



City Council

Approval of an Ordinance Related to Missing Middle Housing

Agenda Date: 11/13/2018
Agenda Item Number: 4.H
File Number: 18-1040

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of an Ordinance Related to Missing Middle Housing

Recommended Action

Committee Recommendation:

The Land Use and Environment Committee recommends adoption of the attached ordinance, amending the Olympia Municipal Code to address infill housing and directing a study of the methodology for calculating impact fees and general facilities charges.

City Manager Recommendation:

Approve the ordinance amending the Olympia Municipal Code to address infill housing and directing a study of the methodology for calculating impact fees and general facilities charges on second reading.

Report

Issue:

Whether to adopt an ordinance, as recommended by the Land Use and Environment Committee, to permit Missing Middle housing types in additional areas of the city.

Staff Contact:

Leonard Bauer, Deputy Director, Community Planning & Development, 360.753.8206

Presenter(s):

Leonard Bauer, Deputy Director, Community Planning & 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." Missing Middle housing types addressed in the ordinance include cottage homes, townhouses, duplexes, triplexes, fourplexes, courtyard apartments, single-room occupancy buildings, and accessory dwelling units.

The Missing Middle Housing analysis was initiated to implement several policies of the Olympia

Comprehensive Plan, as listed on the Missing Middle web page on the City's website (see attached link). The analysis included a review by an appointed Work Group of 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 Work Group held eight monthly meetings in 2017, and examined 14 issue papers that included review of other jurisdictions' approaches and alternatives.

The Missing Middle web page contains detailed information on the entire Missing Middle review process, public outreach, Planning Commission recommendations, written public comments to the Planning Commission, draft staff recommendations, and the Determination of Non-Significance issued February 27, 2018, under the State Environmental Policy Act.

At its August 14, 2018 study session and September 11, 2018 meeting, the City Council requested and received additional information regarding distribution of existing rental housing and rental costs. At the September 11 meeting, Councilmembers reviewed each individual Planning Commission recommendation. The City Council affirmed that it needed no additional discussion on most of the recommendations. The Council directed specific revisions to provisions related to off-street parking requirements and the permitted height of single-room occupancy structures. The City Council also referred two issues to the Land Use and Environment Committee (LUEC) for additional discussion:

- 1) Whether to limit the number of townhouse units in a single structure; and
- 2) Which portions of the R4-8 zoning district are appropriate to permit triplexes, fourplexes and courtyard apartments, particularly in relation to transit routes, commercial zoning, and neighborhood centers.

A summary of all provisions of the attached Missing Middle ordinance, as reviewed by City Council and recommended by the LUEC, is attached. A description of each LUEC recommendation follows.

- The Committee recommends removal of the current code limitation of four townhouse units per structure, noting that all multifamily buildings of five units or more are reviewed by the Olympia Design Review Board.
- The Committee recommends that triplexes, fourplexes and courtyard apartments be permitted in portions of the R4-8 zoning district that are within 600 feet of commercial zoning districts, including neighborhood commercial zoning, or within 600 feet of certain transit corridors (see attached maps).
- The Committee also recommends the draft ordinance language proposed by staff to implement the Council's direction regarding off-street parking requirements (see Table 38.01 on page 173 of the attached ordinance).

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 had regular briefings and discussions monthly during 2017 and 2018. Staff have provided updates and taken comment at numerous meetings with neighborhood associations and other organizations. A summary of public outreach events was previously provided to the City Council, and more detail is

available on the Missing Middle web page. The City Council has received extensive written comments on the Planning Commission recommendations.

Options:

1. Approve the ordinance amending the Olympia Municipal Code to address infill housing and directing a study of the methodology for calculating impact fees and general facilities charges.
2. Approve the ordinance with specific amendments.
3. Refer back to the Land Use and Environment Committee for additional consideration and recommendation on specific issues.
4. Choose not to take any action related to Missing Middle infill housing.

Financial Impact:

The Missing Middle analysis was 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.

Attachments:

Ordinance

Link to Missing Middle web page

Summary of ordinance including LUEC recommendations

Maps of LUEC recommendations