



## Planning Commission

### Recommendation to City Council on Multi-Family Transitions Development Code Amendment

**Agenda Date:** 4/7/2014  
**Agenda Item Number:**  
**File Number:**14-0343

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

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#### **Title**

Recommendation to City Council on Multi-Family Transitions Development Code Amendment

#### **Recommended Action**

Move to recommend the City Council change Olympia Municipal Code (OMC) 18.04.060.N to reduce from 10 to 5 acres the threshold for requiring that multi-family projects in the RM-18 and RMU zoning districts include a variety of housing types (not more than 70% of any one housing type) (Option 1.)

#### **Report**

##### **Issue:**

Consider a change to the development code to be consistent with proposed Land Use Policy PL16.12 in the Comprehensive Plan Update regarding multi-family housing projects. This would reduce from 10 to 5 acres the threshold for requiring that multi-family (apartment) projects in the Multi-family Residential 18 units per acre (RM-18) and Residential Mixed Use (RMU) zoning districts include a variety of housing types (i.e., detached single family, duplex, triplex, townhome, apartment building.)

#### **Staff Contact:**

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

Amy Buckler

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

Following the public hearing, a "Draft Analysis" (Attachment 5) was completed by Commissioners Parker and Andresen, concluding "that if minimum lot size and set-back provisions in the current residential building standards and the requirement for a buffer around all sides of the five acre parcel are taken into account, development on a five acre parcel under the proposed ordinance will require a considerable reduction in the both allowable building coverage and impervious surface. This would likely significantly reduce the density that could be achieved on a five acre parcel." The analysis focused on the existing RM-18 regulations more so than the proposed mix of housing units.

Community Planning & Development Project Planner Gary Cooper reviewed the analysis and found it

to be accurate on several accounts; however, the assumption each transitional housing (duplex) unit would fully utilize the 50% maximum building coverage allowed per lot is not ordinary. Mr. Cooper found when average building size for an Olympia duplex is applied, the assertion that achievable density is greatly hindered by the building and impervious surface limits is unfounded (Attachment 4.)

It is important to note both the Cooper Memo and Draft Analysis are theoretical and simplified approaches to site plan development. An accurate determination of a site's achievable density requires the professional process of designing the site in accordance with all the unique constraints (e.g., critical areas, easements, driveway access, etc.) and applicable regulations. In a nutshell, this is the 'land use review process', whereby applicants pay professional architects and engineers to design projects, then reviewed by a team of technical experts at the City. In some cases, there is a bit of back-and-forth as the site design may need to be modified to meet applicable regulations; the process can take up to 6 months to complete, including time for public comment, SEPA, any required hearings, etc. At the code development stage, analysis is broader.

The issue before the Planning Commission is whether or not to require - in addition to the existing Code regulations - that a mix of housing types be required (not more than 70% of one type) for multifamily developments in the RM-18 Zone when parcels are 5 acres or greater. The Commission asked staff to consider how the proposed amendment would affect the feasibility of development considering various parcel configurations and sizes. One of the issues identified by the Commission is some of the potentially affected RM-18 parcels contain long, slender land segments that would be almost entirely encumbered by transitional housing if abutting single-family.

#### Implications of Proposed RM-18 Zoning Text Amendment:

According to the Final Supplemental Environmental Impact Analysis (FSEIS) for the Comprehensive Plan Update (Attachment 8), the purpose of the proposal is to address public concerns about large-scale apartment projects and how these may detract from goals of diverse and attractive neighborhoods. One way this is already addressed is with the transitional housing requirement to buffer the development with single-family lots when abutting existing single-family. The proposed code change requiring a mix of housing types would potentially:

- Varies affect the housing mix in RM-18 developments depending on the site characteristics.
  - Parcels with long, slim segments or borders abutting single-family will be required to build single-family structures on the border (one lot deep) rather than apartments regardless of this proposal; thus, in cases where a large amount of the property requires buffering, the requirement to mix housing types may be met by the transition requirement alone - thus no real change.
  - In other cases, where there is little or no abutting single-family, this proposal would provide for a mix of housing types when alternatively up to 100% of the development otherwise could be apartments.
- Add another layer of regulation (a ratio test) that must be applied to the site design.
- Make it more difficult to achieve maximum densities as 30% of the units could not be apartments.
- Increase the cost of housing, as designers may need to include costly solutions to meet desired density.
- Reduce availability of affordable housing, as the proposal would likely result in less apartments being built, and apartments are typically less expensive than single-family.
- Increase the perceived attractiveness of neighborhoods, as the required mix would reduce the

amount of land devoted to large-scale uniform apartment structures.

