MARCH 16, 2021

# HOUSING OPTIONS CASE STUDIES

## CLARK COUNTY, WA

JET planning

# ACKNOWLEDGEMENTS

JET Planning and Jean Dahlquist would like to thank City of Olympia planners Leonard Bauer and Joyce Phillips, and City of Spokane planner Nathan Gwinn for generously sharing their time and experience to inform these case studies.

# INTRODUCTION

As Clark County engages in their Housing Options Study and Action Plan, there are opportunities to learn from recent housing initiatives in comparable Washington jurisdictions. The goals of these case studies were to gather inspiration, learn from mistakes, and to discover which initiatives may be best utilized to create more housing choice and affordability within Clark County. The case studies highlight three jurisdictions with comparable geographies and housing market trends, including Spokane County with unincorporated areas developed at urban densities similar to Clark County, as well as jurisdictions that had recently adopted changes to their comprehensive plans, maps and/or zoning codes to support greater housing options. With additional emphasis given to jurisdictions with a larger and more creative scope of adopted changes, the City of Spokane, City of Olympia and Spokane County were selected to meet these criteria, and provide three snapshots of housing actions recently completed across the state.

While each jurisdiction proved to have unique motivations and differed in some of the specific implementation actions, jurisdictions generally pursued middle housing related updates to implement long-range planning goals. The exact type of middle housing encouraged varied with jurisdiction. For example, Accessory Dwelling Units (ADUs) were a large component of Olympia's strategy, but notably absent from Spokane County and the City of Spokane's recent changes. Nonetheless, each jurisdiction came to the independent conclusion that it was the right time for inclusion of more middle housing options for their communities.

Jurisdictional initiatives to implement their middle housing goals generally fell within three categories: comprehensive plan updates, infill related municipal code updates, and zoning map changes combined with zoning code updates, as shown in Table 1. Few financial initiatives were identified, such as revisions to system development charges (SDCs), impact fees, land use and building permit fees, and tax incentives or exemptions. It may be possible that jurisdictions will pursue some of these strategies, but they were not identified as key elements of recent housing policy work in any of the three.

### What is middle housing?

Sometimes termed "missing middle housing" for its relative absence in American cities over the past half-century, middle housing refers to alternatives to single-family detached dwelling and multi-unit apartment buildings that are in the "middle" in terms of density, scale, and size of units. **Middle housing can take the form of accessory dwelling units (ADUs), duplexes, triplexes, quadplexes, townhouses, cottage clusters, and courtyard apartments.** The scale and form of middle housing is intended to be compatible with predominately single-family dwellings and to support walkable neighborhoods.

Table 1: Comparison of highlighted initiatives across case study jurisdictions.

| Summary of Highlighted Initiatives | | | |
|---|---|---|---|
| | **Olympia** | **City of Spokane** | **Spokane County** |
| **Recent Efforts Include:** | | | |
| Comprehensive Plan Update | ✓ | ✓ | ✓ |
| Municipal Code Updates | ✓ | ✓ | ✗ |
| Zoning Map and Code Updates | ✗ | ✗ | ✓ |
| **Prioritized Strategies** | | | |
| Missing Middle Housing Options | ✓ | ✓ | ✓ |
| Low Density Residential Zone Increase in Density | ✓ | ✗ | ✓ |
| Medium Density Residential Zone Increase in Density | ✗ | ✓ | ✗ |

## Key Takeaways:

- Whether the dominant goal was housing affordability (City of Olympia), growth management/economic growth (City of Spokane), or developer concerns (Spokane County), expanding missing middle housing options in low-density, single-family neighborhoods was a key priority of each strategy.
- Comprehensive Plan updates serve as not only direction for infill/missing middle housing code changes, but are necessary to ensure new code complies with the Comprehensive Plan to avoid legal challenges (City of Olympia).
- Recently passed statewide legislation can serve both as inspiration and a protection against appeal and review under the State Environmental Protection Act (SEPA). Specific examples are the "menu" of upzoning and middle housing zoning choices included in HB 1923, and the exemption from SEPA review of infill type code changes made by a city or county planning for infill development, clarified by HB 2673.
- Early outreach and messaging to the community and local neighborhood groups is key to avoiding misinterpretation of the proposed changes and possible resulting legal appeal. For example, themes around "expanding housing options" tended to generate greater support that messages of "densification."

