



## Planning Commission

### Missing Middle Housing Analysis - Deliberations

**Agenda Date:** 6/4/2018  
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#### **Title**

Missing Middle Housing Analysis - Deliberations

#### **Recommended Action**

Continue deliberations on the draft Missing Middle staff recommendations.

#### **Report**

##### **Issue:**

Consider public draft Missing Middle Housing staff recommendations. 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:**

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

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#### **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). Also on the web page is all background information and issue

papers considered in making the recommendations.

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.

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. 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 Missing Middle web page (Attachment 1) 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.

At its May 21 meeting, Commissioners completed initial discussion of the 43 Missing Middle staff recommendations. Notes from deliberations to date indicate there are three topic areas for which there is not initial concurrence among Commissioners:

- 1) off-street parking requirements
- 2) permitted uses in specific zoning districts
- 3) limitations on townhouses per building.

While there are also other recommendations for which individual Commissioners expressed initial uncertainty, the Commission may want to first focus additional discussion on these three areas of non-concurrence.

#### Off-street parking

A summary of existing and proposed off-street parking requirements for residential uses is included in Attachment 2 to this staff report, revised as discussed at the May 21 meeting to reflect current application to residential uses not explicitly listed in City codes. Attachment 3 provides a comparison of Olympia's current off-street parking requirements with those of other jurisdictions. The current Olympia off-street parking requirements can be generally summarized as:

- ✓ 2 spaces per unit for single-family homes, duplexes, townhomes and manufactured homes
- ✓ 1.5 spaces per unit for apartment buildings of three or more units of one bedroom or more
- ✓ 1 space per unit for ADUs, cottage housing, studio apartments, and group living facilities

The Missing Middle staff recommendations propose two changes to these requirements: 1) remove the requirement of 1 space per unit for ADUs; and 2) reduce the requirement for single-family houses less than 800 square feet in size to 1 space per unit. An additional recommendation would provide for a potential waiver when ADU's are proposed as garage conversions for single-family houses in

which the garage currently serves as one of the two required off-street parking spaces for that house.

#### Permitted uses in zoning districts

Attachment 4 summarizes current and recommended housing types considered as permitted uses in the two primary low-density residential zoning districts, along with current and recommended minimum lot sizes for each. Data requested by Commissioners on existing densities in Olympia neighborhoods, and Missing Middle housing types in low, medium and high-density neighborhoods (as designated in the Olympia Comprehensive Plan) will be provided at the Commission's June 4 meeting.

#### Townhouse units per building

The existing Olympia Municipal Code requires that each townhouse structure in R4, R4-8 and portions of the R6-12 zoning districts contain no more than 4 individual dwelling units, and no more than one builder per townhouse structure (OMC 18.64.080.B). Staff recommends removing these requirements, to provide the opportunity for 'rowhouse-style' development consisting of multiple townhouses across the subdivided property. This would allow for structures that contain two, three, four, or more townhouse units in one structure (each on its own lot).

#### **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 fourteen meetings with neighborhood associations and other organizations.

#### **Options:**

Continue deliberations on the draft Missing Middle staff 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 research studies provided in Attachment 5. Information on how the Thurston County Assessor revalues properties is included in the Assessor's Office fact sheet in Attachment 6.

#### **Attachments:**

Missing Middle web page  
Existing and proposed off-street parking requirements  
Parking comparison with other jurisdictions  
Existing and proposed housing types  
Research on property value impacts  
County Assessor's Office fact sheet  
Written Public Comment