



Land Use & Environment Committee

Summary of Accessory Dwelling Unit Program

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Title

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Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Briefing only. No action requested.

Report

Issue:

In 2020, the committee discussed a number of changes to promote accessory dwelling units (ADUs) as an alternative housing option that is typically more affordable than single-family houses and many apartments. Staff will provide an update on implementation of these changes.

Staff Contact:

Leonard Bauer, Director, Community Planning and Development, 360.753.8206

Presenter(s):

Leonard Bauer, Director, Community Planning and Development

Background and Analysis:

ADUs have been permitted uses in most residential areas of Olympia for approximately 25 years. However, the permits issued for ADUs have been typically between 5-10 in a single year. The stakeholder work group reviewing missing middle housing types in 2017 identified several regulatory and financing hurdles that have contributed to a low number of ADUs being constructed. These included height restrictions, hookup charges, impact fees, building code restrictions, fire sprinkler requirements, and the lending institutions' requirements to finance construction through traditional housing mortgages.

Based on that input, and succeeding discussions, the Land Use and Environment Committee (LUEC) has focused on three areas in which the City can consider changes to improve the likelihood of ADUs being constructed in Olympia:

- Zoning and building regulations

- Infrastructure requirements
- Providing pre-approved building plans

Zoning and Building Regulations

The City Council first addressed zoning regulations of ADUs when it adopted the Missing Middle Ordinance (Ordinance No. 7160) November 13, 2018. However, that ordinance was later invalidated by the Western Washington Growth Management Hearings Board. The City has appealed the Board's decision to Thurston County Superior Court.

After the 2019 WA State Legislature adopted E2SHB 1923 (RCW 36.70A.600), the Olympia City Council directed the Olympia Planning Commission to develop a recommendation for additional housing options related to ADUs, as well as other types of housing as enabled by that legislation.

The City Council adopted the Housing Options Ordinance (Ordinance No. 7267), on December 15, 2020. It includes the following changes to ADU zoning regulations:

- Any ADU can be up to 850 square feet in size.
- Owner not required to live on site.
- Additional parking space not required.
- Maximum height for detached ADUs is 24 feet. This would allow an ADU to be built above garage that is not attached to the primary house.
- ADU can be up to 850 sq. ft. and can be attached to an accessory structure of its maximum size (e.g. 800 sq. ft. garage).

An updated summary of ADU zoning requirements is attached, which reflects these changes.

Building and Fire Code regulations for ADUs are being addressed by the City Council when it considers adoption of the updated International Building Codes January 12, 2021, as recommended by the LUEC. Two key provisions include:

- Adoption of a tiny homes appendix, better enabling small housing units that meet building codes
- Revisions to the City sprinkler requirements to permit new ADUs without sprinklers on lots that contain a primary house that does not have a sprinkler system. These ADUs would then not experience the cost of an additional water system hookup to serve the sprinkler system in an ADU.

Infrastructure Requirements

The Olympia Engineering Design and Development Standards (EDDS) and Municipal Code (OMC) have been revised and clarified in the past two years so that:

- The water and sewer connections to the main line in the right of way may also serve an ADU on the same property.
- For the purpose of calculating utility charges, an ADU is considered as part of the same 'equivalent residential unit (ERU)' together with a primary house.
- Impact fees for parks and transportation systems are charged at a lower rate than other housing types (OMC 15.16), reflecting their smaller impact on those infrastructure systems. (Note: ADUs are exempt from school impact fees.)

Pre-approved ADU Building Plans

The Cities of Olympia, Lacey and Tumwater entered into an agreement to develop architectural plans for four ADU designs that could be pre-approved by each city under the adopted building codes. The Artisans Group was contracted to create plans for ADUs of 480 square feet (sf), 600 sf, 800 sf (1 story), and 800 sf (2 stories). Renderings of these four ADU plans are attached. The final plans have been delivered to the cities, who are completing final review for pre-approval.

These pre-approved plans will be made available to any interested property owner. The owner would save the cost of architectural design and building permit review. They would still need site plan approval and any necessary engineering approvals for utilities by the city before starting construction.

Neighborhood/Community Interests (if known):

There is significant interest throughout the community in ADU construction, as demonstrated in the amount of public testimony during the adoption of the ordinances related to missing middle and housing options in recent years.

Options:

1. Receive the briefing.
2. Do not receive the briefing.

Financial Impact:

Implementation of the housing options ordinance will occur by city permitting staff within the adopted 2021 City operating budget. The pre-approved ADU plans were completed through an interlocal agreement between the Cities of Lacey, Olympia and Tumwater in 2020. Olympia's contribution was \$12,500. Impact fees collected by the City are accumulated in a designated fund for capital projects that make improvements to the applicable infrastructure system (e.g., parks or transportation). Any additional outreach regarding the overall ADU program would also be accomplished within the resources of the adopted budget.

Attachments:

ADU Summary
ADU Plan Renderings