price.
- Jessie: do they buy again here or do they move out? At the point of sale is where its going to impact people. There may be a rush to sell and move on. The ones that haven't done the upgrades will lose out because they're competing with those that had.
- Ben: Our buyers buy the home for 30% of their monthly income no matter what.
- Mark: I've done 400 walk throughs, nobody ever costs about the cost of electricity, sometimes they ask about how much the solar panels will produce.

#### 11. Valuation

- Mark: Depends on what level of people are buying a home. If you can spend 1,800 a month on a house, you only have so many to choose from. If you can't afford the 7 score it doesn't matter.
- Nate: How would appraisers calculate that into their values?

- Jessie: I believe a VA appraiser would.
- Ben: I can see a VA appraiser saying it has to be a 7 or higher.
- Ben: I more worry about what underwriters are going to think. If a home is below a 5 are they going to think its too scary to underwrite the mortgage.
- Nate: thats scary. That would be the worst case scenario for me, to be denying loans for the process of buying a home because the underwriter builds it into their process and formula – I would not like to see that.
- Ben: especially as the state gets stricter and stricter in energy codes.
- Mark: those manufactured homes are starting to look pretty good.
- Nate: would this affect appraisals. An area of old homes might go down if buyers are choosing better scored homes, because appraisers are using comps in that area. Probably a small effect, unless the appraisers had standards to use the rating as part of their valuation then it would be a more direct impact to the home value.
- Nate: information is valuable and the information is cool, I'm excited about the idea of having that information but anything that makes homeownership more expensive or less attainable, anything that is a requirement from government to implement you have to – that's a bad taste in people's mouths.

## 12. Other

- Ben: we're moving closer to building passive houses, there is a program called VS that does educational webinars and they have passive house education. That would be a resource they would give. Its accessible for the layman. PHI – passive house institute.
- Nate: a trifold brochure explaining what the energy score is with a QR code. Nice talking point during the transactions.
- Mark: its usually a cost analysis the highest value at the lowest price
- Jessie: most of our audience are builders, but he gets phone calls all the time. They put out a magazine, emails, and articles on housing industry to the public. I could see us doing a page on the website with all the educational resources, we do classes at the office on a variety of things. If we had a contact that is very knowledgeable we'd have them come teach a class.
- Ben: We're working towards being HUD certified to train, I see that as a component. HUD training for the public.
- Kevin: I'm from Puyallup, the first thing I did was get a real estate agent that a co-worker recommended.

- Nate: research and find a good agent to start with and do interviews to vet the agent
- Jessie: get the agent first, but I've done redfin in the past
- Mark: energy code changes every 3 years. If you look at a home 30 years ago its wildly different from 10 years ago and then from 10 years ago to now.
- Jessie: if you're looking for a specific, early 2000s is when they started ramping up energy code. Before that, in the 1990s, they had a NW Energy Star. Basic home is the highest rated in the rest of the country.
- Jessie: Maybe if you're the average customer they would assume that newer homes are built to a higher standard and the older ones are not, maybe the energy score would prompt them to buy an older home if it had a higher score.
- Mark: if your energy bill would be \$200 a month, its only getting a % with each energy code, you can only improve so much. Blower door tests, all mine come in as 2, but it used to be 4. Would that be saving someone 2 dollars a month? The benefit is the last 2 code cycles put heat pumps on the houses, before that no heat pumps. In this next one, having hot water supply within a distance.
- Jessie: Mandated heat pumps in 2020 cycle, but you essentially had to put in at 2018. Heat pumps are mandated in new construction but you can have a gas backup, but you can't have it as a primary. The gas backup is a negative for energy equalization credits. 2021 is when it was mandated. Thats the thing now, builders are now building to chase credits, which is why it started earlier than the 2021 mandate.
- Mark: a credit is about \$9,000.
- Ben: we've been doing heat pumps for the last decade, now we do ducted in every room.
- Jessie: When we were looking in 2014 we were seeing homes with more heat pumps.
- Kevin: I am the only code enforcement officer for the City of Lacey, there is nothing in the code that says that they have to, this would greatly increase my work. I don't have a lot of experience with energy code, most of the time I'm dealing with people if their house is habitable or not, not worried about energy efficiency. Conversations between building inspectors, building officials. We would have to have someone that one of their main focuses is to look at listings to determine who is out of compliance. I don't have time to be proactive in enforcement, I mostly deal with complaints. Olympia has 4 code officers.
- Jessie: valid point with the staffing. In our industry we're seeing jurisdictions don't have the staff to keep up with what is happening. That means requiring more FTEs, which is

more funding and building departments are usually funded by permits, etc., which means increasing the cost of housing.

- Nate: I wish there was another way to gain compliance to this versus enforcement and adding cost to municipalities and having that negative, if there was a better way to achieve the result without the negative and the cost.
- Kevin: if you had an expert, I'm the guy who deals with people who have roosters at their house, if you had someone who is a climate type person who is doing enforcement that would be good
- Ben: say this takes off and we have an older housing stock in an older area of time and they're all trying to be a 10 and then PSE is doing calculations on what the grid can handle?
- Nate: well efficiency would be less energy
- Jessie: IBEW may be a decade out from the staff and infrastructure to be able to support electrification.
- Nate: fine the gate, find the other way
- Mark: the irony is that fee could be charged up front if the realtor is held accountable.
- Ben: what if it was more tied to signing with the mortgage, take it out of escrow if they didn't pay it
- Kevin: or something would be flagged. I've been there 4 years and I can't say when we've issued a fine. We do a criminal complaint and that goes through the attorney for a lien on the house. Half the time the attorneys don't prosecute what I want them to. It would have to be very clear as to who is handling that.
- Nate: there is a way to do it without municipal enforcement. How many homes are sold on MLS with realtors vs outside of that.
- Kevin: I think you'd want more getting to comply if it affects the price rather than a fine.
- Nate: At closing, flag if there is no energy score, the seller needs to reserve \$300 to pay for that score.
- Ben: if it goes through escrow, there is a lot of downpayment assistance for those who are in the lower income area, that fee could be written into that. Write it into the rules.
- Jessie: anything you can do to – homeowners feel there is a lot of punitive
- Kevin: that would be better

- Mark: even if you're a homeowner on redfin, you can't list it. You'd have to have someone registered as a certified scorer to make sure the information was accurate.
- Nate: puget sound energy, we pay them a lot of money, do they not want to participate and don't they want to lower their impact for environmental and decrease stress on the grid. Shouldn't they want this.
- Mark: everything they do seems to be opposite to this.
- Jessie: everything they've pushed puts the burden on the homeowner.
- Mark: the next two plats we're developing we're not putting in new gas, so that makes more stress on the grid. Now if you want to put gas in on a housing project you're looking at \$7k to put that in.
- Jessie: that also might be a question to bring to the UTC.
- Nate: awful frustrating from his standpoint, he invested in solar on one of his houses, I wish I wouldn't have thrown that dart at it because questioning if that was a good investment or not. I can't get ahold of anyone from PSE to help me look at my property where they had to review and approve this solar system, they just keep sending me bills.
- Nate: it would be cool to see a 2 rating and an 8 rating and see the energy cost and see 50 homes in that 2 category to compare.
- Jessie: make the incentives obvious, poor people aren't looking for rebates.
- Mark: try to go from bottom up for incentives. When you're at that spectrum it is harder to find stuff. I remodeled my house, its was from the 1970s, it was harder to remodel for energy very little insulation, just the envelope the bills went down 50%, I offset those costs in 6-7 years. The solar panels you get negative money a month, on that end, it goes to the illogical side of things. Encourage from the low end – on the improvement side of stuff – building envelope, ductwork, replacing windows. Those are relatively low costs that make a huge improvement to the house.
- Jessie: on the cost of housing I recommend going to not just the NAHB, OMB, and BIAW on how these programs are impacting the cost. For every 1k cost added to a home you're pricing out 42 WA families.
- Ben: at title when you set other pathways for MLS, even if you're owner financing you have to go to title.

### Focus Group 3

#### 1. Assessment Type

- Dietrich: we have a little bit. Our energy spark program when it launched it used HERS report as the criteria for the program, we have since then added HES as a method instead of a full HERS report. The cost of the HERS was doubled for HES and we felt that this DOE method seemed to still get us to a good place.
- Doug: I'm thinking about how you're framing this and I'm trying to find a comparable. Energy rating on appliances, I will look to see what its energy rating or estimated cost is. Same thing with mileage on a vehicle. Manufacturers in those cases gives a rating of efficiency at time of purchase, and once I buy it I'm done with it. I'm a typical homeowner. I've never gone back to see if the energy efficiency was equal to the claim, the closest I come is Mpg on a car, because its also reoccurring. As I look at how we do this, the closest analogy is tailpipe emissions in some communities you need to have your emissions checked on your car before you renew your license. I suspect most wouldn't have it checked except now the license renewal is contingent upon checking that box. Its information for the consumer in advance of a purchase and then as a regulatory standpoint a thing you got to do to get the thing you really want.

#### 2. Compliance

- Dietrich: if its not mandatory its not going to happen. The real estate transaction is one largely driven by brokers and mortgage lender. They want the most simple a to b. Adding an additional item generally is optional will mean it will not happen. We've had energy spark in place for 7 or 8 years, if borrowers use their program to buy a home they get a ¼ lower interest rate on their first mortgage, if its new construction it needs to exceed WA energy code by 15%, for existing homes we have folks go through a retrofit with a HERS or HES rater and figure out the energy use of the home and come up with improvements to increase efficiency at least 10% or more, it usually only happens if there is a really zealous homebuyer and the market isnt' too hot or heavy. Brokers will steer people away from anything that makes a deal more complicated. Since 1993, if you were doing a FHA or VA loan, you always had the option of an energy efficient mortgage. There is a great white paper about the EEM. If you go to your mortgage lenders to ask for it on your loan, they will scratch their heads but they wont do it because it adds extra process. Because of several factors, its probably because real estate brokers don't want added complications. Many contractors might also not beat down the door for 10k worth of work to do improvements. It you want a program that has a bite to it in the marketplace, it has to be mandatory.
- Doug: I think it depends on what you do with it. If part of the condition is that you have full disclosure to the buyer that might be ok. But I think for initial implementation people will hate it because we don't sell homes that often. When I decide to sell a



house, I typically have a timeframe in which I need to complete the deal, and this is one more thing that stands in the way of relocating. The infrequency by which we do this combined with the barrier to the ultimate outcome creates discontent and the realtors will blame someone. But then the question is what happens once you get the score. If now the buyer can leverage it to ask for improvements similar to a home inspector, now there will be even more pushback because now you're taking money out of the sale. It depends on the size of the gig now, if its 1k of small work, it will slow down the process to get a contractor, and do we even have this workforce to do this work? I don't know what the remedy is during the transaction period. Imagine buying a heat pump and now you the purchaser have to use it before you can use it – similar to energy star ratings being done by manufacturer. What to do the score other than buyer beware. Another pushback is what part of private don't we get? Its a private sale of a private asset. Now the government is assessing my private asset and influence that in my private transaction. Encroachment needs to be addressed.

- Nate: I think the HES is a piece of garbage, because it is so watered down it means nothing. Our program gets funding from DOE, utility, state, etc. The program started under DOE 50 years ago, the legacy of that, everything we do is required to be justified based on savings to investment ratio. 40 years ago they realized all the . We're home performance more so than energy efficiency. Indoor air quality, health and safety of the inhabitants, and energy efficiency comes with that. DOE makes us justify air sealing, etc. on if it pays back in kw savings. This number will mean nothing to people. Energy savings is not where you, until we tax carbon, energy savings doesn't cover the cost to make these improvements. There are a lot of good reasons to do this, but HES doesn't do enough to get us there.
- Dietrich: Isn't HES the scale of 1-10. Its based on local comparison.
- Nate: Yes, there are smart people who put it together and I'm sure it works in some context. I just know the more they try to simplify the utility programs to justify the energy savings, but its not a simple calculus, its just not. You can look at it and see that its not energy efficient but also see people living in it are suffering poor indoor air quality. Then what can you do after that. You can't get a contractor to make the house better. Our whole building industry is specializes and there are incentives to do all the wrong things.
- Doug: I like the idea of it being owner driven. Part of the reality of selling a home is I clean the carpet and mow the lawn before it goes on the market, but I might not do that he first 10 years I live there. How do you do a good job of having existing homeowners do these improvements without associating it with a timeline. How do I game this? How do I get the highest score with the lowest effort. Like gaming LEED. If I were selling a home that needed to have this, if I need to have a higher score I'm going to find the cheapest, easiest, fastest way to increase my score.

- Doug: I would just not list the home to avoid the process, for sale by owner. The key thing here is the listing. The challenge here is realtors get ongoing education as part of their licensing renewal and it's done at the state level, so now you have a one-off. Thurston County realtors would have to take a special class, buyers would need a special notification. Who is going to do that?
- Dietrich: speak with local MLS they would be a good partner, they do classes. They would be the only source point. The MPG was a great analogy, you as the consumer can measure it. That's the great thing about MPG is that you can have confidence in it. The only measurable result that the homeowner has that is palpable to them, is their energy bill. I like what I see on PSE's bill where they show you your energy usage this month and same time last year and difference in average temperature, so you as a consumer can confidently go I put in 3k of insulation it looks like my energy use is down as a result. You can have confidence as a consumer rather than feel like government is making you do something that is good for you. If the homeowner can't measure that themselves, some work needs to be done. Consumers don't normally know how to make their homes more efficient. I do training each month and I ask folks what the most effective energy efficient improvements – I hear windows and solar – but those are the most expensive. It's the insulation, the furnace, cracks, air sealing. There is an awareness campaign that will help your cause overall is by helping consumers know the cause and effect and getting to an efficient place so that they're on board with it. It's a good endeavor and cause but not everyone understands the details, consumer education campaign ongoing and then having something measurable with the energy companies so they can see that their bills are lower. Make it clear – cause and effect.
- Doug: I agree. It's a consumer lifestyle. The challenge at making it at the point of sale is that that's not a lifestyle, it's part of a transaction. It's not transformative, it's just a thing I gotta do that is in my way. It feels like it's an idea written by bureaucrats for what is the easiest way for me to achieve this rather than having more knowledge as homeowners to know what I can do to make my life better.
- Nate: what if you compare this to time of sale for septic systems, that's a good analogy. We don't allow people to dump into Henderson Inlet because of shellfish, we require at time of sale. Maybe now you're not allowed to dump your carbon into the atmosphere.
- Doug: yes like that. If you've ever talked to someone who had to spend 5k to repair the system before they could sell it, they wouldn't say it made their life better. It feels punitive.
- Nate: it doesn't feel better if you're the one holding the bag, but it's for a good reason.
- Doug: there is a slippery slope. If it's just a disclosure so you can know, but maybe later we decide that you need to have a minimum of a 2 before you sell your house. I can

make this a health safety issue. And now I'm trying to influence the market and the market will find a way to compensate and work around it.

- Nate: I think HES gives us something to go off of. Dietrich's point it is a consumer education thing, if someone gets a HES of 3 they're going to get sold a new heat pump system but really the 3 is because the ductwork is disconnected and the heat pump won't work like the energy star label says because stuff isn't working. It is a good place to start and gets the conversation started. I think about time of sale for septic, ive encountered the pain in the butt it is, but its a worthwhile thing. At some point you need to stop that leaking septic system from leaking into the bay.
- Dietrich: I think doing something is better than doing nothing and PSE needs to be a big part of this. Given the data set that Assessors have on homes and what PSE has there is some possibility to look at those data sets to look at homes given age, ft 2, etc to have a list of top energy users in the county. We've always had enforcement that buildings need to be not dangerous and meet codes. Having government step into this role that there is less direct danger but an impact to the community for inefficient homes. Even though its slow to make decisions, you're best enlightening people so you get more people on board on the program. Target most likely inefficient homes, that will get you further in the long haul if you put that baseline work in. Having the HES even if its just everyone has to have a score, but being overt and maybe some day we might say before the home sells it has to be a certain score, but now we're raising awareness. Be direct about it. The problem of the HES in the long haul, it doesn't measure against an objective standard, like WA Energy Code, they're all going to be above the standard but under some mark on HES method. Its not a perfect system but its going to move us forward.
- Doug: If jurisdictions are interested in moving forward, that you place it on the ballot as a referendum. This is a tax by any other name.
- Deitrich: before I'd like to see that, I'd like to see the education so people have an informed choice.
- Doug: If you do this over a period of 1-2 years before its on the ballot, so people can make informed decisions.
- Doug: savy seller is going to build \$150 into my sale. The cost of housing, what is another \$100, 250, 5k dollars and pretty soon the nickels and dimes add up. We're adding to the cost of housing, even though the intent is to draw down the cost of ownership.
- Dietrich: promotion of the cost of ownership, the most you can have a visual means the better off you are. Thats something I can have certainty in, being able to work with PSE to report savings for the households that have gone through this. Id be curious to take lessons from the portland experience to see what lessons is to be learned.

- Doug: I don't think its very useful because its not real time and its not constant and persistent. A better tool would be a meter, similar to mpg in your car, to think about your own health like a smart watch to show you your blood pressure, etc – real time information gets you immediate information. This is a point in time score and its not occuring in real time. If I had to pass a meter every day that said my energy level, I would wonder how to change that. This is why people have scales in their bathroom. Its transactional, not transformational.
  - Nate: that would be something to get the existing owner to make the change, this is a different lever. If we really saw the difference it would be the cost of electric or a gas tax, but consumer education, we're likely to repeal CCA because consumers are getting some information, but its debatable if that information – which groups are loudest and best funded. Might not be in the best collective interest in the long run. The point of putting it on the ballot is that people don't always vote on their best collective long term interest. This does have a useful meter for the buyer to look at, to compare. People won't do stuff unless they have an incentive to do it. Most people will look at energy efficiency payback and wont do it because it doesn't cost enough for it to be a cost savings. Its only 10cent per kwh, so they don't worry about it. These are expensive improvements to be made.
  - PK: If I'm looking at a house the last thing I'm going to look at is a score. I'm not going to not choose this house because of the score because I have other needs to consider. I think with a lot of consumers its not going to be a deal breaker, decision maker. This isnt going to sway my decision. You look at listings and other types of indicators, I don't look at this. As a seller its one more frustrating thing. If the house price raises by 10k, thats a long time before youre cost neutral if the improvements cost 500. Everyhting we see in recent history, information, seatbelts etc. Of course I'm going to raise my house by whatever repair is made, as a seller that would be my requirement. I may already be under a tight budget from moving from house a to house b, 5k could sink that whole transaction and require major life changes.
  - Deitrich: the market is going to have an influence on prices that is bigger than that. As someone who has recently sold 2 homes, there is a lot. Its jut one of the pieces.
  - PK: I look back to CFLs and how much I was supposed to see energy bill go down, and I watched it, same with LEDs, I haven't seen a change in the usage in my power. Why did I invest all that money. Even solar, which I'm glad to have, I'm looking at 20 year payback, thats a long time for payback.
3. Energy performance reporting
- Dietrich: thats all good and useful. I think something that hasn't been talked about, people to tend to decide with their pocketbook but they like to see actual results. I look at it and I don't trust the savings estimate. I trust when I see my bill goes down. There is

an aspect to be added, you need someone in the totality of who is involved in this to be a goal maker. In addition to individual incentive which is necessary, you need to take this on as a community to get over the hurdles. What is our goal for 10 years for now for average household energy use. Make part of that the campaign, so that for those of us who like to be altruistic, we can look at a dashboard that compared to 10 years ago things have improved. We're in the richest country in the world, at the richest time. We're doing magnificent. We don't have it bad, but we can complain about it. Its good to align us to something that is a bit more aligning than just our pocketbooks.

- Nate: it sounds like a good idea if it would work, how do you do that? We have a society right now that is pretty selfish.
- Doug: Community goals are really hard to set. What happens when you achieve it? We have a hard time setting community goals. Our contribution to reducing whatever is not making an impact because of what is occurring in some other country, it seems like a waste of effort, because from a global perspective we're a drop in the bucket. I got other things I need to worry about. It makes us feel better, it compensates for things we've done in the past, but community goals are really hard.
- Deitrich: its the magic, uniting a group around the goal. When you're successful it makes it easier to overcome the hardships.
- Doug: as a community or society we don't think that way in the long term. Large mobilization efforts were about a crisis, win the war and then the war was over, but to reduce and sustain its the sustaining part that is problematic for goal setting. Its a good idea, I think its hard. Still run into the problem of who set that goal. This is one more thing to keep track as a community member – there are so many other things, we have goals about student success, lifestyle, etc it is endless now the things we need to be monitoring but yet obesity is a huge health problem for our youngest resident. We can't get people to eat right let alone invest in their home.
- Nate: if we took this, 5 years out this got implemented and was another thing people would need to do, do you really believe it would be that big of a deal in the transaction. The septic inspection was just something else you need to do, you get the home inspection, probably the home inspector becomes and gets a 50 dollar bump in price to do the energy inspection its not a big deal. If you think about it in those terms it doesn't seem like that big of the deal.
- Doug: valid point. But thats part of our problem.
- Nate: are you suggesting nobody is going to sell homes anymore, thats hyperbole
- Doug: implementation is going to be so critical
- Nate: if it was done right, sorry for the hassle here is why, but it could happen

- PK: I think for some it would prevent a barrier in selling, again if it becomes more of a factor and those additional dollars I need to spend on home score, it could be a specific barrier. Incentives are great but they never fund fully.
- Nate: lets assume its just the home inspection, no requirement to do anything, just for information
- Doug: they leverage it. I want the seller to pay for the repairs
- Nate: In theory, are we against consumers having more information?
- Deitrich: in 5 years no, it would be normalized. Is it too much to ask for? No. In 5 years, would it get you where you want to get to? Would the car have driven to the destination, or only get halfway there? Also have accountability to see if you're getting there. If we're not, adjusting the program.
- Nate: that is a fair program.
- Deitrich: the low hanging fruit, I bet if you look at the full data and did eval, and took the bottom 25% of homes we could really get
- Nate: what are you going to do about it, those poeple can't afford to fix their homes
- Deitrich: there are numbers that could be gained, this would help increase the numbers. Part of delivering this is discovering new things. Be accountable to the goal.
- Doug: I think we could just do it, its more regulation and red tape, and some of this is thinking through the calculus of political capital. I would argue that citizen initiatives that are rollbacks of legislative action, those were all passed signed by government and now but it is costing political capital to sustain this.
- Nate: even though with CCA it was 10 years worth of back and forth between parties. It takes 1 powerful individual to put it out there and all of a sudden 10 years worth of work is undone.
- Doug: that's a political reaction to a political cost. Is it worth it? If your political capital is finite, is this what you want to do? If I need something to happen down the line, how will this effect trust for moving other stuff down? I'd rather be spending 2 hours in a focus group for a balanced calendar in our schools.

#### 4. Data

- Nate: is it, if a house is out of compliance, is that publicly available?
- PK: not easily. FOIA.
- PK: On the board WA Association of Code Enforcement. Majority of cities are complaint driven. You've have to have 1 FTE for this compliance. Cities do not want to do

enforcement. Its icky. He has major cases on the books since 2018 that have measurable data driven negative effects on the community and cities don't want to do the enforcement on it or bring it to court because that enforcement is icky. That would be a huge shift in the way that code compliance is done, its code compliance not code fining. A lot of code enforcement cases are not a neat and tidy 30 day issue. Personally, some cases are 6-7 years and some before that. Average looking at 120+ days, and that is standard. You'd have to have a minimum of FTE for this. Thats a lot of salary and benefits. Some jurisdictions would not be able to afford it. There is no way, personally, that I could fit that in my work schedule, even when I get my 2<sup>nd</sup> on board that would take up so much of our time its impractical. Would I have the city to start levying fines?

- Nate: What is the mechanism for time of transfer for septic?
- Doug: It might be the lender
- Nate: I'm talking about in certain watersheds there are requirements to have a time of transfer inspection – pumped, inspected, and repairs. With that, the sale could not go through and future sales too. What is the mechanism?
- Deitrich: I hate fines, I like government signoff to move forward. I think its both the lender for underwriting guidelines and the COunty wont record unless they see the green light on their screen. NWMLS could easily trigger adding form. For those small percentage outside of that norm, then you hit the county as not recording the transaction on their end. The end of the day, government always needs to have some sort of finding mechanism for outliers that escape everything else. Use may rather than shall might be prudent.
- Doug: It almost feels like it would be better to create an incentive to participate. I get \$500 if I list the house this way.
- Dietrich: what about the carrot? If you meet some criteria on the home, tax credit on taxes. It gives you an incentive point, and the ability to be more voluntary. Savings is material and measurable. People are happier when they get rewarded for positive behavior.
- Doug: this feels very punitive, you're required to do this. Its easier to sell something when I have an energy score, that's positive, rather than hey you gotta do this.
- Nate: what percentage of sales are not going through a realtor? Or mls?
- Doug: the business of being a realtor is changing rapidly. The recent court cases about how their compensated, calculation around commission and who pays for that. How does this work with the redfin of the world? We're thinking about this very local, but part of the challenge for realtors now is redfin, where everything is done online. You may be creating a program that is too dependent on a single occupation.

- Nate: that sounds like an unlikely thing to happen if local code enforcement is the mechanism
  - PK: I can think of all kinds of barriers to make this unsuccessful, the appetite of local jurisdiction to do serious enforcement is not there. Jurisdictions that have made – other states have proactive code enforcement and it ends up being a nightmare. There are a lot of challenges and a lot of barriers that cities aren't going to want to do that icky thing, especially since there are safety issues not being enforced.
  - Doug: you'd need to have enough inspectors out there, home sales are pretty emotional events, how do I do this? If there aren't enough, there could be a backfire. You don't want to become your permitting department- people hate those because they slow things down. You don't want it to have that impact.
5. Nate: where in the process is this?

#### Focus Group 4

1. Assessment Type
  - Mackenzie: I have a lot of experience with HES, but Home Energy Performance, this is often used on existing homes, folks like to think about their home in terms of what their grade is and what they can do to make them perform better. The list of recommendations is helpful and you can reassess and rescore to see your outcomes moving up the scale. When I think about home performance I think about a homeowner wanting to make a home perform better.
  - Kristine: I bought a home 2 years ago and this was not at the forefront. I was looking at price and interest rate. I didn't even ask if it was gas or electric. Wasn't familiar with HES until the collaborative brought this up. I wonder how this is going to help the environment and reduce GHG emissions. Am I really going to say that I want a higher efficient home. From a utility perspective, we're all for it because we have standards to meet. If we don't meet those standards, everybody is going to pay, because we will be censured by the UTC. So we support all efforts by everybody. We used to do home energy audits, it wasn't cost effective, too expensive for the company. I don't know how many people use our online self assessment. We all have to meet that goal. Its been difficult, we've had goals that the company has set for efficiency but we have not met them. Last year we met them for the first time. (not sure of sector or details, suspects overall). PSE has so many incentives, windows, insulation, etc.
  - Thea: We're really deeply in this right now, we were just meeting with Community Access Network. I believe most of our tenants are LMI, we want to convert them to



homebuyers. Meanwhile, there is no insulation and the energy costs are ridiculous. I hadn't heard of the HES at all, I love that idea of having a comprehensive idea of what you're looking at when you look at the data. Its not just climate, it also affects the affordability of LMI people to buy those homes. They're going to have to make decisions, and we want to empower that. If it was a reliable number at the time of inspection it would be really useful. \$400 heating bills all baseboard heat. The weatherization, they're going to do a full audit. Its per building.

## 2. Compliance

- Thea: Ordinance implies regulatory.
- Kristine: What about renters? Will you create a new branch of the collaborative to have the capacity? What if they don't pay? What if they don't do it.
- Mackenzie: Launching a program you need to make sure the cities and the implementation team have an understanding of the administrative rules so you can avoid pitfalls with exemptions and compliance – administrative rules. Setting up systems for something like this, we have systems that connect via API the DOE modeling tool and another software program that speak to each other and we take that information and create reports that are branded and locally focused. For example, jurisdiction boundaries and how to deal with issues applying those boundaries for customer service. Make sure Assessors know where they're required to do assessments and when they're not. Be crystal clear and have well set up systems. Thinking about compliance, as an adopter of this methodology, start compliance with an education lens for the first year or two, not so many hammers right away so people get used to it, and as time goes on starting to issue fines.
- Kristine: Can you appeal if you don't like the score?
- Mackenzie: Yes, go to the quality control team. If there is any dispute it should land in the QA's person's lap. We take 5% of the total scores. Typically we weigh our QA on new assessors, not necessarily random, so we can help mentor to get scores better. Its a really good time to built realationships with real estate community. They're going to need to have a workflow in place to represent the seller. We have a system where the realtor goes into MLS and clicks a button to bring information into the listing. Might need to do some outreach, like webinars, to talk about the process. Developing with regional MLS.
- Kristine: that makes me think about electric load, it would be helpful to know how many home sales we expect on an annual basis because we might need to build new lines to support new loads.
- Thea: the educational number would provide the incentive, the incentive would be to have a more efficient home

### 3. Energy performance rating

- Mackenzie: it depends on how technology works behind the scenes, and that can be dictated by a MLS agreeing to share the data and setting up an API, those relationships and contracts need to be signed. MLS needs to be willing to play ball. If that happens, then, the real estate agent goes to the home profile and goes to the green profile, clicking a button, addresses match, then it brings in the numeric score and a link to the url to the report. It goes from DOE, then green building registry, then goes to MLS.
- Kristine: Big Brother!
- Thea: the timing I can see would be critical. As a home seller your agent will tell you you have to do things and if one of the things to do is the HES score, you have to do it, have it done, get the data in. I can see resistance to that.

### 4. Timing

- Mackenzie: Totally legitimate concern. That is a common concern that comes up prior to launch. When the requirements go into place, there will be people who want to be trained to do the work to meet the demand. The turnaround time is pretty quick. The assessors clients are realtors or sellers, and they are aware of the urgency. Usually, its 1 hour to score, takes 15-30 mins to put into modeling software, and then its ready for the listing. A couple days turn around time is average, if there is a technical glitch what we do as an implementer we go to the compliance team and let them know that there is a technical issue to slow down the process so they pause on sending out compliance notices. If everyone is talking together its a short turn around time, and if its not communication helps.
- Mackenzie: In Bend OR 2 July ago we did this. We trained a lot of people very quickly. If we want to be really aware of all the people who do these scores and wants to take a workforce development lens, do outreach to the communities create equity with job opportunities. It takes 3-6 months to get people trained up. Decide what your cap might be in terms of training assessors. For backgrounds, home inspectors, high performance home verifiers, general contractors, entrepreneurs. If you're an energy auditor, that's further down the path of learning and knowledge. This is a step into the industry. The tool automates the recommendation, your job is to collect data on the site.

### 5. Performance Report

- Kristine: I'd want to know what is the biggest bang for my buck to improve my score
- Thea: especially if you had that up front you could build that into your sale process, ask for things to be improved in negotiation
- Mackenzie: Time of disclosure policies it can go different directions. If you have an assessor, its important to train them on the incentives to make sure they're sharing that.

AND if they're aren't able to communicate that to the homebuyer because they were working on behalf of the seller, for them having it listed what incentives are available. The reports we have have prioritized measures with the best ROI, and then here are the other ones that are priorities of the program are listed below in a more customized recommendation even if its not meeting the ROI. Homebuyers are excited to have that information at a starting point to talk to a contractor and get the work done. Educate assessor market and make sure the report is clear enough.

- Kristine: If I have a question about my report who do I reach out to.
- Mackenzie: the assessor and you'll have their contact information. The homebuyer could link back to the assessor that they didn't work with.
- Thea: we raise funds (private or state and county) to acquire homes and we keep the land, we find subsidies to reduce the overall cost. Our market is 80% or lower AMI, for homeownership which is kinda a high bar. The model is we continue to own the land and buildings, and the homeowners own the improvement. We support them, stewardship is important, like help prevent foreclosure. Something like this would be absolutely helpful in them looking for properties. Renovation and resale, you don't know what you're getting. Existing buildings are in a price we can afford to subsidize. The first one was donated, people are taking less than the fair market value. Or we get a really good deal, it was a decent price and we got a grant from the housing trust fund, the subsidy stays with the property, when they resale they don't get that downpayment back it stays with the house. This really does mean a lot to us.
- Kristine: so I sell, I put in a 15k system, I get that money back?
- Thea: when they sell they get a flat rate of equity on the investment including improvements. They do own it, but they can't flip it for 2x the amount, you get what you put in and percent appreciation plus you get your loan payments and tax write offs. It makes it important that we put people into good houses. We're doing improvements before we enter the program. It would have been very useful to have that going into this. We had a usual inspector and they did not give us this much detail. For people like Homes First, they do rental for low income, they're acquiring the units and they're bearing the cost of utilities.

## 6. Subsidy

- Thea: if PSE gave homeowners a rebate, they get credit for the energy system they put in. If they sell the home in 2 years they would get most of that back. There is a warranty deed on the land.
- Kristine: I'm wondering if PSE might want to get back into the business of doing it if its going to be required. Everything we do is regulated by the UTC, they could have been the ones who told us the program would cost too much or maybe there were equity

issues I don't know. AS a company we would be supportive of the scores, it could potentially increase our vendors work if they take advantage it could increase the number of incentives we pay out. We have to meet our GHG reduction goals and if we don't we get penalized and every rate payer is going to pay that. But this could add cost to the home and it could be shooting yourself in the foot. From an energy perspective, its a good thing and I can see it spreading quickly.

- Mackenzie: Recently in portland we share data with energy trust of oregon and they do analysis on how the conversion of the homes that get scored vs not. What she considers a finding is that homes within certain timeframes, homes that are getting scored are 10x more likely to follow through with a utility rebate. We're excited to see the start of these findings.
- Kristine: do they track incomes too? Portland is not a poor area.
- Thea: there isn't anything that links weatherization programs with the home except for address.
- Mackenzie: there could be coordination with weatherization agencies. They often have their own modeling system and funding.
- Kristine: someone told me that weatherization saves more than anything else.
- Mackenzie: so far there hasn't been any impact on someone not being able to move forward with a sale. If you're in the green building registry that operates programs with mandatory disclosure, the scores are public.
- Kristine: am I going to have someone knocking on my door to buy a HVAC system because of my score?
- Mackenzie: that hasn't happened so far
- Kristine: they could do that on your build date from the home assessor
- Mackenzie: we haven't heard complaints about this. 2018 was when we launched the Portland program, the market is starting to transform.
- Thea: but looping back if this is an ordinance, that would make it a public

## 7. Virtual score

- Mackenzie: that would be a US DOE question. Nothing has been approved so far.
- Official vs Unofficial – official has qa/qc, tracked ensured for accuracy. There could be a reality where a virtual score could be done but not official.

## 8. JBLM

- Kristine: Is JBLM in Thurston county? You wouldn't be able to mandate that for federal land.

## 9. Mandatory vs Voluntary

- Kristine: people don't like being told what to do, then inflation adds \$300 on the sale of the house. I think it should be mandatory from a PSE program, anything that helps us cut GHG emissions. Rate increases may happen if we don't meet GHG goals.
- Thea: I think people do resist it they don't want more red tape, selling a house is already hard with these things, but it's only one more thing and if it's accessible and not horrendously expensive and if it's bundled in to a service something that has to be done anyway, so it's a flow. Mandatory makes sense, but the education makes sense because it's mandatory to benefit you.
- Kristine: if it's voluntary you're only going to get the elites, the people who afford it.
- Mackenzie: On the ground, we see programs that do this voluntarily or mandatory. The programs that do it voluntarily there is no demand. High performance home programs, they would be the kind of homes trying to get scores in a voluntary market. It's not going to provide consumer awareness and protection. If you want folks to be aware of this during their buying process, it should be part of every single home.
- Kristine: have you thought about it being a ballot measure? Did folks vote for this in Oregon?
- Mackenzie: Council, unanimous vote.
- Mackenzie: the data has a projected estimate for ghg per home. I'm not sure if energy trust in Oregon tracks that. They have two estimates to compare.
- Kristine: how is it making any difference? We would need a system to track the sale and then any rebates.
- Mackenzie: need an incentive for a post-hes score so if you do all the work then you have that comparison. Energy trust hasn't incentivized that yet.
- Mackenzie: IN OR if you have gotten work done on your home you should get a new one when you sell, but it's hard to track.
- Thea: it also seems like 3,000 is a drop in a bucket.
- Kristine: you eat an elephant one bite at a time.
- Thea: we didn't go through MLS

- Mackenzie: the administrative rules says these are things that are publicly advertized for sale. Its really hard to enforce private sales, I'm sure there are things slipping through the cracks. Title company idea has come through but it han't been done.
- Thea: I'm just wondering in the best of all possible worlds how would this impact me

#### Home Energy Score Focus Group 9/18/24

Notes are a little all over the place and I wasn't able to track who said what. Anywhere it says "Habitat –" the representative from Habitat said that. "Lacey –" is the City of Lacey code enforcer.

