

CITY OF OLYMPIA HEARING EXAMINER

STOLL ROAD REZONE PROPOSAL STAFF REPORT

Summary

Public Hearing: 6:30 p.m., February 24, 2020, Olympia City Hall, Room 207

Project File: 19-4113

Applicant: Fourth Street Housing, LLC; P.O. Box 159; Arlington, WA 98223

Representative: Glenn Wells; Fourth Street Housing, LLC; P.O. Box 159; Arlington, WA 98223

Type of Action: Request to change zoning of approximately .96 acres at 414 & 422 Stoll Road SE from Manufactured Housing Park (MHP) to High Density Corridor-4 (HDC-4).

Project Location: 414 & 422 Stoll Road SE

Future Land Use

Map Designation: Urban Corridor with a High-Density Neighborhoods Overlay

SEPA

Determination: State Environmental Policy Act Determination of Non-Significance issued on January 15, 2020.

Public

Notification: Notice of this hearing was issued on January 15, 2020, mailed to property owners within 300 feet of the subject site, posted at the site and published in *The Olympian* in conformance with Olympia Municipal Code 18.78.020

Staff

Recommendation: Approval; see details below.

Proposed Findings of Fact, Analysis and Conclusions

Summary of Proposal

This application proposes to change the zoning of two parcels located at 414 & 422 Stoll Road SE from Manufactured Housing Park (MHP) to High Density Corridor 4 (HDC-4). Manufactured Housing Park (MHP) allows manufactured houses in parks on sites greater than 1 acre in size and on individual lots in addition to single family, duplex and townhouses at densities between five (5) and twelve (12) units per acre. The proposed High-Density Corridor-4 (HDC-4) zone allows for a compatible mix of commercial, office, and high-density multifamily residential uses.

Proposal History and Pre-Hearing Public Review

On September 30, 2019, Fourth Street Housing, LLC submitted a request to modify the zoning for two parcels of approximately .96 acres in northeast Olympia (Attachment 2). A notice of the application was issued on October 21, 2019 (Attachment 2). This notice was posted on the site, mailed to owners of property within 300 feet and to potentially interested agencies.

City staff hosted a public information meeting at the nearby Fire Station 4 on November 12, 2019, notification for which was sent to the same parties on October 21, 2019. Participating in the meeting were the applicants, City planning staff and members of the public. Seven people signed into the meeting. At the meeting, the applicant and staff described the proposal and review process and answered questions.

As provided by OMC 18.59.060, the Olympia Planning Commission may review and provide a recommendation on proposed site-specific rezones that are forwarded to the Hearing Examiner. Accordingly, this proposal was presented to the Commission on January 13, 2020. Although the Commission did not hold a public hearing or take public testimony, interested parties of record were provided with notice of this meeting. The Commission recommended to the Hearing Examiner that the proposed rezone is consistent with the Comprehensive Plan.

The public were also notified of and given the opportunity to comment on the State Environmental Policy Act (SEPA) Determination of Non-Significance, which was issued on January 15, 2020 (Attachment 3). This notice also included notice of the February 24, 2020 public hearing.

Comments have been submitted during review of this proposal (Attachment 4), specifically related to the Notice of Application and Notice of the SEPA Threshold determination.

Comments were received from the Nisqually & Squaxin Tribes and the Department of Ecology. Staff received two phone calls from neighbors of the site inquiring about the proposal and ongoing construction in the area related to other Fourth Street Housing, LLC projects occurring in the vicinity of the site.

Staff reached out to the owners of surrounding properties which are also zoned MHP in order to discuss future plans and if they would like to be included in the rezone request (Attachment 5). No response was received from the owners of the two parcels directly south of the site. Staff spoke with the owner of the adjacent manufactured housing park about the rezone proposal. The owner had no objection to the rezone request and communicated that he had no plans to expand the existing manufactured housing park in the future.

Rezone Boundary, Site Description, and Surrounding Land Uses

This rezone proposal includes two parcels located at 414 & 422 Stoll Road SE estimated at .96 acres (Attachment 6). The site is located in the northeast corner of the city and was annexed in 1970 under Ordinance 3609. Another parcel, located at 3500 Stoll Road, was rezoned from MHP to GC in 1999. One other MHP zoned area exists in the city and it encompasses an existing manufactured housing park less than a mile away north of Martin Way.

The northern most parcel of the rezone site at 414 Stoll Road SE is developed with a single-family home. The southern most parcel at 422 Stoll Road SE is vacant. The general land use surrounding the site are office and medium to low-density residential. Areas to the south and west include single family homes and properties that are undergoing redevelopment into multifamily housing by the applicant of the rezone proposal, Fourth Street Housing, LLC (Attachment 7). Surrounding properties to the north include an office building and a manufactured housing park to the east.

