



## Planning Commission

### Missing Middle Housing Analysis - Deliberations

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#### **Title**

Missing Middle Housing Analysis - Deliberations

#### **Recommended Action**

Identify which of the Missing Middle staff recommendations to discuss further. For each of those recommendations, determine whether to direct staff to provide additional information or to provide additional alternatives to the draft recommendations.

#### **Report**

##### **Issue:**

Consider public comments on draft Missing Middle Housing code revisions, and recommendation to develop a methodology for impact fees and general facilities charges (GFCs). Which staff recommendations should be discussed further? What additional information is needed by the Commission to develop its recommendation to City Council on this matter? Should revisions or alternative approaches be considered?

#### **Staff Contact:**

Leonard Bauer, Deputy Director, Community Planning and Development, 360.753.8206  
Joyce Phillips, Senior Planner, Community Planning and Development 360.570.3722

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

Leonard Bauer, Deputy Director, Community Planning and Development

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

The term 'Missing Middle' refers to a range of multi-unit housing types that are compatible in scale with single-family homes. In other words, they provide 'middle' density housing. There have been relatively few of these types of housing constructed in Olympia (and nationwide) over the past 40 years compared to single-family homes - thus, they are referred to as 'missing.' Some examples of missing middle housing types include tiny houses, modular units, cottage homes, townhouses, duplexes, triplexes, fourplexes, small multi-family apartments, and accessory dwelling units.

The Missing Middle Housing Analysis has resulted in 43 staff-recommended revisions to the Olympia Municipal Code, and a recommendation to develop a methodology for impact fees and general facilities charges (GFCs). The draft recommendations can be found on the Missing Middle web page

on the City's website (Attachment 1). The recommendations directly implement several policies of the Olympia Comprehensive Plan. There are other policies in the Comprehensive Plan that also address issues directly or indirectly related to this project. The Plan calls for a balance of its goals and policies within context of the entire Plan, as stated in this excerpt from the Introduction section of the Comprehensive Plan:

*At times, goals or policies may seem to be in conflict with each other. For example, a goal to increase density may seem to be in conflict with a goal to preserve open space. Or a goal to increase tree canopy may seem to be in conflict with a goal to increase solar energy access. Over the next 20 years, the complex challenges and opportunities we face as a community will often require us to strike a balance between different goals and policies to provide the best outcome for the community as a whole. Thus individual goals and policies should always be considered within the context of the entire Plan.*

The Comprehensive Plan's Land Use Chapter discusses low-, medium- and high-density neighborhoods. Corresponding zoning districts are defined in OMC 18.59.055.C (Attachment 2). The Missing Middle analysis is focused on allowing for an appropriate variety of residential housing types in low-density neighborhoods and the corresponding zoning districts.

The Missing Middle analysis has reviewed existing city regulations - such as zoning, permit fees, development standards, utility connection charges, etc. - for potentially disproportionate effects on the ability to provide for a variety of housing types in the City's low-density, residentially zoned areas.

The Planning Commission received numerous briefings on this project throughout 2017 and early 2018. Planning Commissioners served as chair and vice-chair of the Missing Middle Work Group that identified, examined and commented on issues related to Missing Middle housing at eight monthly meetings in 2017. Details of the Work Group's discussion, including issue papers with background on 14 of the primary issues they discussed, are accessible on the Missing Middle web page (Attachment 1). The Missing Middle web page also contains detailed information on the review process, public outreach, draft recommendations and Determination of Non-Significance (DNS) issued February 27, 2018, under the State Environmental Policy Act.

On March 20, 2018, an appeal of the DNS was filed by Olympians Opposing Missing Middle. The appeal will be considered by the Olympia Hearing Examiner at a date to be determined. Staff recommends the Planning Commission delay finalizing its recommendation on the Missing Middle draft recommendations to the City Council until the Hearing Examiner has issued a decision on this appeal.

At its April 2 meeting, Planning Commissioners agreed to individually review each staff recommendation and indicate if they would like the Commission to discuss it further. The Commission also requested some additional resources regarding the relationship of potentially increased density through Missing Middle housing with the affordability of housing to people with a wider variety of incomes. There is extensive research on this topic. To provide a few examples, a number of resources on the Missing Middle web page's left-hand column address this topic. Attachment 3 lists some additional resources on this topic. *(Please note that within each article are links to additional sources.)*

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

The Missing Middle Housing Analysis has garnered significant community and neighborhood interest. There is a large e-mail list of interested parties, and the Coalition of Neighborhood Associations has had regular briefings and discussions monthly during 2017 and 2018. Staff have provided updates and taken comment at more than thirteen meetings with neighborhood associations and other organizations.

**Options:**

Identify which of the Missing Middle staff recommendations to discuss further. For each of those recommendations, determine whether to direct staff to provide additional information or to provide additional alternatives to the draft recommendations.

**Financial Impact:**

The Missing Middle analysis is included as part of the adopted City budget. Draft recommendations may have long-term impacts to property tax revenues and infrastructure expenditures for the City.

Potential impacts to property values in low-density neighborhoods are addressed in numerous research studies, provided in the April 2 Planning Commission staff report.

**Attachments:**

Missing Middle web page  
Future Land Use designations & zoning districts  
Resources related to housing affordability