#### **Recommendation 1 General thoughts and feelings. What experience do you have with looking at home energy performance? Do you talk to customers about home energy performance?**

If I want to sell my house does this block me from selling my house to then purchase the next one. Potentially making the housing pipeline harder.

Home inspectors don't really talk about energy performance at all. Some inspectors have add ons to do thermal imaging and have add ons.

**Do your customers ask about energy performance?** They do not. This could potentially be a selling point or decision-making push.

Habitat – Energize does minor weatherization upgrades. Habitat can opt into a tracking on their home where they report their energy use.

Manufactured homes are driven by energy codes forced into installing higher efficiency 'new' products and have a lot of costs to the house. Solar panels we don't have sun. Just to try to get to the energy code pushes boundaries. Forced into new technology, one of the hidden costs that go directly to the customers are the appraisers. Higher efficiency savings then get rolled into the value of the house. Cost gets passed onto consumers.

Expensive energy codes. Most of the stuff makes the house better, what is the cheapest option I can do. Solar panels are the cheapest thing you could add right now. Last code cycle added 14-20 thousand. Previous around 15,000. In the last 20 years 100,000 added to the cost of the home.

#### **Recommendation: Develop compliance approach that encourages widespread adoption**

Houses that need the most energy improvements. We are at least 4 years ahead of the rest of the country see this as doubling down as additional requirements. With energy code why would we have to do HES as well.

New houses are under Energy Star certification. Additional rating maybe doesn't make specific sense in Washington State. Inherently new construction will have a higher code already because of these stringent energy code.

ESDS falls higher than state energy code. Habitat follows this.

**Prompt: Talk about LMI people. Rating itself and educational piece about home buying costs. Impact of HES on LMI folks.**

There aren't no LMI people. LMI buyers may not be buyers bc they don't think they can. If you did something like this could add to the upfront cost could save money. Poor people are afraid of the upfront cost. Poor people don't seek rebates.

Habitat – 500 families on the waitlist for homes. Serves people under 80AMI.

**Prompt: If HES was promoted would the score allow people to understand the utility bills of the house?**

Habitat - I think the impact would come more towards LMI homeowners right now. Saw a lot of people who have lived in their home right now. City of Olympia have an old buying stock that are now looking to move out of the state because of favorability.

**Prompt: Is there opportunity to educate home buyers on the score. Where would you be able to use this score to provide improvements for home buyers.**

It's a great conversation to have information of things to improve that home's performance. During inspection can say and make energy discussions. A score would add an interesting conversation that people would use. Information is powerful.

Commerce puts out a lot of funding for nonprofits to put out educational work. There is funding to facilitate that.

New construction wouldn't be affected by it because of state code compliance. Remodelers would be most affected.

**Prompt: Transaction process and HES and recommendations for improvements. A set of information to the home seller Does that provide any incentive to the seller to do anything?**

Seller tries to make improvements to make more money. Put in 5000 for insulation got out 20000 from purchase.

Gut 10% of sellers might be savvy enough to see improves made to home before selling because of score.

HABITAT – see this as a hinderance to the selling of the home. Allow the buyer to interact with the transaction process to hop in and

**Prompt: For the new homeowner would this be beneficial to know? Collaborative is recommending report also includes financial incentive information.**

Depends on LMI homes are not seeking rebates. See that

Habitat – as a nonprofit its beneficial but as individuals

**Prompt: Where do people go to do home energy improvements? What are the resources in the county?**

Home improvement specialists. More importantly where do they get the money.

Building Industry resource – Can find anyone you would think is related to the building industry.

We can't usually give recommendations about who to go to. Reputable resources can be found on the website send them there to get a service provider.

LNI website to check a contractor's background.

City of Olympia has a good educational program for home owners.

Prompt: Regional implementations, is that good bad?

Smart people will replicate what was done first. Energize Olympia to Energize Thurston.  
Educational courses from Energize Olympia

Energy is not part of the conversation when you're inspecting a house with a home buyer. Do your own cost estimate and cost analysis. Make general comments about older equipment. Have folk that they refer to as specialists for home energy efficiency improvements.

Prompt do you see these HES

Probably going to have some grumbling of some sellers for the first few years. "This will detract from market price, might make them choose another house"

See people buying or selling a home before the ordinance is implemented.

Do they buy here or do they move on. The ones that haven't done the improvements are competing with the higher scored houses.

People care about renewables not energy efficiency.

**Prompt: House can value for a whole lot more with improvements. Talk about the value of the home. How do you see that affecting the home, appraisal, cost, perceived value, or real value.**

How would appraisals calculate that into your home score. VA appraisal would consider the home score higher than most.



Habitat – HES could potentially be a detriment to financing process. Underrider. This house will have a lot of costs for operation and maintenance. LMI people may not get financing because of the low HES score. Equity issue. Income doesn't lineup with the risk. Low income can't handle the higher cost of this low ranked home.

Immediate influence and longer-term impact.

Overtime we now have a housing stock with scores. Appraisers now see all houses have a score. Organically included into appraisal process eventually but at the beginning is there a standard for how each score is valued.

Keep going back to this piece of under riders. Equity consideration. Will this accidentally mess LMI households to finance a home.

**Prompt: What kind of information would you give them. How would you provide them with additional information?**

Habitat – moving closer and closer to building phasive houses.

Trifold brochure would be a nice talking point with QR code.

Manufactured homes – Cost analysis, what will be the lowest value for the highest price. Page on website and classes on HES

Redfin is a starting point as well as realtors.

**Prompt: Where do you think homes are here on the score? Pre 4 years ago if all homes were low low. With the energy code looking back 20+ years.**

Widely different between 10 years ago to today and 30 years ago to 10 years ago.

Early 2000s is when they started really ramping up the energy codes. Washington compared to the rest of the county

Customers would probably assume a newer house is already more efficient so wouldn't hurt to not have a score compared to a older home with a high HES.

Your energy bill continuously gets better but with diminishing returns. Looking at cost savings for customers.

Last 2 code cycles required heat pumps in the home. '21 In the next one people are going to have a plumbing. Heat pumps are mandated in new construction, can still have natural gas as backup. '18 was cost effective with Heat pump. They provided a credit for the heat pump. Home builders are chasing credits.

**Prompt: Compliance warning and then a fine**

Fine would be coming from the jurisdictions. Would have to enforce with municipal code.

Only one code enforcement officer for the city of Lacey. Greatly increase his work. Don't have too much experience with energy code mostly working with people who are nervous about if their home is habitable. Would probably have to have another position where this is their main focus. Don't have time to be proactive in compliance just relating to complaints.

Building Industry is seeing a lot of infrastructure challenges. Staffing needs.

Ideally there would be another way to achieve the end results where the benefits would be present but the negatives wouldn't be there.

Lacey: would want a climate person to do this.

Does this put a strain on the infrastructure for PSE. Might be about a decade out to support electrification efforts.

**Prompt: Where should the fine be placed? What is the gate in the transaction process? If you don't have a score then you cant do what...**

If charged to the Real estate agent can then just push those costs to the buyer

Lacey: can assign a fine but doesn't do it. Flagging it if they didn't release the code.

There's a way to do it without municipality enforcement. How many houses are listed outside of MLS. What do you do about people selling on their own. If their selling one Redfin

Looking at all the potential pathways of sale to ensure compliance happens for all homes.

At closing there is no energy score, then the seller you have to reserve \$300 to pay for that score if it made it to closing without the score.

ESCRO lots of discounts to cover

The compliance requirement is combined with listing processes.

What is PSE's role in all of this. Isn't there some benefit to PSE so they should contribute.

Everything they push sends costs to homeowners.

Not cost effective to put natural gas in new developments.

UTC stress of the grid.

PSE can't get ahold of anyone to review property with solar panels. Continue to send bills but customer can't get a hold of anyone. PSE bills should show up and down of solar.

How you run your ductwork. Building Envelope relatively low cost that would see the most benefits.



# MEMORANDUM



TO: Thurston Climate Mitigation Collaborative Community Advisory Workgroup

FROM: Thurston Climate Mitigation Collaborative Staff Team:

Linsey Fields, City of Lacey  
Pamela Braff, City of Olympia  
Alyssa Jones Wood, City of Tumwater  
Rebecca Harvey, Thurston County

DATE: June 20, 2024

SUBJECT: Home Energy Assessment (HES) Model Ordinance Policy Review, Version 2

## Actions Taken

At the May 7, 2024 and June 4, 2024 Community Advisory Workgroup (CAW) meetings, the CAW members reviewed an earlier version of this memorandum. By the end of the June meeting, the CAW had reached consensus with all Staff Team recommendations included in this memorandum.

Following those CAW meetings, and utilizing better and more recent data, this memorandum has been updated.

# **Home Energy Assessment (HES) Model Ordinance Policy Review and Recommendations**

A review of policy considerations for a residential home energy assessment and disclosure policy to support the implementation of the Thurston Climate Mitigation Plan and 2024 Thurston Climate Mitigation Collaborative Regional Initiative.

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# 1. BACKGROUND

## Purpose

Energy use in residential buildings accounts for 32 percent of inventoried greenhouse gas emissions in the Thurston region (TRPC, 2022). While recent updates to the Washington State Building code significantly increase energy performance requirements for new residential development, these requirements do not address existing homes, many of which were built to less efficient standards. More than 50% of the homes in Thurston County were built before 1990, with nearly 20% built at least 50 years ago (U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates). The large proportion of older homes in the region suggests that many would benefit from energy- and cost-saving retrofits. Additionally, more than two-thirds of the housing units that will exist in 2050 already exist today, so retrofitting existing homes to improve energy efficiency is a key strategy to meet regional climate mitigation goals (TRPC, 2020).

One of the barriers to improving the energy efficiency of existing housing units is lack of homeowner awareness and information on the energy performance of their properties. Without this information, it is challenging for consumers to prioritize energy efficiency in home purchasing and improvement decisions. To address this challenge, several cities and states have developed residential home energy assessment and disclosure policies/programs. These policies and supporting programs provide homebuyers and occupants with an assessment of home energy performance, expected energy costs, and recommendations for cost-effective improvements to reduce energy use and cost.

A home energy assessment and disclosure program provides homeowners and homebuyers with an assessment of home energy performance, expected energy costs, and cost-effective improvements to reduce energy use and costs. Similar to vehicle mile-per-gallon ratings and home appliance energy guide labels, the home energy label provides a consistent metric to easily compare the energy efficiency of multiple homes. Homeowners and homebuyers can use this information to estimate energy use and costs and identify energy efficiency upgrades to make their homes more comfortable and affordable. By making energy costs transparent to consumers, these types of home energy labeling programs also provide a mechanism for the real estate market to value both energy performance and home energy improvements that reduce the total cost of home ownership.

Long-standing home energy assessment policies have shown that mandatory disclosure successfully encourages investments in energy efficiency and that the policy increases investments made by both sellers and homebuyers (Myers, Puller, & West, 2019). These existing programs and policies provide a valuable foundation for designing and implementing a local disclosure policy in Thurston County (Table 1). The policy research and recommendations included within this report aim to build upon the success of existing programs through the U.S., to design an effective model ordinance for home energy assessments in Thurston County.

Table 1. Review of existing home energy score disclosure policies and programs in the United States.

City/State	Disclosure Policy	Energy Label Used	Notes
<b>Fort Collins, CO (electric utility)</b>	Voluntary	Epic Certificate	Provided by electric utility
<b>State of Connecticut</b>	Voluntary	HES	
<b>State of Massachusetts</b>	Voluntary	Home MPG	
<b>State of Missouri</b>	Voluntary	Home Energy Certification	
<b>Columbia, MO (electric utility)</b>	Voluntary	Efficiency Score	Provided by electric utility
<b>State of Oregon</b>	Voluntary	HES	
<b>Association of Bay Area Governments (through BAYREN)</b>	Voluntary	HES	Program is offered across 9 counties in the Bay Area
<b>Eugene, OR</b>	Voluntary	HES	
<b>Berkeley, CA</b>	Mandatory, Time of Listing	HES	Sellers may defer the assessment requirement to the buyer or complete an energy efficiency or electrification update for alternative compliance
<b>Portland, OR</b>	Mandatory, Time of Listing	HES	
<b>Minneapolis, MN</b>	Mandatory, Time of Listing	Energy Disclosure Report	Combines both energy and water consumption
<b>Austin, TX</b>	Mandatory, Time of Listing	Energy Disclosure Report	Program is offered through Austin Energy Utility
<b>Chicago, IL</b>	Mandatory, Time of Sale	Utility Bills	Program is available to homeowners and renters
<b>Montgomery County, MD</b>	Mandatory, Time of Sale	Utility Bills	
<b>State of Kansas</b>	Mandatory, Time of Sale	Energy Checklist	Only for new construction.
<b>State of South Dakota</b>	Mandatory, Time of Sale	Energy Checklist	Only for new construction.
<b>Hillsboro, OR</b>	Mandatory, Time of Listing	HES	
<b>Milwaukie, OR</b>	Mandatory, Time of Listing	HES	
<b>Bend, OR</b>	Mandatory, Time of Listing	HES	



## Key Terms

**Home Energy Score (HES):** a rating of home energy efficiency developed by the U.S. Department of Energy (US DOE) that is based on physical inspection of the home or design documents used for the home's construction. The HES is an asset rating, which quantifies the energy efficiency of a building based on the home's physical assets rather than occupant behavior.

**HES Assessor:** a qualified professional who collects information about a home and then utilizes the US DOE Home Energy Score energy modeling software to estimate the annual energy use of the home based on standard methodology and operations as well as local weather patterns. The US DOE certifies Assessors utilizing existing credentials, a simulation, exam, and mentored scoring. Those who have completed the DOE certification are called referred to as a HES Certified Assessor.

**Home Energy Performance Report:** the report prepared by a Certified home energy Assessor using either the US DOE reporting template or a regionally created custom reporting template.

## Policy Goals

By working together to design and propose a regional home energy assessment and disclosure policy for consideration by the Thurston Climate Mitigation Collaborative (TCMC) Jurisdiction Parties, the TCMC aims to achieve the following goals:

- Develop and adopt a regionally consistent policy for the assessment and disclosure of residential energy performance ratings and reports. Note: this initiative only includes the development of a model ordinance. The Jurisdiction Parties (Lacey, Olympia, Tumwater, and Thurston County) may individually consider adoption of the proposed policy in early 2025.
- Provide a framework for Thurston residents residing in single-family, duplexes, triplexes, courtyard apartments, and townhomes to learn about their home energy performance, expected energy costs, and cost-effective improvements to reduce energy consumption and the cost of home ownership/occupancy.
- Connect single-family, duplex, triplex, courtyard apartment, and townhome homeowners/occupants to existing and forthcoming resources, guidance, and incentives to simplify energy efficiency retrofits.
- Capitalize on the unprecedented federal and state funding available to make energy efficient home improvements.
- Support energy equity and housing affordability by providing subsidized home energy assessments and additional resources for low- and moderate-income homeowners.
- Increase implementation of home energy efficiency and electrification upgrades and retrofits.
- Develop a monitoring and reporting system to track implementation of home energy assessments and energy efficiency upgrades.
- Provide a mechanism for the real estate market to value both home energy performance and home energy improvements that reduce the cost of homeownership/occupancy.

It is important to acknowledge that no single policy or program can achieve all necessary reductions in residential energy use. The proposed home energy assessment and disclosure policy is one of many strategies that can assist with reducing energy use and greenhouse gas emissions from residential buildings.

## 2. POLICY CONCEPTS

Key considerations for the design of a home energy score policy include the type of information that is disclosed, the timing of disclosure, suitable use cases and exclusions, and any provisions for low-income subsidies. This section describes options and staff recommendations for these policy parameters. A summary of key policy concepts and recommended approaches is provided in Table 2, followed by a description of each policy option in the sections below.

Background and recommendations for the design of this policy were informed by resources from the “Home Energy Labeling Partnership” developed by Rocky Mountain Institute and Earth Advantage, the Urban Sustainability Directors Network, as well as conversations with staff from local governments (Portland, OR, Milwaukie, OR, Ann Arbor, MI, Beaverton, OR, Ashland, OR) and partner organizations (Earth Advantage, Washington State Housing Finance Commission) experienced in home energy labeling programs.

*Table 2. Key policy concepts and recommendations for a Home Energy Score model ordinance.*

Policy Concept	Recommendation
This section summarizes the staff recommendations for key policy concepts associated with a home energy assessment and disclosure policy.	
<b>Regional Coordination</b>	<ul style="list-style-type: none"> <li>To provide consistent standards across jurisdictions and ensure that energy performance information is easily comparable across the Thurston region, partner jurisdictions should prioritize the development of a regionally coordinated home energy score policy and program.</li> </ul>
<b>Assessment Type</b>	<ul style="list-style-type: none"> <li><b>Asset Ratings:</b> To provide consistent and objective energy performance information that can be easily compared across multiple homes, energy performance information should be disclosed in the form of asset ratings.</li> <li><b>DOE Home Energy Score (HES):</b> To provide the most affordable and easily implemented energy assessment, home energy performance should be assessed using the US Department of Energy’s Home Energy Score (HES).</li> </ul>
<b>Energy Performance Reports</b>	<ul style="list-style-type: none"> <li><b>Custom Energy Reports:</b> To maximize the potential for implementation of identified cost-effective improvements, the Thurston Region should design and standardize the use of a custom Energy Report (example Appendix C) that goes above and beyond the US DOE standard Energy Performance Report (Appendix B). Additional information that could be included on the Custom Energy Reports include the carbon footprint of the home, indoor air quality or resilience improvements, and information about local, state, and federal incentive programs to facilitate some of the cost-saving measures and/or electrification options.</li> <li><b>Energy Report Disclosure:</b> To provide prospective buyers with a high level of access to home energy and cost savings information, HES reports should be made widely available. HES reports should be disclosed through the</li> </ul>

	multiple listing service (MLS) <sup>1</sup> , included on real estate listings (printed advertisements, internet postings, and third-party listing services) via listing marketing remarks, and provided to real estate agents and prospective buyers as a supplement.
<b>Trigger Event</b>	<ul style="list-style-type: none"> <li>• <b>Time of Listing:</b> To ensure prospective buyers can compare the energy efficiency of all homes and integrate energy efficiency upgrades within home financing, home energy information should be disclosed at the time of listing.</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>• <b>Mandatory Disclosure:</b> To ensure widespread adoption of the home energy score, staff recommend adopting a mandatory disclosure policy, with a non-compliance penalty of \$500 or greater.</li> <li>• <b>Non-Compliance Warning:</b> To ensure that all homes disclose a home energy score before being purchased by a new buyer, warning letters for non-compliant listings should be sent as soon as possible after listing. The frequency with which staff can provide warnings will depend on staff workload and capacity.</li> <li>• <b>Non-Compliance Timeline:</b> Given that the time to sell a house in Thurston County is between 35 and 47, the timeline to trigger non-compliance penalties should be no longer than 30 days of receiving a written warning.</li> </ul>
<b>Applicability and Exemptions</b>  Note: Assumes use of DOE Home Energy Score. Suitable use cases may vary for different energy assessment tools.	<ul style="list-style-type: none"> <li>• <b>Suitable Housing Types:</b> To ensure energy performance information is widely available, the policy should be applied to all suitable existing homes. The current HES tool can be applied to the following housing types: detached single dwelling units and any attached single dwelling unit, where the unit extends from foundation to roof, such as row house, attached house, duplex, or townhouse. Housing types not suitable for the HES tool, including mobile homes, manufactured homes, or floating homes, and units in a stacked configuration should be exempt.</li> <li>• <b>New Construction:</b> To increase consumer awareness of energy performance and better allow comparison of multiple homes, staff recommend that newly constructed homes also be required to disclose a home energy score.</li> <li>• <b>Exemptions for Certified High-Efficiency Homes:</b> Homes already certified to a high-efficiency standard may be exempt<sup>2</sup>. These standards will need to be explicitly defined.</li> </ul>

<sup>1</sup> The Staff Team received feedback from a CAW member with experience in real estate that the HES score should be added as a voluntary green field within the NWMLS. There should be a Yes/No checkbox to state if there is a HES score, the date in which the score was obtained, and an entry for the score. Additional access to the HES Performance Report could be requested by a buyer.

<sup>2</sup> What standards would be accepted still needs to be determined.

	<ul style="list-style-type: none"> <li>• <b>Exemptions for Distressed Sales:</b> Certain distressed sale situations should be exempt from the energy disclosure policy. These exemptions will need to be explicitly defined.</li> <li>• <b>Low-Income Sellers:</b> Rather than exempting low-income households, jurisdictions should subsidize the cost of obtaining a home energy score for low-income sellers.</li> </ul>
<b>Low-Income Assistance</b>	<ul style="list-style-type: none"> <li>• To ensure energy performance assessments are not overly burdensome to low-income sellers, staff recommend contracting with a community partner, to provide free home energy assessments for income-qualified sellers (and/or identifying other mechanisms to prevent barriers for low-income households).</li> </ul>
<b>Effective Date</b>	<ul style="list-style-type: none"> <li>• The Staff Team recommends that the model ordinance include an effective date one calendar year from the date the ordinance is passed by any jurisdiction. A one-year delay would provide sufficient time for stakeholder outreach to inform community members of the upcoming requirement and ensure the availability of certified energy assessment providers.</li> </ul>

## Regional Coordination

### Regional Coordination Options

A residential energy performance rating disclosure policy could be developed and adopted by individual jurisdictions or as a regionally coordinated policy across all partner jurisdictions.

- **Individual jurisdictions develop and adopt unique home energy score policies.** Individual jurisdictions may choose to develop their own energy score policy, with unique policy requirements, exceptions, and procedures, or opt out entirely. While this approach would allow jurisdictions to develop custom policies that best suit their individual needs or goals, the local housing market is not constrained to individual jurisdictions. Inconsistent policies and requirements would likely result in substantial confusion for local home buyers, sellers, realtors, and energy assessors.
- **All TCMC partners develop and adopt a consistent home energy score policy.** A unified approach would provide consistent requirements that are easy to understand, and ensure that energy performance information is widely available and easily comparable across jurisdictions. A large regional program would also support the development of a robust energy assessor market to provide the required home energy score assessment.

Several regions have implemented regionally coordinated Home Energy Score disclosure programs. For example, the Bay Area Regional Energy Network (BayREN) has developed a voluntary HES program, which includes a \$200 rebate. BayREN is a regional collaborative serving the nine counties across California's Bay Area. The BayREN collaborative is funded by utility ratepayer funds through the California Public Utilities Commission and is intended to fill service gaps for "hard to reach" customers that the investor-owned utility does not intend to reach or isn't currently reaching.

While not initially coordinated as a regional effort, Portland, OR and two of its suburbs (Hillsboro and Milwaukie) have all adopted similar HES policies. After the City of Portland’s early success with HES, the neighboring City of Milwaukie adopted its own ordinance in January 2020. The City of Hillsboro adopted its own ordinance in 2021. The three jurisdictions all use HES as their standard rating system, use similar and in many cases identical Ordinance language, and subsidizes HES assessments for income qualified households through the same nonprofit community partner.

### Staff Recommendation

- To provide consistent standards across jurisdictions and ensure that energy performance information is easily comparable across the Thurston region, partner jurisdictions should prioritize the development of a regionally coordinated home energy score policy and program.

## Assessment Type

### Energy Disclosure Options

Home energy performance can be evaluated and reported as operational data or asset ratings.

- **Operational data use the home’s past utility bills as an indication of home energy use and costs.** Although operational data is often simple to provide and may be more familiar to consumers, it is heavily dependent on occupant behavior and therefore a poor predictor of future energy costs. Operational data also does not include recommendations for cost-effective energy improvements.
- **Asset ratings quantify the energy efficiency of a building based on the home’s physical assets (e.g., size, envelope, and heating/cooling equipment).** Asset ratings are typically completed by professional energy assessors through on-site evaluations. This approach provides objective energy efficiency information that is independent of occupant behavior. An asset score allows prospective buyers and homeowners to compare the energy performance of multiple homes based on their assets, rather than how they are operated by current occupants. Asset ratings are generally considered to be a more effective representation of home energy performance but require developing a trained assessor workforce to ensure effective service delivery.

### Asset Rating Tool Options

If home energy performance is disclosed in the form of asset ratings, a consistent rating tool must be selected. The two most common rating tools are the [Home Energy Score \(HES\)](#) and the [Home Energy Rating System \(HERS\) Index](#).

- **Home Energy Score (HES)** is a nationally standardized home energy rating tool geared towards existing homes, administered by the US Department of Energy. HES assessments typically take 1 hour and cost about \$150-\$300 per assessment.
- **Home Energy Rating System (HERS)** is a nationally standardized home energy rating tool geared towards new homes, administered by the Residential Energy Services Network. HERS assessments typically take 2-4 hours and cost about \$500-\$1,000. While commonly used for new construction, the HERS system can be challenging and expensive to implement in older homes.

*Table 3. Comparison of home energy assessment asset rating tools.*

Asset Rating System	Time to Complete Assessment	Typical Cost	Type of Home	Administered by
<b>HES</b>	~ 1 hour	\$150 - \$300	Existing	US Department of Energy (DOE)
<b>HERS</b>	2 – 4 hours	\$500 - \$1,000	New Construction	Residential Energy Services Network (RESNET)

The HES system is the most commonly utilized asset rating for local government home energy assessment and disclosure policies in the United States (Table 1). Virtually all municipal-level, mandatory home energy disclosure programs that are carried out by local governments (as opposed to an energy utility) utilize HES. Two anomalies exist: Chicago and Minneapolis. Minneapolis, MN created a report that integrates water conservation with energy conservation. Chicago opted to disclose operational data (energy bills) as opposed to an asset rating. Most voluntary programs at the municipal level also utilized HES. For more details about what elements are considered in an HES assessment<sup>3</sup>, please see Figure 1.

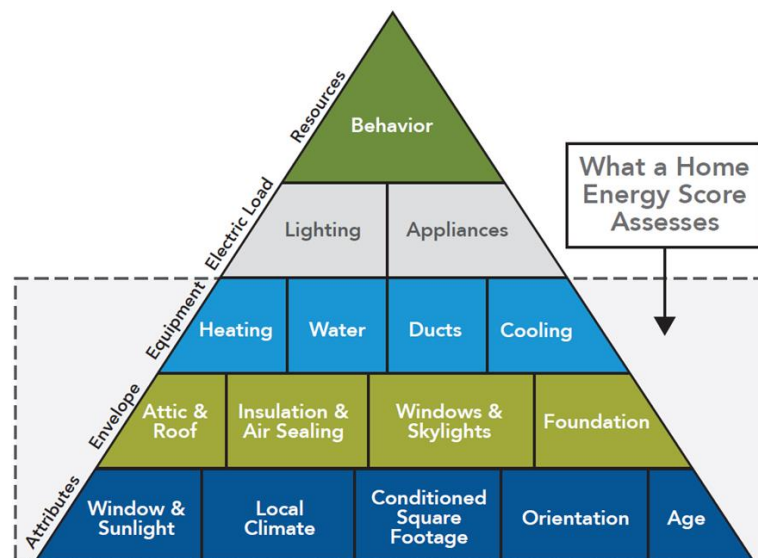


Figure 1: Components included in the HES model.  
Source: U.S. Department of Energy

### Staff Recommendation

- To provide consistent and objective energy performance information that can be easily compared across multiple homes, energy performance information should be disclosed in the form of asset ratings.
- Staff recommend that the model ordinance utilize the US DOE HES rating tool, which is an asset-based rating system. HES is the most commonly used rating system in local government energy

<sup>3</sup> To review the full methodology utilized in calculating a Home Energy Score see [Home Energy Score Scoring Methodology \(2021\)](#).

assessment and disclosure policies, can be easily applied to existing homes, and has a lower cost than other assessment types. Furthermore, the [2024 Regional Initiative](#) selected by the TCMC explicitly identified the Home Energy Score (HES) as the preferred assessment tool.

- To ensure consistency with state legislative efforts, Staff further recommend the US DOE HES rating tool. In both the 2023 and 2024 Legislative Sessions, bills have been introduced to designate HES as the statewide home energy assessment tool for any local policy.

## Energy Performance Report

### Report Options

The Home Energy Performance Report can be documented used the standard DOE HES Report or a through a custom-designed Report.

- **Standard DOE Report Template.** The Standard US DOE Home Energy Performance Report (see Appendix B) includes:
  - An energy efficiency score based on the home's envelope;
  - A total energy use estimate and estimates by fuel type;
  - Recommendations for cost-effective improvements and associated annual cost savings estimates (estimated at a 10-year payback period); and
  - A "score with improvements" reflecting the home's expected score if cost-effective improvements are implemented.
- **Custom Report Template.** Most jurisdictions with HES ordinances have created improved custom report templates which meet and exceed the standard US DOE required information. Additional information included in these custom report templates include recommended improvements linked to local utility program incentives, the carbon footprint of a home, and follow-up steps or resource links. Custom reports may be able to factor in the cost-savings of local, utility, state, and federal incentives into determining cost-effective improvements, which the Standard DOE Report Template does not currently consider. See Appendix C for an example of a customized HES report.

In most examples, printed and electronic Home Energy Performance Reports expire eight years from the date of the assessment. Additionally, Home Energy Performance Reports are void and invalid after an alteration or remodel of the home that affects the heated square footage, the quality and type of windows, insulation, HVAC equipment, or remodeled spaces such as basement or attic, or other changes that are reasonably expected to impact the HES and associated estimates of energy use.

Once a Home Energy Performance Report has been completed, in the case of Portland, Bend, Milwaukie, and Hillsboro, the HES Performance Report must be publicly disclosed on the Green Building Registry [website](#) and then it is the responsibility of the seller to ensure the listing agent also includes the Home Energy Performance Report in the real estate listing. Through efforts by the Northwest Energy Efficiency Alliance, the Greater Puget Sound region's Northwest MLS includes green fields, including those for inputting various energy scores. Requiring both the disclosure on the Green Building Registry website and in all real estate listings ensures that even if the seller is non-compliant with including the information on the real estate listing, the Home Energy Performance Report is still publicly available should a prospective buyer search for the address. Additionally, disclosure on the website also allows



future tenants of any property that has undergone the HES process to also access that information regardless of ownership.

### Staff Recommendation

- The Staff Team recommends that the TCMC develop a report template unique to Thurston County which includes a carbon footprint calculation and incentive/rebate information in addition to all required US DOE information. Incentive/Rebate information would include national, utility, and local incentives.
- Staff recommend that any report should have an expiration date of 8 years, unless a remodel or alteration has taken place on any elements included in the HES assessment (see Figure 1).
- To provide prospective buyers with a high level of access to home energy and cost savings information, HES reports should be made widely available. HES reports should be disclosed through the multiple listing service (MLS), included on real estate listings (printed advertisements, internet postings, and third-party listing services), and provided to real estate agents and prospective buyers.

## Trigger Event

### Trigger Event Options

Trigger events refer to the time at which disclosure of home energy information is required. Trigger events are typically at time of listing or time of sale.

- **Disclosure at time of sale requires energy information to be disclosed to the expected home buyer at or before time of closing.** Providing energy information at the time of closing (i.e., beginning of a new homeownership cycle) can increase the likelihood of a new homeowner investing energy efficiency upgrades. However, a time of sale disclosure is too late in the real estate transaction to include energy improvements in mortgage products. It is also too late to allow prospective buyers to compare homes and make informed decisions. Time of sale disclosure policies may also complicate or delay real estate closings.
- **Disclosure at time of listing requires energy information to be disclosed at the earliest possible stage in the real estate transaction process, making the information more actionable for prospective buyers and the market.** Early disclosure allows buyers to compare the energy performance, expected energy costs, and recommended efficiency upgrades for all prospective homes. The disclosure should be available to any interested buyers as a supplement to the listing. With early access to home energy scores, buyers can finance recommended energy improvements as a part of a new mortgage with Fannie, Freddie, and FHA products. By disclosing energy information as soon as possible, this approach provides a direct link to home valuation and market transformation, and will not interfere with or delay closings.

### Staff Recommendation

- To ensure prospective buyers can compare the energy efficiency of all homes and integrate energy efficiency upgrades within home financing, staff recommend that home energy information should be disclosed at the time of listing.



## Compliance

### Compliance Options

Energy information may be disclosed through voluntary or mandatory policies and programs.

- **Voluntary disclosure programs can offer energy reports at any time for voluntary use in the real estate market, but may be targeted towards specific trigger events.** Voluntary programs generally achieve significantly lower levels of market adoption than mandatory policies and require significant incentives, subsidies, and marketing to drive demand. Historically, no jurisdiction has been fully successful at creating a functioning voluntary market based only on consumer demand for energy labels.
- **Mandatory disclosure policies require home energy information to be provided and specify what information, when, and to whom it must be disclosed.** Mandatory programs generally achieve much higher levels of market adoption and better support market transformation by making home energy information widely available. Mandatory programs are also typically less expensive to administer if customers pay for the cost of the energy labels.

### Non-compliance Penalty Options

Mandatory home energy labeling policies typically include non-compliance fines or penalties. Important considerations for determining non-compliance penalties include the local housing market and average cost of home energy score assessments.

- **Non-compliance penalties should be strong enough to encourage compliance (i.e., greater than the cost of obtaining the assessment), but not overly burden low- to moderate-income households.** The most common approach is to set a standard rate, typically about \$500 (Table 2). This is about twice the cost of typical home energy score assessments (\$150-\$300). Non-compliance fines can also be set as a percentage of the home listing price. This approach may help encourage compliance for all sellers, while reducing the burden on lower-income sellers, but can complicate program design and enforcement.
- **The timeline to trigger non-compliance penalties should be determined based on market trends (i.e., average days on market).** Listed homes in Thurston County remain on the market between 35 and 47 days, depending on the location, so a short timeline is critical to ensure compliance before homes are purchased by a new buyer. Warning notices for non-compliant homes should be sent as soon as possible so sellers have time to act and disclose a score to prospective buyers.

### Staff Recommendation

- To ensure widespread adoption of the home energy score, staff recommend adopting a mandatory disclosure policy, with a non-compliance penalty of \$500.
- To ensure that all homes disclose a home energy score before being purchased by a new buyer, warning letters for non-compliant listings should be sent as soon as possible after listing. The frequency with which staff can provide warnings will depend on staff workload and capacity.
- Given that the average number of days from listing a home for sale and entering contract is 35 days, the timeline to trigger non-compliance penalties should be no longer than 30 days of receiving a written warning.

- Staff recommend that the ordinance also grant discretion to the jurisdiction’s Authorizing Official (such as a City/County Manager or Planning Director) to adjust the penalty in the event of extenuating circumstances (e.g., availability of HES Assessors).

*Table 4. Examples of non-compliance fines and disclosure requirements for jurisdictions with mandatory home energy scoring policies.*

Jurisdiction	Trigger Event	Non-compliance Fines	Time to trigger penalties	Disclosed information
<a href="#">Austin, TX</a>	Time of sale	\$500 - \$2,000	By time of sale	Audit of home conditions that influence energy performance, not a Home Energy Score or asset rating.
<a href="#">Berkeley, CA</a>	Time of listing	\$110 fee to defer to buyer and \$85 late fee	If deferred, buyer has 6 months to complete energy assessment.	Custom Energy Score Report based on the DOE Home Energy Score.
<a href="#">Portland, OR</a>	Time of listing	\$500	90 days from written warning	Custom Energy Score Report based on the DOE Home Energy Score.
<a href="#">Milwaukie, OR</a>	Time of listing	\$500	30 days from written warning	Custom Energy Score Report based on the DOE Home Energy Score.

## Applicability and Exemptions

### Applicability and Exemption Options

Energy score requirements typically apply to most homes able to be scored with the selected home energy rating tool. Certain homes may be exempted from an energy score policy due to the suitability of the energy rating tool, previous certification of high energy efficiency, or distressed sale situations.

- **Considerations for exemption of certain home types.** The recommended HES rating tool is suitable for detached single-dwelling units and attached dwelling units that extend from foundation to roof (e.g., duplex, rowhouse, or townhome). The tool is not suitable for homes in a stacked configuration with other units above or below. It is also not suitable for mobile, manufactured, or floating homes.
- **Considerations for exemption of homes already certified to high-efficiency standards.** Many jurisdictions exempt homes that have already received home energy scores through an alternative energy audit or scoring program. For example, Berkeley, CA exempts homes participating in the Energy Upgrade California Program, and Portland, OR exempts homes that have received an Energy Trust of Oregon Energy performance score.

Homes may also be exempted if they have already been certified to meet high energy efficiency standards through other certification programs. For example, the City of Berkeley’s Building Energy Saving Ordinance (BESO), exempts buildings that have completed a verified home energy upgrade or rating such as Net Zero Energy or Passive House. In Portland, high-performance homes that are certified by other green building programs like LEED, may apply for a waiver for two years.

- **Considerations for exemption of new construction.** Some home energy score policies may exempt new construction under the assumption that new homes are more energy efficient. For example, in Austin, TX HES audits are only required for homes that are 10 years old or older.

