



Middle Housing Code Barriers Analysis Report

March - June 2024



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 homes. 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.

What's Happening now?

The Olympia City Council will go through a process to harmonize the Missing Middle Ordinance with all other ordinances that have been adopted since July 2019. This is because the zoning standards have been amended since the adoption of the Missing Middle Infill Housing ordinance, and now there are some discrepancies in development regulations even though there are several similarities.

Phase 1

The Olympia City Council will go through a process to harmonize the Missing Middle Ordinance with all other ordinances that have been adopted since July 2019. This work is expected to be completed by the City Council in mid-2024.

Phase 2

The State of Washington has further amended the Growth Management Act, both in 2023 and 2024, which contains specific requirements for cities to implement for a variety of "middle" housing types. Once the harmonization work is completed, staff will begin 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.

This work is expected to begin in mid-2024 and be completed by June 2025. The code barriers identified in this report are intended to be addressed in future code amendments in order to allow for and perhaps even incentivize more middle housing units being constructed in the City of Olympia. It will likely include changes to land use and design review processes and potentially the subdivision code, in addition to zoning standards. As such, additional public outreach and engagement is warranted.

Code Barriers to Middle Housing

Subdivision Code (OMC Title 17)

The subdivision code (OMC Title 17) has not had a substantive update in more than a decade. It warrants an update to address new provisions in state law, such as defining and allowing “unit lot subdivisions”.

Additional Title 17 work should consider (in no particular order):

1. Ensure definitions are consistent with RCWs, WACs, other OMC Titles, and the Engineering Development and Design Standards (EDDS).
2. Ensure consistency with new online permit portal application standards and Permit Processing Ordinance.
3. Consider adding phasing provisions.
4. Align land use and subdivision and/or short-subdivision extension provisions .
5. Update Boundary Line Adjustment (BLA) provisions and address Boundary Line Adjustment Agreements (BLAAs).
 - a. Boundary Line Adjustments
 - Update the criteria for match the outcome of the Crispin case.
 - Add criteria about critical areas (see what’s a legal lot – we should not recognize unbuildable lots)
 - Do we always need the full property surveyed? Can we add language to allow more flexibility than we currently do?
 - b. Boundary Line Agreements.
 - Require a BLA for us to recognize the agreement.
 - Cannot violate code requirements.
6. Consider how to address internal lot lines when new homes or buildings are proposed on adjacent lots under common ownership. Currently, the City requires a BLA to remove the internal lot line prior to the issuance of a building permit. Is this necessary or can the process be streamlined in any way?
7. Use clear and simple language in the revised code.
8. Address what is required to be seen as a “Legal Lot” of record:
 - a. Which lots do we recognize and why? Should we add something similar to what the county has (Pre – 1960, post 1970)?
 - b. Identify our process/approach to legacy lots. If we don’t recognize them, then a property owner would have to (re)subdivide if current standards can be met.

- c. Consider adding “Innocent purchaser” provisions. What would our process need to include? Look at County and adjacent jurisdictions.
9. Lot Consolidations:
- a. Needs to be in a different section than BLAs.
 - b. Should say it can be done without a surveyor if the proposal is only to combine existing lots (e.g., lots 1 and 2 are hereby combined). Previous input from City Surveying staff says we can allow this, which would save property owners time and money.
 - c. Identify when a lot consolidation required: Consider instances including Legacy Lots, Reasonable Use Exceptions, and when buildings are proposed over lines.
10. Safe Walking Routes:
- a. Process steps included in the City’s 2003 memo should be added to the code. This includes things like:
 - i. Short plats – Ones that don’t trigger frontage improvements would not trigger off-site improvements for safe walking routes.
 - ii. How should the city treat Binding Site Plans (such as for a manufactured housing park)?
 - iii. When 1 mile or farther away from a school, this review is not required.
 - iv. How do we treat situations where the School District busses children to other places?
 - v. Clarify that the safe walking route does not have to be the most direct route.
11. Testamentary Land Divisions should be addressed. We should add language saying we recognize them, but that does not necessarily provide for the ability to build on them. Must meet current code requirements (critical areas, setbacks, building codes, etc.).
12. Expiration and extension language should be updated and better aligned with other provisions (zoning, shoreline substantial development permits):
- a. Short Plats: Why do these expire after only one year? Could it match preliminary plats?
 - b. Binding Site Plans?
 - c. Preliminary Plats – valid for 5 years. Ensure consistency with land use approvals or other provisions in OMC 18.70.
13. Phasing. The Subdivision code is primarily silent on phasing issues.
- a. Consider allowing a preliminary plat to be extended beyond 5 years with an approved phasing plan. Look at other jurisdictions for viable options.
 - b. Consider if these options should also be allowed for short plats and Binding Site Plans.
14. Bonding for improvements before Final Plat.
- a. The section in concept is fine but is a bit intense regarding what is required when the remaining improvements are for minor things like landscaping and street lighting. A financial surety, such as a performance bond, would seem sufficient.
15. Cluster Development: Cluster developments are currently addressed in OMC 18.04, but not very well or with good guidance for getting through the process and requirements. It would be beneficial to allow/be clear that a property owner can propose a clustered development where the density is still met, but the max development coverage can be applied to the whole site rather than each individual lot etc. Ensure consistency between Titles 17 and 18 and the Engineering Design and Development Standards (EDDS).