# CASE STUDIES

## Olympia

The City of Olympia has engaged in two major code overhauls in the past decade, focused on increasing infill development, residential building capacity, and middle housing. The goals, strategies, and code changes within these amendments were inspired by the 2014 Comprehensive Plan update, the first significant update in over 20 years. Through an award-winning public outreach process, Olympia's residents, Planning Department, and Planning Commission settled on densification of its Low Density Residential (LDR) Zoning Districts as a key priority to contain within the plan. The reasons for this specific focus were as follows:

- Accommodate growth, as over 70% of the City was/is zoned Low Density Residential (LDR).
- Best use of infrastructure
- Affordability
- Climate change
- Neighborhood access

Work on the first set of changes began in 2017, with a focus and a public message of increasing middle housing. Entitled "The Missing Middle Project," it introduced a broad set of sweeping changes, revising code for accessory dwelling units (ADUs), cottage housing, courtyard apartments, duplexes, townhomes, triplexes, fourplexes, single room occupancies (SROs), and manufactured housing. The results of the Missing Middle Project were adopted in 2018, but were soon appealed to the Washington State Growth Management Hearings Board by the Olympians for Smart Development and Livable Neighborhoods. Key challenges to the adopted code updates focused on lack of compliance with the Comprehensive Plan's stated density goals, and street parking as an element of "neighborhood character". The Hearings Board issued an order of invalidity for the Missing Middle Project, and the City has henceforth filed a petition for review before Thurston County Superior Court. City planners attributed such strong resistance to misinformation distributed by opponents at the beginning of the drafting process. Once this information was distributed and digested, the public was reluctant to be corrected in their perceptions.

The second code overhaul was passed in 2020, and was created by Olympia due to the prolonged period of the Missing Middle Project appeals process. Planners and local officials had the mindset of, "Why wait when you can create?" The code update expanded middle housing uses allowed in low-density residential districts, including duplexes, triplexes, fourplexes, sixplexes and courtyard apartments. The code updates also adjusted dimensional standards for these types, such as reducing minimum lot sizes and density bonuses, and reduced minimum off-street parking requirements to make middle housing development more feasible. While permitted, middle housing uses require Type II design review, a staff-level review with additional notification and discretionary approval criteria.

The 2020 code update contained many of the same elements as its predecessor, but took advantage of the specific protections and mandates of recent statewide legislation including HB 1923 and HB 2343. (See Legislative Summary for more details.) For example, HB 1923 included a provision for cities to add a missing middle housing option on "each parcel." This motivated Olympia to move away from emphasis on corner lots, and towards permitting middle housing on all lots as long as the development conforms to the standards of the zone. Especially impactful was HB 1923's provision that certain infill projects cannot be appealed under SEPA because of transportation impacts. Due to these protections, as well as lessons learned from the legal challenge to the Missing Middle Project, Olympia's planning department expects their latest effort to remain unchallenged. A table illustrating the results of the 2020 effort is below, with a summary of changes to each Low Density Residential (LDR) zone including permitted uses and dimensional standards such as minimum lot size. An important aspect

to note from the adopted changes, is the minimum lot size and width of the zone is the same for any of the permitted housing types when allowed in the zoning district, except in the Residential Low Impact (RLI) zone. The intent of the RLI zone is to accommodate some residential development within sensitive drainage basis, avoiding impact to sensitive stormwater and aquatic habitats. However, the applicant must show how the proposal meets all of the development standards for the zone (lot coverages, height, setbacks, etc.) prior to issuance of a building permit.

Table 2: Summary of Olympia's Middle Housing Code Updates.

| Low Density Residential Zoning Districts | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **R1/5** MLS: 4 ac. MLW: 30' Height: 35' | **R-4** MLS: 5,000 MLW: 50' Height: 35' | **R-4CB** MLS: 1 ac MLW: 100' Height: 40' | **RLI** MLS/ MLW: varies Height: 40' | **R4-8** MLS: 4,000 MLW: 35' Height: 35' | **R6-12** MLS: 3,500 MLW: 40' Height: 35' | **Minimum Parking Required On-Site** |
| **Single Family** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 2 |
| **Duplex** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 4 |
| **Triplex** | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | 5 |
| **Fourplex** | ✗ | ✗ | ✓ | ✓ * | ✓ | ✓ | 6 |
| **Sixplex** | ✗ | ✗ | ✗ | ✓ * | ✗ | ✓ | 9 |
| **Courtyard Apartment** | ✗ | ✗ | ✗ | ✓ * | ✗ | ✓ | 1.5/unit |

MLS = Minimum Lot Size MLW=Minimum Lot Width

** The RLI zoning district allows apartments, so residential structures of three units or more would be allowed as an apartment, subject to all applicable standards, rather than viewed as a sixplex or courtyard apartment.*

Public outreach was also conducted very differently around the 2020 effort as opposed to the Missing Middle Project. Pamphlets and information were distributed early, and the 2020 effort was marketed as a "Housing Options Ordinance" as opposed to a "Missing Middle Housing Ordinance." This change of phrasing, and focus on community members having choices

between housing types and neighborhoods, was received more favorably as opposed to an emphasis on densification. Imagery was heavily utilized in public meetings, with slide shows of scenic missing middle housing options shown behind the speakers. Planners emphasized that neighborhood character would be preserved through design review, and that there were many well-designed examples of duplexes, triplexes, etc. already in the City that blended in well with their single-family neighbors.