However, the purpose of a home energy score is not just to encourage energy efficiency improvements, but also to inform prospective buyers of energy performance and expected energy costs. Exempting new construction prevents prospective buyers from comparing the energy performance and cost of new and existing homes. Most of the home energy score policies evaluated for this review also apply to new construction (e.g., Berkeley, Portland, and Milwaukie).

In Portland and Milwaukie, newly constructed (in the current year) identical homes—meaning the floor plans, amount and type of insulation, windows, attic fans, heating and cooling systems, hot water heaters, and appliances are 100% identical—may use the same Home Energy Performance Report. HES for new homes can be obtained pre-construction using construction plan sets.

- **Considerations for exemption due to distressed sale situations.** Many energy disclosure policies include exemptions for distressed sale situations. For example, the cities of Portland and Milwaukie exempt the following transactions “trustee’s sales, deed-in-lieu of foreclosure sales, and pre-foreclosure sale in which the seller has reached an agreement with the mortgage holder to sell the property for an amount less than the amount owed on the mortgage”. Rather than providing exemptions for low-income sellers, many jurisdictions subsidize the cost of home energy assessments for low-income constituents.

### Staff Recommendation

- To ensure energy performance information is widely available, staff recommend that the HES Policy apply to all suitable building types. This includes all detached single dwelling units and any attached single dwelling unit, where the unit extends from foundation to roof, such as row house, attached house, duplex, or townhouse.
- Housing types not suitable for the HES tool, including mobile homes, manufactured homes, or floating homes, and units in a stacked configuration should be exempt.
- Homes already certified to a high-efficiency standard may be exempt. These standards will need to be explicitly defined.
- To increase consumer awareness of energy performance and better allow comparison of multiple homes, staff recommend that newly constructed homes also be required to disclose a home energy score.
- Certain distressed sale situations should be exempt from the energy disclosure policy. These exemptions will need to be explicitly defined.
- Rather than exempting low-income households, jurisdictions should subsidize the cost of obtaining a home energy score for low-income sellers.

### Low-Income Subsidies

Home energy scores provide energy cost visibility, so that all households, including low-moderate income households, are better informed of the total cost of home ownership. This can help prevent scenarios where new occupants are unprepared for unaffordable utility bills. To ensure that energy

performance information is widely available, and not overly burdensome to obtain, many jurisdictions with residential energy performance disclosure policies provide financial assistance for low-income residents to obtain a Home Energy Performance Report.

### Subsidy Options

Options for subsidizing the cost of home energy assessment for low-income households meeting certain criteria include:

- **Directly covering the cost of the home energy assessment.** In Portland, energy assessments for income qualified sellers are completed by authorized Home Energy Assessors under an agreement with the Community Energy Project. In the first 30 months of the program, 89 sellers applied for this service and 80 met the eligibility requirements, well-below 1% of total homes scored in this time-period (City of Portland, Oregon Bureau of Planning and Sustainability, 2020).
- **Encouraging realtors/selling agents to provide financial incentives.** Anecdotal evidence from Portland suggests that in some cases, real estate agents will obtain the home energy score on behalf of their clients.
- **Partnering with a local utility or third-party provider to offer free assessments.** In Minneapolis, low-income sellers can access a free energy inspection through an existing utility energy audit program (this program is already free for low-income households). In the Thurston County region, Puget Sound Energy previously offered a home energy assessment program, but it was discontinued in July 2020.

Table 5. Examples of home energy assessment financial assistance programs for low-income households.

Jurisdiction	Subsidy Program	Notes
<b>BayREN, CA</b>	\$200 rebate not tied to income	BayREN's program is voluntary.
<b>Berkeley, CA</b>	Alternative compliance pathway	Offers compliance with the ordinance if the seller can demonstrate participation in income-qualified Weatherization Assistance programs, Low-Income Home Energy Assistance Programs (LIHEAP), the US DOE Weatherization Assistance Program, or utility Energy Saving Assistance Programs.
<b>Portland, OR</b>	Free HES in partnership with local non-profit for residents with household incomes at 60% or below area median income for the Portland metropolitan statistical area	Subsidy program is entirely managed by a third-party non-profit, Community Energy Project, but funded by the City of Portland.
<b>Bend, OR</b>	Free HES in partnership with local non-profit for residents with household incomes at 80% or below area median income	Subsidy program entirely managed by a third-party non-profit, Neighbor Impact.
<b>Hillsboro, OR</b>	Free HES in partnership with local non-profit for residents with household incomes at 80% or below area median income	This subsidy is available to homeowners at any time and is also available to renters, with written landlord approval. Hillsboro works with the same non-profit that Portland does.
<b>Milwaukie, OR</b>	Free HES in partnership with local non-profit for residents with household incomes at 80% or below area median income.	Subsidy program is entirely managed by a third-party non-profit, Community Energy Project. The non-profit also provides free education opportunities, supplies, and home energy upgrades and repairs for qualifying residents. Milwaukie works with the same non-profit that Portland does.

### Staff Recommendation

- To ensure energy performance assessments are not overly burdensome to low-income sellers, staff recommend contracting with a community partner, to provide free home energy assessments for income-qualified sellers (and/or identifying other mechanisms to prevent barriers for low-income households).
- Income qualification scenarios will need to be explicitly defined.
- Rather than collecting and assessing income information, eligibility for low-income subsidies may be determined based on participation in existing programs. Examples of accepted forms of eligibility proof may include a copy of the participant/family's free or reduced lunch letter,

DSHS/SNAP/TANF food assistance letter, SSI documentation, DSHS Respite Care documentation, Income Verification, or Lifeline Utility bill.

## 4. EXPECTED IMPACTS

Expected impacts of the recommended program design were calculated using the Home Energy Labeling Program Impact Calculator provided by Rocky Mountain Institute and Earth Advantage.

### Workforce

HES and Home Energy Performance Reports can only be completed by HES Certified Assessors. To become a Certified Assessor, one must:

1. Hold a relevant credential<sup>4</sup>;
2. Complete the HES Simulation training and exam; and
3. Score their first home with a mentor within six months of passing the simulation and exam.

Depending on the compliance rate, the number of homes rated annually is expected to range from 2,4341 to 3,245 and would require 6 to 8 full-time assessors to meet the demand for energy scores.

While several companies in Thurston County provide home energy assessment services, there is currently only one HES Certified Assessor in Washington State<sup>5</sup>. This is typical for a region without a Home Energy Assessment policy or program. Most regions that have implemented HES disclosure policies have seen a significant increase in the number of local certified energy assessors, following the adoption of a new HES policy or program. Supporting this workforce development is a critical step to ensure the success of any new HES policy.

Most jurisdictions depend on the private sector to respond to the demand for HES Assessors. Thurston County's local workforce development agency, Pacific Mountain Workforce Development, has expressed interest in helping grow a workforce to meet this future need. Several local nonprofits, including Olympia Community Solar<sup>6</sup> and South Puget Sound Habitat for Humanity, are also currently working to certify some of their employees for HES assessments.

Other cities have utilized a public model to provide home energy assessments. For example, the City of Ann Arbor, MI has hired two full-time Home Energy Assessors (funded by the City's climate tax revenues) to provide assessment free of charge. Residents of Ann Arbor are also welcome to hire outside private Home Energy Assessors if they choose.

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<sup>4</sup> To see a full list of relevant credentials visit <https://betterbuildingssolutioncenter.energy.gov/home-energy-score/become-assessor>

<sup>5</sup> Puget Sound Energy (PSE) previously provided free home energy assessments to residential utility users; however, as of 2024 this program is longer active. However, PSE has recently launched a Home Electrification Assessment program for PSE natural gas customers which results in an energy saving home improvement plan with guidance on how to go electric.

<sup>6</sup> Olympia Community Solar has reported that their costs to become a Home Energy Score Certified Assessor is \$1,400 per person for training and \$12,000 for startup equipment.

## Housing and Climate Impacts

The number of homes retrofitted each year could range from 367 to 1,468 homes, resulting in up to \$820,304 in total energy cost savings and 2,933 tons of CO<sub>2</sub> emissions avoided. Total energy cost savings and greenhouse gas reduction would compound annually as an increasing percentage of homes are assessed and retrofitted. Energy performance upgrades would also increase business for local builders and home performance contractors.

Table 6. Expected year 1 results of a home energy disclosure policy.

Year 1 Results	Estimated Value		
	Low Impact	Moderate Impact	High Impact
Homes Rated	2,434	2,840	3,245
Minimum Energy Raters Required	6	7	8
Homes Retrofitted	243	568	649
Energy Savings (MmBtu)	2,819	13,157	15,036
Energy Cost Savings	\$67,787	\$316,339	\$361,530
Carbon Reduction (mtCO <sub>2</sub> )	126	586	670
Increased Real Estate Value	\$4,965,173	\$14,481,754	\$19,860,691

Source: Values estimated using local data with the Home Energy Labeling Impact Calculator provided by Rocky Mountain Institute and Earth Advantage. Calculator and sources available upon request.

The estimated low impact scenario assumes a low retrofit rate (10%), a low energy savings rate (10%), a low value increase for retrofitted homes (4%), and low compliance with the regulation (60%).

The estimated moderate impact scenario assumes a moderate retrofit rate (20%), a moderate energy savings rate (20%), a moderate value increase for retrofitted homes (5%), and moderate compliance with the regulation (70%).

The estimated high impact scenario assumes a high retrofit rate (30%), a high energy savings rate (30%), a high value increase for retrofitted homes (6%), and high compliance with the regulation (80%).

## Mortgage and Tax Benefits

A HES Home Energy Performance Report can serve as documentation for federal lending products. FannieMae's HomeStyle Energy Mortgage allows borrowers to finance energy efficiency improvements, using the Home Energy Performance Report as the basis. Borrowers can also qualify for a stretch on their debt-to-income ratios for HomeStyle Energy and other Federal Housing Administration loan products.

The Washington State Housing Finance Commission also offers an "Energy Spark Home Loan" which dovetails with the First Time Homebuyer program providing downpayment assistance. Homebuyers must have a household income under \$180,000 and be purchasing a home that can be upgraded for 10% energy savings over its current use based on a home energy assessment.

In 2023 the Internal Revenue Service released guidance on how taxpayers may claim the "Energy Efficient Home Improvement Credit" for Home Energy audits, made possible through the Inflation Reduction Act. The home energy audit tax credit offers 30% of the cost of a home energy audit, up to \$150 per year. HES audits completed by a HES Certified Assessor qualify for this tax credit. Additional

rebates and incentives created through the Inflation Reduction Act may help homeowners pay for the cost-effective improvements identified through their HES audit.

### **Impacts on Home Sales and Loan Delinquency**

Researchers studying the Energy Conservation and Audit and Disclosure ordinance in Austin, Texas, which has been in place for more than 10 years, found that mandatory disclosure created a premium for energy-efficient homes by daylighting the value of these attributes and lead to higher participation in energy efficiency programs (Portland, 2020). Researchers have found that a one-point increase in HES was associated with a 0.5% increase in sale price, and likewise higher estimated annual energy bills were associated with a decrease in sales price (Pigman, Season, Wallace, et al., 2023).

A study of Portland, OR's program between 2018 and 2021 found that buyers are willing to pay more for energy efficiency when purchasing a home and that buyers are willing to pay more for energy efficiency when the assessment is published in real estate listings (Breshears, 2022).

Researchers also found that a one-point increase in HES was associated with a 5.5% reduction in the odds of a loan going 30 days delinquent if the loan originated after an assessment occurred (Pigman, Season, Wallace, et al., 2023). Similarly, researchers found that a \$100 decrease in estimated annual energy bills was associated with a 2.3% decrease in the odds of a loan going delinquent if it originated after the assessment occurred (Pigman, Season, Wallace, et al., 2023).



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# APPENDIX A

## LOCAL HOUSING MARKET

### Housing Type, Occupancy, and Ownership

There are 118,571 housing units across Thurston County (U.S. Census Bureau, 2022). Most dwelling units are detached single-family (U.S. Census Bureau, 2022), and nearly two-thirds of housing units were owner-occupied in 2020. The largest owner-occupied housing type in Thurston County is single-family detached (87%). Buildings with two or more units, most of which would be excluded from the recommended program design, due to limitations of the recommended assessment tool, are almost exclusively rented.

Note: The recommended program design (described in Section 2) would apply only to dwelling units that own the space from foundation to attic (i.e., most single-family homes, including attached duplex and townhouse-style units). Mobile homes and stacked multifamily homes would be exempt as they are not suitable for the recommended DOE Home Energy Score (HES) tool.

Table A1. Thurston County housing units by building and occupancy type in 2020.

Building Type	Number of Housing Units	Percent	Occupancy Type	
			Owner (%)	Renter (%)
Single Family Detached	80,215	68%	86.7%	13.3%
Single Family Attached	4,705	4%	2.2%	97.8%
Duplex	2,867	2%	0.5%	99.5%
Multi-family	21,303	18%	0.7%	99.3%
Manufactured Homes	9,481	8%	9.9%	90.1%
<b>Total Occupied Units</b>	<b>109,983</b>	<b>100%</b>	<b>65.8%</b>	<b>34.2%</b>

Source: U.S. Census Bureau, 2022

### Housing Age

More than 50% of the homes in Thurston County were built before 1990, with nearly 20% built at least 50 years ago (U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates). The large proportion of older homes in the region suggests that many would benefit from energy- and cost-saving retrofits.

Table A2. Age of Thurston County housing units.

Home Built	Number of Units	Percentage of Total Housing Units in Thurston County
1939 or earlier	5,288	4.5%
1940 to 1959	8,123	6.9%
1960 to 1979	25,808	21.8%
1980 to 1999	37,639	31.7%
2000 to 2009	23,438	19.8%

<b>2010 to 2019</b>	16,569	14.0%
<b>2020 or later</b>	1,706	1.4%

Source: U.S. Census Bureau, 2022

## Energy Source

The table below shows the number of housing units in Thurston County that utilize each energy source for home heating. With the Washington Clean Energy Transformation Act, all electricity will be 100% clean and carbon-free by 2045. Transitioning home energy types to electricity will help to reduce future greenhouse gas emissions.

Table A3. Energy sources of Thurston County housing units.

Energy Type	Number of Units	Percentage of Total Housing Units in Thurston County
<b>Utility Gas</b>	35,759	30.2%
<b>Bottled Tank or LP Gas</b>	4,264	3.6%
<b>Electricity</b>	72,885	61.5%
<b>Fuel Oil, kerosene</b>	1,005	0.8%
<b>All other fuels</b>	4,170	3.5%
<b>No fuel used</b>	488	0.4%

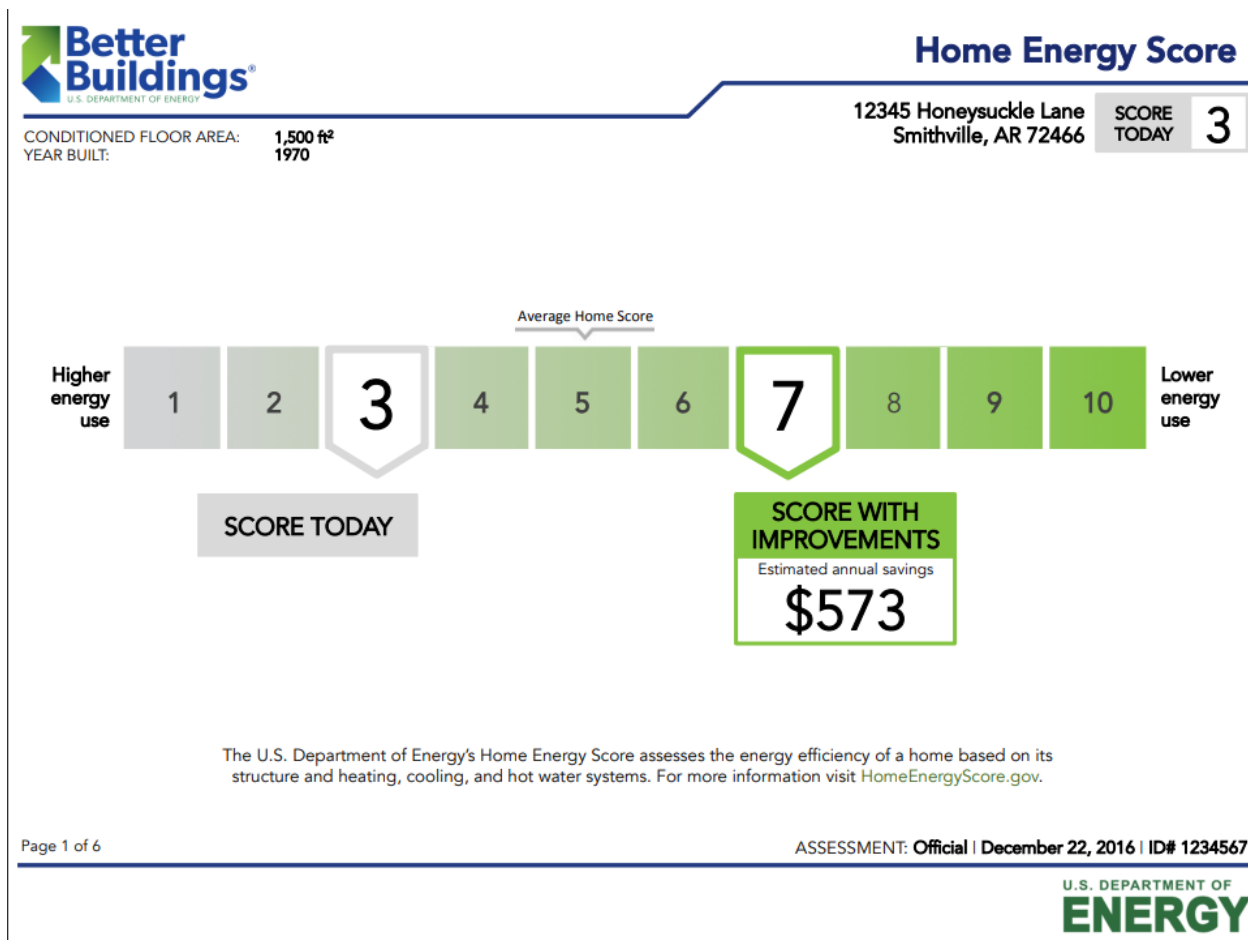
Source: U.S. Census Bureau, 2022

## Home Sale Trends

During the year 2023, there were 3,377 residential homes sold in Thurston County with another 3,409 pending. The average price of a residential unit sold in Thurston County in 2023 was \$551,127, a 3% increase from 2022's average sale price of \$535,016 (Northwest Multiple Listing Service, 2024). Depending on the location of the home the average number of days on the market ranged from 35 to 47.

# APPENDIX B

## STANDARD HOME ENERGY SCORE REPORT



12345 Honeysuckle Lane  
Smithville, AR 72466

SCORE  
TODAY

3

## Home Facts

The Home Energy Score's Home Facts includes details about the home's current structure, systems, and estimated energy use. For more information about how the score is calculated, visit our website at [HomeEnergyScore.gov](http://HomeEnergyScore.gov).

## About This Home



### ASSESSMENT

Type Official  
Assessor ID #1234567  
Scoring tool version v2016

### HOME CONSTRUCTION

Year built 1970  
Number of bedrooms 3  
Stories above ground level 1  
Interior floor-to-ceiling height 10  
Conditioned floor area 1,500 ft<sup>2</sup>  
Direction faced by front of house North  
Air sealed? No  
Air leakage rate 6,500 CFM50

## Estimated Annual Energy Use



### ENERGY BY TYPE

Total 204 MBtus  
Score basis 141 MBtus  
Electricity 11,956 kWh  
Natural gas 519 therms  
Propane 226 gallons

### COST BASIS

Electricity \$0.091 / kWh  
Natural gas \$1.153 / therms  
Propane \$2.171 / gallon  
Energy cost per square foot \$1.45 / ft<sup>2</sup>

### DEFINITIONS & CONVERSIONS

MBtu Million British thermal units; generic energy unit  
kWh Kilowatt-hour; electricity unit  
Therm 100,000 Btu; heat energy unit  
Electricity conversion 1 MBtu = 293 kWh  
Heat conversion 1 MBtu = 10 therms

12345 Honeysuckle Lane  
Smithville, AR 72466

SCORE  
TODAY

3

## Home Facts

The Home Energy Score's Home Facts includes details about the home's current structure, systems, and estimated energy use. For more information about how the score is calculated, visit our website at [HomeEnergyScore.gov](http://HomeEnergyScore.gov).

## Roof / Attic



### ROOF / ATTIC 1

Attic floor area	500 ft <sup>2</sup>
Roof construction	Roof with Radiant Barrier / Composition Shingles or Metal / R-0
Roof color	Medium dark
Attic ceiling type	Unconditioned attic
Attic floor insulation	R-25

### ROOF / ATTIC 2

Attic floor area	1,000 ft <sup>2</sup>
Roof construction	Standard Roof / Composition Shingles or Metal / R-0
Roof color	Medium dark
Attic ceiling type	Unconditioned attic
Attic floor insulation	R-9

## Foundation



### FOUNDATION / FLOOR 1

Floor area	500 ft <sup>2</sup>
Foundation type	Slab-on-grade foundation
Foundation walls insulation	R-0

### FOUNDATION / FLOOR 2

Floor area	1,000 ft <sup>2</sup>
Foundation type	Unconditioned basement
Floor insulation above foundation	R-0
Foundation walls insulation	R-0

## Walls



<u>WALL CONSTRUCTION</u>	<u>TYPE / EXTERIOR FINISH</u>	<u>INSULATION VALUE</u>
Front	Wood frame with Optimum Value Engineering (OVE) / Brick Veneer	R-19
Back	Wood frame / Wood, Asbestos, Fiber Cement, Shingle, or Masonite	R-0
Right	Concrete block or stone / Stucco	R-3
Left	Wood frame with rigid foam sheathing / aluminum siding	R-3

## Home Facts

The Home Energy Score's Home Facts includes details about the home's current structure, systems, and estimated energy use. For more information about how the score is calculated, visit our website at [HomeEnergyScore.gov](http://HomeEnergyScore.gov).

## Windows & Skylights



### WINDOW AREA

Front	70 ft <sup>2</sup>
Back	90 ft <sup>2</sup>
Right	40 ft <sup>2</sup>
Left	30 ft <sup>2</sup>

<u>WINDOW CONSTRUCTION</u>	<u>PANES</u>	<u>FRAME</u>	<u>GLAZING or U-VALUE &amp; SHGC</u>
Front	Single	Aluminum	Clear
Back	Double	Wood or Vinyl	Solar-controlled low-E
Right	Double	Aluminum w/ thermal break	Insulating low-E, argon gas fill
Left	Triple	Wood or vinyl	Insulating low-E, argon gas fill

### SKYLIGHTS ROOF / ATTIC 1

Present?	Yes		
Area	30 ft <sup>2</sup>		
Type	Single	Aluminum	Tinted

### SKYLIGHTS ROOF / ATTIC 2

Present?	No
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12345 Honeysuckle Lane  
Smithville, AR 72466

SCORE  
TODAY

3

## Home Facts

The Home Energy Score's Home Facts includes details about the home's current structure, systems, and estimated energy use. For more information about how the score is calculated, visit our website at [HomeEnergyScore.gov](http://HomeEnergyScore.gov).

## Systems



### HVAC SYSTEM 1

Percent conditioned area served **33%**  
Heating type **Electric heat pump**  
Heating efficiency value **7.8 HSPF**  
Cooling type **Electric heat pump**  
Cooling efficiency value **12 SEER**

### DUCT SYSTEM 1

Unconditioned attic

INSULATED?	SEALED?	PERCENT OF DUCTS IN THIS LOCATION
Yes	No	100%

### HVAC SYSTEM 2

Percent conditioned area served **67%**  
Heating type **Central gas furnace**  
Heating installation year **2009**  
Cooling type **Central air conditioning**  
Cooling installation year **2009**

### DUCT SYSTEM 2

Unconditioned basement  
Unconditioned attic  
Conditioned space

INSULATED?	SEALED?	PERCENT OF DUCTS IN THIS LOCATION
No	No	50%
No	No	25%
No	No	25%

### HOT WATER

System type **LPG storage**  
Installation year **1997**



12345 Honeysuckle Lane  
Smithville, AR 72466

SCORE  
TODAY

3

## Recommendations

The Home Energy Score's Recommendations show how to improve the energy efficiency of the home to achieve a higher score and save money. When making energy related upgrades, homeowners should consult with a certified energy professional or other technically qualified contractor to ensure proper sizing, installation, safety, and adherence to code. Learn more at [HomeEnergyScore.gov](http://HomeEnergyScore.gov).

**REPAIR NOW.** These improvements will save you money, conserve energy, and improve your comfort.



- ▶ **Air Tightness:** Have a professional seal all the gaps and cracks that leak air to save **\$110** / year
- ▶ **Ducts 1:** Add insulation around ducts in unconditioned spaces to at least R-6 to save **\$43** / year
- ▶ **Attic 2:** Increase attic floor insulation to at least R-19 to save **\$57** / year
- ▶ **Ducts 2:** Add insulation around ducts in unconditioned spaces to at least R-6 to save **\$23** / year
- ▶ **Ducts 2:** Have a professional seal all the gaps and cracks that leak air to save **\$74** / year

**REPLACE LATER.** These improvements will help you save energy when it's time to replace or upgrade.



- ▶ **Windows:** Choose those with an ENERGY STAR label to save **\$61** / year
- ▶ **Water Heater:** Choose one with an ENERGY STAR label to save **\$159** / year
- ▶ **Electric Heat Pump:** Choose one with an ENERGY STAR label to save **\$32** / year

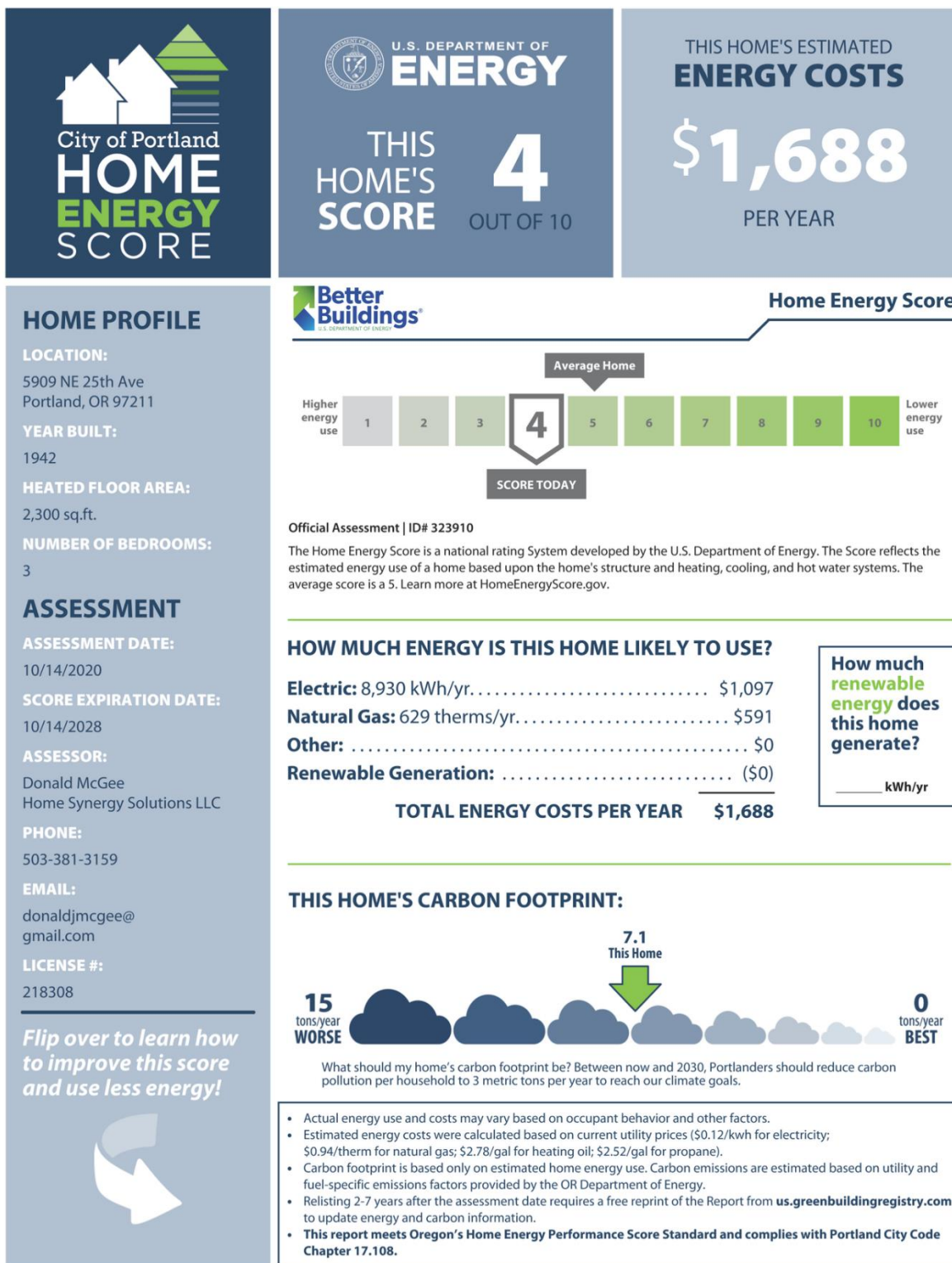
## Comments



Current local incentives may make this house a good candidate for a new water heater.

# APPENDIX C

## CUSTOM HOME ENERGY SCORE REPORT



Score today: <b>4</b>	Score with priority improvements: <b>6</b>	Estimated energy savings with priority improvements: <b>\$159</b> PER YEAR	Estimated carbon reduction with priority improvements: <b>11%</b> PER YEAR
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### TACKLE ENERGY WASTE TODAY!

Enjoy the rewards of a comfortable, energy efficient home that saves you money.

- ☒ Get your home energy assessment. Done!
- ☐ Choose energy improvements from the list of recommendations below.
- ☐ Select a contractor (or two, for comparison) and obtain bids. If a new home, discuss with the builder. Checkout [www.energytrust.org/findacontractor](http://www.energytrust.org/findacontractor) or call toll free **1-866-368-7878**.
- ☐ Explore financing options at [communityenergyproject.org](http://communityenergyproject.org) or [energytrust.org](http://energytrust.org).
- ☐ Visit the following resources to learn about easy changes you can make today: [communityenergyproject.org/our-services](http://communityenergyproject.org/our-services) or [energytrust.org/solutions/insulation-and-air-sealing/](http://energytrust.org/solutions/insulation-and-air-sealing/)

### PRIORITY ENERGY IMPROVEMENTS <sup>1</sup>

FEATURE	TODAY'S CONDITION <sup>4</sup>	RECOMMENDED IMPROVEMENTS <sup>3</sup>
Air Conditioner	10 SEER	When replacing, upgrade to ENERGY STAR
Heating equipment	Natural gas furnace 80% AFUE	When replacing, upgrade to ENERGY STAR
Water Heater	Natural gas	When replacing, upgrade to ENERGY STAR, (EF ≥ 0.67 or UEF ≥ 0.64)

### ADDITIONAL ENERGY RECOMMENDATIONS <sup>2</sup>

FEATURE	TODAY'S CONDITION <sup>4</sup>	RECOMMENDED IMPROVEMENTS
Attic insulation	Ceiling insulated to R-19	Insulate to R-38 or R-49 if code requires it
Envelope/Air sealing	Not professionally air sealed	Professionally air seal
Solar PV	N/A	Visit <a href="http://www.energytrust.org/solar">www.energytrust.org/solar</a> to learn more
Wall insulation	Insulated to R-0	Fully insulate wall cavities
Windows	Multiple types	When replacing, upgrade to ENERGY STAR
Basement wall insulation	Insulated to R-0	
Cathedral Ceiling/Roof	Roof insulated to R-30	
Duct insulation	Un-insulated	
Duct sealing	Un-sealed	
Floor insulation	Insulated to R-0	
Foundation wall insulation	N/A	
Skylights	Double-pane	

1. To achieve the "Score with Priority Improvements" all recommended improvements in the Priority Energy Improvements section must be completed. All together, these priority improvements have a simple payback of ten years or less.

2. Additional energy efficiency improvements may take longer than ten years to make a return on investment but can have a significant impact on the comfort, efficiency and environmental impact of your home.

3. If your home has an oil furnace it is recommended you replace it with a high efficiency electric heat pump.

4. Today's Condition represents the majority condition for that feature in the home.



## Land Use & Environment Committee

### Consideration of Capital Mall Triangle Subarea Planned Action Ordinance and Engineering Design and Development Standards Revisions Recommendation

**Agenda Date:** 2/20/2025  
**Agenda Item Number:** 6.C  
**File Number:** 25-0126

---

**Type:** recommendation   **Version:** 1   **Status:** In Committee

---

#### Title

Consideration of Capital Mall Triangle Subarea Planned Action Ordinance and Engineering Design and Development Standards Revisions Recommendation

#### Recommended Action

Move to accept Planning Commission recommendation for the Planned Action Ordinance and forward to City Council for a decision and also recommend approval of the Engineering Design and Development Standards (EDDS) revisions and forward to City Council for a public hearing.

#### City Manager Recommendation:

Move to accept the Planning Commission recommendation for the Planned Action Ordinance and forward to City Council for a decision and also recommend approval of the Engineering Design and Development Standards (EDDS) revisions and forward to City Council for a public hearing.

#### Report

##### Issue:

Whether to accept the Planning Commission's recommendation of approval for the Planned Action Ordinance and forward to City Council for a decision and also whether to recommend approval of the EDDS revisions and forward to City Council for a public hearing.

#### Staff Contact:

David Ginther, Senior Planner, Community Planning and Economic Development, 360.753.8335

#### Presenter(s):

David Ginther, Senior Planner  
Michelle Swanson, Senior Planner

#### Background and Analysis:

In July of 2024, the Capital Mall Triangle Subarea Plan was adopted following significant public outreach and public participation opportunities. The adopted plan contains a vision for the Capital Mall area to:

1. Eventually transition to a high-density mixed-use neighborhood where people can walk, bike, or take the bus to obtain goods, services, and entertainment.
2. Keep the subarea a regional draw for the retailers and other businesses.

The subarea plan, and the environmental impact statement completed for the project, contain recommendations for changes to development regulations to encourage the envisioned type of development. This includes changes to both the municipal code and the Engineering Design and Development Standards (EDDS). These are presented in separate ordinances due to the different review processes. Unlike the changes contained in the Planned Action Ordinance, the EDDS changes are not reviewed by the Planning Commission and are instead reviewed by the City Council and the Land Use and Environment Committee.

The proposed development regulation changes in the Planned Action Ordinance only apply within the Capital Mall Triangle Subarea. The proposed changes include establishing an Affordable Housing Height Bonus Overlay in the core of the subarea, increasing building heights in the High Density Corridor zones within the subarea, moving building setbacks higher in some instances, and making parking requirements more flexible for retail, restaurants, offices, shopping centers, and daycares. The Planned Action Ordinance also includes transportation mitigation identified in the environmental impact statement.

The environmental impact statement provided up-front environmental review for future development which allows proposed development consistent with the Capital Mall Triangle Subarea plan to move forward with a streamlined project-level environmental review process. The ordinance establishes a limit, called a trip cap, on the cumulative number of vehicle trips generated by new development. Development that occurs prior to the trip cap being reached is allowed a streamlined environmental review process. When development is proposed that would exceed the trip cap it is to be required to conduct full environmental review. All development is still subject to all applicable standards and development regulations.

The proposed changes to the EDDS include adjusting intersection spacing and center line offsets to allow for smaller and more flexible block sizes. The changes also add a reference to the new planned action chapter in the Olympia Municipal Code that is being proposed through the separate, but related, Planned Action Ordinance. The proposed changes to the EDDS will only apply within the Capital Mall Triangle Subarea.

Note: The City's legal department has reviewed both ordinances.

### **Climate Analysis:**

The planning project will result in long-term reduction of greenhouse gas emissions. It will facilitate development of high-density residential housing in a core urban area that is designated in the City's comprehensive plan for high-density housing mixed with commercial and other services. Development of high density housing in this area will result in a number of benefits in regards to climate impacts including the following: reducing sprawl; providing needed housing in close proximity to goods, services, and jobs; providing more efficient housing that consumes less energy, less drinking water, and produces less wastewater; construction of a more efficient transportation network with more connections and more opportunities for active forms of travel; and a reduction in vehicle miles traveled.

**Equity Analysis:**

The community will benefit from additional housing being developed. There is significant nationwide data which shows that increasing the housing supply has a positive impact on the cost of renting or buying housing. The additional inventory of housing will help to address the high demand and provide much needed housing for the additional residents expected in the next 20 years. Both those seeking affordable housing as well as market rate housing will benefit from additional housing options.

