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Land Use & Environment Committee

Consolidating Land Use Permit Processes Ordinance Recommendation

Agenda Date: 4/27/2023

Agenda Item Number: 6.B

File Number: 23-0357

Type: recommendation **Version:** 1 **Status:** Filed

Title

Consolidating Land Use Permit Processes Ordinance Recommendation

Recommended Action

Committee Recommendation:

The Olympia Planning Commission recommends the City Council adopt the Ordinance consolidating land use permit processes, as recommended by.

City Manager Recommendation:

Move to approve the recommended Ordinance for land use permit processes and forward to the City Council for adoption.

Report

Issue:

Whether to approve the recommended Ordinance for land use permit processes and forward to the City Council for adoption.

Staff Contact:

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Presenter(s):

Leonard Bauer, Director, Community Planning and Development

Background and Analysis:

Purpose of this Project

The City of Olympia adopted its Housing Action Plan in June of 2021, putting forth strategies and establishing a long-term approach to increase the City's housing supply, promote a variety of housing choices, and to facilitate the development of stable, affordable housing. The City was subsequently awarded a Housing Action Plan Implementation Grant in the amount of \$100,000 from the Washington State Department of Commerce (DOC) to implement the following strategies of the Housing Action Plan:

- *Action 3i: Reduce parking requirements for residential uses, including for multi-family developments near frequent transit routes.*

- *Action 3k: Increase flexibility in the permit process as part of a larger scope to review fees/regulations to identify housing cost reductions/remove barriers.*

The timeline for this project is set under the terms of the grant. The final deliverable in the form of ordinance code changes is due to DOC by June 30, 2023.

The attached ordinance has been drafted to implement Action 3k. The objective of this action, as described in the grant contract with DOC, is to:

“Prepare and adopt an ordinance to increase flexibility and predictability in the permit process by simplifying and clarifying permit types, processes, requirements and timeline.”

The Housing Action Plan found that making application and permit processing requirements easier to access and understand will better facilitate development of housing to meet increasing need. This ordinance reorganizes and consolidates many disparate sections of the City’s Unified Development Code (Title 18 of the Olympia Municipal Code). Only procedural changes are proposed. No substantive changes to existing development regulations are included.

The Planning Commission unanimously recommended adoption of this draft ordinance at its April 17, 2023, meeting.

Background

In 1995, the City of Olympia adopted a Unified Development Code (UDC). Previously, municipal codes typically were organized by zoning district. The regulations for each zoning district were described in a separate chapter, including permitted uses, physical standards of development, and any special processes or criteria. One of the challenges of this approach for applicants and neighboring residents was the need to first know in which zoning district a property was located. Another challenge was that many provisions were repeated from one zoning district to another, so that updates to the zoning code were complicated by the need to amend many sections at once.

The 1995 UDC was adopted to reorganize the code by types of land uses. Regulations related to residential uses were consolidated into a chapter, as were regulations related to commercial, industrial, and other uses. Tables were included in each of these chapters to summarize permitted uses and development standards. However, provisions related to permit processes or special uses that have evolved (e.g., cell phone towers, emergency housing facilities) were added in numerous separate chapters. This has resulted in confusion for applicants and neighboring residents to understand all the steps in a City process for reviewing a particular permit.

Description of Proposed Ordinance

This project is intended to address this challenge by consolidating permits by the type of review process that applies. This is a common practice among other cities and counties that applicants and residents find easier to understand and respond to. The four land use permit types are:

1. Type I. Administrative decisions by the Director who may approve, conditionally approve or deny the application.
2. Type II. Administrative decisions by the Director with specified public notice. The Director has

the authority to approve, conditionally approve or deny the application.

3. Type III. Hearing Examiner decisions following a public hearing. The Hearing Examiner may approve, conditionally approve, or deny the application.
4. Type IV. Legislative decisions by the City Council after a public hearing. The City Council may approve, conditionally approve, modify and approve, or deny the application.

This approach will combine seven separate chapters of the UDC into a single chapter covering permit review procedures. Similar to the original UDC's consolidation of zoning regulations into individual chapters by land use type, this summary chapter should facilitate understanding and compliance with the City's permit review process. Clearer understanding of the permitting process 'up-front' increases predictability, facilitating financing and building of housing in Olympia.

Climate Analysis:

This proposal addresses procedural aspects of the City's Unified Development Code, and will not likely result in physical changes to actual construction that would create or reduce climate impacts. However, easier-to-understand procedures may reduce confusion for permit applicants and neighboring residents, which could reduce trips to city hall to ask questions of City permit center staff.

Equity Analysis:

The City does not have demographic data regarding permit applicants or others interested in following development permit activity and procedures. The City's on-line permit portal provides current status of the review of any permit application. This provides advantages to those who have computer and internet access in gaining that information. Under this proposal, those who do not have easy access to a computer or internet connection will continue to experience more difficulty in learning status of permit activity. They would need to contact city staff to request that information. However, this proposal will likely increase the understanding of those accessing information.

Neighborhood/Community Interests (if known):

The proposed changes will likely be of interest to a variety of people interested in land use permitting in Olympia, including builders, developers, realtors, single-family homeowners, renters, and neighborhood associations. During the process of developing this draft ordinance, presentations were made to several organizations representing these interests. Public comments received at the Planning Commission public hearing, and after the hearing, are attached. Comments expressing both concerns and support were received, with concerns primarily focusing on the complexity of the ordinance and the length of time needed to review it.

Financial Impact:

Costs of this project are covered by a grant from the Washington State Department of Commerce. There is no additional fiscal impact of the proposal to the City budget.

Options:

1. Move to approve the recommended Ordinance for land use permit processes and forward to the City Council for adoption.
2. Move to approve the recommended Ordinance for land use permit processes and forward to the City Council for adoption with specified modifications.

3. Do not approve the recommendation the City Council adopt an ordinance amending the City's land use permit processes. Note that this option would not fulfill the City's obligations under its grant contract with the WA Dept. of Commerce.

Attachments:

Draft Ordinance

Crosswalk of Changes to Decision Procedures

Summary of Changes to Public Notice

Public Comments