16. Shadow platting. The code is currently silent on shadow platting and when it may be appropriate for use. Should we add provisions to address this?
17. Density on Preliminary Plat: This ties to all the various housing types. Currently we require the housing types anticipated to be shown on the FINAL plat, but not preliminary. This is problematic when calculating density. And which new changes under state law, perhaps does not need to be provided any longer.
 - a. Need to establish the min/max number of units per lot. Why? Olympia will likely need to reconsider how it calculates density.
 - ADU's are often proposed to meet min density, but then never constructed.
 - Plat might say it is for 2 units to avoid frontage improvements, but then later proposed to build more units. This can be problematic in determining when and which infrastructure improvements are needed.
 - The scale of development would shape the stormwater design.
 - Tree tracts are required at 5 units or more, but often this is circumvented by simply saying the subdivision is for less units.
18. Definitions: Do we really need an independent definitions section for Title 17? At a minimum we could remove those definitions that are repeated in Title 18 like applicant, or city council, or comprehensive plan and refer to each other.
19. Noticing: Consider putting noticing in with OMC 18.70 and checking for consistency. Cross reference if needed.
20. Re-Plat: Consider add replat provisions in with Plat Amendments and establish a process. Questions that come up periodically include:
 - a. Can I do a BLA inside a plat? Or is that a plat amendment?
 - b. Can I add land to my lot within a plat or is that expanding the plat boundaries/plat amendment?
 - c. Can I change the cul-de-sac to a hammer head (or whatever)? Is that a plat amendment?
 - d. If I do a plat amendment – do I need signatures from EVERY property owner in the plat or only those affected by the change?
21. Design Standards: This needs to be reviewed for consistency with the City's Engineering standards. This section is likely outdated. Likely better to refer to current EDDS than to try to keep here.
22. Variances 17.52: Consider removing this section. It seems a bit odd to have a separate section on variances for plats. It may be better to refer to OMC 18.66 and add any subdivision related criteria, if applicable.

Unified Development Code (OMC Title 18)

1. Density Calculations. Adding the new provisions for 2-4 units per lot in the City's low density residential zones (up to 12 units per acre), may require the city to revise its density calculation standards and/or policies.

2. Consider reducing the number of definitions for residential housing types.
3. Update ADU provisions to meet new state law. There may be a discrepancy in code sections about density as to whether or not ADUs count toward density (minimum vs. maximum).
4. Lodging house is also only permitted in Residential Multifamily (RM 18) and higher density residential zones and commercial zones. The definition is almost identical to the definition of Single Room Occupancies. Should we allow lodging houses in R6-12 and higher density residential zones?
5. Open space of 25% is required for Mixed Residential 7-13 Units per Acre (MR 7-13) and higher density zones. Should 18.04.080.J subsection 3 be changed to 25% for these two zones, and the R4-8 and 6-12, since we are now allowing MF in all of these zones? Or should some other way or addressing open space be considered?
6. Table 5.01 modification may be needed as part of additional work on ADUs and middle housing types. These standards in OMC 18.05 pertain to Villages and Centers.
7. Recent changes in state law specific to design review and middle housing will need to be reviewed for possible edits to 18.100.060, .090. and .100. This could impact when land use and board level design review are required.
8. Consider reducing the number of residential zoning districts.
 - a. Consider creating a single low density residential zone that allows up to 12 units per acre (and includes a minimum).
 - i. Review and update all exceptions to density, including any past interpretations or application policies. Keep or add exceptions only where they make sense.
 - b. The R4-CB zoning district has challenges. The zone is supposed to be about the stormwater design. If a property owner can design a stormwater system to address the issues, why limit the number of units, lot size, size of storm area, etc.? This chapter was written before we had the current stormwater regulations and now may be redundant. It may make sense to delete it and merge it with the other low density zone(s), with an exception for the overlay area called chambers basin related to stormwater issues and requirements.
9. Focus on units not unit type: Remove/reduce the substantial number of names we have for various dwelling types. By shifting the focus to units we can simplify the code and development process.
 - a. Under the definition of dwelling, we can include residence/unit/house - we could identify all the various names we currently have and say they all count as a "dwelling". Could help simplify discussions and requirements for projects such as:
 - Is it a duplex or a house with an attached ADU? Both are units.
 - Single Room Occupancy (SRO) or a house with 2 kitchens? Are they units or not?
 - Some housing types are not individual units: SRO, guest house – lacking a kitchen or something then we would not call it a unit.
 - ADU's: currently they get special privilege making it less expensive when a small duplex is actually a SFR with ADU. Be cautious – by eliminating all the names and focusing on units we