The proposed Affordable Housing Height Bonus Overlay allows additional building height if at least 30% of the dwelling units are affordable for those making 80% of the area median income or less. Using the 30% threshold will allow for a mix of affordable and market rate housing in the same development.

The ordinance proposes to increase building heights in the High Density Corridor zones which would allow for more residential units to be contained in a building. Businesses in general will benefit from additional residents (potential customers) living near their establishments. Smaller businesses could be impacted by rising property values and higher commercial rents within the subarea. This could occur as the area develops and becomes a more desirable location in which to live and conduct business. The subarea plan provides several recommendations on methods to mitigate potential impacts to the business community including economic displacement.

**Neighborhood/Community Interests (if known):**

This Planned Action Ordinance and the EDDS revisions are implementing the Capital Mall Triangle Subarea Plan that was written using community input over a two-year period. Extensive outreach was conducted for the subarea planning project using multiple methods and a variety of participation opportunities were offered.

Notices of the January 6, 2025, Planning Commission public hearing on the Planned Action Ordinance were provided to the community by mail, email to the Parties of Record, Enews, notice to the Recognized Neighborhood Associations, and published in the Olympian. Notices were mailed to over 2,000 community members and property owners inside and outside the Capital Mall Triangle Subarea, including the apartment residents west of the subarea.

**Financial Impact:**

The project is internally funded.

**Options:**

1. Move to accept Planning Commission recommendation for the Planned Action Ordinance and forward to City Council for a decision and also recommend approval of the Engineering Design and Development Standards (EDDS) revisions and forward to City Council for a public hearing.
2. Do not Move to accept Planning Commission recommendation for the Planned Action Ordinance and forward to City Council for a decision and also recommend approval of the Engineering Design and Development Standards (EDDS) revisions and forward to City Council for a public hearing.
3. Move to accept Planning Commission recommendation for the Planned Action Ordinance and

forward to City Council for a decision and also recommend approval of the Engineering Design and Development Standards (EDDS) revisions and forward to City Council for a public hearing with amendments to one or both.

**Attachments:**

Draft Planned Action Ordinance

Draft Engineering Design and Development Standards Ordinance

Planning Commission Recommendation for the Planned Action Ordinance

Public Comment

Webpage



Ordinance No. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, AMENDING OLYMPIA MUNICIPAL CODE TITLES 14 AND 18 AND ESTABLISHING A PLANNED ACTION FOR THE CAPITAL MALL TRIANGLE SUBAREA**

**WHEREAS**, the State Environmental Policy Act (SEPA) and implementing rules provide for the integration of environmental review with land use planning and project review through designation of “planned actions” by jurisdictions planning under the Growth Management Act (GMA); and

**WHEREAS**, designation of a planned action expedites the permitting process for subsequent, implementing projects whose impacts have been previously addressed in a planned action environmental impact statement (EIS) and thereby encourages desired growth and economic development; and

**WHEREAS**, the City wants to designate a planned action for the Capital Mall Triangle Subarea; and

**WHEREAS**, the Capital Mall Triangle Subarea is a 288-acre area that surrounds the Capital Mall and is bordered by Black Lake Boulevard on the east, Cooper Point Road on the west, and on the north by Capital High School, and a low-density single family residential neighborhood, which are approximately two city blocks north of Harrison Avenue; and

**WHEREAS**, the Capital Mall Triangle Subarea is a regional shopping destination, but it has a current land use pattern that includes traditional big box retail, is auto-oriented, and has a suburban mall surrounded by large parking lots accessed by a network of five-lane arterials. Street connectivity is limited, and existing intersections are strained in the subarea; and

**WHEREAS**, the City has adopted a Comprehensive Plan complying with the state Growth Management Act, RCW chapter 36.70A; and

**WHEREAS**, the Capital Mall Triangle Subarea is designated by the Comprehensive Plan as an Urban Corridor and is singled out as one of three ‘focus areas’ for these corridors. The Comprehensive Plan states, *“In cooperation with landowners and others, the City will be focusing its planning efforts on three of these urban corridor ‘focus areas’, possibly in the form of a ‘master plan’ that addresses issues such as land use, infrastructure and design.”*; and

**WHEREAS**, the Capital Mall Triangle Subarea is one of the three areas in the City of Olympia with the High Density Neighborhoods Overlay. The Comprehensive Plan explains that the goal of this overlay is to *“Concentrate housing into three high-density Neighborhoods: Downtown Olympia, Pacific/Martin/Lilly Triangle; and the area surrounding Capital Mall.”*; and

**WHEREAS**, the Comprehensive Plan recommends the City work to *“Maximize the potential of the Capital Mall area as a regional shopping center by encouraging development that caters to a regional market, by providing pedestrian walkways between businesses and areas; by increasing shopper convenience and reducing traffic by supporting transit service linked to downtown; by encouraging redevelopment of parking areas with buildings and parking structures; and by encouraging multifamily housing.”*; and



**WHEREAS**, the Comprehensive Plan states, *“This area should continue to be economically viable and contribute to the community’s goals with infill, redevelopment, and connections to adjacent areas for all modes of travel. It is to evolve into a complete urban neighborhood with a mix of jobs, housing, and services.”*; and

**WHEREAS**, consistent with the goals and policies of the Comprehensive Plan, the City has engaged in extensive subarea planning to guide the Capital Mall Triangle Subarea’s growth and redevelopment; and

**WHEREAS**, the purpose of Capital Mall Triangle Subarea Plan and planned action EIS is to facilitate the transition of the subarea, as envisioned in the Comprehensive Plan, into a complete, vibrant, and economically viable urban neighborhood; and

**WHEREAS**, on December 21, 2021, the City of Olympia entered into a grant agreement with the Washington State Department of Commerce to fund a subarea plan and a planned action EIS for the Capital Mall Triangle Subarea; and

**WHEREAS**, on June 23, 2022, the City entered into a Professional Services Agreement with Makers Architecture and Urban Design, for professional consulting services for the subarea plan and planned action EIS; and

**WHEREAS**, the City of Olympia developed a Public Participation Plan for the development and review of the subarea plan and planned action EIS; and

**WHEREAS**, the City used its Capital Mall Triangle Subarea Plan webpage for this planning proposal as a means of providing project information and updates to the public that was accessible at the public’s convenience; and

**WHEREAS**, the City used the Parties of Record contact list for the Capital Mall Triangle Subarea Plan and the City’s Enews publication as a means of providing project information and updates to the public throughout the planning process; and

**WHEREAS**, the City held public meetings and hearings as part of a coordinated Capital Mall Triangle Subarea public participation program throughout 2022, 2023, and 2024; and

**WHEREAS** the City issued E-Newsletters to all members subscribed to the Planning and Development listserv on March 31, 2022, June 29, 2022, October 11, 2022, October 24, 2022, January 25, 2023, March 30, 2023, May 3, 2023, June 7, 2023, September 28, 2023, February 5, 2024, February 26, 2024, and March 18, 2024; and

**WHEREAS** the City issued email updates to all Parties of Record for this planning process on March 18, 2022, March 31, 2022, June 29, 2022, August 2, 2022, September 30, 2022, October 21, 2022, January 25, 2023, March 27, 2023, May 3, 2023, June 7, 2023, September 28, 2023, October 19, 2023, February 5, 2024, February 26, 2024, and March 18, 2024; and

**WHEREAS** the City convened a Stakeholder Work Group and held meetings on October 4, 2022, January 11, 2023, September 20, 2023, and November 28, 2023; and

**WHEREAS** the City met with representatives of several business organizations on May 24, 2023, and held public business focused meetings on June 15, 2023, and October 12, 2023; and

**WHEREAS** the City held public community meetings on October 20, 2022, February 2, 2023, September 20, 2023, October 18, 2023, October 25, 2023, and March 7, 2024; and

**WHEREAS**, on September 12, 2022, the City completed an environmental checklist and submitted it to the Community Planning and Development Department of the City of Olympia for review; and

**WHEREAS**, on October 24, 2022, the City as lead agency issued a Determination of Significance for the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, the City as lead agency provided public comment opportunities through an EIS scoping period from October 24, 2022, to November 14, 2022; and

**WHEREAS**, the City conducted a community meeting on October 20, 2022 and provided notice to the community, including affected federally recognized tribal governments and agencies with jurisdiction over the future development anticipated for the planned action, in compliance with RCW 43.21C.440; and

**WHEREAS**, the City provided a public comment period for the Draft Capital Mall Triangle Subarea Plan and draft planned action EIS from September 28, 2023, to October 30, 2023; and

**WHEREAS**, the City conducted public meetings on October 18, 2023, and October 25, 2023, to receive community input on the Draft Capital Mall Triangle Subarea Plan and draft planned action EIS; and

**WHEREAS**, on February 7, 2024, the Capital Mall Triangle Subarea Plan and final Capital Mall Triangle Subarea planned action EIS were sent to the Washington State Department of Commerce Growth Management Services as required by RCW 36.70A.106; and

**WHEREAS**, on February 8, 2024, the Capital Mall Triangle Subarea Plan and final Capital Mall Triangle Subarea planned action EIS were released to the public and placed on the project webpage; and

**WHEREAS**, on March 18, 2024, the Olympia Planning Commission received a briefing on the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, on March 22, 2024, notice of the Planning Commission public hearing was provided to all Recognized Neighborhood Associations with the City of Olympia pursuant to Chapter 18.78 OMC, Public Notification, and Chapter 18.86 OMC, Neighborhood Association Recognition and Notification; and

**WHEREAS**, on March 22, 2024, notice of the Planning Commission public hearing was provided to all Parties of Record, all persons subscribed to the Planning and Development E-newsletter listserv, and all properties within 300 feet of the subarea boundary; and

**WHEREAS**, on March 22, 2024, a legal notice was published in The Olympian newspaper regarding the date of the Planning Commission's public hearing on the subarea plan; and

**WHEREAS**, on April 1, 2024, the Planning Commission held a public hearing on the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, on April 15, 2022, the Planning Commission deliberated on the Capital Mall Triangle Subarea Plan and forwarded a recommendation to the City Council to approve the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, on May 9, 2024, the Land Use and Environment Committee received a briefing on the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, on June 11, 2024, the Olympia City Council held a study session on the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, on July 9, 2024, the Olympia City Council approved an ordinance adopting the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, the Capital Mall Triangle Subarea planned action EIS identifies impacts and mitigation measures associated with planned development in the Capital Mall Triangle Subarea; and

**WHEREAS**, the City has adopted development regulations and ordinances which will help protect the environment; and

**WHEREAS**, the City is adopting regulations specific to the Capital Mall Triangle Subarea which will guide the allocation, form, and quality of desired development; and

**WHEREAS**, the City is adopting regulations specific to the Capital Mall Triangle Subarea to mitigate the impacts of future desired development, as specified in the planned action EIS; and

**WHEREAS**, on December 2, 2024, the Olympia Planning Commission received a briefing on the development regulation amendments; and

**WHEREAS**, on December 23, 2024, notice of the Planning Commission public hearing was provided to Recognized Neighborhood Associations pursuant to Chapter 18.78 OMC, Public Notification, and Chapter 18.86 OMC, Neighborhood Association Recognition and Notification; and

**WHEREAS**, on December 23, 2024, notice of the Planning Commission public hearing was provided to all Parties of Record, all persons subscribed to the Planning and Development E-newsletter listserv, and all properties within 300 feet of the subarea boundary; and

**WHEREAS**, on December 27, 2024, a legal notice was published in The Olympian newspaper regarding the date of the Planning Commission's public hearing on the development regulation amendments; and

**WHEREAS**, on January 6, 2025, the Planning Commission held a public hearing on the development regulation amendments; and

**WHEREAS**, on January 6, 2025, the Planning Commission deliberated on the development regulation amendments and forwarded a recommendation to the City Council to approve an ordinance amending the development regulations; and

**WHEREAS**, on \_\_\_\_\_, 2025, the Land Use and Environment Committee received a briefing on the development regulation amendments; and

**WHEREAS**, on \_\_\_\_\_, 2025, the Olympia City Council held a study session on the development regulation amendments and

**WHEREAS**, on \_\_\_\_\_, 2025, the Olympia City Council approved the development regulation amendments; and

**WHEREAS**, the Proposed Amendments are consistent with the Olympia Comprehensive Plan and the Olympia Municipal Code; and

**WHEREAS**, the Attorney General Advisory Memorandum: Avoiding Unconstitutional Takings of Private Property (October 2024) was reviewed and used by the City in objectively evaluating the proposed subarea plan and

**WHEREAS**, Chapters 35A.63 and 36.70A RCW and Article 11, Section 11 of the Washington State Constitution authorize and permit the City to adopt this Ordinance;

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. Amendment of OMC Section 14.00.000.** Olympia Municipal Section 14.00.000 is hereby amended as follows:

**Title 14  
ENVIRONMENTAL PROTECTION**

**Chapters:**

**14.04 Environmental Policy**

**14.06 Capital Mall Triangle Subarea Planned Action**

**Section 2. Amendment of OMC Title 14.** Olympia Municipal Title 14 hereby amended to add Chapter 14.06 to read as follows:

**Chapter 14.06  
CAPITAL MALL TRIANGLE SUBAREA PLANNED ACTION ORDINANCE**

**14.06.000 Chapter Contents**

**Sections:**

**14.06.010 Planned Action Area**

**14.06.020 Transportation Limits**

**14.06.030 Elements of the Environment**

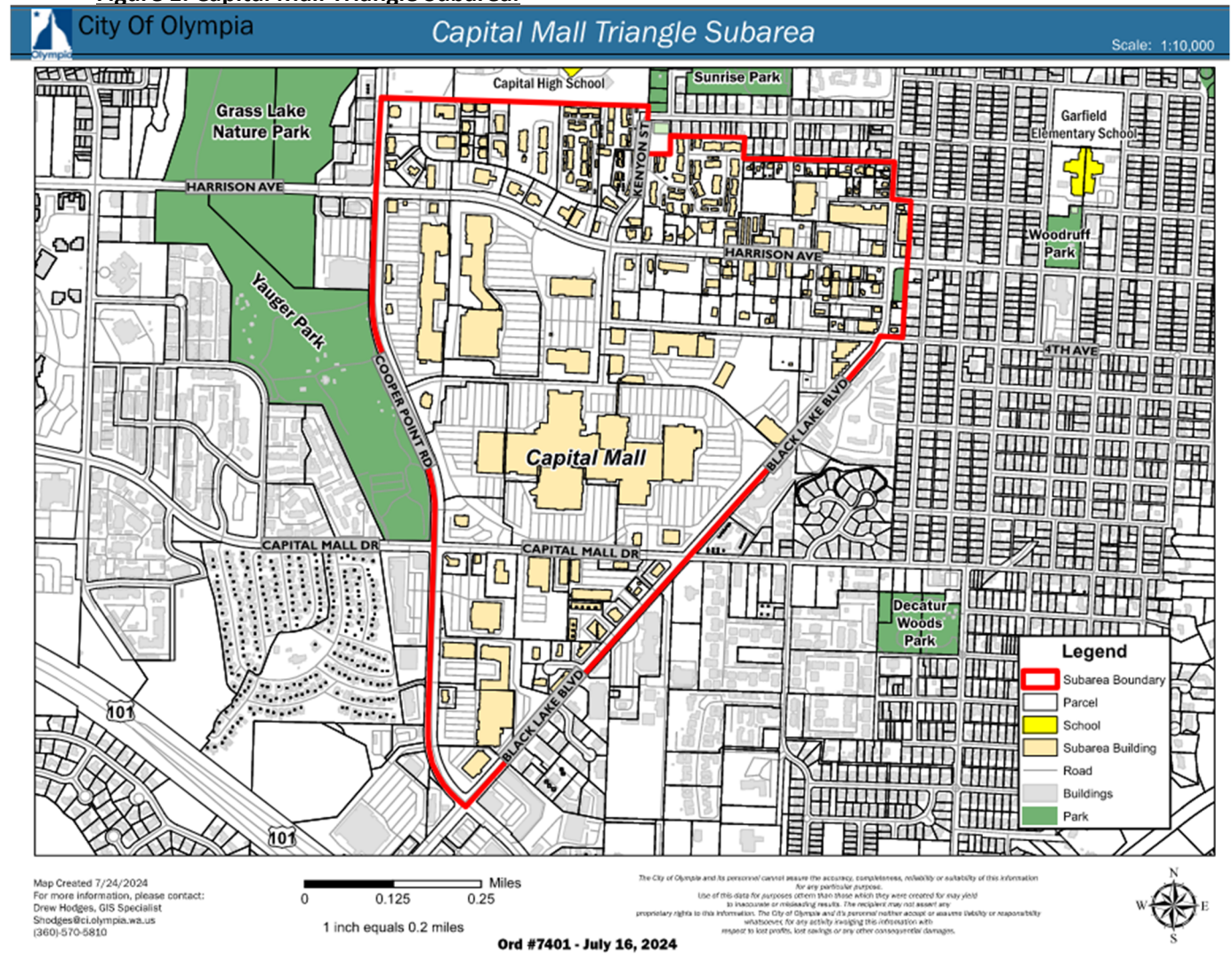
**14.06.040 Changed Conditions**

**Section 2. Amendment of OMC Chapter 14.06.** Olympia Municipal Code Chapter 14.06 is hereby amended to read as follows:

#### **14.06.010 Planned Action Area**

- A. The Capital Mall Triangle Subarea Planned Action is limited to those properties located within the boundaries of the Capital Mall Triangle Subarea as shown in *Figure 1. Capital Mall Triangle Subarea* (the Planned Action Area).

**Figure 1. Capital Mall Triangle Subarea.**



#### **14.06.020 Transportation Limits**

- A. The City has identified a net new vehicle trip end cap for the Planned Action Area, as reviewed in the Preferred Alternative of the Planned Action EIS. This trip cap was developed by reviewing both the Planned Action Area trip generation assumed in previous planning studies and the Planned Action Area trip generation as assumed in the Planned Action EIS. The net new vehicle trip end cap end is: 1,025 AM peak hour trip ends, or 1,900 PM peak hour trip ends.

1. In no case may net new vehicle trip ends exceed the trip cap established for the AM or PM peak hour. The City shall conduct monitoring to determine when the trip cap is reached. Development that results in the trip cap being exceeded will be required to conduct SEPA review in accordance with OMC Title 14 *Environmental Protection*.
2. All planned actions must be consistent with subsections (B) to (F) of this section.

#### B. SEPA Requirements

1. Up until the trip cap is reached, the SEPA Responsible Official, or designee, shall require a limited trip generation and distribution analysis prepared by any Planned Action Project applicants that must include the following elements:
  - i. Brief project description
  - ii. Expected AM Peak, PM Peak, and Daily vehicle trip ends generated
    1. Vehicle trip ends must account for pass-by trips and trips that are internal to the subarea. Pass-by and internal trips will not count against the trip cap.
  - iii. Anticipated trip distribution, including percentage of trip generation accessing US 101 via the Black Lake Boulevard interchange
  - iv. Assessment of site circulation and accesses that summarizes:
    1. Location of accesses, including both accesses to the internal road network of the Subarea and principal accesses to the surrounding arterial streets (Cooper Point Road, Black Lake Boulevard, Harrison Avenue, and/or Capital Mall Drive).
      - a. Arterial access points must be confirmed in coordination with City staff
      - b. Layout of internal road network serving the Planned Action Project must be confirmed with City staff to ensure consistency with the alignments and access spacing documented in the Subarea Plan and the City of Olympia Comprehensive Plan.
    2. Number of AM peak hour, PM peak hour and daily trips expected to enter and exit each access.
    3. Anticipated turn storage lane requirements for both internal access points and arterial access points, including number of lanes and dimensions.
    4. Conformity with City standards for safe and efficient circulation and site access
  - v. Safety analysis including crashes from the most recent complete five-year period. The number of locations to be analyzed under this safety analysis must be confirmed with City staff, but must at minimum include all proposed access points onto existing roadways and any signalized or roundabout intersection adjacent to these access points. This safety analysis must summarize the following:
    1. Crashes by severity

2. Detailed crash trends for all serious or fatal crashes, including contributing circumstance and crash type trends.
          3. Detailed crash trends for all pedestrian and bicycle crashes, including contributing circumstance and crash type trends.
          4. Implications of these trends on implementation of the proposed access points and Planned Action Project.
  2. The SEPA Responsible Official, or designee, shall track that cumulative added vehicle trip ends (not including pass-by or internal trips) do not exceed the trip caps identified in Subsection A.
    - i. Once the trip cap is reached for either peak hour (consistent with the steps outlined in Subsection A), unless categorically exempt, a complete SEPA analysis will be required for any subsequent Planned Action Project. Depending on the scope of the development, this may include a traffic impact analysis consistent with the Traffic Impact Analysis guidelines contained in Chapter 4, Appendix 7 of the City of Olympia Engineering Design and Development Standards.
  3. The SEPA Responsible Official, or designee, shall confirm the adequacy of the site access and circulation and safety analyses identified above.
- C. Concurrency. All Planned Action Projects must meet the City's transportation concurrency requirements standards per Chapter 15.20 of the Olympia Municipal Code.
- D. Impact Fee. The applicant for a Planned Action Project shall pay applicable impact fees for improvements addressed in the impact fee ordinance, Title 15 of the Olympia Municipal Code.
- E. Mitigation. Each Planned Action Project must provide its proportionate share of transportation capital improvements considered in the Planned Action EIS, so long as those improvements are not already captured in the impact fee program.
  1. Definitions of mitigation measures include:
    - i. Mitigation Measure: Means to prevent, reduce, or control adverse environmental effects of the Planned Action Project consistent with WAC 197-11-768, as described in the Planned Action EIS and incorporated in Section 14.06.020.E(b) of this Ordinance.
    - ii. Performance Measure: A criterion that a Planned Action Project must adhere to in order to demonstrate mitigation is achieved consistent with the Planned Action EIS.
  2. Mitigation Measures:
    - i. Transportation:
      1. Performance Measure: A Planned Action Project applicant shall demonstrate consistency with frontage, street design, and network connectivity standards established in the Subarea Plan, the Olympia Comprehensive Plan, the Olympia Transportation Master Plan, and the City of Olympia's Engineering Design and Development Standards, Chapter 4.
      2. Mitigation Measure: A Planned Action Project application shall

implement motorized and nonmotorized transportation improvements mitigating a Planned Action Project's impacts consistent with Table E-1, the Transportation Master Plan, and City standards. The City shall condition all Planned Action Project permits to:

- a. Implement system improvements related to growth in the Subarea. A Planned Action Project applicant's responsibility to provide for system improvements is based on the payment of citywide impact fees for improvements included in the Subarea. In addition, the Planned Action Project applicant shall pay the Project's fair share of system improvements not included in the citywide impact fee in proportion to the vehicle trips generated to support necessary improvements identified in the Planned Action EIS (proportionate share).
  - b. Provide site specific mitigation consistent with City standards. The City shall require safe and efficient circulation and site access and improvements attributable to each individual Planned Action Project in order to meet City standards based on the results of the Trip Generation and Distribution analysis documented in Section 14.06.020.B(a).
3. Mitigation Measure: Where a Planned Action Project would implement new roadways internal to the Subarea, these roadways must be consistent with the alignments and access spacing requirements documented within the Subarea Plan, the Olympia Comprehensive Plan, the Olympia Transportation Master Plan, and the Engineering Design and Development Standards, or as amended by the Director of Public Works or designee. The Planned Action Project applicant shall coordinate with the SEPA Responsible Official, or designee, to confirm consistency with the most recent City plans and expectations for the Subarea.
4. Mitigation Measure: Pending the review of the site access and circulation evaluation and safety evaluation defined in section B above, the Planned Action Project applicant shall implement any necessary improvements to facilitate access or mitigate potential safety hazards identified in these studies. These mitigations can be achieved either through construction of required improvements or through a proportionate mitigation payment, to be determined by the SEPA Responsible Official, or designee, as noted in F(c), below.
5. Mitigation Measure: Where a Planned Action Project's street frontage includes an existing or planned transit stop, including those plans documented in the Planned Action EIS, such development must be conditioned to install transit stops and transit supportive infrastructure to the standards of the City and Intercity Transit.
6. Mitigation Measure: The SEPA Responsible Official, or designee, shall condition all Planned Action Projects to ensure the proposed use or development contributes to the Subarea achieving the desired



reduction in vehicle travel, as documented in the Planned Action EIS. Planned Actions must implement transportation demand management (TDM) measures consistent with the Subarea Plan and the Transportation Master Plan. The City will record conditions of approval applicable to future tenants to ensure the TDM measures are implemented.

**Table E-1. Transportation Improvements**

<u>Assumed ID</u>	<u>Project Name</u>	<u>Description</u>	<u>Mode Priority</u>
<b>CROSSWALK IMPROVEMENTS ON ARTERIALS</b>			
<u>1</u>	<u>Harrison Avenue and Kenyon Street Pedestrian Safety Improvements</u>	<u>Improve Harrison Avenue and Kenyon Street intersection for greater pedestrian safety</u>	<u>Pedestrian</u>
<u>2</u>	<u>Harrison Avenue east of Kenyon Street Mid-Block Crossing(s)</u>	<u>Add mid-block crossing(s) on Harrison Avenue east of Kenyon Street. Consider any future Bing St connection.</u>	<u>Pedestrian</u>
<u>3</u>	<u>Harrison Avenue and Division Street Pedestrian Safety Improvements</u>	<u>Improve the Harrison Avenue and Division Street intersection for greater pedestrian safety</u>	<u>Pedestrian</u>
<u>4</u>	<u>Cooper Point Road north of Skate Park Mid-block Crossing</u>	<u>Add a mid-block crosswalk on Cooper Point Road north of the Skate Park crosswalk and south of Harrison Avenue</u>	<u>Pedestrian</u>
<u>5</u>	<u>Cooper Point Road north of Capital Mall Drive Mid-block Crossing</u>	<u>Add mid-block crossing(s) on Cooper Point Road just north of Capital Mall Drive</u>	<u>Pedestrian</u>
<u>6</u>	<u>Cooper Point Road south of Capital Mall Drive Mid-block Crossing</u>	<u>Add mid-block crossing(s) on Cooper Point Road just south of Capital Mall Drive</u>	<u>Pedestrian</u>
<b>BICYCLE FACILITIES</b>			
<u>7</u>	<u>Cooper Point Road and Harrison Avenue Bicycle Safety Improvements</u>	<u>Implement safety improvements at the Intersection of Cooper Point Road and Harrison Avenue</u>	<u>Bicycle</u>
<u>8</u>	<u>Capital Mall Drive SW Enhanced Bike Lane</u>	<u>Implement enhanced bike lane along 7th Ave SW/Capital Mall Drive/9th Ave SW between Kaiser Road SW and Fern Street SW and along Fern St between 9th Ave SW and the 11th Ave Pathway</u>	<u>Bicycle</u>
<b>ROUNDABOUTS</b>			
<u>9</u>	<u>9th Avenue and Black Lake Boulevard Roundabout</u>	<u>Construct a roundabout at 9th Avenue and Black Lake Boulevard</u>	<u>Multimodal</u>

<u>Assumed ID</u>	<u>Project Name</u>	<u>Description</u>	<u>Mode Priority</u>
<u>10</u>	<u>Harrison Ave Roundabouts</u>	<u>Design and construct roundabouts (or other intersection improvements) as determined by the Harrison Ave corridor study.</u>	<u>Multimodal</u>
<u>11</u>	<u>Black Lake Boulevard Roundabouts</u>	<u>Design and construct roundabouts (or other intersection improvements) as determined by the Black Lake Boulevard corridor study.</u>	<u>Multimodal</u>
<u>12</u>	<u>Cooper Point Roundabouts</u>	<u>Consider designing and constructing roundabouts on Cooper Point Rd SW at Capital Mall Dr SW and Mall Loop Dr and other locations along Cooper Point Rd SW within the subarea consistent with the Transportation Master Plan.</u>	<u>Multimodal</u>

F. Discretion.

1. The City's SEPA Responsible Official, or designee, shall determine incremental and total vehicle trip generation, consistent with the version of the Institute of Transportation Engineers (ITE) Trip Generation Manual that is in effect at the date of application submittal, or an alternative method accepted by the responsible City official, or designee, at their sole discretion, for each Planned Action Project application proposed under this Planned Action.
2. The City's SEPA Responsible Official, or designee, shall condition all Planned Action Project applications to meet the provisions of this Planned Action Ordinance and the Olympia Municipal Code.
3. The City's SEPA Responsible Official, or designee, shall condition all Planned Action Project applications to either:
  - i. Pay for the full cost of implementation of pertinent mitigations identified in Table E-1 or to satisfy access or mitigate safety impacts if the SEPA Responsible Official, or designee, determines that the Planned Action Project is fully responsible for impacts necessitating the given mitigation; or,
  - ii. Pay a proportionate share of cost of the project improvements outlined in Table E-1 or to satisfy access or mitigate safety impacts. Proportionate share will be contingent on the timeline of when the project files for building permit, and shall be calculated in coordination with the SEPA Responsible Official, or designee.

G. Frontage Improvements: Nothing in this Chapter may be construed to mean that any project is exempt from frontage improvements required in the Engineering Design and Development Standards.

#### **14.06.030 Elements of the Environment**

A project that would result in a significant change in the type or degree of adverse impacts to any element(s) of the environment analyzed in the Planned Action EIS will not qualify as a Planned Action Project.

#### **14.06.040 Changed Conditions**

Should environmental conditions change significantly from those analyzed in the Planned Action EIS, the City's SEPA Responsible Official, or designee, may determine that the Planned Action Project designation is no longer applicable until supplemental environmental review is conducted.

**Section 3. Amendment of OMC 18.38.100.** Olympia Municipal Code Section 18.38.100 is hereby amended to read as follows:

#### **18.38.100 Vehicular and bicycle parking standards**

- A. Required Vehicular and Bicycle Parking. A minimum number of bicycle parking spaces are required as set forth in Table 38-01 below. The specific number of motor vehicle parking spaces set forth in Table 38-01 must be provided, however the project proponent may increase or decrease by 10 percent automatically. This is not exclusive of other modifications as outlined elsewhere in the chapter. Residential uses, when parking is on site and not located in a parking lot, shall provide parking space(s) that are at least eight feet wide by 18 feet in length.
- B. Building Area. All vehicle parking standards are based on the gross square feet of building area, unless otherwise noted.
- C. Residential Provisions.
  - 1. Residential uses, such as housing for seniors or people with disabilities, that provide parking for staff or visitors, that comply with parking provisions in state law (RCW [36.70A.620](#)), shall record a covenant restricting use of the site to the approved use (e.g., seniors, people with disabilities). The covenant must be recorded prior to issuance of applicable construction permits.
  - 2. For projects outside of the Downtown Exempt Parking Area, development projects with five or more residential units shall provide at least one accessible parking space. Accessible parking shall meet the location and dimensional standards in the adopted building codes.
  - 3. For accessory dwelling units, single family homes, duplexes, townhouses on individual lots, and mobile home parks there is no maximum amount of parking allowed when all other zoning standards are satisfied (e.g. lot coverages).
  - 4. New residential development projects within the area bounded by Cooper Point Road, Black Lake Boulevard, and Harrison Avenue (known as the Capital Mall Triangle) are exempt from minimum motor vehicle parking requirements.

- D. Reserved Area for Bicycle Spaces. Where specified in Table 38.01 below, an area shall be designated for possible conversion to bicycle parking. Such reserve areas must meet the location requirements of short-term parking and may not be areas where pervious surfaces or landscaping is required. A cover is not required for such areas.

**TABLE 38.01**

Use	Required Motor Vehicle Parking Spaces	Minimum Required Long-Term Bicycle Spaces (see OMC 18.38.220)	Minimum Required Short-Term Bicycle Spaces (see OMC 18.38.220)
<b>COMMERCIAL</b>			
Carpet and Furniture Showrooms	1.25 space per 1,000 square feet of gross showroom floor area. Each store shall have a minimum of 4 spaces.	1 per 16,000 square feet of showroom floor area. Minimum of 2.	1 per 8,000 square feet of showroom floor area. Minimum of 2.
Child and Adult Day Care	1 space for each staff member plus 1 space for each 10 children/adults if adequate drop-off facilities are provided. Adequate drop-off facilities must allow a continuous flow of vehicles which can safely load and unload children/adults. Compliance with this requirement shall be determined by the review authority. <u>If located within the Capital Mall Triangle Subarea; a minimum of one accessible parking space must be provided; additional parking may be provided up to the ratios above.</u>		
Hotel and Motel	1 space for each room or suite and 1 space per manager's unit. Hotel/motel banquet and meeting rooms shall provide 6 spaces for each 1,000 square feet of seating area. Restaurants are figured separately.	1 per 10 rooms. Minimum of 2.	1 per 1,000 square feet of banquet and meeting room space. Minimum of 2.
Markets, Shopping Centers and Large Retail/Wholesale Outlets	Less than 15,000 square feet = 3.5 spaces for each 1,000 square feet of gross floor areas. 15,001 to 400,000 square feet = 4 spaces for each 1,000 square feet of gross floor area.	1 per 6,000 square feet. Maximum of 5; minimum of 1.	1 per 3,000 square feet. Maximum of 10 per tenant; minimum of 2 within 50 feet of each customer entrance.

**TABLE 38.01**

Use	Required Motor Vehicle Parking Spaces	Minimum Required Long-Term Bicycle Spaces (see OMC <a href="#">18.38.220</a> )	Minimum Required Short-Term Bicycle Spaces (see OMC <a href="#">18.38.220</a> )
	<p>More than 400,001 square feet = 4.5 spaces per 1000 square feet of gross floor area.</p> <p><u>If located within the Capital Mall Triangle Subarea; a minimum of one accessible parking space must be provided; additional parking may be provided up to the ratios above.</u></p>		
Medical and Dental Clinics	4 spaces per 1,000 square feet of gross floor area.	1 per 10,000 square feet. Minimum of 2.	1 per 10,000 square feet, minimum of 2 within 50 feet of each customer entrance; plus an equal reserved area for adding spaces.
<b>COMMERCIAL</b>			
Ministorage	3 spaces minimum or 1 space for every 100 storage units, and 2 spaces for permanent on-site managers.	None	None
Mixed Uses	Shared parking standards shall be used to calculate needed parking. This calculation is based upon the gross leasable area (GLA) for each shop or business and does not include atriums, foyers, hallways, courts, maintenance areas, etc. See shared parking OMC <a href="#">18.38.180</a> .	See individual use standards.	See individual use standards
Mortuaries and Funeral Parlors	1 space per 75 square feet of assembly area or 13 stalls per 1,000 square feet.	1	2
Offices, General	<p>Gross floor area up to 2,000 square feet = 1 space for each 250 square feet</p> <p>Gross floor area between 2,001 to 7,500 square feet = 1 space for each 300 square feet</p> <p>Gross floor area between 7,501 to 40,000 square feet = 1 space for each 350 square feet</p>	1 per 10,000 square feet. Minimum of 2.	1 per 10,000 square feet; plus an equal reserved area for adding spaces. Minimum of 2.

