



## City Council

### Approval of a Resolution Approving an Interlocal Agreement with the Cities of Lacey and Tumwater for the Development of Accessory Dwelling Unit Plans

**Agenda Date:** 3/24/2020  
**Agenda Item Number:** 4.S  
**File Number:**20-0276

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**Type:** resolution **Version:** 1 **Status:** Passed

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#### Title

Approval of a Resolution Approving an Interlocal Agreement with the Cities of Lacey and Tumwater for the Development of Accessory Dwelling Unit Plans

#### Recommended Action

##### Committee Recommendation:

The Land Use and Environment Committee (LUEC) directed staff to bring a draft resolution and agreement to Council for consideration.

##### City Manager Recommendation:

Move to approve the resolution approving the interlocal agreement with the Cities of Lacey and Tumwater for development of accessory dwelling unit (ADU) plans.

#### Report

##### Issue:

Whether to enter into an agreement with the Cities of Lacey and Tumwater to develop ADU plans. The plans would be complete sets of building plans that would be pre-approved by all three cities' building divisions for construction.

##### Staff Contact:

Leonard Bauer, Interim Director, Community Planning and Development, 360.753.8206

##### Presenter(s):

None - Consent Calendar Item

##### Background and Analysis:

ADUs are complete, separate dwelling units constructed on the same lot as a single-family house. They are typically small dwelling units and may be a separate building from the single-family house (aka, detached ADU), or built by adding onto or converting a portion of the single-family house (aka, attached ADU).

OMC 18.04.060.A lists development regulations specific to ADUs. Amendments to these regulations were approved by City Council in late 2018, but those amendments were invalidated by the Washington Growth Management Hearings Board in 2019 and are not in effect pending additional review by Thurston County Superior Court. The Olympia Planning Commission is currently considering other amendments. The 2019 and 2020 Legislatures approved legislation that encourages cities to make further changes to ADU regulations.

These local and state legislative changes illustrate a strong interest in encouraging additional ADU development. The Olympia City Council has prioritized the issue of promoting additional housing development, including ADUs, to address a current housing crisis.

In 2019, the City of Lacey entered into a contract with The Artisans Group, a local architecture firm, to design two detached ADUs and complete building plans for them. Lacey building plan reviewers approved the plans and they are available at Lacey's customer service counter for use by property owners interested in constructing an ADU.

As directed by the Council's LUEC, City staff negotiated with staff from the Cities of Lacey and Tumwater to expand the Lacey program to all three cities. Under the attached interlocal agreement, Lacey would administer its contract with The Artisans Group to add the design of two additional detached ADU plans that could be reviewed and pre-approved by the building divisions of all three cities. At the end of the process outlined in the agreement, each city would have four different detached ADU plan sets available at their customer service counters for interested property owners in their jurisdictions. No building plan review fee would be charged to those using the plans, but site plan review would still be necessary for utility hookups, foundations and other issues not addressed by the building review.

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

There is significant neighborhood and community interest in construction of ADUs. Interest has been primarily focused on encouraging ADUs as an additional option for needed housing for small households that is typically more affordable than single-family houses. Additional interest has been expressed that ADUs provide housing that can be accommodated within existing city limits, reducing potential urban sprawl, providing needed density to support greater use of transit, and reducing greenhouse gas emissions. Concerns have been expressed about potential impacts to existing neighborhoods of additional housing units and parking, and potential loss of private open space and trees.

**Options:**

1. Approve resolution authorizing and interlocal agreement with the Cities of Lacey and Tumwater.
2. Approve resolution with specific modifications to resolution and/or agreement. [Note: any modifications to the agreement would need to be approved by the City Councils of Lacey and Tumwater.]
3. Do not approve resolution.

**Financial Impact:**

The agreement specifies \$12,500 be paid by the City of Olympia to the City of Lacey, as contribution to a contract between the City of Lacey and The Artisans Group to create complete building plan sets for four ADU designs. [Note: The City of Tumwater also would contribute \$12,500. The City of Lacey

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has already contributed \$25,000.]

The City of Olympia contribution can be accommodated within the professional services budget allocation to the Community Planning and Development Department.

**Attachments:**

Resolution

Agreement