



## City Council

### Special Recognition - Grant Awards from Washington State Department of Commerce to Complete a Westside Subarea Plan and Implement the Housing Action Plan

**Agenda Date:** 2/1/2022  
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#### **Title**

Special Recognition - Grant Awards from Washington State Department of Commerce to Complete a Westside Subarea Plan and Implement the Housing Action Plan

#### **Recommended Action**

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

Not referred to a committee.

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

Recognize the Department of Community Planning & Development has received two Washington State Department of Commerce grants. One grant is to complete a subarea plan for the Capital Mall Triangle area on Olympia's westside and the second is to implement the Housing Action Plan.

#### **Report**

##### **Issue:**

Whether to recognize the Department of Community Planning & Development has received two Washington State Department of Commerce grants. One grant is to complete a subarea plan for the Capital Mall Triangle area on Olympia's westside and the second is to implement the Housing Action Plan.

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

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

Joyce Phillips, Principal Planner, Community Planning and Development

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

The Washington State Department of Commerce has awarded two grants to the City of Olympia:

- 1. \$250,000 for Transit-Oriented Development and Implementation (TODI).** The 2021

Washington State Legislature created this grant program to facilitate transit-oriented development and leverage investment in public transportation services, plan for increased housing development within transit-rich areas and conduct pre-development environmental review to streamline construction.

Funds will be used to hire a professional consulting team to help carry out an 18-month long public process to develop a subarea plan and a non-project environmental impact statement (EIS) for the Capital Mall Triangle area on the westside. The public process will kick off in spring of 2022. Under the terms of the grant, a draft subarea plan and EIS must be completed by June of 2023.

The Capital Mall Triangle is one of three urban centers envisioned in Olympia's 20-year Comprehensive Plan. Our plan envisions this area will remain a regional destination for shopping and services, while also realizing significantly more housing development. The vision is that over the next 20 years this area will grow into a more people-oriented urban neighborhood where residents can commute to work, recreate, and meet basic needs without a car.

The subarea plan will provide a long-range strategic and implementation framework to move forward our Comprehensive Plan vision this area. The corresponding EIS will assess the cumulative environmental and community impacts of envisioned development. These deliverables will ultimately enable the City Council to consider adoption of a SEPA planned action for the area.

Allowed under the State Environmental Policy Action (SEPA), planned actions are an upfront environmental review within a specific geographical area. It involves a detailed SEPA review and preparation of an Environmental Impact Statement (EIS) in conjunction with a sub-area plan (a specific plan for a small geographic area.) The types and level of development planned within the area are analyzed and impacts and mitigation measures are identified. The process is quite rigorous and involves public engagement.

With a planned action in place, qualifying development projects may then use a streamlined permitting process (i.e., they don't need to go through SEPA again at the time of permit.) This can provide predictability and time-savings, in turn reducing project costs - which can encourage development. A benefit is that cumulative impacts of overall development within the area - both positive and negative - are analyzed, rather than piecemealing analysis about impacts as individual projects come in.

Please see attached map.

- 2. \$100,000 for Housing Action Plan Implementation (HAPI).** This grant program created by the Washington State Legislature supports cities in implementation of adopted Housing Action Plans.

The City will use the funds to hire a temporary full-time project planner to meet two objectives:

- Carry out a public review process and prepare an ordinance for Council to consider that will reduce parking minimums in transit areas.

- Carry out a public review process and prepare an ordinance for Council to consider to increase flexibility and predictability in the permit process by simplifying and clarifying permit types, processes, requirements and timelines.

The public process for each will kick off later in the spring and summer of 2022. Under the terms of the grant, the ordinances must be considered by City Council no later than June of 2023.

Both objectives are identified as priority actions in Olympia's Housing Action Plan, under one of the six important strategies: *Expand the overall housing supply by making it easier to build all types of housing projects.*

- **Action 3.i:** Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes. (Recommended timing: short term)
- **Action 3.k:** Increase flexibility in the permit process (part of a larger scope to review fees/regulations to identify housing cost reductions/remove barriers). (Recommended timing: short term)

These actions will reduce barriers to housing construction by reducing development costs and increasing predictability. Also, Olympia's Comprehensive Plan guides us to direct a significant amount of housing growth into the urban corridors. Reducing parking requirements especially will go a long way to incentivize housing development in these areas.

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

There is likely to be high community interest in both projects. The Planning Commission has an interest in exploring the reduction of parking minimums and it's already on their workplan. The Council of Neighborhoods has already expressed interest in receiving briefings regarding these projects.

Both Intercity Transit and the West Olympia Community Visioning Group - a group of residents who represent a variety of westside business, non-profit, developer, planning and neighborhood perspectives working to support a thriving West Olympia community - issued letters of support for the TODI Grant. Leadership at the Capital Mall and West Olympia Business Association (WOBA) have also expressed support for the process.

### **Options:**

1. Recognize the Department of Community Planning & Development has received two WA Department of Commerce grants to complete a subarea plan for the Capital Mall Triangle area on Olympia's westside and implement the Housing Action Plan
2. Do not recognize the grant awards
3. Recognize the grant awards at a different time.

### **Financial Impact:**

The TODI grant award is \$250,000. The City of Olympia will provide in-kind support, including a lead planner, other staff participation, managerial, budget, administration and public engagement support.

The HAPI grant award is \$100,000, which will fund a temporary planner to carry out the work. The

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City of Olympia will provide in-kind support, including managerial, budget, public engagement and administrative support.

**Attachments:**

Westside Planning Summary