might eliminate ADU incentives such as Impact Fee Reduction, GFC Fee Reduction, No sprinklers, No independent connection to water/sewer.

This could potentially be resolved by establishing the bonuses apply to units under a specific size. For example, detached units under 1,000sf. This is a pretty important issue because the fire department would prefer all new units are sprinklered. The ADU exception was intended to address very small structures and is already in question with attached garages etc. Nevertheless, I don't think their concern is about a unit type, rather size of the building. Seems like once we land on what size of a building gets a special bonus, we can apply it to anything under that size.

10. Multi-Family: We need a definition, but we could add it under "Dwelling". In the lower density zones, we can limit the dwelling types.
11. Design Standards: We currently do not define multifamily. We may want to focus on the number of dwellings/scale/sizes of the project rather than each specific type. Cottage vs. courtyard vs. apartment vs. 6-plex.
12. Look at the development coverage limits (45% of the lot in most zones) currently adopted. These can be a particularly problematic barrier that may or may not be suitable to the characteristics of the soils on any particular site. Perhaps lot coverage should be limited by stormwater requirements and site conditions. Consider relying on these limits but allow them to be modified through an approved engineered stormwater design.
13. Consider changing any conditional uses for residential housing types to permitted uses.
14. Currently in the High Density Corridor 4 (HDC-4) zone, there is a 10-foot maximum setback. Consider allowing an exemption from that provision for projects that are not adjacent to arterials or high frequency transit corridors like Martin Way.
15. Review townhouse standards for opportunities to incentivize more townhouse development in low density residential zones.
16. Olympia has varying setbacks for some structure types. This can make it difficult if/when someone wants to essentially tear down an outbuilding and rebuild in the same place with an ADU or other residential structure.
17. Increasing a non-conformity can make it impossible to add a second story when existing setbacks are not met. This means a second story duplex or ADU unit could not added above the existing residence.

Engineering Design and Development Standards (EDDS)

The Engineering Design and Development Standards (EDDS) are a powerful City tool for ensuring high quality infrastructure accompanies development. The EDDS balance upfront costs and requirements with long-term operating and maintenance costs (including ultimate replacement) and consider other issues regarding the developability of adjacent properties. Some provisions are subject to state and federal laws for health and safety (clean drinking water, sanitary sewer) and there is little to no wiggle

room to “ease” such standards. For other issues, there may be room to allow modifications that may be less costly upfront without increasing long term requirements or needs.

Currently, each separate building on a separate lot must be served by a separate side sewer, except for a few exceptions (EDDS, 7B.080). Can those exceptions be expanded? Are there opportunities to allow side sewer laterals onto private property, such as in a green space or easement, that can then serve multiple lines to individual units, rather than having multiple lines from rights-of-way? For which housing types (e.g., unplatted cottage developments?) might this be helpful? Modifications may be needed to address new ADU requirements as well.

Water meters are set at the property line, with lines then running behind the meter to the housing unit. That works well for single family detached housing. Are there other viable options for multi-unit development in low density residential zoning districts?

Only one driveway is typically allowed per lot. That makes sense for single family detached housing. However, there may be opportunities to allow additional driveways for lots with multiple units. For example, duplexes on corner lots or lots with more than one ADU.

Full frontage improvements are required for projects with more than 20 new vehicular trips. This is a fairly low threshold that can mean the construction of a new triplex would, in turn, require the design and installation of a sidewalk, planter strip with street trees, curb and gutter, and street widening with stormwater treatment.

Other Considerations

Fees

Fees need to be regularly reassessed. Impact fees and general facilities charges (connection fees) need to be fair and proportionate.

Permit Processes

It may be worthwhile to better understand some of the redevelopment challenges in low density residential zones. Internal lot lines from very old subdivisions can necessitate the need for a lot consolidation. Other challenges include things like non-conforming structures not meeting current setbacks or lot coverage requirements. An example could be someone who wants to rebuild in same footprint so the structure can be strong enough to support a second story. Depending on a variety of factors, that isn't always allowed.