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City Council

Approval of Ordinance Amending Olympia Municipal Code 18.04.060.N Regarding Multi- Family Housing

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Title

Approval of Ordinance Amending Olympia Municipal Code 18.04.060.N Regarding Multi-Family Housing

Recommended Action

Planning Commission Recommendation:

Approve an amendment to Olympia Municipal Code (OMC) 18.04.060.N, which would 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.) (**attachment 1**)

City Manager Recommendation:

As recommended by the Olympia Planning Commission, move to approve an amendment to Olympia Municipal Code (OMC) 18.04.060.N, which would 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.) (**attachment 1**)

Report

Issue:

For consistency with the Comprehensive Plan (updated December 2014), Land Use Policy PL16.12, consider a development code amendment pertaining to multi-family (apartment) housing requirements. This amendment would reduce from 10 to 5 acres the threshold for requiring that multi-family projects in Multi-family Residential 18 units per acre (RM-18) and Residential Mixed Use (RMU) zoning districts include a variety of housing types (not more than 70% of any one housing type).

Staff Contact:

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Background and Analysis:

The background and analysis have not changed from first to second reading.

Washington's Growth Management Act requires that cities like Olympia adopt, "development

regulations that are consistent with and implement the comprehensive plan." As part of Olympia's Comprehensive Plan Update (adopted December 2014), the following policy was analyzed and changed from a 10 acre to a 5 acre threshold for requiring "variety of housing types:"

PL16.12: 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."

NOTE: For reference, the Olympia City Hall block is approximately 1.25 acres in size.

The purpose of the policy change was to address public concerns about large-scale apartment projects and how these may detract from goals of diverse and attractive neighborhoods. The proposed amendment would implement the updated policy and provide consistency with the Comprehensive Plan.

AREAS AFFECTED

Policy PL16.12 states that it applies to "villages, mixed residential density districts, and apartment projects." Staff and the Planning Commission found the only sections of code that need to be amended for consistency with the Comprehensive Plan are **Residential Mixed Use (RMU)** and **Residential Multi-family 18 Units per Acre (RM-18)**, which are addressed in OMC 18.04.060N.

SUMMARY OF 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.

IMPLICATIONS OF PROPOSED CHANGE

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

- Zoned Residential Multi-Family 18 Units per Acre (RM-18)
- 5+ acre in size
- *Although the Code provisions in the RMU zone would be affected, at this time there are no lots 5+ acre in size within the RMU zone.*

Other implications of the proposed amendment:

- Would affect approximately 12 properties at time of permit application.
- May increase the perceived attractiveness of neighborhoods, as the required mix would reduce the amount of land devoted to large-scale uniform apartment structures.
- On parcels 5+ acre in size where there is no abutting single-family, a mix of housing types

would be required. Without the amendment, up to 100% of the development could be apartments.

- May result in little or no change under certain circumstances: Under a separate provision, parcels abutting single-family uses or zoning are required to build single-family structures along the border of the development (one lot deep) as opposed to apartments. Thus, in cases where such buffering is already required, this proposal may not result in a substantive change, since the buffer requirement may already cause a certain percentage of mixed housing.
- Potentially more townhome development. Townhomes are the most likely housing type to be used to provide a mix with apartments due to the City's current incentives for townhome development; including that the required lot size is smaller.
- The amendment may make it more difficult to achieve maximum densities since 30% of the units could not be apartments. This could increase the cost of some housing, if designers need to include costly solutions to meet desired density.

PLANNING COMMISSION/ SEPA PROCESS:

- The Planning Commission (OPC) was briefed regarding this potential amendment on August 19, 2013.
- OPC had a public hearing on February 10, 2014, and held the written record open until February 17, 2014 at 5:00pm.
- OPC deliberated on February 25, 2014 and April 21, 2014; on the latter date forwarded their recommendation to City Council
- A State Environmental Policy Act (SEPA) Determination of Non-Significance was issued on March 25, 2014, with a comment period ending April 15, 2014. No appeals were received

The Planning Commission discussed the implications of the proposed change. There was some concern that the amendment would result in another layer of regulation, making it more difficult for developers to design projects to meet the standards.

Commissioner Parker moved, seconded by Commissioner Bardin, to recommend the City Council change Olympia Municipal Code 18.04.060.N to reduce from 10 acres to five acres the threshold for requiring multi-family projects in the RM-18 and RMU zoning districts include a variety of housing types (not more than 70% of any single type). The motion carried by a majority vote.

Yay: 6 - Commissioners Parker, Bardin, Bateman, Horn, Hoppe and Richmond
Nay: 3 - Commissioner Watts, Chair Brown and Vice Chair Andresen

RATIONALE FOR NOT PROPOSING CHANGES TO OTHER 'APARTMENT' ZONES:

Under current zoning regulations, PL16.12 could apply to:

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 and the Planning Commission did not consider recommending 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, for which the land use designation in the Comprehensive Plan was updated to "Planned Development" and the zoning may be amended accordingly.
- By definition, the **UR zone** means, "to accommodate multifamily housing *in multistory structures* in or near the State Capitol Campus ..." Plus, the existing parcel sizes in this zone render it not applicable anyway.

Neighborhood/Community Interests (if known):

Public comments received by the Planning Commission are included in **attachment 4**.

Options:

Option 1: Move to approve an amendment to Olympia Municipal Code (OMC) 18.04.060.N, which would 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.) (**attachment 1**)

Option 2: No change: Move to keep the threshold at 10 acres in OMC 18.04.060N. This may also require an amendment to the Comprehensive Plan policy PL16.12.

Financial Impact:

None: This action is included in the base budget