Other Considerations & Responses to Draft Analysis:

- The stated purpose of the RM-18 Zone in the Municipal Code is:  
To accommodate predominantly multifamily housing, at an average maximum density of eighteen (18) units per acre, along or near (e.g., one-fourth (¼) mile) arterial or major collector streets where such development can be arranged and designed to be compatible with adjoining uses; to provide for development with a density and configuration that facilitates effective and efficient mass transit service; and to enable provision of affordable housing.
- The City has two mixed-housing zones, that also have mixing and transition requirements: MR 7-13 & MR 10-18.
- The Draft Analysis wondered if the proposed Comp Plan policy PL16.2 should be changed to replace the words “villages, mixed residential density districts, and apartment projects” with the words “RM-18 Districts.” While true, the proposed regulation would only apply to the RM-18 zone, the policy still applies to villages and mixed housing zones; these just have codes in place to implement the policy already.
- For transitional housing buffers not abutting a street, townhome development is probably the most likely. There are more incentives for townhome development; including the required lot size is smaller.
- Neither the Draft Analysis nor Cooper Analysis considered the OMC 18.04.080.D regarding Transitional Lots, which allows for smaller lot sizes:

1. Lot Size. The square footage and width of lots in developments larger than five (5) acres located in the MR 7-13, MR 10-18, or RM-18 districts, which immediately abut an R-4, R 4-8 or R 6-12 district, shall be no less than eighty-five (85) percent of the minimum lot size and width required in the adjoining lower density district.

Process:

The Planning Commission was briefed regarding this potential amendment on August 19, 2013. The Commission had a public hearing on February 12, 2014, and held the written record open until February 17, 2014 at 5:00pm. Public notification of this hearing was:

- Published in *The Olympian* on January 30, 2014
- Mailed to affected property owners, Registered Neighborhood Associations, public agencies, OPC contact lists, Westside Business Association and Olympia Master Builders on January 30
- Mailed to residences adjacent to affected property owners on February 5, 2014 (in accordance with Planning Commission direction from August.)

A State Environmental Policy Act (SEPA) Determination of Non-Significance was issued on March 25, 2014, with a comment period ending April 15, 2014.

Washington’s Growth Management Act requires that cities like Olympia adopt, “development regulations that are consistent with and implement the comprehensive plan.” Although simultaneous amendment of the Plan and the development regulations is not required, amendments are to be ‘concurrent’ which is generally interpreted to mean as close in time as practical. As there are several

potential code amendments for consistency with the proposed Comprehensive Plan Update this year, the OPC recommendation will be bundled with others and forwarded to the City Council at the same time or shortly after Council takes action on the Comprehensive Plan Update (scheduled for no later than June, 2014.)

**\*\*\*Below this line included in prior staff report\*\*\***

In the Comprehensive Plan Update, Land Use Policy 16.12 states, “Require a mix of single-family and multi-family structures in villages, mixed residential density districts, and apartment projects when these exceed five acres; and use a variety of housing types and setbacks to transition to adjacent single-family areas.”

The above policy was analyzed as part of the Comprehensive Plan Update (CPU) process. Both staff and the Planning Commission forwarded the recommendation. There were no significant public comments received regarding the matter. If this proposed policy is indeed adopted into the CPU, the City would need to change the development code at the same time or shortly after adoption to ensure consistency.

The policy applies to three types of residential zones in the City, and upon further analysis could be applied in the specific bulleted zones:

1. Villages (master planned developments, such as Briggs or Woodbury Crossing)
2. Mixed residential zones
  - Residential Mixed Use 7-13 Units per Acre (MR 7-13)
  - Residential Mixed Use 10-18 Units per Acre (MR 10-18)
  - **Residential Mixed Use (RMU)**
3. Those which allow multi-family housing (3 or more units)
  - **Residential Multi-family 18 Units per Acre (RM-18)**
  - Residential Multi-family 24 Units per Acre (RM-24)
  - Residential Multi-family High Rise (RM-H)
  - Urban Residential (UR)