**TABLE 38.01**

Use	Required Motor Vehicle Parking Spaces	Minimum Required Long-Term Bicycle Spaces (see OMC 18.38.220)	Minimum Required Short-Term Bicycle Spaces (see OMC 18.38.220)
	Gross floor area of 40,001 and greater = 1 space for each 400 square feet. <u>If located within the Capital Mall Triangle Subarea; a minimum of one accessible parking space must be provided; additional parking may be provided up to the ratios above.</u>		
Offices, Government	3.5 spaces per 1,000 square feet. <u>If located within the Capital Mall Triangle Subarea; a minimum of one accessible parking space must be provided; additionally, up to 3.5 spaces per 1,000 square feet may be provided.</u>	1 per 5,000 square feet. Minimum of 2.	1 per 5,000 square feet; minimum of 2; plus an equal reserved area for adding spaces.
Retail Uses	3.5 spaces per 1,000 square feet. <u>If located within the Capital Mall Triangle Subarea; a minimum of one accessible parking space must be provided; additionally, up to 3.5 spaces per 1,000 square feet may be provided.</u>	1 per 6,000 square feet. Maximum of 5; minimum of 1.	1 per 3,000 square feet. Maximum of 10 per tenant; minimum of 2 within 50 square feet of each customer entrance.
Service Station (mini-marts are retail uses)	3.5 spaces per 1,000 square feet g.f.a. or 1 space per 300 square feet.	None	None
Warehouse, Distribution	1 space for each 1,000 square foot or 1 space for each employee.	1 per 40,000 square feet or 1 per 40 employees. Minimum of 1.	None
Warehouse Storage	Gross Floor area of 0-10,000 square feet = 1 space for each 1,000 square feet Gross floor area between 10,001 – 20,000 square feet = 10 spaces plus .75 space for each additional 1,000 square feet beyond 10,000 square feet Over 20,000 square feet = 18 spaces plus .50 for each additional 1,000 square feet beyond 20,000 square feet, or 1 space for each employee.	1 plus 1 for each 80,000 square feet above 64,000 square feet; or 1 per 40 employees. Minimum of 1.	None
<b>INDUSTRIAL</b>			

**TABLE 38.01**

<b>Use</b>	<b>Required Motor Vehicle Parking Spaces</b>	<b>Minimum Required Long-Term Bicycle Spaces (see OMC 18.38.220)</b>	<b>Minimum Required Short-Term Bicycle Spaces (see OMC 18.38.220)</b>
Manufacturing	1 for each 2 employees on the largest shift, with a minimum of 2 spaces.	1 for each 30 employees on largest shift. Minimum of 2.	1 for each 30 employees on largest shift. Minimum of 2.
<b>INSTITUTIONAL</b>			
Beauty Salons/Barber Shops, Laundromats/Dry Cleaners, and Personal Services		1 per 6,000 square feet. Minimum of 1.	1 per 3,000 square feet. Minimum of 2.
Educational Facilities (to include business, vocational, universities, and other school facilities).		1 per 5 auto spaces. Minimum of 2.	1 per 5 auto spaces. Minimum of 4.
Elementary and Middle School	1 stall per 12 students of design capacity.	1 per classroom.	3 per classroom.
Farmers Market		None	1 per 10 auto stalls. Minimum of 10.
High School	1 space per classroom and office, plus 1 space for each 4 students that are normally enrolled and are of legal driving age. Public assembly areas, such as auditoriums, stadiums, etc. that are primary uses may be considered a separate use.	1 per 5 classrooms, plus 1 for each 40 students (may also require 1 per 4,500 assembly seats). Minimum of 2.	1 per 5 classrooms, plus 1 for each 40 students (may also require 1 per 4,500 assembly seats). Minimum of 4.
Hospitals, Sanitariums, Nursing Homes, Congregate Care, Rest Homes, Hospice Care Home and Mental Health Facilities.	1 for each 2 regular beds, plus 1 stall for every 2 regular employees on the largest shift.	1 per 30 beds, plus 1 per 30 employees on largest shift. Minimum of 2.	1 per 30 beds, plus 1 per 30 employees on largest shift. Minimum of 2.
Libraries and Museums	1 space per 300 square feet of public floor area or 3.3 spaces per 1,000 square feet. 6 stalls either on-site or on-street directly adjacent to the property. The Director may allow pervious-type parking surfaces.	1 per 6,000 square feet of public floor area. Minimum of 2.	1 per 1,500 square feet of public floor area. Minimum of 4.



**TABLE 38.01**

Use	Required Motor Vehicle Parking Spaces	Minimum Required Long-Term Bicycle Spaces (see OMC <a href="#">18.38.220</a> )	Minimum Required Short-Term Bicycle Spaces (see OMC <a href="#">18.38.220</a> )
Marinas		Minimum of 4.	1 per 10 auto stalls. Minimum of 4.
Other Facilities Not Listed		None	1 per 25 auto stalls. Minimum of 2.
Park-N-Ride Lots and Public (Parking) Garages		1 per 15 auto stalls. Minimum of 4.	2.
Parks		None	1 per 5 auto stalls. Minimum of 4.
Transit Centers		10.	10.
<b>PLACES OF ASSEMBLY</b>			
Passenger Terminal Facilities	1 space for each 100 square feet of public floor area or 10 spaces per 1,000 square feet	Minimum of 10.	Minimum of 10.
Place of Worship	1 space per 4 seats. When individual seats are not provided, 1 space for each 6 feet of bench or other seating. The Director may use a ratio of 6 stalls/1,000 square feet of assembly area where seats or pews are not provided or when circumstances warrant increased parking; e.g., large regional congregations which attract a large congregation or one which has multiple functions. See shared parking OMC <a href="#">18.38.180</a> .	1 per 10,000 square feet of gross floor area.	1 per 160 seats or 240 lineal feet of bench or other seating, and 1 per 6,000 square feet of assembly area without fixed seats. Minimum of 4.
Private Clubs or Lodges (does not include health clubs or retail warehouse)	6 spaces per 1,000 square feet	1 per 6,000 square feet. Minimum of 1.	1 per 6,000 square feet. Minimum of 2.
Theater and Auditorium	1 space for each 4.5 fixed seats. If the theater or auditorium is a component of a larger commercial development the above parking standard may be modified to account for shared parking as provided in OMC <a href="#">18.38.180</a> .	1 per 450 fixed seats. Minimum of 1.	1 per 110 fixed seats. Minimum of 4.

**TABLE 38.01**

<b>Use</b>	<b>Required Motor Vehicle Parking Spaces</b>	<b>Minimum Required Long-Term Bicycle Spaces (see OMC 18.38.220)</b>	<b>Minimum Required Short-Term Bicycle Spaces (see OMC 18.38.220)</b>
Theater and Auditorium without fixed seats	1 space for each 3 permitted occupants. Maximum building occupancy is determined by the Fire Marshal.	1 per 300 permitted occupants. Minimum of 1.	1 per 75 permitted occupants. Minimum of 4.
<b>RECREATION/AMUSEMENT</b>			
Bowling Alleys	5 spaces for each alley.	1 per 12 alleys. Minimum of 1.	1 per 4 alleys. Minimum of 4.
Health Club	4 spaces for each 1,000 square feet.	1 per 5,000 square feet. Minimum 1.	1 per 2,500 square feet. Minimum of 4.
Skating Rinks and Other Commercial Recreation	5 spaces per 1,000 square feet.	1 per 8,000 square feet. Minimum of 1.	1 per 4,000 square feet. Minimum of 4.
<b>RESIDENTIAL</b>			
Accessory Dwelling Unit	None	None	None
Single Family Home, Duplex, and Townhouses on individual lots	Minimum of 0.5 spaces per unit. See OMC 18.38.100(C).	None	None
Bed and Breakfast	1 space in addition to space(s) required for the residential unit.	1 per 10 rooms. Minimum of 1.	None
Collegiate Greek system residences and dormitories	1 space for every 3 beds, plus 1 space for the manager.	1 per 14 beds. Minimum of 2.	10 per dormitory, or Collegiate Greek system residence
Community Club Houses		None	1 per 10 auto stalls. Minimum of 2.
Cottage Housing	Minimum of 0.5 spaces per unit.	1 per 5 units, or 1 per 3 units if no on-street parking. Minimum of 2.	1 per 10 units, or 1 per 6 units if no on-street parking. Minimum of 2.
Elder Care Home	1 space in addition to space(s) required for the residential unit.	Minimum of 2.	Minimum of 2.
Group Home	1 space for each staff member plus 1 space for every 5 residents. Additionally, 1 space shall be provided for each vehicle used in connection with the facility.	1 per 10 staff members plus 1 per 30 residents. Minimum of 1. Additional spaces	None

**TABLE 38.01**

Use	Required Motor Vehicle Parking Spaces	Minimum Required Long-Term Bicycle Spaces (see OMC 18.38.220)	Minimum Required Short-Term Bicycle Spaces (see OMC 18.38.220)
		may be required for conditional uses.	
Home Occupations	None, except as specifically provided in this table.	None	None
Mobile Home Park	0.5 spaces per lot or unit, whichever is greater. If recreation facilities are provided, 1 space per 10 units or lots. See OMC 18.38.100(C).	None	None
Multifamily Dwellings (3 units or more)	0.5-1.5 spaces per unit.	1 storage space per unit	1 per 10 units. Minimum of 2 per building.
Any residential development within half a mile of frequent transit routes (transit service 4 times per hour for 12 or more hours per day)	0-1.5 spaces per unit.	For projects with 3 or more units: 1 storage space per unit.	For projects with 3 or more units: 1 per 10 units. Minimum of 2 per building.
Short-Term Rental	1 additional space when there are more than 2 bedrooms rented in 1 dwelling unit, and 1 additional space when there are 2 vacation rentals on 1 parcel and 1 is a single-family home. EXCEPTION: A short-term rental in existence prior to September 26, 2021, need not provide the additional parking spaces required by the preceding sentence, provided all other applicable requirements are met and provided the unit is continuously operated as a short-term rental.	None	None
Residential units for seniors or people with disabilities, when located within one quarter mile of a transit stop that receives transit service at least 4	None for the units. Staff and visitor parking may be required at a ratio of 1 space per every 4 units. The City may require more parking in areas with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that		

**TABLE 38.01**

Use	Required Motor Vehicle Parking Spaces	Minimum Required Long-Term Bicycle Spaces (see OMC 18.38.220)	Minimum Required Short-Term Bicycle Spaces (see OMC 18.38.220)
times per hour for 12 or more hours per day	would make on-street parking infeasible for the units.		
<b>RESTAURANT</b>			
Cafes, Bars and other drinking and eating establishments.	10 spaces <u>per 1,000 square feet. If located within the Capital Mall Triangle Subarea; a minimum of one accessible parking space must be provided; additional parking may be provided up to the ratio above.</u>	1 per 2,000 square feet; minimum of 1.	1 per 1,000 square feet; minimum of 1.
Car Hop	1 for each 15 square feet of gross floor area.	1 per 300 square feet; minimum of 1.	1 per 150 square feet; minimum of 1.
Fast Food	10 spaces per 1,000 square feet plus 1 lane for each drive-up window with stacking space for 6 vehicles before the menu board.	1 per 2,000 square feet; minimum of 1.	1 per 1,000 square feet; minimum of 1.

Section 4. Amendment of OMC 18.06.080. Olympia Municipal Code Section 18.06.080 Table 6.02 is hereby amended to read as follows:

**18.06.080 TABLES: Commercial Districts' Development Standards**

**TABLE 6.02**

**COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS**

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
MINIMUM LOT SIZE	7,200 Sq. Ft.	No minimum, except 1,600 = cottage 3,000 = zero lot 1,600 sq. ft. minimum 2,400 sq. ft. average = townhouse 6,000 sq. ft. = duplex 7,200 sq. ft. = multifamily 4,000 = other	No minimum, except 1,600 sq. ft. minimum 2,400 sq. ft. average = townhouse	No minimum, except 1,600 = cottage 3,000 = zero lot 1,600 sq. ft. minimum 2,400 sq. ft. average = townhouse 6,000 sq. ft. = duplex 7,200 sq. ft. = multifamily 4,000 = other	No minimum, except 1,600 = cottage 3,000 = zero lot 1,600 sq. ft. minimum 2,400 sq. ft. average = townhouse 6,000 sq. ft. = duplex 7,200 sq. ft. = multifamily 4,000 = other	No minimum, except 1,600 sq. ft. minimum 2,400 sq. ft. average = townhouse	No minimum, except 1,600 sq. ft. minimum 2,400 sq. ft. average = townhouse	See also 18.06.100(D) for regulations on existing undersized lots of record.
FRONT YARD SETBACK	See Chapter <a href="#">18.110</a> , Basic Commercial Design Criteria	10' maximum, if located in a High Density Corridor; 10' minimum otherwise.	5' minimum for residential otherwise none.	0-10' See 18.130	0-10' See 18.130	0-10' See 18.130	0-10' See 18.130	1. 50' minimum from property line for agriculture buildings (or structures) which house animals other than pets. 2. Must comply with clear sight triangle

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
								requirements, Section <a href="#">18.40.060(C)</a> . 3. Must comply with site design standards, Chapter <a href="#">18.100</a> .
REAR YARD SETBACK	15' minimum.	10' minimum; Except: 1. Next to an R 4, R 4-8, or R 6-12 district = 15' minimum + 5' for each bldg. floor above 2 stories. 2. Next to MR 7-13, MR 10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg. floor above 2 stories.	10' minimum; Except: 1. Next to single- family use or an R 4, R 4-8, or R 6-12 district = 15' minimum + 5' for each bldg. floor above 2 stories. 2. Next to MR 7-13, MR 10-18, RM-18, RM-24 or RMH district (refer to 1 above if adjacent use is single-family) = 10' minimum + 5' for each bldg. floor above 2 stories.	10' minimum; Except: 1. Next to an R4, R4-8, or R6-12 district = 15' minimum + 5' for each bldg. floor above 2 stories; 10 ft. where an alley separates HDC-1 from the above residential district. 2. Next to MR7- 13, MR 10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg.	10' minimum; Except: 1. Next to an R4, R4-8, or R6-12 district = 15' minimum + 5' for each bldg. floor above 2 stories; 10 ft. where an alley separates HDC-2 from the above residential district. 2. Next to MR7- 13, MR 10-18, RM-18, RM-24, or RMH district = 10' minimum + 5' for each bldg.	10' minimum; Except: 1. Next to single- family use or an R4, R4-8, or R6- 12 district = 15' minimum + 5' for each bldg. floor above 2 stories. 2. Next to MR7- 13, MR10-18, RM-18, RM-24 or RMH district (refer to 1 above if adjacent use is single-family) = 10' minimum + 5' for each bldg. floor above 2 stories.	10' minimum; Except: 1. Next to single- family use or an RLI, R4, R4-8, or R6-12 district - 15' minimum + 5' for each bldg. floor above 2 stories. 2. Next to MR7-13, MR10-18, RM-18, RM-24 or RMH district (refer to 1 above if adjacent use is single- family) = 10' minimum + 5' for each bldg. floor above 2 stories.	1. 50' minimum from property line for agriculture buildings (or structures) which house animals other than pets. 2. Must comply with site design standards, Chapter <a href="#">18.100</a> .

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
				floor above 2 stories.	floor above 2 stories.			
SIDE YARD SETBACK	15' minimum.	No minimum on interior, 10' minimum on flanking street; Except: 1. Next to R 4, R 4-8, or R 6-12 district = 15' minimum + 5' for each building floor above 2 stories. 2. Next to MR 7-13, MR 10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg. floor above 2 stories. 3. Residential excluding mixed use structures: 5' except 6' on one side of zero lot.	No Minimum; Except: 1. Next to R 4, R 4-8, or R 6-12 district = 15' minimum + 5' for each building floor above 2 stories. 2. Next to MR 7-13, MR 10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg. floor above 2 stories. 3. Residential excluding mixed use structures: 5' except 6' on one side of zero lot.	No minimum on interior, 10' minimum on flanking street; Except: 1. Next to R4, R4- 8, or R6-12 district = 15' minimum + 5' for each building floor above 2 stories. 2. Next to MR7- 13, MR10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg. floor above 2 stories. 3. Residential excluding mixed use structures: 5'	No minimum on interior, 10' minimum on flanking street; Except: 1. Next to R4, R4- 8, or R6-12 district = 15' minimum + 5' for each building floor above 2 stories. 2. Next to MR7- 13, MR10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each building floor above 2 stories. 3. Residential excluding mixed use structures: 5'	No Minimum; Except: 1. Next to R4, R4- 8, or R6-12 district = 15' minimum + 5' for each building floor above 2 stories. 2. Next to MR7- 13, MR10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg. floor above 2 stories. 3. Residential excluding mixed use structures; 5' except 6' on one side of zero lot.	No Minimum; Except: 1. Next to RLI, R4, R4-8, or R6-12 district = 15' minimum + 5' for each building floor above 2 stories. 2. Next to MR7-13, MR10-18, RM-18, RM-24 or RMH district = 10' minimum + 5' for each bldg. floor above 2 stories. 3. Residential excluding mixed use structures; 5' except 6' on one size of zero lot.	1. 50' minimum from property line for agriculture buildings (or structures) which house animals other than pets. 2. Must comply with clear sight triangle requirements, Section <a href="#">18.40.060(C)</a> . 3. Residential sideyards can be reduced consistent with 18.04.080(H)(5). 4. Must comply with site design standards, Chapter <a href="#">18.100</a> .

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
				except 6' on one side of zero lot.	except 6' on one side of zero lot.			
MAXIMUM BUILDING HEIGHT	35'	Up to 35', if any portion of the building is within 100' of R 4, R 4-8, or R 6-12 district; Up to 60' otherwise.	Up to 35', if any portion of the building is within 100' of R 4, R 4-8, or R 6-12 district; Up to 60' otherwise; or up to 70', if at least 50% of the required parking is under the building; or up to 75', if at least one story is residential.	The portion of a building within 100' of land zoned for maximum density of less than 14 units per acre is limited to 35'. The portion of a building within 50' of land zoned for a maximum density of 14 units per acre or more is limited to the lesser of 60' or the height allowed in the abutting district. Up to 60' otherwise.	The portion of a building within 100' of land zoned for maximum density of less than 14 units per acre is limited to 35'. The portion of a building within 50' of land zoned for a maximum density of 14 units per acre or more is limited to the lesser of 60' or the height allowed in the abutting district. Up to 60' otherwise.	The portion of a building within 100' of land zoned for maximum density of less than 14 units per acre is limited to 35'. The portion of a building within 50' of land zoned for a maximum density of 14 units per acre or more is limited to the lesser of 60' or the height allowed in the abutting district. Up to 60' otherwise; or up to 70', if at least	The portion of a building within 100' of land zoned for maximum density of less than 14 units per acre is limited to 35'. The portion of a building within 50' of land zoned for a maximum density of 14 units per acre or more is limited to the lesser of 60' or the height allowed in the abutting district. Up to 60' otherwise; or up to 70', if at least 50% of the required parking is under	1. Not to exceed height limit set by State Capitol Group Height District, 18.10.060, for properties near the State Capitol Campus. 2. Must comply with site design standards, Chapter <a href="#">18.100</a> . 3. HDC-1 and HDC-2 additional story must comply with OMC 18.06.100.A.6. 4. In a Downtown Design Sub-District, see 18.120.220 and 18.120.440 for upper story step back requirements. 5. If located within the <a href="#">Capital Mall Triangle</a> <a href="#">Subarea</a> see OMC <a href="#">18.06.100.A.7</a> .



TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
				Provided that one additional story may be built for residential development only.	Provided that one additional story may be built for residential development only.	50% of the required parking is under the building; or up to 75', if at least one story is residential. <u>Up to 75' for HDC-3 zoned properties located within the Capital Mall Triangle Subarea.</u>	the building; or up to 75', if at least one story is residential. <del>See 18.130.060 Significant Building Entry tower exemption (allows an additional 30' for a tower element at Capital Mall).</del> Up to 75' for HDC-4 zoned properties where the proposed project provides for the development of replacement dwelling units in a development agreement and the project site is all or part of an area of 40 acres or more that was in	

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
							contiguous common ownership in 2009. Up to 105' for HDC-4 zoned properties located within the Capital Mall Triangle Subarea. Up to 130' for HDC-4 zoned properties located within the Capital Mall Triangle Subarea and within the Affordable Housing Height Bonus Overlay (see OMC 18.06.100.A.7.)	
MAXIMUM BUILDING COVERAGE	45%	70%, except 55% for residential only structures	70%; or 85% if at least 50% of the required parking is under the building.	70% for all structures	70% for all structures	70% for all structures, 85% if at least 50% of the required	70% for all structures. 85% of the site if at least 50% of the required parking is	For projects in the GC and HDC-4 zones west of Yauger Way, limitations of building

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
						parking is under the building.	under the building. On redeveloped sites, 85% if at least 50% of new required parking is under the building or in a structured parking form. 85% for HDC-4 zoned properties where the proposed project provides for the development of replacement dwelling units in a development agreement and the project site is all or part of an area of 40 acres or more that was in contiguous common ownership in 2009.	size per 18.06.100(C) and 18.130.020 apply.

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
MAXIMUM IMPERVIOUS SURFACE COVERAGE	50%	70%	85%	85% for all structures	85% for all structures	85% for all structures	85% for all structures	See OMC <a href="#">18.06.100(D)</a> .
MAXIMUM HARD SURFACE	70%	85%	100%	100%	100%	100%	100%	Hard Surfaces are treated as impervious, unless shown workable through an approved design (complies with DDECM), which requires adequate underlying soils.
ADDITIONAL DISTRICT-WIDE DEVELOPMENT STANDARDS	Maximum building size (gross sq. ft.): 3,000 for single use; 6,000 for mixed use.	Building floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see <a href="#">18.06.100(B)</a> and Figure 6-3). In a Downtown Design Sub-District, see Chapter <a href="#">18.120</a> for	Building floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see <a href="#">18.06.100(B)</a> ). In a Downtown Design Sub-District, see Chapter <a href="#">18.120</a> for	Building floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see <a href="#">18.06.100(B)</a> ).	Building floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see <a href="#">18.06.100(B)</a> ).	Building Floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see <a href="#">18.06.100(B)</a> ).	Building floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see <a href="#">18.06.100(B)</a> ). <u>If located within the HDC-4 zone district and within the Capital Mall</u>	For properties in the vicinity of Kaiser Road and Harrison Ave NE, also see Pedestrian Streets Overlay District, Chapter <a href="#">18.16</a> . For retail uses over 25,000 square feet in gross floor area, see Section <a href="#">18.06.100(G)</a> Large Scale Retail Uses. EXCEPTION: Section <a href="#">18.06.100(G)</a>

TABLE 6.02

## COMMERCIAL DISTRICTS' DEVELOPMENT STANDARDS

STANDARD	NR	PO/RM	GC	HDC-1	HDC-2	HDC-3	HDC-4 and HDC-4 Capital Mall	ADDITIONAL REGULATIONS
		upper story stepbacks.	upper story stepbacks.				<u>Triangle Subarea:</u> <u>Building floors</u> <u>above 6 stories</u> <u>which abut a street</u> <u>or residential</u> <u>district must be</u> <u>stepped back a</u> <u>minimum of 8 feet.</u> <u>A step back is not</u> <u>required below 6</u> <u>stories. Mass</u> <u>timber/cross</u> <u>laminated timber</u> <u>constructed</u> <u>buildings are not</u> <u>required to have a</u> <u>step back.</u>	shall not apply to motor vehicle sales. In a Downtown Design Sub-District, see Chapter <a href="#">18.120</a> . <u>If located within the</u> <u>Capital Mall Triangle</u> <u>Subarea see OMC</u> <u>Section 18.06.100.B.3.</u>

## LEGEND

NR = Neighborhood Retail  
 GC = General Commercial

PO/RM = Professional  
 Office/Residential Multifamily

HDC-1=High Density Corridor-1  
 HDC-2=High Density Corridor-2  
 HDC-3=High Density Corridor-3  
 HDC-4=High Density Corridor-4

TABLE 6.02

## COMMERCIAL DEVELOPMENT STANDARDS

STANDARD	MS	UW	UW-H	DB	CS-H	AS	ADDITIONAL REGULATIONS
MINIMUM LOT AREA	7,200 Sq. Ft.	No minimum.	No minimum.	No minimum.	7,200 Sq. Ft. if bldg. height is 35' or less. 12,500 Sq. Ft. if bldg. height is over 35'.	No minimum.	
FRONT YARD SETBACK	10' maximum.	No minimum; however, see Chapter <a href="#">18.100</a> for design guidelines for pedestrian access and view corridors. In a Downtown Design Sub-District: 12' from the curb on Type A and B Streets, 10' from curb for Type C Streets.	No minimum. In a Downtown Design Sub-District: 12' from the curb on Type A and B Streets, 10' from curb for Type C Streets.	No minimum. In a Downtown Design Sub-District: 12' from the curb on Type A and B Streets, 10' from curb for Type C Streets.	No minimum.	30' minimum for buildings; 15' for other structures except signs	1. 50' minimum from property line for agriculture buildings (or structures) which house animals other than pets. 2. Must comply with clear sight triangle requirements, Section <a href="#">18.40.060</a> (C). 3. See Design Guidelines, Chapter <a href="#">18.100</a> .
REAR YARD SETBACK	15' minimum; If next to a residential zone, 15' minimum plus 5' for every story over 3 stories.	No minimum; however, see Chapter <a href="#">18.100</a> for design guidelines for pedestrian access and view corridors.	No minimum.	No minimum.	5' minimum if building has 1 or 2 stories. 10' minimum if building has 3 or more stories.	15' minimum.	50' minimum from property line for agriculture buildings (or structures) which house animals other than pets.

TABLE 6.02

## COMMERCIAL DEVELOPMENT STANDARDS

STANDARD	MS	UW	UW-H	DB	CS-H	AS	ADDITIONAL REGULATIONS
SIDE YARD SETBACK	10' minimum; 15' minimum plus 5' for every story over 3 stories if next to a residential zone.	No minimum; however, see Chapter <a href="#">18.100</a> for design guidelines for pedestrian access and view corridors.	No minimum.	No minimum.	5' minimum if building has 1 or 2 stories. 10' minimum if building has 3 or more stories; AND the sum of the 2 side yards shall be no less than 1/2 the building height.	5' minimum 30' minimum for buildings and 15' minimum for other structures from flanking streets.	1. 50' minimum from property line for agriculture buildings (or structures) which house animals other than pets. 2. Must comply with clear sight triangle requirements, Section <a href="#">18.40.060</a> (C). 3. See Design Guidelines, Chapter <a href="#">18.100</a> .
MAXIMUM BUILDING HEIGHT	75'; except hospitals, which may exceed that height.	See 18.06.100(A)(2) and Figure 6-2, Urban Waterfront District Height Limits Exceptions: 1) In the portion of the area Downtown with a height limit of 65', two additional residential stories may be built. See 18.06.100. 2) In the portion of the area on West Bay Drive with a height limit of 42' to 65', the taller height limit is conditioned upon	Refer to Figure 6-2 and 6-2B for specific height and building configurations required on specific blocks. In a Downtown Design Sub-District, see view protection measures in 18.06.100 and Chapter <a href="#">18.120</a> .	75'; PROVIDED, however, that two additional stories may be built, if they are residential. For details, see 18.06.100(A)(4), Downtown Business District. There are restrictions around Sylvester	75' Exception: Up to 100' may be allowed with conditional approval by the City Council, upon recommendation of the Hearing Examiner. For details, see 18.06.100(C)(5), Height, Commercial Services-High Density. In a Downtown	40' accessory building limited to 20'.	Not to exceed height limit set by State Capitol Group Height District, 18.10.060, for properties near the State Capitol Campus.

TABLE 6.02

## COMMERCIAL DEVELOPMENT STANDARDS

STANDARD	MS	UW	UW-H	DB	CS-H	AS	ADDITIONAL REGULATIONS
		the provision of certain waterfront amenities. See 18.06.100(A)(2)(c).		Park (see 18.100.080.)	Design Sub-District, see view protection measures in 18.06.100 and Chapter <a href="#">18.120</a> .		
MAXIMUM BUILDING COVERAGE	50%	60% for properties between the shoreline and the nearest upland street. 100% for properties not between the shoreline and the nearest upland street. See also Chapter <a href="#">18.100</a> for design guidelines for pedestrian access and view corridors.	100%	No requirement.	No requirement.	85%	
MAXIMUM IMPERVIOUS SURFACE COVERAGE	60%	100%	100%	100%	100%	85%	See OMC <a href="#">18.06.100(D)</a> .
MAXIMUM HARD SURFACE	80%	100%	100%	100%	100%	100%	Hard Surfaces are treated as impervious, unless shown workable through an approved design (complies with DDECM), which



TABLE 6.02

## COMMERCIAL DEVELOPMENT STANDARDS

STANDARD	MS	UW	UW-H	DB	CS-H	AS	ADDITIONAL REGULATIONS
							requires adequate underlying soils.
ADDITIONAL DISTRICT-WIDE DEVELOPMENT STANDARDS	Building floors above 3 stories which abut a street or residential district must be stepped back a minimum of 8 feet (see 18.06.100(F)). Residential uses (Section 5 of Table 6.01) may not be constructed within 600 feet of Lilly Road except in upper stories of mixed use building; all other development standards are	Street ends abutting the water shall be preserved to provide views of and public access to the water, pursuant to Section <a href="#">12.16.050</a> (D) OMC. Section <a href="#">18.06.100</a> (A)(2)(c) for West Bay Drive building height and view blockage limits; and Chapter <a href="#">18.100</a> for West Bay Drive view corridors. See also Chapter <a href="#">18.100</a> for Downtown design guidelines for Pedestrian Access and View Corridors and Waterfront Public Access; Chapter <a href="#">18.100</a> for Port Peninsula design guidelines for Pedestrian Connections and View Corridors; Section <a href="#">18.06.100</a> (A)(2)(c) for West Bay Drive building height and view blockage limits; and Chapter <a href="#">18.100</a> for West Bay Drive view corridors.	Street ends abutting the water shall be preserved to provide views of and public access to the water, pursuant to OMC Section <a href="#">12.16.050</a> (D).		Residential uses must comply with High Rise Multi-family (RM-H) development standards.	6' of sight-screening buffer shall be provided along north, east, and west district boundaries. See Olympia Park Replat covenants for access, and other standards applicable to replat lots.	For properties in the vicinity of the Downtown, also see the Downtown Design Guidelines in 18.120. For retail uses over 25,000 square feet in gross floor area, see Section <a href="#">18.06.100</a> (C) Large Scale Retail Uses. EXCEPTION: Section <a href="#">18.06.100</a> (C) shall not apply to motor vehicle sales.

**TABLE 6.02**

**COMMERCIAL DEVELOPMENT STANDARDS**

<b>STANDARD</b>	<b>MS</b>	<b>UW</b>	<b>UW-H</b>	<b>DB</b>	<b>CS-H</b>	<b>AS</b>	<b>ADDITIONAL REGULATIONS</b>
	the same as for commercial uses.						

**LEGEND**

MS = Medical Services

DB = Downtown Business

CS-H = Commercial Services - High  
Density

UW = Urban Waterfront

UW-H = Urban Waterfront-Housing

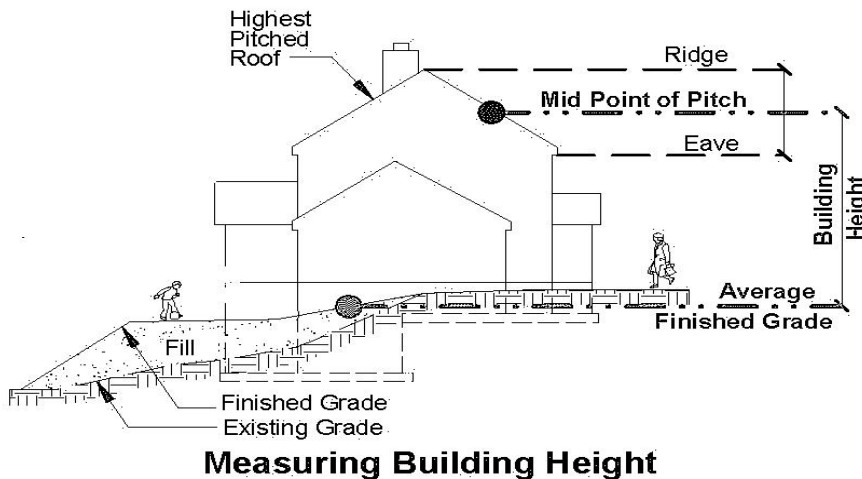
AS=Auto Services

**Section 5. Amendment of OMC 18.06.100.** Olympia Municipal Code Section 18.06.100 is hereby amended to read as follows:

**18.06.100 Commercial districts' development standards--Specific**

**A. Height.**

1. Roof structures for the housing of elevators, stairways, tanks, ventilating fans and similar equipment required to operate and maintain the building, fire or parapet walls, skylights, towers, flagpoles, chimneys, smoke stacks, wireless masts, T.V. antennas, steeples and similar structures may be erected above the height limits prescribed in this Title, provided that no roof structure, feature or any other device above the prescribed height limit shall be allowed or used for the purpose of providing additional floor space. This height exception does not apply to the additional story provision for residential development described in OMC 18.06.100.A.6. Provided, further, that no roof structure or architectural feature shall be erected more than eighteen (18) feet above the height limit of the district, whether such structure is attached to it or free-standing.



**FIGURE 6-1A**

**2. Urban Waterfront (UW) District.**

- a. Allowed building heights in the Urban Waterfront (UW) District are specified in Figure 6-2.
- b. Bonus for residential development.
  - i. In the area labeled sixty-five (65) feet on Figure 6-2, up to two additional stories may be built (except as limited in subsection d below), if the project is located in the

downtown, and if the added stories are stepped back from the street wall at least eight (8) feet, and if an equivalent floor area (equal to the amount from the added stories) is provided for residences, as follows:

- (a) In the same building--i.e., it is a residential or a mixed use building; or
- (b) With commercial and residential uses in separate buildings on the same site; or
- (c) With commercial and residential uses on separate sites within the Urban Waterfront (UW) district.

ii. Occupancy. Housing provided under this bonus provision as part of a mixed use project must receive an occupancy permit at the same time as, or in advance of, issuance of an occupancy permit for non-residential portions of the project.

iii. Conversion. Housing provided under this bonus provision shall not be converted to commercial use.

iv. Source of housing units. Housing provided under this bonus provision may be:

- (a) New construction,
- (b) Adaptive reuse of a formerly non-residential structure, or
- (c) Rehabilitation of existing housing.

c. West Bay Drive building height and view blockage limits.

i. In order to retain public and private view access to Budd Inlet from hillside sites above West Bay Drive, the maximum building height in the West Bay Drive portion of the Urban Waterfront (UW) District labeled " 42'-65' " on Figure 6-2 shall be up to a maximum of 42 feet, except as provided in subsections (iii) and (iv) below.

ii. In order to retain public view access of Budd Inlet from street level in the West Bay Drive portion of the Urban Waterfront (UW) District labeled " 42'-65' " on Figure 6-2, view blockage shall be limited as follows:

- (a) Views of the water will be defined as area without obstruction by buildings or major structures measured between 45 and 90 degrees to West Bay Drive, as illustrated in Figure 6-2A.
- (b) Said view blockage shall be limited to 45 percent of the views of the water from West Bay Drive by buildings or major structures located between West Bay Drive and the mean high water line.
- (c) Exceptions are provided in subsections (iii) and (iv) below.

iii. Development shall be subject to the alternate standards for building height and view blockage, if alternate waterfront view access is provided through public amenities as follows:

<b>Amenity Provided</b>	<b>Limits on Horizontal View Blockage and Height</b>
Waterfront Trail	70% up to 42 ft., OR 45% up to 65 ft.
Expanded Waterfront Trail Corridor Facility (or small waterfront park area).	50% up to 42 ft., OR 45% up to 50 ft.
Both	70% up to 65 ft.

Any development over 42 feet shall be required to include a minimum of 20% of the usable building area for residential purposes.

iv. Criteria for approval of alternate waterfront view access.

(a) Waterfront Trail.

- (1) Trail right-of-way consistent with City trail standards shall be dedicated to the City.
- (2) The trail shall be designed consistent with City standards and requirements, or as otherwise approved by the Olympia Parks, Arts and Recreation Department. Because the trail passes by different land uses, it may take a different character in different locations, for reasons of safety, privacy, or environmental protection.
- (3) The developer shall design, build, and dedicate the facility to the City.
- (4) An analysis of recreation needs shall be provided by the Olympia Parks, Arts and Recreation Department. An analysis of environmental impacts, hazardous waste risks, and engineering issues sufficient to determine the design and location for the trail facility shall be approved by the Olympia Parks, Arts and Recreation Department but provided by the developer. All analysis shall be complete prior to approval.

(b) Expanded Waterfront Trail Corridor Facility or Small Waterfront Park.

- (1) The developer shall build and dedicate the facility and its site to the City.
- (2) The expanded waterfront trail corridor facility or small park area shall be designed consistent with City and other applicable government standards and requirements, or as otherwise approved by the Olympia Parks, Arts and Recreation Department. The expanded waterfront trail corridor facility or small park may vary in size from City park standards and could include additional

right-of-way for the expanded trail, landscaping, habitat enhancement, benches, lighting, parking, restrooms, garbage receptacles, telephones, interpretive signs and other park facilities.

(3) An analysis of environmental impacts, hazardous waste risks, trail improvements, and engineering issues sufficient to design the expanded waterfront trail corridor facility or small park area shall be approved by Olympia Parks, Arts and Recreation Department but provided by the developer. All analysis shall be complete prior to approval.

