



Planning Commission

Housing Options Code Amendments - Recommendation

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Title

Housing Options Code Amendments - Recommendation

Recommended Action

Move to approve the recommendation to amend Title 18 of the Olympia Municipal Code (OMC) to modify and add standards for Accessory Dwelling Units (ADUs), duplexes, triplexes, and Courtyard Apartments and forward the Commission's recommendation to Council for consideration.

Report

Issue:

Whether to recommend the City Council adopt amendments to Title 18 of the Olympia Municipal Code regarding Accessory Dwelling Units (ADUs), duplexes, triplexes, and Courtyard Apartments.

Staff Contact:

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Presenter(s):

Joyce Phillips, Senior Planner, Community Planning and Development

Background and Analysis:

The City of Olympia is planning under the Growth Management Act (GMA). This means the city plans for population growth, including where and how that growth will occur. The City is planning for about 20,000 new residents between 2015 and 2035.

Housing to accommodate growth is planned for at various levels of neighborhood density. For example, high rise apartments can locate in high density neighborhoods, 2-3 story apartment buildings and mixed housing types can develop at medium density levels, and traditional single-family housing and a variety of housing types at lower densities can be in low density neighborhoods.

As is required by the GMA, the City is working to ensure there are adequate housing options for people at all income levels. The City plans for housing in all neighborhoods - whether low-, medium-, or high density. Most of the new growth will be directed to the areas designated as High Density Neighborhoods, such as in the Downtown where we are seeing new multifamily housing units.

Olympia is growing and there is not enough housing stock needed to accommodate that growth. The City has a 2.4 percent vacancy rate, which means for every 100 housing units in our City, less than three are available to someone looking for a place to live. Olympia needs more housing, and it also needs a more diverse variety of housing styles to meet the varied lives of our residents as community demographics continue to change. More than fifty percent of Olympia residents rent their homes. And the makeup of households is changing too - almost 22% of our households are couples with no children. And almost half (48.6%) are one-person or non-family households. Housing options need to keep pace with our changing community.

It is important to note that this particular effort is not specifically aimed at providing subsidized or low-income housing. Rather, it is intended to provide more market rate, middle income housing options in residential neighborhoods across the City.

Background

In November of 2019 the City Council issued a referral to the Planning Commission (see attachment). In the referral the Council states that it considers it a high priority to provide a greater variety of housing types in low density neighborhoods, consistent with the Comprehensive Plan. It directs the Commission to consider three of the twelve options listed that cities are encouraged to take in order to increase residential building capacity.

The list of housing options was included in Section 1 of House Bill 1923 (HB 1923) earlier in 2019 (later codified in state law 36.70A.600, RCW). The Council referral directs the Commission to develop an ordinance that would implement at least two of the three options identified by the Council. A summary of the three housing options under consideration are:

1. **Duplexes on Corner Lots** - Allow duplexes on each corner lot within all zoning districts that permit single-family residences.
2. **Accessory Dwelling Units (ADUs)** - Allow ADUs on all parcels containing a single-family home but do not require additional parking, do not require the property owner to live on-site, do not limit the size to less than 1,000 square feet, and do not prohibit separate sale. Cities have local flexibility to address other issues.
3. **Duplexes, Triplexes, or Courtyard Apartments** - Allow at least one duplex, triplex or courtyard apartment on each parcel in one or more zoning districts that permit single family residences - unless the city documents a specific infrastructure or physical constraint that makes this unfeasible.

The Planning Commission was informed of this referral at its last meeting in 2019 and began working on the proposal in January of 2020. The Commission had briefings on this topic on January 27, February 24, May 18, June 15, and July 20, of 2020.

Public information meetings were held on February 6 and 12, 2020 to answer questions and receive feedback. The March Public Open House and Planning Commission briefing were cancelled due health concerns. Alternatively, the information that would have been presented as the Open House was turned into recorded presentations and a virtual open house and comment period were provided online. Public comments were submitted to the dedicated email address (housingoptions@ci.olympia.wa.us).

In addition to the Planning Commission meetings and Information Session meetings, other public meetings were held before and after the virtual open house. E-newsletters and emails to Parties of Record were also provided. For a summary of public meetings and public outreach see Attachment #5.

Near the end of March, the state enacted House Bill 2343 (HB 2343, attached), which amended the state language under consideration. The revised language separated the ADU provisions into distinct sections so they could be implemented independently of each other; it modified the language about the size of ADUs; and it added more housing types (quadplexes, sixplexes, stacked flats, and townhouses) to the option about duplexes, triplexes, and courtyard apartments. The provisions in HB 2343 went into effect in June 2020. As a result of these revisions, staff revised its original recommendations that were proposed in early March. The revised staff recommendation is to allow any ADU to be up to 800 square feet in size. This is the current maximum size for an ADU in the City of Olympia, but the proposed revision would eliminate the existing code language that restricts the size of the ADU to no more than two-thirds the size of the primary home, up to a maximum of 800 square feet.

Analysis

To develop the staff recommendations for which two or three of the housing options to potentially implement, staff reviewed how the options relate to the Comprehensive Plan text, goals, policies, and maps. Staff is confident that the recommendations as proposed will implement and are consistent with the adopted Comprehensive Plan. Staff also reviewed the Development Regulations (primarily Title 17 - Subdivisions, and Title 18 - Unified Development Code) to consider how future development would be reviewed and how the various code sections would be applied to development under proposed code changes.

Care was taken to draft code language to require design review for each of these housing types under the City's Infill and Other Residential design review standards. These standards require consideration of existing homes on the same street where these housing types are proposed. As such, the proposed homes must address certain placement and design features to better blend in with the surrounding neighborhood. Other standards were drafted to ensure these housing types would not be allowed to surpass the maximum number of stories or building heights allowed for single family homes in the same neighborhoods.

Staff is recommending a new provision be added to the density section of Chapter 18.04 OMC. The proposed language would require the City to review the achieved densities that result from these code amendments for areas of the City that are designated as Low Density Neighborhood in the Future Land Use Map of the Comprehensive Plan. If the achieved density approaches or exceeds the density anticipated in the comprehensive plan, the city will then have the responsibility to make revisions needed to maintain consistency between the Comprehensive Plan and development regulations.

Neighborhood/Community Interests (if known):

Community interest in this topic is high. The City has been accepting public comments on this specific planning topic since January of 2020. Public comments have been provided to the Planning Commission at meetings when this topic was on the agenda. Public comments have also been posted to the project webpage a few days after these Planning Commission meetings.

At the July 20, 2020, Planning Commission meeting, City Staff provided an overview of the public comment themes that had been received to date and staff's responses to them. Public comment will be taken through the close of the public hearing.

Options:

1. Recommend approval of the Housing Options Code Amendments as proposed by staff.
2. Recommend approval of the Housing Options Code Amendments, with specific modifications of the Planning Commission.
3. Recommend denial of the Housing Options Code Amendments.

Financial Impact:

None. Resources to develop and process the proposed Housing Options Code Amendments are included in the Department's annual budget.

Attachments:

Summary of proposed Amendments
Draft Code Amendments
Project Webpage
Public Comment Themes
Summary of Public Outreach
Public Comments (7/21/2020 - 9/10/2020)
Council Referral
HB 1923 - Section 1
HB 2343 - Section 1