



Land Use & Environment Committee

Missing Middle Housing Ordinance Updates

Agenda Date: 6/20/2024
Agenda Item Number: 6.A
File Number:24-0502

Type: discussion **Version:** 1 **Status:** Filed

Title

Missing Middle Housing Ordinance Updates

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Discuss the Missing Middle Housing Ordinance and related changes in state law that will require additional changes to the Unified Development Code (Title 18) and the Subdivision Code (Title 17).

Report

Issue:

Whether to discuss the Missing Middle Housing Ordinance and related changes in state law that will require additional changes to the Unified Development Code (Title 18) and the Subdivision Code (Title 17).

Staff Contact:

Joyce Phillips, Principal Planner, Community Planning & Development, 360.570.3722

Presenter(s):

Joyce Phillips, Principal Planner

Background and Analysis:

Grant

In October 2023, the City of Olympia was awarded a grant for \$75,000 from the Washington State Department of Commerce. The purpose of the grant is to fund work to support the adoption of policies and codes and the implementation of other measures specific to HB 1110, specifically related to middle housing issues.

A grant contract was formally signed by both parties in February of 2024. There are two primary work products associated with the grant. The first is to complete the process to “harmonize” the City’s Missing Middle Housing Ordinance with the Olympia Municipal Code (described below).

The second is to address the new middle housing requirements adopted into state law with the

passage of House Bill 1110. This includes provisions to allow more than one residential unit per lot in some instances and to allow “unit lot subdivisions”, a type of subdivision for which our code is completely silent.

The work will also be done in a way that is consistent with and helps to implement other new statutes, such as those related to Accessory Dwelling Units and Design Review.

Phase 1 Work

On November 13, 2018, the Olympia City Council passed its “Missing Middle” infill housing ordinance, which was primarily designed to increase the variety of housing types allowed in low density residential zoning districts. The ordinance was appealed to the Growth Management Hearings Board (GMHB), which ultimately invalidated the ordinance in July of 2019. The case continued before Superior Court and the Court of Appeals, where the City eventually prevailed. In June of 2023, the Court Appeals reversed the Board’s order and remanded it for dismissal. The GMHB dismissed the case on November 9, 2023. This means that the Missing Middle Housing Ordinance is once again valid and in effect.

However, during the time the Missing Middle Housing Ordinance (Ordinance 7160) was invalidated, the City took multiple actions to update Title 18, Unified Development Code. Several of these subsequent actions amend the same sections of code that were amended by the Missing Middle ordinance, perhaps the most significant of which was the Housing Options Code Amendments (Ordinance 7267 adopted on December 15, 2020). Other revisions are also applicable, such as those associated with the Parking and Loading and Administration Chapters of Title 18.

There is a process, although rarely needed, to consolidate these varying ordinances together. This is legally referred to as a “harmonization” ordinance. To harmonize these regulations, the City Council reviews the ordinance in question (the Missing Middle Housing Ordinance) against the existing municipal code language, which includes all subsequent text amendments to the code sections in question. Through the harmonization process, the governing body then selects the language that prevails.

Since all of these code amendments have gone through their own public processes for development and review, the City Council has the discretion to select which language to use. This is also helpful because the City currently has, for some code sections, more than one set of regulations. These regulations may be fairly similar or can be fairly different. The harmonization process will settle those inconsistencies that currently exist. The harmonization ordinance is tentatively scheduled for City Council consideration on July 9, 2024.

Phase 2 Work

The second phase of the work is set to begin in July 2024. It will be to develop new zoning and subdivision code language, so will go through a public process of review and adoption. Given the number of years since the subdivision code was updated, and the need to add a new subdivision type, this work will take the better part of a year. To ensure consistency with other codes and new requirements, this work will likely include amendments to the Land Use Review and Design Review chapters of Title 18, as well as changes to the Accessory Dwelling Unit regulations.

It is anticipated that there may be instances where the outcome of the harmonization work will be amended by the work in Phase 2. This is because of the specificity of the new requirements, which

were not necessarily considered in 2017 and 2018, when the City's middle housing work began; or in 2021, when the Housing Option Code Amendments were adopted. Additional changes to Growth Management Act (GMA) were made in 2022, 2023, and 2024 that will need to be addressed.

The code amendments do not have to be adopted by June of 2025, but public hearing drafts are due by June 15, 2025, under the terms of the grant.

Climate Analysis:

The Climate Framework Analysis will be prepared for the second phase of the work, which will begin in July.

Equity Analysis:

The Equity Framework Analysis will be prepared for the second phase of the work, which will begin in July.

Neighborhood/Community Interests (if known):

Middle housing issues have been controversial in Olympia. There will be continued outreach and opportunity to review and comment on draft code amendments associated with the second phase of this work. Part of the effort will include educating the public and staff members on the new requirements so that comments can help shape the implementation measures that are most appropriate for our community.

Financial Impact:

This work is supported by a \$75,000 middle housing grant from Growth Management Services of the Washington State Department of Commerce.

Options:

1. Discuss Middle Housing Ordinance updates.
2. Do not discuss Middle Housing Ordinance updates.
3. Discuss Middle Housing Ordinance updates at another time.

Attachments:

Middle Housing Webpage

Middle Housing Harmonization Report