(4) The expanded waterfront trail corridor facility or small park shall have a publicly accessible connection to West Bay Drive, designed, constructed, and dedicated for public use by the developer.

v. The view blockage rules shall be applied on a project-wide basis and not for each lot or parcel in a project, thus allowing projects providing more views on some lots to have more view blockage on other lots as long as the overall project meets the view blockage requirements.

d. Landmark Views: In order to protect designated landmark views from public observation points, the height bonus allowed in subsection b, above, is limited as follows:

i. Block 14 Height Bonus: A view analysis of the proposed development shall be submitted that demonstrates the view of the Capitol Drum and Dome will remain visible from the East Bay Lookout after the development occurs. This may prohibit use of the height bonus, or restrict which portions of the block are eligible to use the bonus. Block 14 is bounded by Olympia Avenue, Adams Street, Thurston Avenue, and

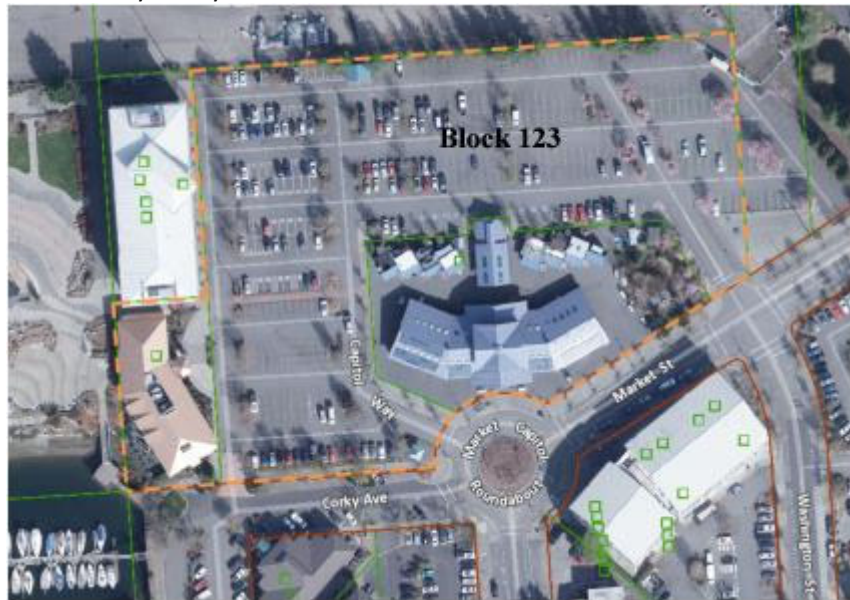


Jefferson Street.

- ii. Block 122: Height bonus is limited to one additional story, up to a maximum height of 75 feet. Block 122 is bounded by Olympia Ave, Jefferson Street, and Marine Drive.

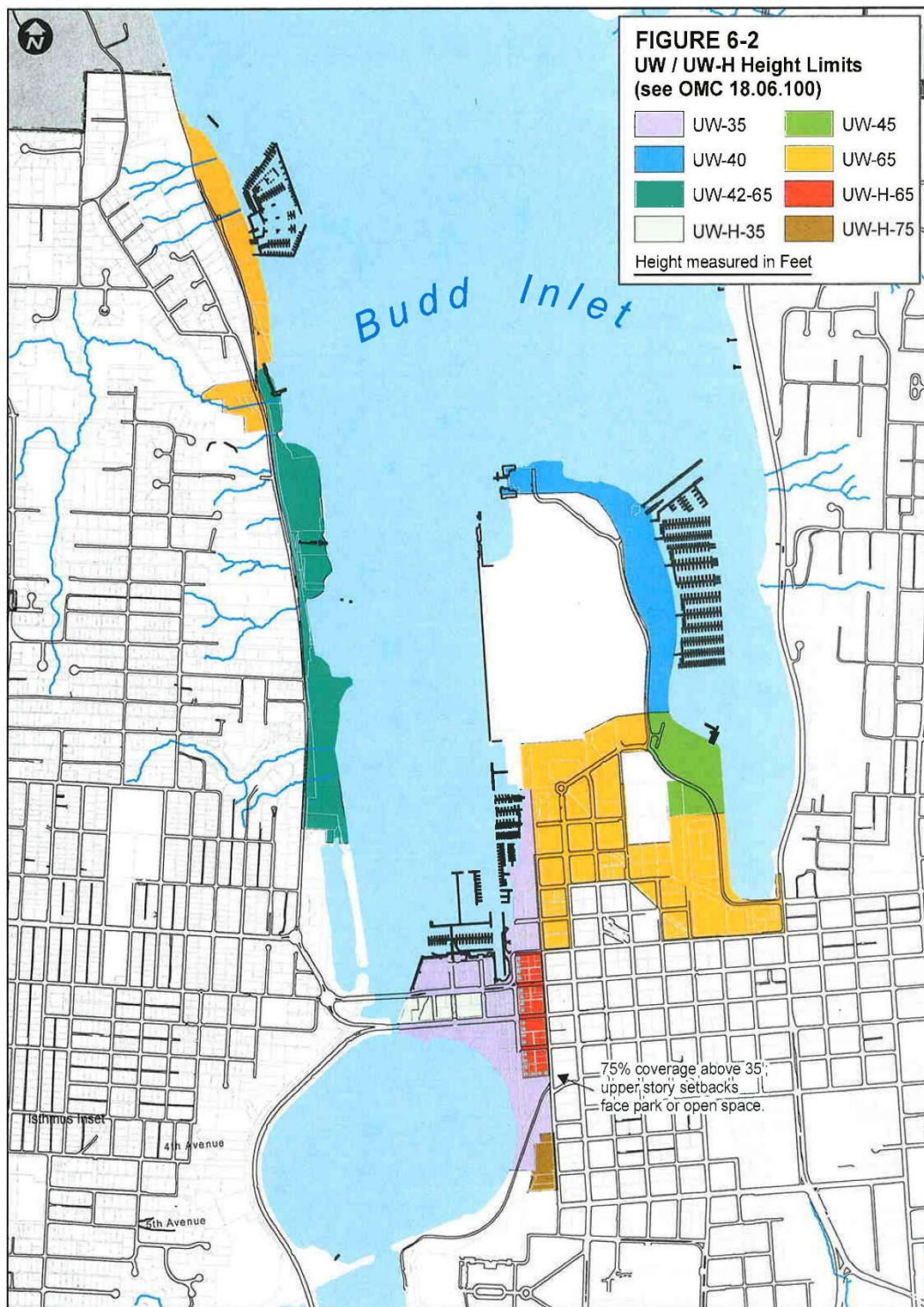


- iii. Block 123: The bonus height provision is not applicable in this location. Block 123 is bounded by Corky Avenue and Market Street to south and industrial uses to the north.





**Figure 6-2 Urban Waterfront and Urban Waterfront Height Limits\***



\* See 18.06.100(A)(2) for height limitations that apply to Blocks 14, 122, and 123 in order to protect adopted landmark views from specific observation points.



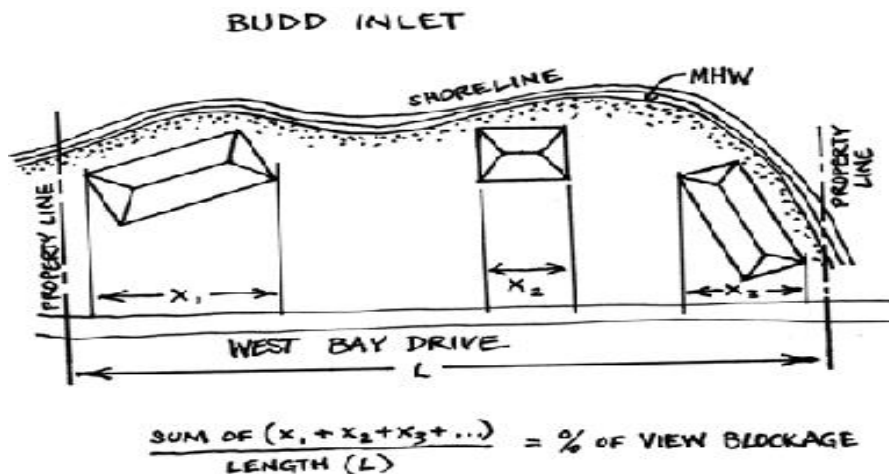


FIGURE 6-2A

**Calculating View Blockage in a portion of the Urban Waterfront District along West Bay Drive.**

3. Commercial Services-High Density. The maximum building height allowed is one hundred (100) feet. Provided, however, that no building or structure may exceed seventy-five (75) feet in height without conditional review and approval by the Hearing Examiner. Approval of structures exceeding seventy-five (75) feet in height shall meet the following criteria:

- a. The building design shall be compatible with or enhance the physical characteristics of the site, the appearance of buildings adjacent to the site and the character of the district.
- b. The site plan shall facilitate efficient and convenient circulation, shall include landscaping that creates a pleasing appearance from both within and off the site and shall be an asset to the community at large.
- c. Enhancement of public view access or direct public access to usable open space areas shall offset any potential upland view loss which may occur as a result of the proposal.

4. Downtown Business District.

- a. Building height allowed outright in the DB zone is seventy-five (75) feet.
- b. Bonus for residential development.
- c. Enhancement of public view access or direct public access to usable open space areas shall offset any potential upland view loss which may occur as a result of the proposal.
  - i. Buildings may exceed the height allowed outright (75 feet) by up to two (2) stories, if the added stories are stepped back from the street wall at least eight (8) feet, and if floor area equal to the amount from the added stories is provided for residences:

- (a) In the same building--i.e., it is a residential or a mixed use building; or

(b) With commercial and residential uses in separate buildings on the same site;  
or

(c) With commercial and residential uses on separate sites within the Downtown Business (DB) zone.

ii. Occupancy. Housing provided under this bonus provision as part of a mixed use project must receive an occupancy permit at the same time as, or in advance of, issuance of an occupancy permit for non-residential portions of the project.

iii. Conversion. Housing provided under this bonus provision shall not be converted to commercial use.

iv. Source of housing units. Housing provided under this bonus provision may be:

(a) New construction,

(b) Adaptive reuse of a formerly non-residential structure, or

(c) Rehabilitation of existing housing.

5. Urban Waterfront - Housing.

a. Allowed building heights in the Urban Waterfront-Housing District are specified in Figure 6-2.

b. Required step backs and placement of step backs over 35 feet on specific blocks are specified in Figure 6-2.

6. High Density Corridor (HDC - 1 and HDC - 2).

a. Building height allowed outright in the HDC-1 and HDC-2 zones as outlined in OMC [18.06.080](#), Table 6.02.

b. Additional story for residential development.

i. Additional story can only be allowed for those development that do not provide a mechanical "penthouse" room as allowed under the provisions of OMC [18.06.100.A](#). However, the additional story can be occupied with both residential development and mechanical equipment.

ii. Buildings may exceed the height allowed outright in OMC [18.06.080](#), Table 6.02, by one (1) story. The additional story cannot exceed fourteen (14) feet above the maximum allowable height requirement as specified in OMC [18.06.080](#), Table 6.02.

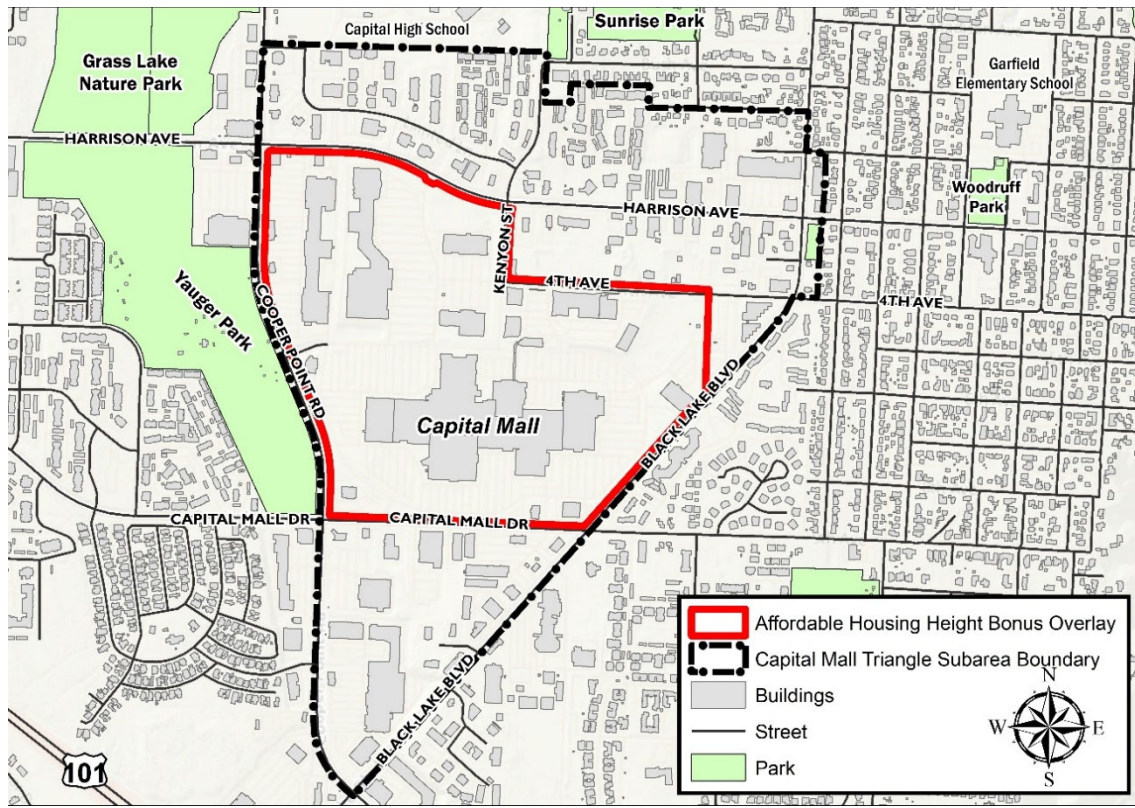
iii. The additional story must be stepped back at least eight (8) feet from any abutting street or any abutting residential zoning district. See OMC 18.06.100.B.2.

- iv. Housing provided under this additional story as part of a mixed use project must receive an occupancy permit at the same time as, or in advance of, issuance of an occupancy permit for non-residential portions of the project.
- v. Housing provided under this additional story provision shall not be converted to commercial use. Except that the residential units may conduct business activities under the provision for home occupations. See OMC [18.04.060.I](#).
- vi. Housing provided under this bonus provision may be:
  - (a) New construction;
  - (b) Adaptive reuse of a formerly non-residential structure, or
  - (c) Rehabilitation of existing housing.
- vii. This additional story is not available and will not be approved within 100 feet of a designated historic district.

7. High Density Corridor (HDC - 3 and HDC - 4) within the Capital Mall Triangle Subarea.

- a. For properties located within the HDC-3 zone and within the Capital Mall Triangle Subarea the maximum building height is 75 feet.
- b. For properties located within the HDC-4 zone and within the Capital Mall Triangle Subarea the maximum building height is 105 feet.
- c. Maximum building height is 130 feet for development that meet all of the following requirements:
  - i. Located within the Capital Mall Triangle Subarea; and
  - ii. Located within the Affordable Housing Height Bonus Overlay as shown in Figure 6-2B; and
  - iii. At least 30 percent of the dwelling units are affordable for at least 50 years for those whose income is 80 percent or less of the area median income.

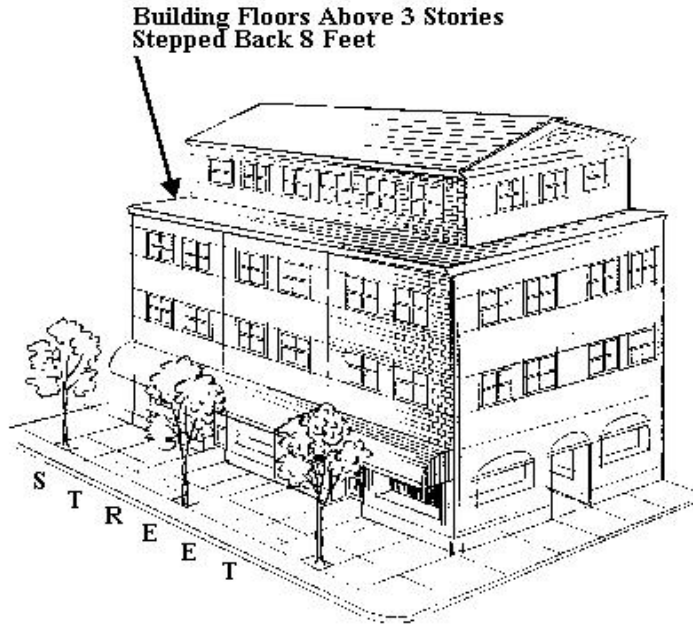
**Figure 6-2B Affordable Housing Height Bonus Overlay**



B. Upper Story StepBacks.

1. High Density Corridor-1 (HDC-1), Community Retail (CMR), High Density Corridor-2 (HDC-2), General Commercial (GC), High Density Corridor-4 (HDC-4), Medical Services (MS), and Professional Office/Residential Multifamily (PO/RM) District Requirements:

Building floors above three (3) stories which abut a street or residential district must be stepped back a minimum of eight (8) feet (see Figure 6-3).



**FIGURE 6-3**

2. Additional Story Provision for HDC-1 and HDC-2. Projects within the HDC-1 and HDC-2 zoning districts which use the additional story provisions for residential development as outlined in OMC 18.06.100.A.6, must step the additional story back by a minimum of eight (8) feet. The step back is required for the additional story which abuts a street or residential district.

3. If located within the HDC-4 zone district and within the Capital Mall Triangle Subarea, building floors above six stories which abut a street or residential district must be stepped back a minimum of eight feet. A step back is not required below the sixth floor.

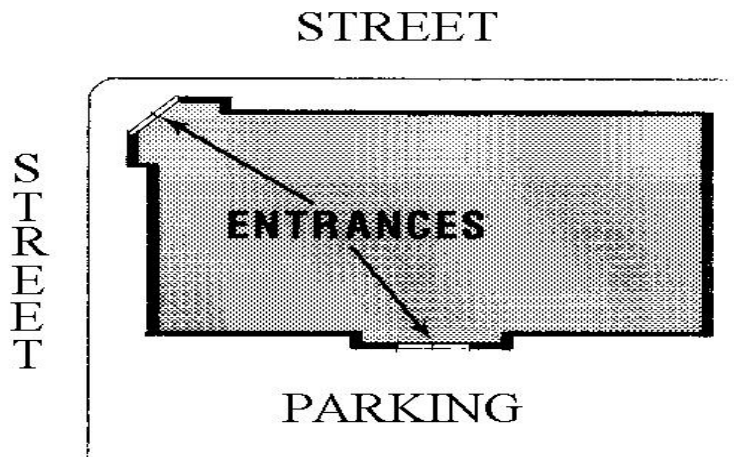
a. Mass timber/cross laminated timber constructed buildings are not required to have a step back.

C. Large Scale Retail Uses. Retail uses over twenty-five thousand (25,000) square feet in gross floor area under common ownership or use shall meet the design requirements of this section. For purposes of this section, a retail use under common ownership or use shall mean a single establishment which shares checkstands, management, a controlling ownership interest, or storage areas, e.g., a plant nursery or a grocery store associated with a general merchandise store, such as a home improvement store.

In General Commercial and HDC-4 zones west of Yauger Way, single story or single use commercial retail space shall not occupy more than 60,000 square feet of enclosed building space on the ground floor, unless a development agreement is approved. These buildings shall be designed and oriented to provide for pedestrian and bicycle circulation throughout the site and to adjacent buildings and properties. A building larger than 60,000 square feet can be allowed when it is not directly adjacent to a street designated as an "A" street in the Pedestrian Street Overlay and if a development agreement is approved that at a minimum addresses:

- 1) Building orientation, massing, and use of high quality materials
- 2) Parking is located to the rear or side of the building, or is separated from the street by additional retail buildings
- 3) Pedestrian, bicycle, and vehicular circulation on site and connections to adjacent properties
- 4) Community assets, such as the multi-use trail identified in the Kaiser Harrison Opportunity Area Plan

1. Customer entrances. Customer entrances shall be provided on each facade that faces an abutting street, customer parking, or a public park or plaza, up to a maximum requirement of three customer entrances per business occupancy. If there are two or more facades facing abutting streets, at least two such facades must provide a customer entrance. An entrance on a corner of the building may count as serving two facades. Such entrances shall provide both ingress and egress, and shall be double doors, not just single units. See Figure 6-4.

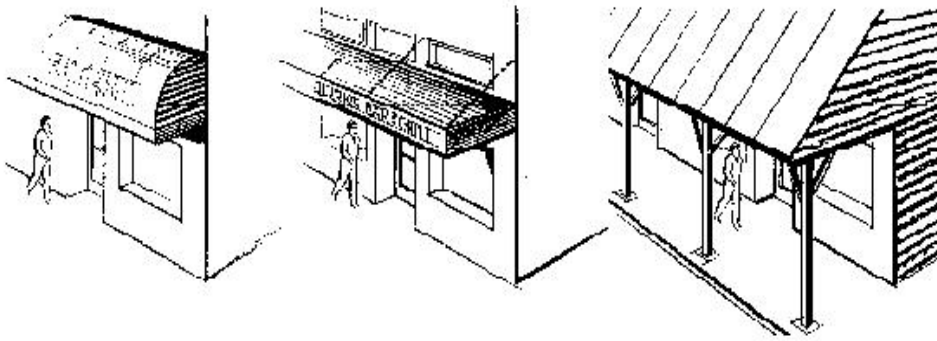


**Customer Entrances must be provided on facades facing abutting streets and parking. Example shows corner entrance serving two street facades, plus entrance serving parking.**

**FIGURE 6-4**

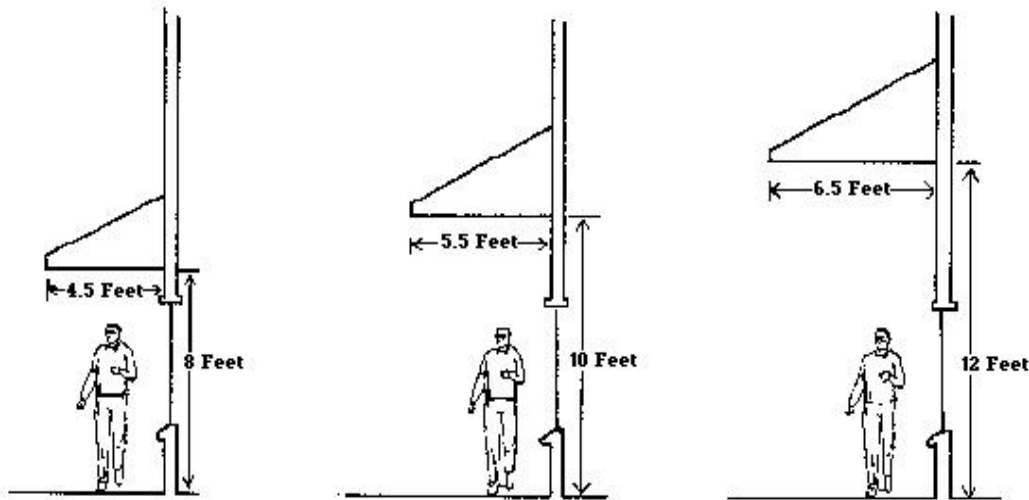
2. Rain protection. Awnings, canopies, marquees, arcades, building overhangs or similar forms of pedestrian weather protection, at least four and one half (4 1/2) feet wide, shall be provided over a pedestrian walkway along at least eighty (80) percent of any facade with a customer entrance. See Figure 6-5. Such weather protection shall be placed no less than eight (8) feet above the walkway. If placed more than eight (8) feet above the walkway, such weather protection shall be at least an additional six (6) inches in width for each additional foot of height, or portion thereof. See Figure 6-6.

Development in the HDC-4 Capital Mall Area shall use design standards established for this area instead of the above rain protection regulation. See 18.130.050-060 HDC 4-Capital Mall.



**Rain Protection (L to R): Awning, Marquee, Arcade**

**FIGURE 6-5**



**Width of Rain Protection is determined by height above walkway.**

**FIGURE 6-6**

3. Wall articulation. Facades greater than fifty (50) feet in length shall incorporate wall plane projections or recesses having a depth of at least three percent (3%) of the length of the facade and extending in the aggregate at least twenty percent (20%) of the length of the facade. No uninterrupted length of any such facade shall exceed fifty (50) horizontal feet. EXCEPTION: This requirement shall not apply to walls which:

- a. have no customer entrance; and
- b. are only visible from service areas, and not from nearby residences or from the customer parking lot or an abutting street.

Development in the HDC-4 Capital Mall Area shall use design standards established for this area instead of the above wall articulation regulation. See 18.130.050-060 HDC 4-Capital Mall.

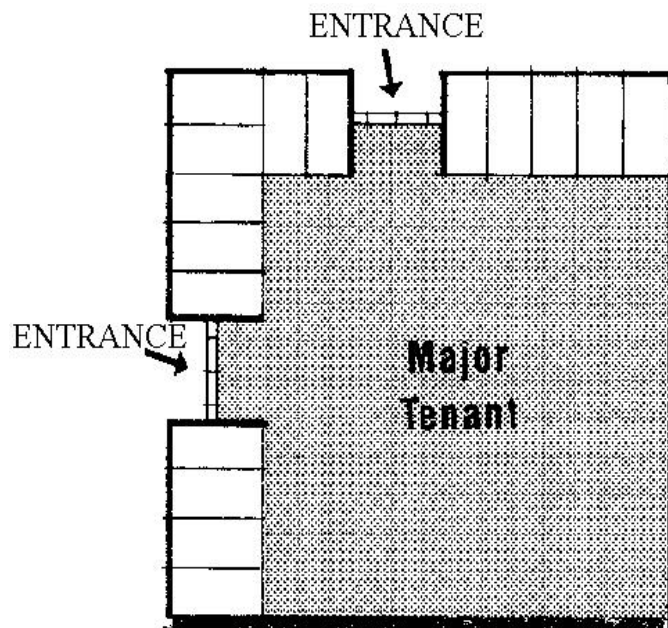
4. Frontage limit. The frontage per business occupancy shall be limited to one hundred (100) feet along any facade facing an abutting street, unless sixty percent (60%) or more of the facade between two (2) and eight (8) feet above the sidewalk is in transparent glazing; i.e., transparent windows, display windows, or transparent store doors (staff note: this would allow a major tenant to have lots of its own display windows, or to lease peripheral space to lots of small tenants, or to look like it was doing so, or to build added stories to get added floor area). See Figures 6-7 through 6-12. EXCEPTION: This requirement shall not apply to that portion of a facade where the average grade level of the sidewalk of the abutting street is 4 feet or more above or below the adjacent floor level of the building. See Figure 6-13.

Development in the HDC-4 Capital Mall Area shall use design standards established for this area instead of the above frontage limit. See 18.130.050-060 HDC 4-Capital Mall.



Example of building with 100' frontage, hence exempt from transparent glazing requirement.

FIGURE 6-7





Frontage limited by placing small shops on periphery of building, plan view.



FIGURE 6-8

Small shops on periphery of building, elevation view.

FIGURE 6-9



150-foot frontage with 60% of facade between 2' and 8' in transparent glazing.



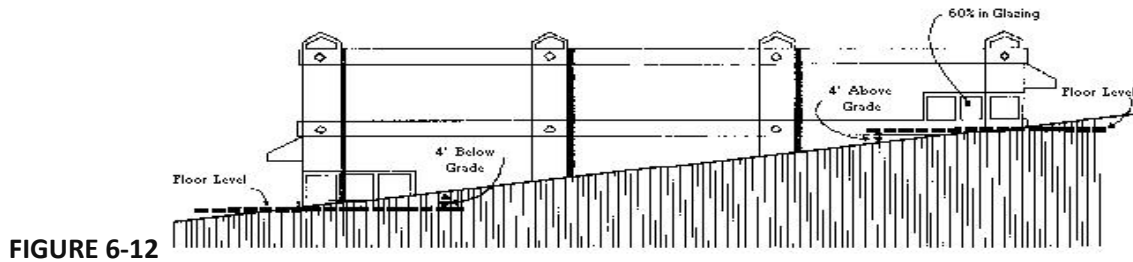
FIGURE 6-10

25,000 square foot 1-story building with 150 feet of frontage



FIGURE 6-11

50,000 square foot building on 2 stories with 150 feet of frontage



**FIGURE 6-12**

**Transparency requirement does not apply to the portion of a facade with a floor level over 4' above or below grade.**

**FIGURE 6-13**

5. Very Large Scale Retail Facilities. Retail uses under common ownership or use, which exceed size thresholds set forth in subsection (a) below for the zone in which the retail uses are proposed, shall meet the additional development and design requirements specified in subsections (a)(ii)-(iv). Those which exceed size thresholds set forth in subsection (b) below for the zone in which the retail uses are proposed shall be subject to the requirements for Conditional Use approval provided in subsection (b)(ii).

a. Added development and design requirements for Very Large Scale Retail Facilities

i. Thresholds for requirements

District	Size (gross floor area)
GC	60,000 sq. ft.
HDC-2	40,000 sq. ft.
HDC-3	50,000 sq. ft.
HDC-4, except Capital Mall Area	60,000 sq. ft.
UW	40,000 sq. ft.
UW-H	25,000 sq. ft.
DB	25,000 sq. ft.
UC	50,000 sq. ft.

ii. Adaptability for Reuse/Compartmentalization. The building design shall include specific elements that facilitate the structure's adaptation for multi-tenant reuse. Such elements may include but are not limited to compartmentalized construction, including plumbing, electrical service, heating, ventilation and air conditioning. The building design shall also allow for all of the following:

- (1) Subdivision of the interior of structure into separate tenancies. The design for interior subdivision shall accommodate multiple potential tenancies, each no larger than fifty percent (50%) of the size threshold for the district defined in subsection (i) above. Example A: An applicant designs a 120,000 sq. ft. Very Large

Scale Retail Use in the GC district to accommodate reuse by four potential tenancies of 30,000 sq. ft. each. Example B: An applicant designs the same building to accommodate two potential tenancies of 30,000 sq. ft., and four potential tenancies of 15,000 sq. ft.

(2) Facades that readily adapt to multiple entrances without compromising the structural integrity of the building, and adapt to entrances on at least two sides of the building; or, if the building is designed to have only one front facade, all potential tenancies shall be designed for access from the front facade.

(3) Parking lot designs that are shared by establishments or are linked by safe and functional pedestrian connections.

(4) Landscaping schemes that complement the multiple entrance design.

(5) Design and placement of loading docks/loading bays to accommodate multiple potential tenancies.

(6) Other elements of design which facilitate the multi-tenant reuse of the building and site.

iii. Parking Design.

(1) Parking lots with over one acre in paving shall be designed for on-site infiltration of the stormwater generated on site. This may be accommodated by underground infiltration vaults, porous paving, or other techniques permitted by the City of Olympia Stormwater Drainage Manual, and subject to the approval of the Department of Public Works.

(2) Bicycle parking shall meet all requirements of the City's bicycle parking regulations, in particular Sections [18.38.100](#) Vehicular and Bicycle Parking Standards, and [18.38.220](#) Design Standards - General.

iv. Site Design.

(1) The site design shall include a plan for pedestrian circulation with logical connections between buildings, between buildings and adjacent streets, and from buildings to parking areas. (See also Sections [18.110.030](#), [18.120.110](#), and [18.150.030](#).)

(2) Pedestrian walkways within the development shall be differentiated from driving surfaces through a change in materials, and shall be designed to accommodate persons with disabilities, such as wheelchair users.

b. Conditional Use Approval

i. Thresholds for Conditional Use Approval

<b>District</b>	<b>Size (gross floor area)</b>
GC	125,000 sq. ft.
HDC-2	60,000 sq. ft.
HDC-3	75,000 sq. ft.
HDC-4, except Capital Mall Area	125,000 sq. ft.
UW	60,000 sq. ft.
UW-H	40,000 sq. ft.
DB	40,000 sq. ft.
UC	100,000 sq. ft.

ii. Conditions for Approval. The following requirements apply to all Very Large Scale Retail Facilities subject to conditional use approval.

(1) The Hearing Examiner shall determine that the proposed facilities meet the development and design requirements of subsection (a) above, and all other requirements of this Title.

(2) The Hearing Examiner shall determine that the proposed facilities will not be detrimental to the health, safety, or welfare of the general public, nor injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

(a) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

(b) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

(c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor; and

(d) The treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs.

(e) The impact upon public facilities or public services.

6. Additional Regulations. Refer to the following Chapters for additional related regulations:

- a. Chapter [18.36](#), Landscaping and Screening
- b. Chapter [18.38](#), Parking and Loading
- c. OMC [18.70.180](#), Conditional Uses
- d. Chapter [18.100](#), Design Review

- e. Chapter [18.110](#), Basic Commercial Design
- f. Chapter [18.120](#), Downtown Design Criteria
- g. Chapter [18.130](#), Commercial Design Criteria High Density Corridor (HDC)
- h. Chapter 18.150, Port Peninsula

D. Impervious Surface Coverage

On development sites incorporating 'vegetated roofs,' the impervious surface coverage limits of Neighborhood Retail, Professional Office/Residential Multifamily and Medical Service districts shall be increased one square foot for each square foot of vegetated roof area up to 5% of the total site area if adequate assurance is provided that the proposed vegetated roof will provide substantial stormwater management benefits for a period of at least 30 years.

**Section 6. The City Clerk shall make** copies of this ordinance available on the City of Olympia website.

**Section 7. Corrections.** The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

**Section 8. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances is unaffected.

**Section 9. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 10. Effective Date.** This Ordinance takes effect on April 1, 2025.

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MAYOR

ATTEST:

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CITY CLERK

APPROVED AS TO FORM:

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DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:

Ordinance No. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATED TO ADOPTION OF THE 2025 CMT (CAPITAL MALL TRIANGLE) ENGINEERING DESIGN AND DEVELOPMENT STANDARDS; AND AMENDING CHAPTER 12.02 OF THE OLYMPIA MUNICIPAL CODE**

**WHEREAS**, the City annually reviews and updates the *Olympia Engineering Design and Development Standards* (EDDS) to address changes in regulations or standards, improve consistency with the Olympia Comprehensive Plan, and to add clarity; and

**WHEREAS**, updates to the EDDS may occur more than once annually to ensure consistency with the Olympia Municipal Code and other adopted plans; and

**WHEREAS**, the Olympia Municipal Code (OMC) is amended simultaneously to update related code provisions for consistency with changes to the EDDS; and

**WHEREAS**, on February 8, 2024, the Final Capital Mall Triangle Subarea planned action Environmental Impact Statement (EIS) was released for the public; and

**WHEREAS**, the Final Capital Mall Triangle Subarea planned action EIS identifies impacts and mitigation measures associated with planned development in the Capital Mall Triangle Subarea; and

**WHEREAS**, on July 9, 2024, the Olympia City Council approved an ordinance adopting the Capital Mall Triangle Subarea Plan; and

**WHEREAS**, the City is adopting regulations specific to the Capital Mall Triangle Subarea which will guide the allocation, form, and quality of desired development; and

**WHEREAS**, the City is adopting regulations specific to the Capital Mall Triangle Subarea to mitigate the impacts of future desired development, as specified in the planned action EIS; and

**WHEREAS**, the City of Olympia Responsible Official under the State Environmental Policy Act (SEPA), determined the Proposed Amendments to be categorically exempt under SEPA, pursuant to 197-11-800(19)(b) of the Washington Administrative Code; and

**WHEREAS**, the Proposed Amendments were sent to the Washington State Department of Commerce Growth Management Services with the Notice of Intent to Adopt Development Regulation Amendments as required by RCW 36.70A.106, and \_\_\_ comments were received from state agencies during the comment period; and

**WHEREAS**, the Land Use and Environment Committee reviewed the proposed amendments to the EDDS and OMC (the Proposed Amendments) on February \_\_, 2025; and

**WHEREAS**, a public hearing was held on March \_\_, 2025, to consider the Proposed amendments; and

**WHEREAS**, the Proposed Amendments are consistent with the Olympia Comprehensive Plan, the Capital Mall Triangle Subarea Plan, the planned action EIS, and the Olympia Municipal Code; and

**WHEREAS**, the Attorney General Advisory Memorandum: Avoiding Unconstitutional Takings of Private Property (October 2024) was reviewed and used by the City in objectively evaluating the Proposed Amendments; and

**WHEREAS**, Chapters 35A.63 and 36.70A RCW and Article 11, Section 11 of the Washington State Constitution authorize and permit the City to adopt this Ordinance;

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. Amendment of OMC 12.02.020.** Olympia Municipal Code Subsection 12.02.020 is hereby amended to read as follows:

**12.02.020 Engineering design and development standards**

There is hereby adopted by reference "2025 CMT Engineering Design and Development Standards," one (1) copy of which ~~shall must~~ be kept on file in the office of the City Clerk and the Olympia Public Works Department. These standards ~~shall be considered~~ are a part of this ordinance as though fully set forth ~~herein~~ in this ordinance.

**Section 2. Amendment of Engineering Design and Development Standards Chapter 4.** Section 4B.035 Commercial Collectors Table 3 is hereby amended to read as follows:

Table 3: Street Characteristics				
Street Characteristics	Arterial Street	Major Collector	Neighborhood Collector	Local <u>Access</u> Street
Types of Traffic Served	Regional and City-wide	Sub-regional, feed Arterial traffic	Subarea and local traffic, feed Major Collector traffic	Local traffic, feed Neighborhood/Major Collector or Arterial Traffic
Traffic Volumes	14,000 - 40,000 Average Daily Traffic	3,000 - 14,000 Average Daily Traffic	500 - 3,000 Average Daily Traffic	0 - 500 Average Daily Traffic
Percent Local Traffic	0 - 15% of origins and destinations are within a one mile radius of the street	0 - 30% of origins and destinations are within a one mile radius of the street	70% - 100% of origins and destinations are within a one mile radius of the street	80% - 100% of origins and destinations within a one mile radius of the street
Average Travel Length	10 to maximum miles	2 to 15 miles	1 to 2 miles	Minimum to 2 miles
Street Spacing (1)	1 - 2 miles	1/2 - 3/4 mile	1000' - 1500'	>250'
Intersection Spacing (2)	≤500'	350' - 500'	250' - 350'	250' - 350'
On-Street Parking	No - except where parking exists and where exempt.	No - except where parking exists and where exempt. Existing parking	Yes - with bulb-outs at intersections.	Yes - one side with parking bulb-outs to define parking areas.

