



City Council

Approval of an Ordinance Harmonizing Olympia Municipal Code with the Missing Middle Housing Ordinance

Agenda Date: 7/9/2024
Agenda Item Number: 6.A
File Number:24-0544

Type: ordinance **Version:** 1 **Status:** Other Business

Title

Approval of an Ordinance Harmonizing Olympia Municipal Code with the Missing Middle Housing Ordinance

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve an Ordinance harmonizing the Olympia Municipal Code with the Missing Middle Housing Ordinance (# 7160).

Report

Issue:

Whether to approve an Ordinance harmonizing the Olympia Municipal Code with the Missing Middle Housing Ordinance (# 7160).

Staff Contact:

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Presenter(s):

Joyce Phillips, Principal Planner, Community Planning and Development

Background and Analysis:

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), which also increased the variety of housing types allowed in residential zones. Other revisions are also applicable, such as those associated with the Parking and Loading (OMC 18.38) and Administration (OMC 18.70) Chapters of Title 18.

There is a process, although rarely needed, to consolidate these varying ordinances together. This is 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.

To help identify the differences between the Missing Middle Housing Ordinance #7160 and the Olympia Municipal Code as amended since Ordinance 7160 was invalidated, a Harmonization Report was prepared. It compares conflicting code sections, summarizes the difference between the two versions, and recommends which version to use going forward. That report was then used to develop the ordinance before City Council presently.

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 helpful because the City currently has, for some code sections, more than one set of regulations in effect which are not the same. These regulations may be fairly similar or can be different enough to warrant fixing the code as soon as possible to provide clear requirements. The harmonization process will settle those inconsistencies that currently exist.

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 above).

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. This second phase of the work is set to begin in July 2024.

It is anticipated that there will likely 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. These additional changes to

Growth Management Act (GMA) were made in 2022, 2023, and 2024 and 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. The second phase of the work will include public outreach and participation, as those provisions will be new and not previously considered or adopted through a public process.

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. Adopt the Harmonization Ordinance, as proposed.
2. Adopt the Harmonization Ordinance, with specific modifications.
3. Do not adopt the Harmonization Ordinance.

Attachments:

Ordinance
Harmonization Report
Middle Housing Webpage