The southern most parcel of the rezone request, located at 422 Stoll Road SE, is connected to development taking place in the immediate vicinity. 422 Stoll Road SE is owned by the applicant and is intended to be developed with multifamily residential and will eventually provide parking for a proposed multifamily residential development located on the southwest corner of Martin Way and Stoll Road SE. This site is subject to a development agreement between Fourth Street Housing, LLC and the City (Attachment 8), that outlines the timing and scope of future improvements required as a result of future development. Substantial redevelopment is taking place in the vicinity of the site with approximately 122 new units of multifamily residential currently being constructed on two sites to the west as well as the potential for approximately 128 multifamily units that are in preliminary planning stages

(Attachment 7). A portion of the rezone site, 422 Stoll Road SE will be a part of this redevelopment. The northern most parcel at 414 Stoll Road SE is under separate ownership and will remain a single-family home.

Applicable Plans and Regulations

The City of Olympia's Comprehensive Plan was adopted in December 2014 with subsequent amendments. The Comprehensive Plan is guided by Washington State's 1990 Growth Management Act and County-Wide Planning Policies originally adopted in 1993. Discussion of this proposal's consistency with the Comprehensive Plan and associated Olympia Municipal Code is provided below.

Comparison of Current and Proposed Land Uses

The current and proposed zoning districts (MHP & HDC-4) are both considered Urban Corridor land use categories under the City's Comprehensive Plan and are intended to provide housing and related services and uses along major corridors within the City. These districts are defined in OMC 18.04.020(B)(13) & 18.06.020(B)(13) respectively, as follows:

- **Manufactured Housing Park (MHP).** To accommodate mobile homes and manufactured housing in mobile/manufactured housing parks; to accommodate manufactured housing on individual lots; to accommodate single-family houses, duplexes and townhouses, at densities between five (5) and twelve (12) units per acre, in locations with frequent mass transit service (existing or planned). This includes areas along or near (e.g., within one-fourth (1/4) mile) arterial and major collector streets.
- **High Density Corridor-4 (HDC-4).** This district is intended to:
 - a. Provide for a compatible mix of high-intensity commercial, offices, and high-density multifamily residential uses.
 - b. Transform these areas to commercial and residential activity centers, over time.
 - c. Ensure that access to transit is a part of new projects.
 - d. Establish a street edge that is as continuous as possible with buildings which are close to the street and which have multiple floors, distinctive windows facing the street, and entrances that are visible from the street.
 - e. Create a safe, convenient, and attractive environment for pedestrians, transit riders, and bicyclists, and which includes parking and access for vehicles.

Under current zoning, the minimum and maximum density allowed for the subject property is five (5) to twelve (12) units per acre. Under the proposed zoning, high-density multi-family residential is allowed as well as a compatible mix of commercial and office uses. Further details on allowable uses and development standards for the two zoning districts is provided in Attachment 10.

The site and surrounding MHP zoned parcels are one of two areas in the city that are zoned MHP. It appears that the zone was intended to protect existing manufactured housing park uses and allow for future expansion. While the other MHP zoned area encompasses only an existing manufactured housing park, the MHP zoned area that includes the proposed rezone site has included up to five parcels surrounding the existing manufactured home park that are currently either vacant or single family residential. One of the five parcels at 3500 Stoll Road was rezoned from MHP to GC in 1999.

Rezone Criteria and Staff Analysis

Olympia Municipal Code 18.59.050 specifies the decision criteria for rezone requests as follows:

A zoning map amendment shall only be approved if the Council concludes that at a minimum the proposal complies with subsections A through C. To be considered are whether:

- A. The rezone is consistent with either the Comprehensive Plan including the Plan's Future Land Use map as described in OMC 18.59.055 or with a concurrently approved amendment to the plan.*
- B. The rezone will maintain the public health, safety, or welfare.*
- C. The rezone is consistent with other development regulations that implement the comprehensive plan.*
- D. The rezone will result in a district that is compatible with adjoining zoning districts; this may include providing a transition zone between potentially incompatible designations.*
- E. Public facilities and services existing and planned for the area are adequate and likely to be available to serve potential development allowed by the proposed zone.*

The following discussion offers City staff's assessment of the proposal in response to each criterion.

Criterion A: Consistency with the Comprehensive Plan

The Comprehensive Plan's Land Use and Urban Design chapter introduction addresses the Future Land Use Map which "provides guidance for zoning and other regulations to ensure uses of land and development consistent with the Plan." The Future Land Use Map identifies the parcels proposed for rezone and the surrounding neighborhoods as Urban Corridor with a High-Density Neighborhoods Overlay (Attachment 9).