**Of the above listed zones, staff did not consider mixed housing amendments to the following because:**

- Olympia’s ‘Villages’ are specifically selected geographical areas, and all have approved master plans that are in various stages of development. Those plans were guided by a specific set of village regulations in Olympia Municipal Code (OMC) 18.05, which provides specific criteria for mix of housing types.
- RM 7-13 and RM 10-18 have their own specific criteria for mixed housing types, in OMC 18.04.040.Q. These respectively require 65-75% and 35-75% of the housing to be single-family dwellings and other criteria.
- The RM-24 zone has an *average* density of 24 units per acre, with a minimum density onsite of 18 units per acre. Past review of mixed housing for this zone found it would exceedingly difficult to achieve the required densities along with the City’s parking, height and other requirements. This zone is really intended to build with multi-family housing.
- The only area zoned RM-H is part of the State Capitol Campus, where the staff and OPC

recommendation on the Comp Plan Update proposes a change to the land use designation on the future land use map to “Planned Development.” Later this spring, OPC will review potential zoning code changes for consistency with the proposed changes to the future land use map.

- By definition, the UR zone means, “to accommodate multifamily housing *in multistory structures* in or near the State Capitol Campus ...” and the existing parcel sizes in this zone would not make it applicable anyway.
- The RMU zone exists in only one area, and the parcel sizes in that area render the 5-acre clause non-applicable. However, RMU is included in the same section of the OMC that describes the mix housing requirements for RM-18 (the only zone for which the proposed code amendment would apply.)

**The proposed development code amendment** is located in [Olympia Municipal Code <http://www.codepublishing.com/wa/olympia/>](http://www.codepublishing.com/wa/olympia/) (OMC) 18.04.060.N regarding “Large Multifamily Housing Projects” (*see attached*.)

**OMC 18.04.060.N:**

- Requires properties in the RM-18 and RMU zones that meet a certain threshold to provide a mix of housing types, so that no more than 70% of the dwellings are of a single type (i.e., single family detached, duplex, triplex, townhouses or multi-story apartment building.)
  - Current threshold is 10 acres.
  - Proposal is to change this threshold to 5 acres.
- In the RM-18 zone, multi-family housing projects are required to locate single-family or duplexes around the perimeter of the development (one lot deep) to provide a transition from apartment to single-family dwellings, when the new development is across the street and visible from existing detached single-family homes.
  - Currently not proposed to change.

**Real properties subject to this potential code change are legal parcels with the following characteristics:**

- Zoned Residential Multi-Family 18 Units per Acre (RM-18)
- Parcels 5+ acre in size (thus not really applicable in the RMU zone)

If code change is adopted, the approximately 13 property owners would be subject to the provision at time of permit application to the City of Olympia to (re)develop the property. *Development regulations do not apply retroactively to existing developments, except that renovations must not render the site further nonconforming to new code.*

At the previous briefing last August, staff preliminarily proposed changing part b of 18.04.060.N to change the 5-acre provision to 3-acres to provide the mixing and transition clause for situations when there are two abutting parcels. However, upon further analysis, staff found no real situation where such a provision would have an impact on development.

NOTE: The Olympia City Hall block is approximately 1.25 acres in size.

Additional Information:

- Policy analysis is provided in the CPU's [Final Supplemental Environmental Impact Statement \(FESIS\)](http://olympiawa.gov/~media/Files/Imagine%20Olympia/FSEIS%20Comp%20Plan%20Update%20Issued%20120412/FSEISCompPlanUpdateIssued120412Web.pdf) <<http://olympiawa.gov/~media/Files/Imagine%20Olympia/FSEIS%20Comp%20Plan%20Update%20Issued%20120412/FSEISCompPlanUpdateIssued120412Web.pdf>>, online at imagineolympia.com under the title, "Large Multifamily Housing Projects.
- The minutes from the August 19, 2014 OPC briefing are available on the City's [Agenda & Minutes Calendar](https://olympia.legistar.com/Calendar.aspx) <<https://olympia.legistar.com/Calendar.aspx>>.

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

To date, there has not been significant public interest in this set of amendments. Two public comments/questions were received following notice, and they are attached.

**Options:**

- Option 1:** Move to recommend the City Council change Olympia Municipal Code 18.04.060.N to reduce from 10 to 5 acres the threshold for requiring that multi-family projects in the RM-18 and RMU zoning districts include a variety of housing types (not more than 70% of any one housing type) (Option 1.)
- Option 2:** No change: Move to keep the threshold at 10 acres in both PL16.12 in both the Comprehensive Plan Update and the Municipal Code 18.04.060.N.

**Financial Impact:**

None: This action is included in the base budget and Community Planning & Development's 2014 Work Plan.