**Table 3: Street Characteristics**

Street Characteristics	Arterial Street	Major Collector	Neighborhood Collector	Local <u>Access</u> Street
	Existing parking may be removed for other Transportation needs. Where parking exists, intersection bulb-outs are required.	may be removed for other Transportation needs. Where parking exists, intersection bulb-outs are required.		
Driveway Access	No	No - except for existing developments	Yes	Yes
Bike Facilities	Yes -See 4D.020 for exceptions.	Yes - See 4D.020 for exceptions.	Some - See 4D.020 for exceptions	No
Planting Strips (between sidewalk and curb)	Yes	Yes	Yes	Yes
Sidewalks	Yes	Yes	Yes	Yes
Traffic Calming	No	As needed	Yes - if problem is anticipated or determined through an engineering study.	Yes - if problem is anticipated or determined through an engineering study.
Transit Shelters	Every 1/2 mile	Every 1/2 mile	None	None

Table 3 Notes:

- (1) Street spacing means the frequency of street types within the street network.
- (2) Intersection spacing means how often a cross street occurs on a particular class of street. Intersection spacing for Major Collectors within the Capital Mall Triangle Subarea (as defined in Chapter 14.06 OMC) is 300' to 400' but may be up to 500' if intervening public cross-block pedestrian, bicycle, and emergency access connections are provided.

**Section 3. Amendment of Engineering Design and Development Standards Chapter 4.** Section 4B.130 Intersections Table 7 is hereby amended to read as follows:

#### **4B.130 Intersections**

A. Traffic control will be as specified in the current edition of the *Manual on Uniform Traffic Control Devices* (MUTCD) or as modified by the City Engineer as a result of appropriate traffic engineering studies.



B. Street intersections will be laid out so as to intersect as nearly as possible at right angles. Sharp-angled intersections will be avoided. For reasons of traffic safety, a "T" intersection (three-legged) is preferable to a crossroad (four-legged) intersection for local access streets. For safe design, the following types of intersection features should be avoided:

1. Intersection with more than four intersecting streets.
2. "Y"-type intersections where streets meet at acute angles.
3. Intersections adjacent to bridges and other sight obstructions.
4. In no case will the angle of intersection be less than 60 degrees or greater than 120 degrees. The preferred angle of an intersection is 90 degrees.

C. Spacing between adjacent intersecting streets, whether crossing or "T" should be as follows in Table 7.

<b>Table 7: Centerline Offsets</b>		
<b>When highest classification involved is:</b>	<b>Centerline offset should be:</b>	
	<b>Desirable</b>	<b>Minimum</b>
Arterial	≤500 feet	350 feet
Major Collector (1)	350-500 feet	200 feet
Neighborhood Collector	250-350 feet	150 feet
Local Access	250-350 feet	150 feet

(1) Centerline offsets for Major Collectors within the Capital Mall Triangle Subarea (as defined in Chapter 14.06 OMC) is 300' to 400' but may be up to 500' if intervening public cross-block pedestrian, bicycle, and emergency access connections are provided.

"Desirable" conditions shall be applied when sufficient space or street frontage is available.

When different class streets intersect, the higher standard will apply on curb radii. Deviations to this may be allowed by the City Engineer per Section 1.050.

D. On sloping approaches at an intersection, landings will be provided with grade not to exceed a 1-foot difference in elevation for a distance of 30 feet approaching any arterial or 20 feet approaching a collector or local access street, measured from the nearest right-of-way line (extended) of intersecting street.

**Section 4. Amendment of Engineering Design and Development Standards Chapter 4 Appendix 7.**  
Appendix 7 is hereby amended to read as follows:

## **Appendix 7 TRAFFIC IMPACT ANALYSIS (TIA) GUIDELINES FOR NEW DEVELOPMENTS**

### **TRAFFIC PRESUBMISSION CONFERENCE REQUIREMENTS**

- Description of project to include: land use with project size in residential units or building square footage.
- Site plan to include: proposed public street access, onsite parking location and internal street network.
- At the Site Plan Review Committee meeting, staff will indicate if a subsequent Traffic Impact Analysis (TIA) is required.

#### TRAFFIC IMPACT ANALYSIS SCOPING MEETING

- Retain qualified traffic engineer with a professional engineer's license.
- Prior to scoping meeting provide CP&D a TIA scoping letter to include the following:
  - a. Proposed use and size.
  - b. Trip Generation per City of Olympia Transportation Impact Fee Program Update.
  - c. Site Plan to include: proposed public street access, onsite parking location and internal street network. Indicate location of any off-site adjacent or cross street driveway or street intersections.
  - d. Provide a pm peak hour project trip assignment, based on the Thurston Regional Transportation Demand Model ( 360.741.2510). Indicate geographic distribution for north, south, east, and west.
  - e. Provide project year of occupancy.

#### TRAFFIC IMPACT ANALYSIS PRIOR TO PRELIMINARY PLAT

- This analysis must follow City of Olympia guidelines for a Traffic Impact Analysis (see following TIA Guidelines for New Development).
- All analysis will use a two-hour LOS and unsignalized intersection LOS will be determined by a weighted average of all intersection approaches. This will be explained further at the TIA Scoping Meeting.

### A. INTRODUCTION

A Traffic Impact Analysis (TIA) is a specialized study of the impacts that a certain type and size of development will have on the surrounding transportation system. The TIA is an integral part of the development review process. It is specifically concerned with the generation, distribution, and assignment of traffic to and from the new development. **New development includes properties that are redeveloped.** The purpose of a TIA is to determine what impact development traffic will have on the existing and proposed street network and what impact the existing and projected traffic on the street system will have on the new development.

These guidelines have been prepared to establish the requirements for a TIA. Except as directed by other sections of the Olympia Municipal Code the Environmental Review Officer (ERO) will be the person responsible under the State Environmental Policy Act (SEPA), as well as city ordinances, for enforcing the need for a TIA. The ERO will consult with the Transportation Line of Business of the Public Works Department and, based on their recommendation, determine the need for a TIA.

## **B. WHEN REQUIRED**

To adequately assess a new development's traffic impact on the transportation system and level of traffic service, the ERO, based on the recommendation of the Transportation Line of Business, may require a TIA. The requirement for a TIA will be based on the size of the development proposed, existing street and intersection conditions, traffic volumes, accident history, community concerns, and other pertinent factors relating to traffic impacts attributable to new developments.

The ERO, based on the recommendation of the Transportation Division, will make the determination as to whether a TIA will be required. As a minimum, the following guidelines will be utilized in making this decision:

1. The new development generates more than 50 vehicles in the peak direction of the peak hour on the adjacent streets and intersections. This would include the summation of all turning movements that affect the peak direction of traffic.

Projects generating less than 50 vehicles in the peak hour on the adjacent streets and intersections will typically not be required to conduct a TIA. They will make proportionate share contributions to identified transportation facility improvement projects in the area of the development. Refer to Section D, Item Number 6, "Mitigation," as to how the proportionate share costs will be determined.

2. The new development generates more than 25 percent of site-generated peak-hour traffic through a signalized intersection or the critical movement at an unsignalized intersection.
3. The new development is within an existing or proposed transportation benefit area. This may include Latecomer Agreements, Transportation Benefit Districts (TBD), Local Improvement Districts (LID), or local/state transportation improvement areas programmed for development reimbursements.
4. The new development may potentially affect the implementation of the street system outlined in the Transportation Element of the Comprehensive Plan, the Transportation Improvement Program, or any other documented transportation project.
5. A rezone of the subject property will require a TIA prior to rezone approval.
6. The original TIA is more than two years old or where the proposed project traffic volumes increase by more than 10 percent.
7. If there is an identified or potential hazardous traffic condition (safety concern).
8. For development within the Capital Mall Triangle Subarea, refer to OMC 14.06.

If the ERO, based on the recommendation of the Transportation Line of Business, has made the determination to require a TIA, the general guidelines for content and structure shall follow the format outlined in Section D, Scope of Work.

## **C. QUALIFICATIONS FOR PREPARING TIA DOCUMENTS**

A TIA shall be conducted under the direction of a responsible individual or firm acceptable to the ERO, based on the recommendation of the Director of the Transportation Line of Business, or Public Works Director. The TIA shall be prepared by an engineer licensed to practice in the State of Washington with special training and experience in traffic engineering and who is a member of the Institute of Transportation Engineers (ITE). The developer shall provide the ERO the credentials of the individual(s) selected to perform the TIA and review them with the Transportation Line of Business to determine if the individual or firm is qualified. Upon request, the ERO may provide the developer a list of qualified individuals to perform such work.

#### **D. SCOPE OF WORK**

The level of detail and scope of work of a TIA may vary with the size, complexity, and location of the new development. A TIA shall be a thorough review of the immediate and long-range effects of the new development on the transportation system.

##### **1. New Development Prospectus**

- a. Provide a reduced copy of the site plan, showing the type of development, street system, right-of-way limits, access points, and other features of significance in the new development. The site plan shall also include pertinent off-site information, such as locations of adjacent intersections, land use descriptions, street right-of-way limits with respect to the existing roadway, and other features of significance. Exhibit A illustrates an example site plan for reference purposes.
- b. Provide a vicinity map of the project area showing the transportation system to be impacted by the development. Exhibit B illustrates an example vicinity map for reference purposes.
- c. Discuss specific development characteristics, such as type of development proposed (single-family, multi-family, retail, industrial, etc.), internal street network, proposed access locations, parking requirements, zoning, and other pertinent factors attributable to the new development.
- d. Discuss project completion and occupancy schedule for the new development. Identify horizon years for traffic analysis purposes.

##### **2. Existing Conditions**

- a. Discuss street characteristics, including functional classification, number of traveled lanes, lane width, shoulder treatment, bicycle path corridors, and traffic control at study intersections. A figure may be used to illustrate existing transportation facilities.
- b. Identify safety and access problems, including discussions on accident history, sight distance restrictions, traffic control, and pedestrian conflicts.
- c. Obtain all available pertinent traffic data from the City of Olympia. If data is unavailable, the individual or firm preparing the TIA shall collect the necessary data to supplement the discussions and analysis in the TIA.
- d. Conduct manual peak-hour turning movement counts at study intersections, if traffic volume data is more than two years old or, if after consulting with the Transportation Line of Business, it is

recommended to the ERO that new counts should be conducted. A copy of the reduced data shall be attached to the TIA, when submitted to the ERO, who will distribute it for review.

e. A figure shall be prepared showing existing average daily traffic (ADT) and peak-hour traffic volumes on the adjacent streets and intersections in the study area. Complete turning movement volumes shall be illustrated as shown in Exhibit C. This figure shall represent the base-line traffic volumes for analysis purposes.

### 3. Development Traffic

This element of the TIA shall be conducted initially to identify the limits of the study area. The study area shall include all pertinent intersections and streets impacted by development traffic. The limits of the study area shall be representative of the specific conditions outlined in Section B of these guidelines.

A threshold requirement of development traffic exceeding 20 vehicles in the peak direction of the peak-hour traffic on the adjacent streets and intersections shall apply. The threshold requirement of the development generating 25 percent or more of site traffic through a signalized intersection or the critical movements at an unsignalized intersection shall also apply. Each intersection and street impacted as described shall be included in the study area for analysis purposes.

The individual or firm preparing the TIA shall submit to the ERO a figure illustrating the proposed trip distribution for the new development. The trip generation shall be included in a table format on the figure with peak-hour traffic volumes assigned to the study area in accordance with the trip distribution. Once approved by the ERO, based on the recommendation of the Transportation Planner, a formal scoping of the development proposal shall be conducted to clearly identify the study area and contents expected in the TIA. Exhibit D shows an example figure for reference purposes.

The methodology and procedures used in preparing the trip generation and trip distribution elements of the TIA are as follows:

#### a. Trip Generation

Site traffic shall be generated for either or all daily, morning, and afternoon peak-hour periods, using the most current Transportation Impact Fee Rate Study Addendum—Table 3 New Trip Rate. The new trip rate accounts for “passer-by” traffic volume discount and is based on the ITE trip generation edition that is consistent with the Transportation Impact Fee (TIF) rate schedule. Variations of trip rates will require approval from the ERO, based on the recommendation of the Transportation Line of Business.

For multi-use and/or “phased” projects, a trip generation table shall be prepared showing proposed land use, trip rates, and vehicle trips for daily and peak-hour periods and appropriate traffic volume discounts, if applicable, per phase. Traffic impact will be based on the cumulative effect of each phase.

#### b. Trip Distribution

The trip distribution for a new development shall be approved by the ERO, based on the recommendation of the Transportation Planner, prior to the formal scoping of the TIA. The methodology shall be clearly defined and discussed in detail in the TIA. Information on transportation modeling,

regional distribution models, transportation analysis zones, and employment density areas are available from the Thurston County and City of Olympia Planning Departments. Available information can be used to assist in the preparation of the trip distribution model. A regional trip distribution map may be required by the ERO, based on the recommendation of the Transportation Planner, for large-scale development projects. Exhibit E shows an example figure for reference purposes.

The TIA shall identify other transportation modes that may be applicable, such as transit use, bicycle, and pedestrian facilities. New developments are encouraged to implement transportation demand management practices, such as flex-time for employees and ridesharing programs, including car pools, van pools, shuttle buses, etc.

#### **4. Future Traffic**

##### **a. Future Traffic Conditions, Not Including Site Traffic**

Future traffic volumes shall be estimated using information from transportation models or applying an annual growth rate to the base-line traffic volumes. The future traffic volumes shall be representative of the horizon year for project development. The ERO will work with the Transportation Planner to determine an appropriate growth rate, if that option is utilized.

In addition, proposed on-line development projects shall be taken into consideration, when forecasting future traffic volumes. The increase in traffic from proposed on-line projects shall be compared to the increase in traffic by applying an annual growth rate.

If modeling information is unavailable, the greatest traffic increase, from either the on-line developments or the application of an annual growth rate or a combination of an annual growth rate and on-line developments, shall be used to forecast the future traffic volumes.

##### **b. Future Traffic Conditions, Including Site Traffic**

The site-generated traffic shall be assigned to the street network in the study area, based on the approved trip distribution model. The site traffic shall be combined with the forecasted traffic volumes to show the total traffic conditions estimated at development completion. A figure will be required showing daily and peak-period turning movement volumes for each traffic study intersection. Exhibit F shows an example figure for reference purposes. In addition, a figure shall be prepared showing the base-line volumes with site-generated traffic added to the street network. This figure will represent site-specific traffic impacts to existing conditions.

#### **5. Traffic Operations**

The Level of Service (LOS) and capacity analysis shall be conducted for each pertinent intersection in the study area, as determined by the ERO, based on the recommendation of the Transportation Line of Business. The methodology and procedures for conducting the capacity analysis shall be consistent with the guidelines specified in the most current version of the Highway Capacity Manual. The individual or firm preparing the TIA shall calculate the intersection LOS for each of the following conditions:

- a. Existing peak-hour traffic volumes (figure required).

- b. Site-generated traffic (figure required).
- c. Future traffic volumes, not including site traffic (figure required).
- d. Future traffic volumes, including site traffic (figure required).
- e. LOS results for each traffic volume scenario (table required).

The LOS table shall include LOS results for morning and afternoon peak periods, if applicable. The table shall show LOS conditions with corresponding vehicle delays for signalized intersections and LOS conditions for the critical movements at unsignalized intersections. For signalized intersections the LOS conditions and average vehicle delay shall be provided for each approach and the intersection as a whole. All analysis will use a two hour LOS and unsignalized intersection LOS will be determined by a weighted average of all intersection approaches.

The capacity analysis for existing signalized intersections shall include existing phasing, timing, splits, and cycle lengths in the analysis, as observed and measured during the peak-hour traffic periods. All traffic signal system operational data will be made available by the City of Olympia.

If the new development is scheduled to be completed in phases, the TIA shall conduct an LOS analysis for each separate development phase. The incremental increases in site traffic from each phase shall be included in the LOS analysis for each preceding year of development completion. A figure will be required for each horizon year of phased development.

If the new development impacts a traffic signal coordination system currently in operation, the ERO, based on the recommendation of the Transportation Line of Business, may require the TIA to include operational analysis of the system. Timing plans and proposed modifications to the coordination system may be required.

The capacity analysis will be conducted using computer software compatible with the Transportation Line of Business's software package. **The individual or firm preparing the TIA shall use SYNCHRO (coordinated systems) or SIDRA (roundabouts) for capacity analysis of study intersections. For unsignalized intersections, the Highway Capacity Manual methodology will be used.** A software copy of the capacity analysis worksheets will be submitted concurrently with the TIA document to the Public Works Transportation Line of Business.

**Other computer software packages used for capacity analysis applications will not be accepted.**

## 6. Mitigation

The TIA shall include a proposed mitigation plan. The mitigation may be either the construction of necessary transportation improvements or contributions to the City for the new development's fair share cost of identified future transportation improvements. **LOS "E" and "F" shall be used as the threshold for determining appropriate mitigating measures on roadways and intersections in the study area. Mitigating measures shall be required to the extent that the transportation facilities operated at a LOS "D" condition or better. Inside the high density residential corridor and core areas LOS "E" condition is acceptable.**

The following guidelines shall be used to determine appropriate mitigating measures of traffic impacts generated by new developments.

a. On transportation facilities where the need exists to construct improvements by the horizon year of the new development, the cost for the mitigation will be entirely borne by the new development. However, in the event the ERO officer and the Transportation Line of Business identify more than one development under simultaneous review, accumulative impacts and distribution of mitigation costs may be considered. A Latecomers Agreement could be formulated by the new development for reimbursement of mitigation costs.

b. On transportation facilities identified for new improvements that are funded for by impact fees, the adverse traffic impacts of the new development will be considered mitigated by payment of the City's Transportation Impact Fees. Provided the new development creates traffic impacts beyond forecasted growth in the City's Concurrency Report or the period of time between the occupancy of the new development and construction of improvements significant traffic impacts are identified by the City Traffic Engineer, the new development will be required to construct the improvement. The new development may request to be reimbursed for construction cost equal or less than the funds listed in the City's CFP.

c. On transportation facilities identified for new improvements that are developer-funded as part of the City's Capital Facilities Program (CFP), Six-Year Transportation Improvement Program, or as part of an identified need determined through a TIA for a project of record, the adverse traffic impacts of the new development will be considered mitigated by providing a proportionate share contribution of the costs for the proposed improvements. The proportionate share costs for the improvements will be based on the percentage of new afternoon peak-hour development traffic from the total six years of growth identified by the regional model. This would include any trips that enter or pass through any intersection along the project.

For those projects not required to conduct a TIA, but generating between 20 and 50 vehicles in the peak direction of the peak hour on the adjacent streets and intersections, the City will determine the proportionate share contributions for the developer. If the developer disagrees with the values calculated, the developer may, at its own cost, hire an individual or firm to recalculate the proportionate share contributions and submit them to the City for consideration.

d. If the transportation facility currently operates less than LOS "D" (LOS "E" within high density residential corridors and core areas), the new development shall be required to make interim facility improvements to maintain the existing level of service operation on the facility and to identify future facility improvements five years beyond the horizon year of the new development. The cost of the interim improvements will be deducted from the new development's proportionate share of costs for the identified future facility improvements, only if the cost of interim improvements is less than the ultimate proportionate share. If the interim improvements cannot be incorporated into the ultimate improvements identified in the CFP or an identified TIA for the transportation facility, there will be no reimbursement for interim costs incurred. The new development also has the option to wait until the improvements are implemented by the City or other developments.

e. Unsignalized intersections that currently operate at less than a LOS "D" condition (LOS "E" within core areas) shall be analyzed for traffic signal and intersection improvements (i.e., exclusive left,



through, or right lanes; acceleration or deceleration lanes; three- or four-way stops; etc.). Unsignalized intersection LOS will be determined by the weighted average of the control delay from all movements (see Highway Capacity Manual equation 17-40 and 17-41). Provided a single lane approach is failing and the vehicle queue is four or more vehicles, exclusive turn lanes will be required. If three or more traffic signal warrants are satisfied (minimum warrant 1, condition A or B must be met), signal and intersection improvements will be required as a mitigating measure for the new development.

If at least three traffic signal warrants are not satisfied by the new development's horizon year, the TIA shall determine if traffic signal warrants and intersection improvements would be needed within a five-year period, after the new development's horizon year. The new development would be required to provide a proportionate share cost towards future traffic signal and intersection improvements constructed to City standards, if warranted within the five-year period.

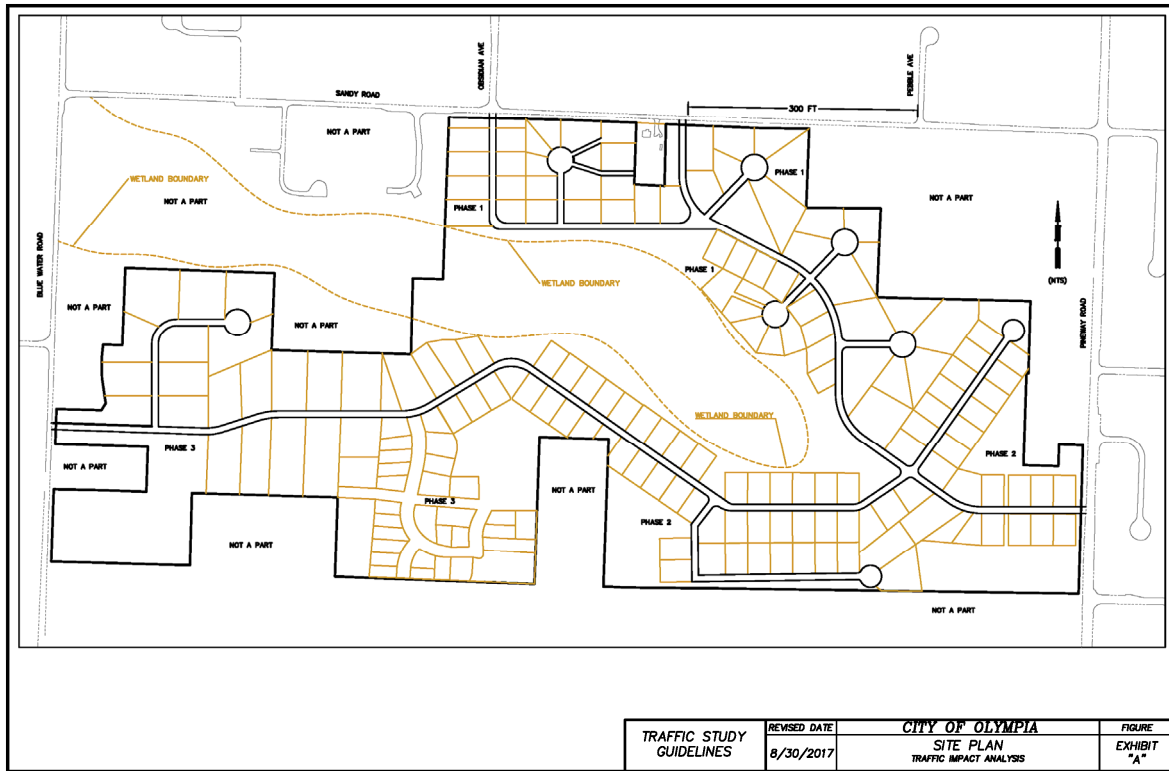
In addition, if intersection LOS mitigation is needed, exclusive left-turn lane warrants will be analyzed and required, as part of the intersection improvement.

f. In intersections where the projected LOS condition is at "D" but where one or more of the LOS conditions on the approaches fall below LOS "D," mitigating measures may be required to improve the capacity and traffic operations at the intersection. The City reserves the right to review all adverse traffic impacts at these intersections and to determine appropriate mitigating measures.

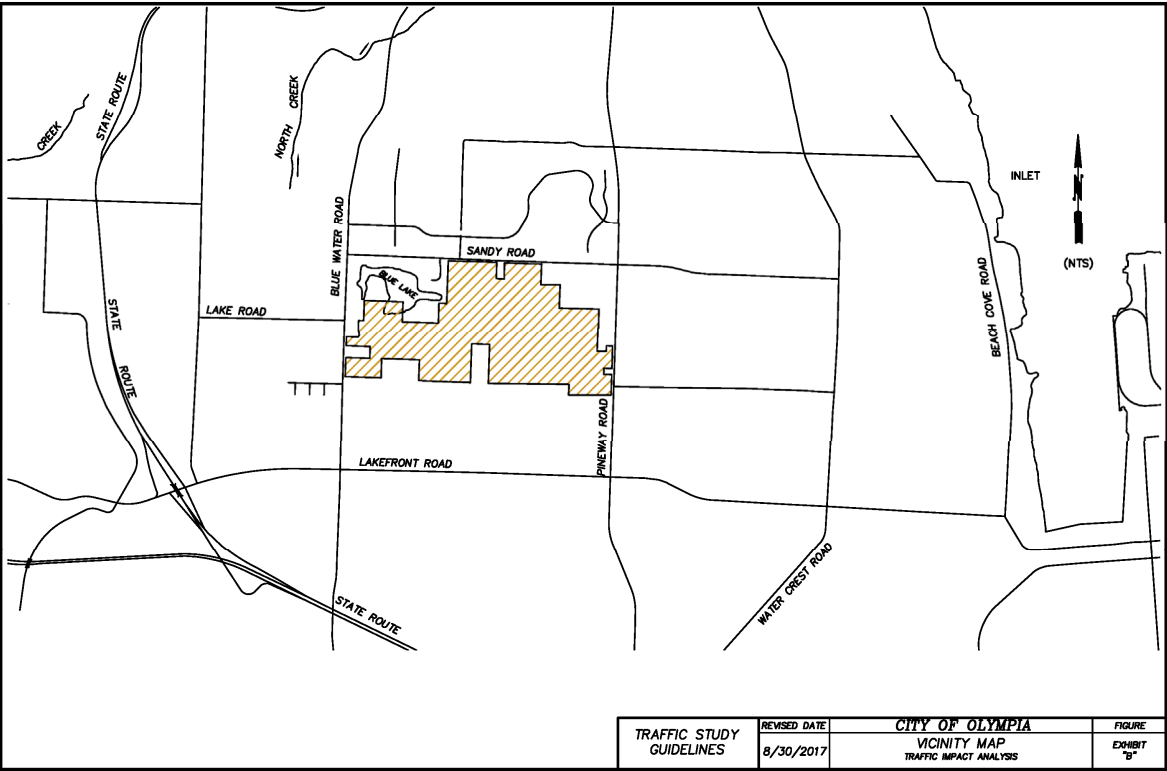
g. Other conditions which should be considered for mitigation:

- Facilities for pedestrian and bicycle needs should be provided as identified in the Engineering Design and Development Standards or Comprehensive Plan.
- The need for transit stops, bus pullouts, and shelters shall be identified if applicable. The developer may be required to install a shelter for transit riders.
- If a safety hazard is identified for either pedestrians or vehicles, appropriate mitigating measures shall be identified to correct the deficiency.
- If a new development will adversely impact an adjacent neighborhood, measures to mitigate these impacts shall be identified.

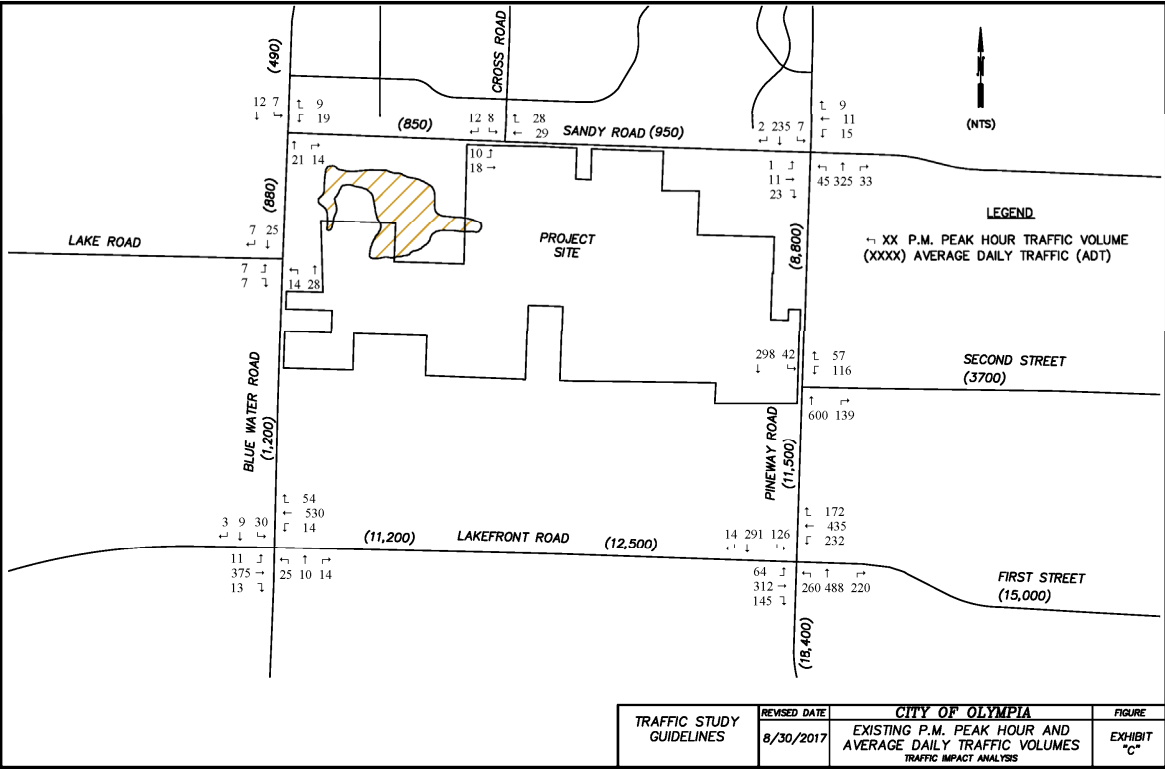
## EXHIBIT "A" – SITE PLAN TRAFFIC IMPACT ANALYSIS



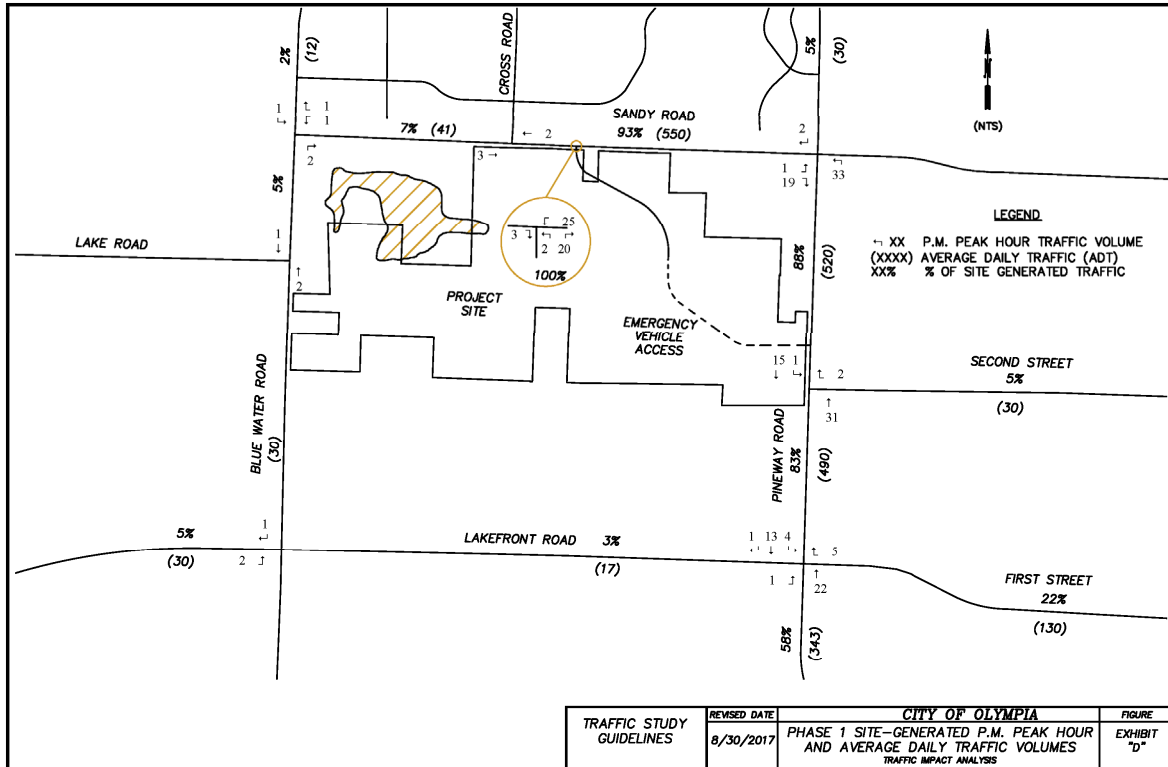
**EXHIBIT "B" – VICINITY MAP TRAFFIC IMPACT ANALYSIS**



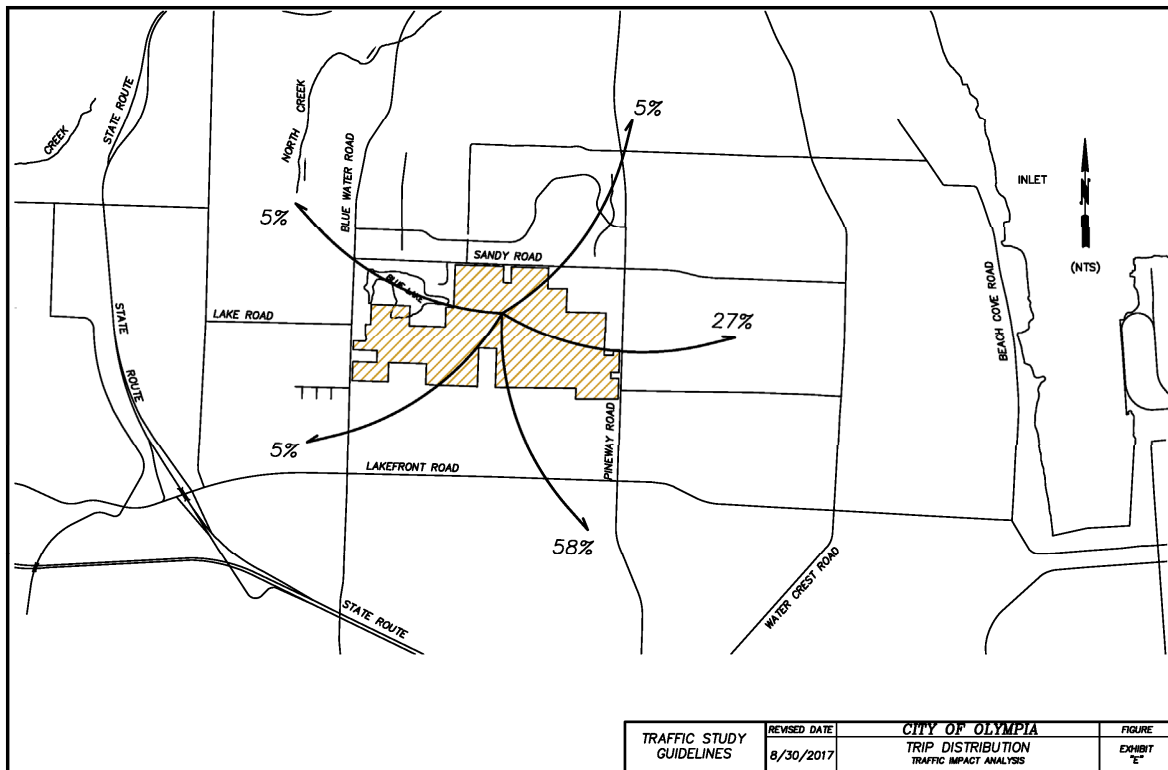
# **EXHIBIT "C" – EXISTING P.M. PEAK HOUR AND AVERAGE DAILY TRAFFIC VOLUMES TRAFFIC IMPACT ANALYSIS**



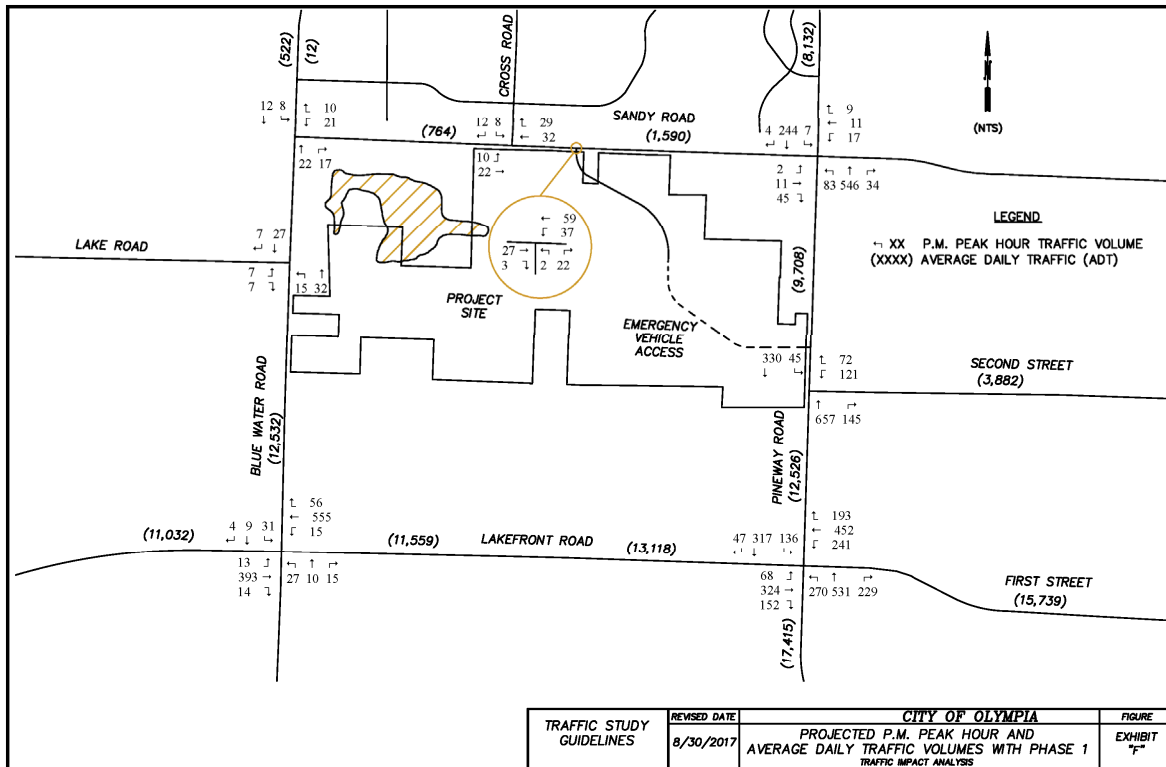
**EXHIBIT "D" – PHASE 1 SITE-GENERATED P.M. PEAK HOUR AND AVERAGE DAILY  
TRAFFIC VOLUMES TRAFFIC IMPACT ANALYSIS**



## EXHIBIT "E" – TRIP DISTRIBUTION TRAFFIC IMPACT ANALYSIS



**EXHIBIT "F" – PROJECTED P.M. PEAK HOUR AND AVERAGE DAILY TRAFFIC VOLUMES WITH PHASE  
1 TRAFFIC IMPACT ANALYSIS**



**Section 5.** The City Clerk shall make copies of the Engineering Design and Development Standards available on the City of Olympia website.