The Urban Corridor designation and High-Density Neighborhood Overlay are defined in Appendix A - Future Land Use Map Designations, Land Use and Urban Design Chapter of the Comprehensive Plan as follows:

This designation applies to certain areas in the vicinity of major arterial streets. Generally more intense commercial uses and larger structures should be located near the street edge with less intensive uses and smaller structures farther from the street to transition to adjacent designations. Particular 'nodes' or intersections may be more intensely developed. Opportunities to live, work, shop and recreate will be located within walking distance of these areas.

Multi-family residential, commercial and mixed use neighborhoods with densities of at least 25 dwelling units per acre for residential uses that are not re-using or redeveloping existing structures. New mixed-use developments include a combination of commercial floor area ratio and residential densities that are compatible with a high-density residential neighborhood. The height in these neighborhoods will be determined by zoning and based on the "Height and View Protection Goals and Policies."

While the Future Land Use Map is not in itself a zoning map, OMC 18.59.055 outlines zoning districts that are consistent with the purpose of each land use designation on the map. Both MHP and HDC-4 zoning districts are among the eleven options that correspond to the Future Land Use Map's Urban Corridor designation (Attachment 11). A change from MHP to HDC-4 zoning would, therefore, be consistent with both the Future Land Use Map of the Comprehensive Plan and the development regulations implementing the intent of the map.

A rezone of this parcel to HDC-4 would also further goals and policies outlined in the Comprehensive Plan to respond thoughtfully and strategically to Olympia's anticipated

population increase. The introduction to the Plan's Land Use and Urban Design Chapter states,

How we choose to live within, and how we alter, our landscape is critical to our quality of life, and to whether that quality of life can be sustained and improved. The State's 1990 Growth Management Act called for Olympia to establish land use designations and densities sufficient for at least 20 years. The County-Wide Planning Policies adopted by Thurston County and its seven cities in 1993 describe a common goal of concentrating growth in the urban areas "in ways that ensure livability, preservation of environmental quality and open space, varied and affordable housing, high quality urban services at least cost, and orderly transition of land from County to City."

Some examples of the Plan's goals and policies intended to address the need to provide an appropriate level of density and to provide a variety of housing options within the urban area of Olympia include:

GL1 Land use patterns, densities and site designs are sustainable and support decreasing automobile reliance.

PL1.1 Ensure that new development is built at urban densities or can be readily modified to achieve those densities.

PL1.4 Require functional and efficient development by adopting and periodically updating zoning consistent with the Future Land Use Map.

GL 14 Olympia's neighborhoods provide housing choices that fit the diversity of local income levels and lifestyles. They are shaped by thorough public planning processes that involve citizens, neighborhoods, and city officials.

PL14.2 Concentrate housing into three high-density Neighborhoods: Downtown Olympia, **Pacific/Martin/Lilly Triangle**; and the area surrounding Capital Mall. Commercial uses directly serve high-density neighborhoods and allow people to meet their daily needs without traveling outside their neighborhood. High-density neighborhoods are highly walkable. At least one-quarter of the forecasted growth is planned for downtown Olympia (emphasis mine).

GL16 The range of housing types and densities are consistent with the community's changing population needs and preferences.

PL16.1 Support increasing densities through the well-designed, efficient, and cost-effective use of buildable land, consistent with environmental constraints and affordability.

With an allowable density of five (5) to twelve (12) units per acre, the current zoning is less likely to provide an appropriate level of density within the urban area of Olympia than HDC-4 zoning. The rezone site falls below the 1-acre minimum threshold to be developed as a manufactured housing park and the owner of the adjacent park has no plans to expand the existing park. Due to the site's location within the Pacific/Martin/Lilly Triangle and along the Martin Way Corridor, the potential for development afforded by the proposed rezone to another Urban Corridor zoning district can support the Comprehensive Plan's call to focus high density development along corridors and within specific high density neighborhood overlays.

The Olympia Planning Commission considered the proposal's consistency with the Comprehensive Plan at its January 13, 2020 meeting. After deliberation the Commission moved to recommended to the Hearing Examiner that the proposed rezone is consistent with the Comprehensive Plan. The motion passed unanimously.

Criterion B: Maintenance of Public Health, Safety or Welfare

Both the MHP and HDC-4 zones fall within the Urban Corridor designation on the Future Land Use Map. While the intensity of development allowed under the proposed HDC-4 zone may increase, any future development would be subject to development regulations relating to design, landscaping, property development standards and access to adequate utilities and streets. Currently, as a result of surrounding development and a development agreement between the applicant, Fourth Street Housing, LLC and the City, a sewer main extension will be completed as well as a connection between Stoll Road SE and Martin Way (Attachment 8). Future development at this site would need to participate in improvements to existing facilities in proportion to impacts. As described under the discussion for Criterion E, City staff indicate that there is existing capacity for sewer, water, solid waste, and emergency services to the site.

Criterion C: Consistency with Development Regulations

As described in the discussion for Criterion A, the existing and proposed zoning both fall under the same Urban Corridor designation on the Future Land Use Map. This satisfies the requirements of OMC 18.59.055 for consistency between the zoning map and the Future Land Use Map.

Development of the site would be consistent with surrounding new development and would be subject to development regulations which regulate setbacks, height, landscaping, design and access to adequate utilities and streets.

Criterion D: Resulting in Compatible Adjacent Zoning Districts

The proposed zone change would result in a continuation of Olympia's HDC-4 zoning district that runs along the Martin Way corridor. General Commercial (GC) zoning occurs to the south of the existing HDC-4 zoning up to the I-5 corridor (Attachment 6). The proposed zoning is compatible with adjacent zoning districts.

As described in the discussions for other criteria, HDC-4 zoning allows for development that is responsive to the goals and policies related to urban growth in the Comprehensive Plan.

Criterion E: Adequacy of Planned or Existing Public Facilities and Services

Fire protection and other emergency services are provided to this site by the City of Olympia. The site is served by Fire Station 4 located approximately 450 feet from the site on Stoll Road. As long as physical access improvements are made concurrently with any future development, it is not anticipated that any negative issues related to response time or other concerns associated with serving this site regardless of zoning.

The rezone site is within the City's water and sewer service area. Sewer and water main upgrades along Stoll Road SE are occurring concurrently with new development. A development agreement between the applicant and the City, which outlines future improvements to utilities and roads in conjunction with the future development of the site located at the southwest corner of Martin Way and Stoll Road SE (Attachment 8). Improvements will include the connection of Stoll Road SE and Martin Way. Stormwater treatment requirements related to future development would be addressed at the time a proposal is submitted.

Solid waste services are provided by the City of Olympia and would be extended to serve any future development.

Under the 2016 Parks, Arts and Recreation Plan (adopted February 9, 2016), the City has a goal of providing parks within walking distance (defined as one-half mile) of all residences. The rezone site is within an area that is not within walking distance to a park. The Park Plan identifies potential areas where acquisition of neighborhood parks and open spaces need to occur. A 5-acre Neighborhood/Open Space proposed park

acquisition is identified in the rezone area. The nearest public park to the site is 8th Avenue Park, located at 3000 8th Avenue NE.

The Olympia School District serves this area and was notified of this rezone proposal. To date, the School District has expressed no concerns regarding service capacity. The City collects school impact fees to help pay for capacity expansion when issuing residential building permits. Although specific school boundaries are subject to change, this site is currently within the Roosevelt Elementary and Reeves Middle service areas.

Impact fees for transportation, parks and schools are required to help pay for impacts to public facilities.

RECOMMENDED CONCLUSIONS

- A. The proposed rezone is consistent with the Comprehensive Plan's goals and policies. Rezoning the site from MHP to HDC-4 would also be consistent with their designation as Urban Corridor on the Future Land Use Map.
- B. The rezone will maintain the public health, safety, or welfare. Site specific review and improvements will be required and addressed as part of a future development.
- C. The rezone is consistent with other development regulations that implement the comprehensive plan. The proposed HDC-4 zone meets the code requirements for consistency between the Future Land Use Map and zoning map.
- D. The rezone will result in a district that is compatible with adjoining zoning districts. The proposed zoning is the same as that of the adjacent properties located along the Martin Way corridor.
- E. Planned or existing public facilities and services are adequate to serve potential development allowed by the proposed zoning.

STAFF RECOMMENDATION

The Hearing Examiner recommend approval of the requested zone change for 414 and 422 Stoll Road SE from MHP to HDC-4.

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Date Issued: February 10, 2020

Attachments

Attachment 2: Stoll Rezone Application and Notice
Attachment 3: SEPA Checklist, DNS and Notice
Attachment 4: Written Public Comments
Attachment 5: Correspondence to Neighboring Property Owners
Attachment 6: Zoning Map
Attachment 7: Surrounding Development Map
Attachment 8: Development Agreement
Attachment 9: Comprehensive Plan Future Land Use Map
Attachment 10: Zone Comparisons
Attachment 11: Urban Corridor Zoning Categories