**Section 6. Corrections.** The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

**Section 7. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances is unaffected.

**Section 8. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 9. Effective Date.** This Ordinance takes effect on \_\_\_\_, 2025.

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MAYOR

ATTEST:

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CITY CLERK

APPROVED AS TO FORM:

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DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



## Olympia Planning Commission

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January 06, 2025

Olympia City Council  
PO Box 1967 Olympia  
WA 98507-1967

SUBJECT: Capital Mall Triangle Subarea Planned Action Ordinance

Dear Councilmembers:

The Olympia Planning Commission (OPC) voted unanimously to **recommend** adoption of the proposed Capital Mall Triangle (CMT) Subarea Planned Action Ordinance text amendment ordinance as proposed by staff.

During the public hearing the OPC continued to hear support for a major park inside the CMT Subarea. As the neighborhood is envisioned to become a more urban one, public testimony continued to stress the need for green space as it densifies. The existing park space near the Subarea, is separated from the CMT by busy arterial roads. A large park with full amenities would enrich and support a livable neighborhood with access to open space and nature.

The OPC discussed the ordinance compatibility with the proposed Olympia 2045 Parks chapter update, specifically the OPC's recommendation for pursuing new metrics related to level of service. As a result of these discussions, the OPC offers the suggestions below for City Council's consideration:

- Consider updated park levels of service that supports new park space in the CMT and other more urban neighborhoods in the next Parks, Arts, and Recreation Plan update. As stated in the OPC's comment letter for the Olympia 2045 Comprehensive Plan Parks, Arts, and Recreation Chapter dated February 26, 2024:

"...the amount of parks or open spaces areas per every 1,000 people in the community may not be the appropriate standard. We raise this issue now to provide time for other potential measures of success be considered as the population continues to grow within Olympia's existing urban growth area when the amount of land available for new parks or open spaces is finite."

We urge special attention to this opportunity in the Olympia Parks Master Plan where these considerations can be balanced with parks needs for the whole city.

Thank you for your consideration,

A handwritten signature in black ink that reads "Gregory R. Quetin". The signature is written in a cursive, flowing style.

**Greg Quetin, Chair  
Olympia Planning Commission**

**Enclosure:** OPC Comment Letter re: Olympia 2045 Comprehensive Plan Parks, Arts, and Recreation Chapter

# Olympia Planning Commission

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February 26, 2024

Olympia City Council  
PO Box 1967 Olympia  
WA 98507-1967

SUBJECT: Olympia 2045 Comprehensive Plan Parks, Arts, and Recreation Chapter

Dear Mayor Payne and Councilmembers:

The Planning Commission is pleased to recommend approval of the Parks, Arts, and Recreation Chapter of the Olympia 2045 Comprehensive Plan, with suggested modifications below. We understand this update work is being completed in a phased manner, with each chapter being considered individually. We also understand that final adoption will not occur until the entire draft is reviewed for internal consistency as well.

The Commission had a briefing on the Chapter on November 20, 2023. A public hearing was conducted on January 22, 2024. Commission deliberations took place on February 12 and February 26, 2024.

After completing deliberations, the motion to recommend approval of the chapter includes the following suggestions or modifications:

1. The Commission supports additional Urban Pocket Parks as a type of smaller, dispersed Community Park. This could support having public gathering places, preferably with seating and tables, across the community and widely available to all.
2. The Commission noted that some facilities are not always equally available, even within the same parks. For example, in LBA Park, the women's restroom includes changing stations while the men's restroom does not. The Commission believes, in line with our Comprehensive Plan equity goals, such facilities should be available in all restrooms, regardless of gender. Consider modifying PR1.2 as follows:

***PR1.2 Design City parks, arts, and recreation activities and facilities so they are used and enjoyed by as many residents as possible, with equal access to improvements by all.***

3. We applaud the City's continued commitment to having high quality parks that are in close proximity of residents and that are easily accessible. We believe that gathering spaces are needed in order to provide for the wide range of benefits parks offer, such as those typically found within a neighborhood or community park, rather than along a linear trail. We suggest adding the following modifications (new text as underlined):

***PR 3.1 Provide parks with gathering spaces in close proximity (within ½ mile) to all residents. The distance should be measured by following an accessible travel route suitable for walking or small mobility device.***

***PR 4.4 Encourage walking, bicycling and other non-vehicular access for recreation and transportation purposes by linking parks to multi-modal routes, streets and trails in coordination with the Transportation Master Plan. Where appropriate, add bicycle repair and parking facilities that support people arriving by various modes.***

4. The Commission supports efforts to preserve the open spaces on the Port Peninsula and encourages the addition of a policy for the City of Olympia and the Port of Olympia to work cooperatively to set aside open space for the enjoyment of the community in perpetuity.
5. The Commission recognizes that the Level of Service standards are reviewed every six years as part of the update to the Parks, Arts, and Recreation Master Plan, and that information is used to help determine when additional land or park facilities are needed. In the future, the amount of parks or open spaces areas per every 1,000 people in the community may not be the appropriate standard. We raise this issue now to provide time for other potential measures of success be considered as the population continues to grow within Olympia's existing urban growth area when the amount of land available for new parks or open spaces is finite.
6. Equity. The Commission feels strongly that equity can and should be addressed in the Comprehensive Plan and commend staff on their efforts. We recognize the value of adding goals and policies around equity in our community, parks, and our arts and recreation programs and that equity will be addressed throughout the planning process and in each chapter. We understand that equity is a broad topic continually informed by the empowerment of historically marginalized community members and better overall understanding. To make sure we prioritize the correct actionable goals and policies to address equity in our parks, open spaces, facilities, and programming we support having a specific equity framework or community approach to continue to inform our planning. As the City's work on equity, diversity, and inclusion issues is refined, future amendments to the Plan may be warranted.

We appreciate the opportunity to review the proposed chapter and provide a recommendation for moving this portion of the periodic update forward. Thank you for your consideration.

Sincerely,



Zainab Nejati  
Chair

## David Ginther

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**From:** J Ward <nukegrrrl@aol.com>  
**Sent:** Monday, December 30, 2024 5:02 PM  
**To:** David Ginther  
**Subject:** My Statement for Capital Mall Triangle Subarea Plan

I think this is the second Capital Mall triangle I have had the privilege of participating in. I remember the last time I did this, I was a student at Evergreen in a program with some urban planning credits. Our professor used the Capital Mall triangle planning for examples in class. He was so upset that Oly missed the mark on making a more equitable and enjoyable Westside for people that aren't developers. So I'd like to pipe up now in honor of that professor.

In the Capital Mall triangle we need more busses, more frequent busses, and busses that actually run at night. Like I checked today's schedule at the Cinemas at the mall and saw a movie that starts at 11pm. It would be nice to know that I could take a bus there, and maybe even back home. The bus transit center at the mall is kinda depressing & cavernous. Needs better placement, visibility & design. So more frequent buses, more buses going to the mall, and better transit station at the mall.

We need better pedestrian infrastructure. It is extremely difficult to walk around the outside of the mall and its parking lots. Like I was shopping at the mall with my husband a few weeks ago. He got an urge to go to World Market. So we walked from where the Best Buy is to "The Promenade" development with the World Market. We thought "Promenade" means "walking"? And I vaguely remember how when that Promenade area was built around 20 years ago it was sold to us Olympians like it would be Oly's own version of University Village. But it was almost impossible to walk there! On our walk from Best Buy to The Promenade there was a faded at-grade sidewalk, no separation from vehicles, we had to cross lanes of heavy vehicle traffic, then there's one narrow and steep sidewalk with a lot of traffic on one side and a rock wall with some graffiti on the other. My husband and I joked that it was like we were being punished for trying to walk in that area instead of driving. U Village it is not! Also a lot of the sidewalks there seemed to have weird heights or not enough curb ramps/access points. So more better, safer, pedestrian access.

Beyond the mall along Harrison there's not enough crosswalks and bus stops. Every time I'm travelling on Harrison between Cooper Pt Rd & Division St I see so many jaywalkers and folks looking for places to cross. I don't blame them at all because the road design favors vehicles in the worst way. Last night I was looking for a bus stop along Harrison. They were spaced pretty far apart and a lot of uphill walking if heading from Cooper Pt to Division. Then the bus drove right past a guy at a stop even though he was standing up and waving his arms. So more crossings on Harrison and better bus stop placement.

The Capital Mall triangle is in bad need of a better park than Yauger Park. It's all the runoff from the mall parking lots, then it dries up, then kids play baseball in all that runoff dust. I have friends and family that won't let their kids play there. Also it's kind of a bleak and blighted park. The 98502 zip is the lowest income zip code in the county so that makes it all seem extra inequitable. So there needs to be more and better parks and rec areas for folks living in and visiting the neighborhood.

I could really care less about the controversy behind Chik Filets corporate policy. What bugs me though about that Chik Filet that's going in where Fujiyama was, is that we've been getting told that the Capital Mall triangle is getting redeveloped with pedestrians in mind. But a fast food restaurant that relies on drive thru lines of vehicles around the block is so not that! So design Capital Mall triangle for pedestrians and not drive thrus.

The vast wasteland of parking lots at the mall, especially on the JC Penney's side and also the old Mervyns/Frederick & Nelsen side, need to be infilled with housing. Tall, transit and shopping adjacent, hopefully affordable, housing. Even at Christmas I didn't see those parking areas fill up. So please put lots of dense housing in there.

Thanks for listening and good luck with the project. Westside is the Best Side!

Sincerely,  
Jenney Ward  
Olympia, WA

**From:** northbeachcomm@cs.com  
**Sent:** Wednesday, December 4, 2024 6:09 PM  
**To:** Councilmembers  
**Cc:** David Ginther  
**Subject:** Comp Plan for Capital Mall Triangle plan; VOTE "NO"

DEC 4

Hello City of Olympia;

The Olympia Planning Commission weighed in on a planned action ordinance that would pave the way for redevelopment of the Capital Mall Triangle area on the Westside of Olympia. Many of us here in NW Olympia have been attending these meetings for the past 3 years. Many of us have made public comments. The City has ignored our public comments. This new plan for the Capital Mall area will include allowing taller buildings and more flexible parking requirements. These 'flexible parking requirements' mentioned, means...NO PARKING STALLS FOR MANY OF THESE PROPOSED HIGH RISE DEVELOPMENTS. THE PEOPLE WHO WILL LIVE IN THESE UNITS WILL HAVE NO PARKING IN THE BUILDING. THEY WILL HAVE TO PARK ON OUR TINY RESIDENTIAL STREETS, OR HAVE TO TAKE THE BUS. The city has no safe bike lanes, my 2 neighbors were badly injured by traffic when they rode their bikes here on the Westside. It is NOT SAFE.

The 2014 Comprehensive Plan called for the Capital Mall Triangle area, bounded by Cooper Point Road, Black Lake Boulevards and Harrison Avenue, to "evolve into an urban neighborhood with a mix of jobs, housing, services" and remain an important economic driver. This means that the City will ignore the traffic jams that we endure during rush hours here on the West side of Olympia. The City tells us to "take the bus", many of us cannot take our groceries on the bus, or do our chores and business in the city, using the bus that is limited service. People cannot get to their jobs with the current bus service, they cannot haul their children to day care on the bus, without help. It is a nightmare for the elderly.

The ordinance, which was presented at the commission's meeting on Monday, Dec. 2, would increase maximum building heights in parts of the Capital Mall Triangle subarea. This will effect the huge storm water issue near Black Lake Blvd. This will effect our ability to get to hospitals and schools on time, in a schedule. This means that high rise buildings will be next to our small 2 bedroom cottages near Harrison AVE NW. These proposed high rise units are out of scale with our neighborhoods. Please do not destroy our neighborhoods. These high rise occupants will park on our tiny crowded streets. The awful NW Olympia traffic during rush hour, will be 3 X4 times worse than it already is!

Please vote "NO" on this new Ordinance, this Comp Plan for Capital Mall Triangle area. This is not for "low income" individuals, check out the income requirements; this is Market rate housing, EXPENSIVE!

Thanks;  
L. Riner  
2103 Harrison  
OLY., WA 98502



**From:** Tamara Holmlund <tamarholm@gmail.com>  
**Sent:** Monday, January 6, 2025 12:24 PM  
**To:** David Ginther  
**Subject:** Capitol Triangle

Re: Capitol Triangle Subarea plan

To the Community Planning and Development Department

As residents of the southwest side of Olympia, we are excited about proposed upgrades to the Capitol Triangle subarea. Particularly, we are pleased to hear there may be better pedestrian amenities, a park or community gathering space, and reduced parking lot area.

We are concerned about vehicle traffic. This needs significant attention, as Black Lake Boulevard has severe congestion at the Cooper Pt and the Harrison intersections at certain times of day. This results in people cutting through the SW Neighborhood on 4th and 9th Avenues and using Decatur and Percival as throughways. These are residential streets with a lot of foot traffic and families and children on bikes. We fear that the vehicle traffic concerns on Black Lake, Cooper Point, and Harrison are not receiving the needed attention to avoid (or improve) the increasing vehicle traffic (often speeding) through these residential streets.

Thank you for your attention to this matter,  
Tamara Holmlund & Jon Peschong  
Percival St SW

**From:** Colleen Graney <colleena569@gmail.com>  
**Sent:** Monday, January 6, 2025 4:43 PM  
**To:** David Ginther  
**Cc:** Colleen Graney  
**Subject:** Capital Mall Triangle Subarea Planned Action Ordinance

Dear Mr. Ginther,

Hello, thank you for reading my comments regarding the proposed development on the West Side of Olympia, information obtained from: [olympiawa.gov/triangle](https://olympiawa.gov/triangle).

My family has lived on the West side of Olympia for close to 40 years now. There has been a lot of development over the years and one notices the increased traffic, decreased parking, and longer lines at the grocery store. Congestion already exists on the Westside with many apartment buildings already having been constructed.

- If the planning commission wants to move forward with some apartment development I am going to veto 8 story buildings with no assigned parking spaces.
- Also, the community should have some input into what the apartments look like. The examples I am thinking of are the newer apartments built throughout downtown that all look the same.
- With the weather of the northwest people do like to walk but also need to be able to drive to the store in inclement weather, i.e. where do I park my car.
- Building more apartment buildings will increase congestion with less parking if there is nothing assigned for each living space.

" HDC-4 area height 60' – 75' (6-7 stories) Base: 105' (8 stories) Incentive: Up to 12 stories (130') allowed for on-site affordable housing that is located near transit and within the height incentive overlay (note: no change to zone scale transition measures) HDC-3 area height 60' – 75' (6-7 stories) Base: 75' (7 stories) Incentive: Up to 8 stories (90') allowed for affordable housing (note: no change to zone scale transition measures) "

From OLYMPIA TRIANGLE SUBAREA PLAN – Plan Concept

Also, with the increases in temperature, more buildings and concrete always makes it hotter.

Implementing development will increase the population very quickly. It will not be a gradual or natural development and growth. There are already so many businesses on the Westside, all the stores around Capital Mall, down Harrison, up and down Cooper point road. Really how much more do you want to cram in there.

I would support identifying empty or under utilized buildings and starting there for building apartments. We should also consider preserving existing trees that are located in pockets throughout the area surrounding Capital Mall.

Clearly it is a complex project with many things to consider.

In summation: No high rise apartment buildings, all new apartments should have designated parking. Utilize unique architecture forms and maintain any existing trees.

Sincerely,  
Colleen Graney  
1831 Elliott Ave NW  
Olympia, WA 98502  
[colleena569@gmail.com](mailto:colleena569@gmail.com)

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## David Ginther

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**From:** jasperh@olympus.net  
**Sent:** Monday, January 6, 2025 4:50 PM  
**To:** David Ginther  
**Subject:** Capital mall triangle sub area plan

To whom it may concern: some thoughts on the Capital Mall Triangle plan

I think Olympia is right to look at the excessive surface parking, and say, what can we do with this area? The idea of some public plaza type-area in the center of the mall area is really appealing. It would be nice to preserve the several tracts of trees that have been set aside around the mall, maybe with connecting paths added through them for more easy transportation.

Also on the transportation front, the thing that I hope isn't dismissed is that there is already a fair amount of inadvertent connectivity in and around Capital Mall. Walking and biking access is limited by the massive arterial streets all around, so better crossings, etc. would be fine there. Internally to the mall and surrounding shopping areas, there's often an available route to get where you need to go, because of the amount of paved areas, and especially outlets/driveways present. If Bing Street is a feasible connection, or whatever else comes along with any developments, then so be it. However, pretending like there isn't anything currently on the ground and slapping a street grid over the top is a recipe for debacle. This area is not, I mean not at all, close to being connected in a standard street network. I mean, I guess it's fine to draw up some outlines as long as one is under no illusion of it actually happening.

From my current perspective, a wholesale redesign would be a bit unnecessary, but I think an adjustment of priorities using the existing resources would work well. I'm thinking of strategically adding sidewalks and bike lane striping to things that right now are treated more like parking lot access roads. Also there could be pedestrian paths that can be added to connect from Harrison into the central mall area, hopefully not wildly overbuilt. Maybe there's a reason why these options wouldn't work, but I thought I'd throw them out there.

Thanks for reading this if somebody is,

Jasper Hawkins

To: City of Olympia

From: Betsy Norton, Olympia resident (Evergreen Parkway)

RE: Capital Mall subarea plan

Date: January 6, 2024

I am very glad we are going to make use of the mall area in a more environmentally and resident-friendly way. I have some suggestions for details:

1. "affordable housing".

- The average Social Security benefit (per the SSA) is now \$1976/mo or \$23,712/year<sup>1</sup>.
- Full time 2025 minimum wage gross income, at 16.66/hour is \$33,320<sup>2</sup>.
- Houseless people in the neighborhood I'm assuming are even lower than Seniors.

The current plan to allow incentives to developers to provide 'affordable housing' defined as 80% of median for the county for 30% of their units, will therefore build housing that is still much too expensive for these groups of people.

Please consider lowering the required % of median income for the development incentives or require a mixed – income scheme that creates SOME affordable housing for the lower income groups, including blue-collar, service sector employees and seniors dependent largely on their SSA check.

residents who need affordable housing	Annual income	% Thurston 2023 median income
houseless individual's income	\$ -	0%
average SSA annual income	\$ 23,712.00	26%
full time minimum wage annual income	\$ 33,320.00	36%
80% of Thurston median income	\$ 73,217.60	80%
thurston median income (2023)	\$ 91,522.00	100%

2. LU-9 Urban neighborhood tree code application

I would strongly encourage you to avoid the use of 'fee in lieu' of meeting tree canopy requirements in the subarea. It's nice to have trees in the boulevards, but they are not shading people walking next to buildings, not shading the buildings, not providing an visual break from built structures for the people living in multi-unit housing. Olympia should be planting trees in open spaces and parks independent of developer fees.

In addition, every tree left standing is providing ecosystem services to sequester carbon, filter the air and provide important stormwater management and habitat for birds, insects and other living things. Mature trees left on site will be much more useful in this regard than saplings. Please endeavor to leave as many trees in place as possible.

3. U-11 – 14

- a. When seeking partners for the catalyst sites, I'd advocate for selectivity here – prioritize businesses which are locally owned and operated, employ local people,

<sup>1</sup> January 2, 2025 data from SSA: <https://www.ssa.gov/faqs/en/questions/KA-01903.html>

<sup>2</sup> <https://www.lni.wa.gov/workers-rights/wages/minimum-wage/>

and reflect the creative, environmentally conscious and some what bohemian character that I most love about Olympia.

- b. Consider providing outdoor rain/sun cover for plazas and walkways so that they can be used throughout the year.
  - c. Seriously consider plans that provide pedestrian/bike ONLY areas with transit/disabled only street access internal to the triangle – all parking and car-enabled streets only/primarily on the triangle perimeter.
4. LU-17 – anti-displacement. A 5-year rent stabilization program is fine, but I would limit the increases to 50% of annual CPI rather than using a fixed 7%. (7 is too high)
  5. LU-20 - in 'streamlining' the development process it's really important that NO environmental standards and analyses are bypassed. For instance, with much taller buildings, earthquake analysis needs to be thorough. With the increasing challenges of climate change and much higher residential density, stormwater and wastewater systems need to be appropriately scaled and conditioned so that they operate effectively and reliably.
  6. Nowhere in this plan do I see a plan to house the people living outside in and around the mall and connected with necessary services for addiction and mental health. This needs to be added since they are likely to be displaced by these developments.

Thank you



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- Capital Mall Triangle

# Capital Mall Triangle



## What is the Capital Mall Triangle?

The Capital Mall Triangle is one of three urban centers envisioned in [Olympia's 20-year Comprehensive Plan](#). We anticipate this area will remain a regional destination for shopping and services - while also realizing significantly more housing development than exists there today.

The vision is that over the next 20 years this area will grow into a more people-oriented urban neighborhood. A place where residents can commute to work, shop, recreate, and meet basic needs without a car.

## What's happening?

The Council adopted the final Capital Mall Triangle Subarea Plan at the July 16, 2024, meeting. Work has now begun on a Planned Action Ordinance that will implement the mitigation measures specified in the Final Environmental Impact Statement and changes recommended in the subarea plan. The [Olympia Planning Commission](#) will hold a public hearing on January 6, 2025, on the proposed ordinance.

- [View the Final Adopted Capital Mall Triangle Subarea Plan](#)

# Capital Mall Triangle Subarea Plan and Planned Action Environmental Impact Statement

The subarea plan will provide a long-range strategic and implementation framework to help us realize our Comprehensive Plan vision for this area.

The City received a \$250,000 grant from the Washington State Department of Commerce to help with this work. The City engaged with community members in the preparation of the subarea plan and non-project environmental impact statement (EIS) to facilitate transit-oriented development within the Triangle.

Any changes as a result of this process will take time. Progress will depend on the implementation of further work by City staff and private investments. Yet, with patience, you can anticipate the chance to see future generations able to live, walk, play, shop, dine, and be entertained all within the Capital Mall triangle portion of our community.

## Present conditions

The current land use pattern reflects the 1970's-80's development era. The primary uses are traditional automobile-oriented big box retail and a suburban mall. These are surrounded by vast parking lots accessed by a sparse network of 5-lane arterials. Street connectivity is limited and existing intersections are strained.

## Future state

Over time, the plan will help us transition this area to a mixed-use, grid-based street network. This will:

- require shorter trips while driving.
- make it easier to use transit.
- give residents the chance to walk or bike to jobs, schools, services, and recreation opportunities.

This area will also play a significant role in realizing more mixed-use housing. Housing types will be appropriate for families and individuals at all income levels, including some homes for those who require access to low-income affordable housing.

Changes in land use and a gridded street network will generate more walk and transit trips as workforce housing expands throughout the subarea. This plan will guide policy and investment decisions needed to stimulate that transit-oriented redevelopment and infill.

## What is the Capital Mall Triangle?

The Capital Mall Triangle is one of three urban centers envisioned in [Olympia's 20-year Comprehensive Plan](#). We anticipate this area will remain a regional destination for shopping and services - while also realizing significantly more housing development than exists there today.

The vision is that over the next 20 years this area will grow into a more people-oriented urban neighborhood. A place where residents can commute to work, shop, recreate, and meet basic needs without a car.

## What's happening?

The Council adopted the final Capital Mall Triangle Subarea Plan at the July 16, 2024, meeting. Work has now begun on a Planned Action Ordinance that will implement the mitigation measures specified in the Final Environmental Impact Statement and changes recommended in the subarea plan. The [Olympia Planning Commission](#) will hold a public hearing on January 6, 2025, on the proposed ordinance.

- [View the Final Adopted Capital Mall Triangle Subarea Plan](#)

# Capital Mall Triangle Subarea Plan and Planned Action Environmental Impact Statement

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COMMENTS

Comment on the Draft EIS

CLOSED: This comment period has concluded.

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Doug

DMMah

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Alternative 3 makes the most sense.

However, don't create unintended delays, costs, and complexities for the private sector to deliver the vision by going above and beyond State standards.

1

JenE

a year ago

Alternative 3

Increased density and the possibility of

Page last updated: 23 Dec 2024, 11:48 AM

Who's listening

- David Ginther

Senior Planner











Phone 360-753-8335

Email [triangle@ci.olympia.wa.us](mailto:triangle@ci.olympia.wa.us)

Documents

- [Draft Capital Mall Triangle Planned Action Ordinance \(5.56 MB\) \(pdf\)](#)
- [Final Adopted Capital Mall Triangle Subarea Plan \(21 MB\) \(pdf\)](#)
- [June 11 City Council Presentation \(17.7 MB\) \(pdf\)](#)
- [Final Environmental Impact Statement \(19.4 MB\) \(pdf\)](#)
- [Appendices for the Final EIS \(49.3 MB\) \(pdf\)](#)
- [Subarea Plan Appendices \(28.5 MB\) \(pdf\)](#)

-  [Engagement Report \(1.84 MB\) \(pdf\)](#)
-  [Summary of community input \(51.1 KB\) \(pdf\)](#)
-  [Feb 2, 2023 Open House presentation \(954 KB\) \(pdf\)](#)
-  [Existing Conditions Report \(4.01 MB\) \(pdf\)](#)
-  [Market Analysis.pdf \(6.96 MB\) \(pdf\)](#)
-  [Triangle Subarea Map \(13.2 MB\) \(pdf\)](#)
-  [Community Workshop #1: Presentation \(16.1 MB\) \(pdf\)](#)
-  [Community Workshop #1: Results Summary \(158 KB\) \(pdf\)](#)

[more..](#)

FAQs

- [What are the boundaries of the Capital Mall Triangle?](#)
- [Why is the City doing this work now?](#)
- [What is a subarea plan?](#)
- [What are the benefits of this subarea plan?](#)
- [What is an Environmental Impact Statement \(EIS\)?](#)
- [How was this area identified for redevelopment?](#)
- [How will traffic issues be addressed?](#)
- [What is transit-oriented development?](#)
- [How many residences will be added and what types of housing will be provided?](#)
- [How quickly will these changes take place?](#)
- [What is the status of the potential new Interchange at Kaiser Road and Yauger Way and will the subarea plan address this?](#)




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 GRANICUS



## Land Use & Environment Committee

### Consideration of the Land Use and Environment Committee 2025 Work Plan Recommendation

**Agenda Date:** 2/20/2025  
**Agenda Item Number:** 6.D  
**File Number:** 25-0131

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**Type:** recommendation   **Version:** 1   **Status:** In Committee

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#### **Title**

Consideration of the Land Use and Environment Committee 2025 Work Plan Recommendation

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the recommended Land Use and Environment Committee 2025 Work Plan recommendation and forward to the City Council for approval.

#### **Report**

##### **Issue:**

Whether approve the recommended Land Use and Environment Committee 2025 Work Plan recommendation and forward to the City Council for approval.

##### **Staff Contact:**

Tim Smith, Interim Director, Community Planning and Economic Development, 360.570.3915

##### **Presenter(s):**

Tim Smith, Interim Director, Community Planning and Economic Development

#### **Background and Analysis:**

The Land Use and Environment Committee (LUEC) annually sets a plan of work items to consider that year, and recommended approval of a Work Plan to City Council at their January 16, 2025 meeting. Following that meeting, the City Council discussed their 2025 Work Plan during the annual retreat, and the LUEC requested additional time to review the LUEC Work Plan to ensure better alignment with the City Council Work Plan.

#### **Climate Analysis:**

This is a high-level summary of all the agenda items on the LUEC 2025 Work Plan. A more detailed analysis will be completed for each of the agenda items when they come before the LUEC.

Many of the agenda items in the proposed Work Plan include actions intended to specifically support climate action strategies. Many of the items focus on the transportation and land use sector by seeking and promoting ways for the City to accommodate future growth in denser land use patterns. Such patterns increase opportunities for residents to live closer to jobs and services, promoting non-automobile travel modes such as walking, biking and transit. These patterns also reduce urban sprawl, preserving forest and agriculture outside the current city boundaries.

**Equity Analysis:**

This is a high-level summary of all the agenda items on the 2025 LUEC Work Plan. A more detailed analysis will be completed for each of the agenda items when they come before the LUEC.

Proposed agenda items will generally benefit existing and new community members and businesses with increased property values, greater stability in rental housing, opportunities to be closer to jobs and services with concurrent opportunities for reduced transportation costs, increased housing supply and variety, new programs to enhance homes' energy efficiency and decreased greenhouse gas emissions.

Some community members may be burdened by additional construction near their home, likely increases in property taxes, and potentially more occupied on-street parking.

There are existing income, race, and homeowner/renter disparities between neighborhoods that could be exacerbated by some of the agenda items. To avoid this, intentional examination of these possibilities must be included, as well as specific actions to prevent or reverse those disparities.

**Neighborhood/Community Interests (if known):**

The agenda items on the Committee's work plan are typically of interest to neighborhoods and the community.

**Financial Impact:**

Staff work on all items on the draft LUEC 2025 Work Plan is included in the City's adopted 2025 budget. Individual work program items may have additional financial impacts that will be identified during LUEC consideration of those items.

**Options:**

1. Move to approve the recommended Land Use and Environment Committee 2025 Work Plan recommendation and forward to the City Council for approval.
2. Do not move to approve the recommended Land Use and Environment Committee 2025 Work Plan recommendation and forward to the City Council for approval.
3. Take other action.

**Attachments:**

Draft Work Plan

**LAND USE AND ENVIRONMENT COMMITTEE 2025 WORK PLAN**  
**Updated 2/7/2025**

Starting in March, meetings are the fourth Thursday of the month starting at 4:00 PM unless otherwise noted.

<b>Agenda Item</b>	<b>Staff Responsible</b>	<b>Summary</b>
<b>January 16</b>		
1. Comp Plan Update: Natural Environment Chapter	Kym Foley	Recommendation
2. CPED 2025 Work Plan Update*	Tim Smith	Briefing
3. LUEC 2025 Work Plan*	Tim Smith	Recommendation
<b>February 20</b>		
1. Middle Housing Phase II	Joyce Phillips	Briefing
2. Regional Home Energy Assessment and Disclosure Policy	Jaron Burke	Recommendation
3. Capital Mall Triangle Subarea Planned Action Ordinance & EDDS Revisions	David Ginther	Recommendation
4. LUEC 2025 Work Plan*	Tim Smith	Recommendation
<b>March 27</b>		
1. Comp Plan Update: Capital Facilities Plan Goals/Policies	Joyce Phillips	Recommendation
2. Comp Plan Update: Transportation Chapter	Michelle Swanson	Recommendation
3.		
<b>April 24</b>		
1. Sidewalk Condition Assessment Results	Sophie Stimpson	Briefing
2. 2025 EDDS Update	Steve Sperr	Briefing
3.		
<b>May 22</b>		
1. Comp Plan Update: Land Use & Urban Design Chapter	David Ginther	Briefing
2. Tenant Screening Policy Options	Christa Lenssen	Recommendation
3. Development Code Updates to Support Urban Agriculture	Casey Schaufler	Recommendation
<b>June 26</b>		
1. Comp Plan Update: Housing Chapter	Casey Schaufler	Briefing
2. Comp Plan Update: Community Values and Vision Chapter	Joyce Phillips	Recommendation
3. Comp Plan Update: Introduction Chapter	David Ginther & Joyce Phillips	Recommendation
<b>July 24</b>		
1. Middle Housing Phase II	Joyce Phillips	Update/briefing
2.		

3.		
<b>August 28</b>		
1. Affordable Housing Declaration	Jacinda Steltjes	Update
2. Comp Plan Update: Land Use & Urban Design Chapter	David Ginther	Recommendation
3. Comp Plan Update: Housing chapter	Casey Schaufler	Recommendation
<b>September 25</b>		
1. Middle Housing Phase II	Joyce Phillips	Recommendation
2. Subdivision Code Amendments	Joyce Phillips	Recommendation
3. SEPA Categorical Exemptions	Nicole Floyd	Recommendation
4. Comp Plan Update: Climate Chapter	Pamela Braff/Natalie Weiss	Recommendation
<b>October 23</b>		
1. Olympia 2045 Comp Plan	Joyce Phillips	Review and Recommendation
2. Code Amendments related to the Comp Plan update	Joyce Phillips	Review and Recommendation
3. Hearing Examiner Contract Review and Reporting	Nicole Floyd	Briefing
<b>November 27 (note: Nov. and Dec. meetings will be combined into one special meeting; date to be determined)</b>		
1. Hearing Examiner Request for Qualifications Process	Nicole Floyd	Briefing/Direction to staff
2. 2025 EDDS Update	Steve Sperr	Recommendation
3.		
<b>December 25</b>		
1. CPED 2026 Work Plan Update*	Tim Smith	Briefing
2. LUEC 2026 Work Plan*	Tim Smith	Discussion
<b>To Be Scheduled</b>		
Evaluate Sea Level Rise Funding and Governance Approaches	Pamela Braff	Discussion
Downtown Parking Policy Options	Thanh Jeffers	Recommendation
Evaluate Sidewalk Repair Policy	Sophie Stimpson	Recommendation
Manufactured Home Protections	Christa Lenssen	Recommendation
Commercial Energy Code Amendments	Pamela Braff	Recommendation
Rental Energy Efficiency Standards	Dominic Jones	Briefing and Discussion

Design Review Code Amendments	CPED	Briefing on ESHB 1293 regarding application of design review standards in City code
Use of Existing Buildings for Residential Purposes	CPED	Briefing on ESHB 1042 regarding zoning requirements for use of existing buildings for residential development.
FEMA Floodplain Accreditation Pathway for Sea Level Rise Response Strategy	Pamela Braff	Briefing and Discussion
Short-Term Rentals – Enforcement Procedures	TBD	Briefing and Discussion
Zoning Code Amendments related to pets (e.g. doggy daycares, numbers and types of pets allowed)	TBD	Briefing and Discussion
Neighborhood Commercial Zoning Amendments	TBD	Briefing and Discussion
Citywide Drive-Through Zoning Amendments	TBD	Briefing and Discussion
Plum Street Area Zoning Changes	TBD	Briefing and Discussion

\*=regular LUEC work program items each year