Image 1: Example title slide for Ordinance 7267 public outreach

While the 2020 effort is still fresh, Olympia is not content to sit on its laurels. Projects in the pipeline include pre-approved ADU designs to facilitate faster ADU creation, as well as a Comprehensive Plan update to ensure that parking is specifically excluded from the definition of "neighborhood character."

## Code Highlights:

- Code allows at least one duplex, triplex, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences.
- All housing types of two units or more are subject to Infill and Other Residential design review.
- All permitted housing types are allowed on all lots, subject to other standards of the zone. However, minimum lot size and width are the same for all permitted housing types except in the RLI zone.
- ADU size not tied to size of primary dwelling unit (max size 850 square feet).

- ADU height increased from 16 to 24 feet.
- To account for increases in density in the LDR zones, the 2020 adopting ordinance requires City staff to review residential permitting on an annual basis and "if achieved density approaches or exceeds the density anticipated in the comprehensive plan, the city will make revisions as needed…"

## Key Takeaways and Lessons Learned:

- The City's first attempt, the 2017 Missing Middle Project, is currently in the appeals process. This highlights the need for good outreach, compliance with the Comprehensive Plan, and the importance of "safe harbor" from SEPA review, now protected under HB 1923. (Note: The vast majority of the protections offered from SEPA review provided by HB 1923 are only applicable to *cities* and not *counties*, with the exception of appeals under SEPA on the basis of transportation impacts.)
- During public outreach, emphasis should be placed on housing and neighborhood choice, not densification.
- The 2020 code updates were the result of the Planning Commission giving the planning department three options to consider, with the end goal to pick two out of the three. This narrow scope both helped the planning department and the public digest the information and move quickly.
- Code was based on not just what is permitted, but what is buildable given the constraints. The City had noticed a large gap between the achieved density of a zone and the desired density, and wanted to ensure code barriers were not to blame.

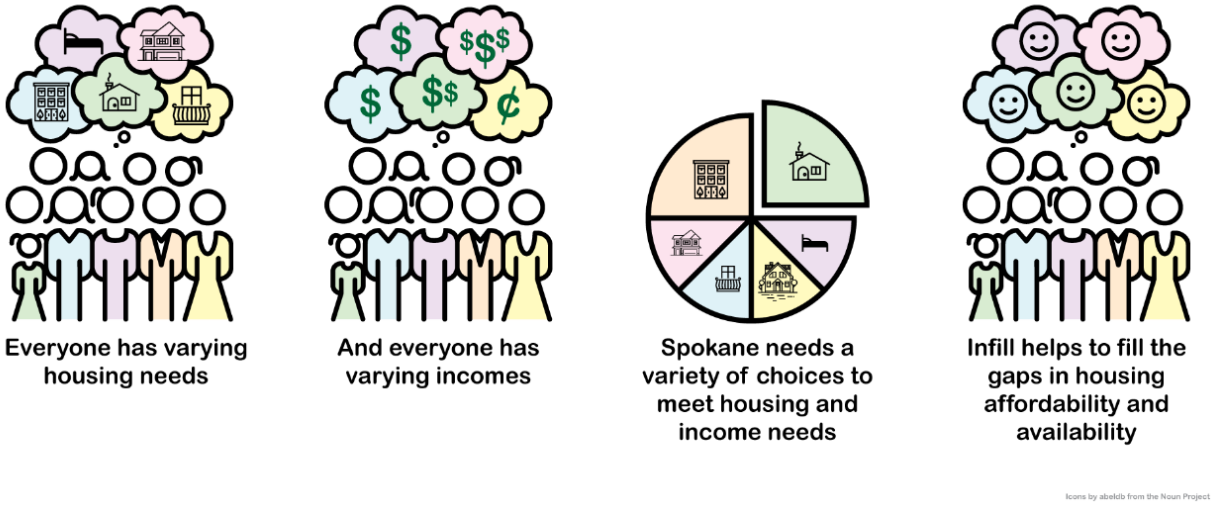
## City of Spokane

Much like Olympia, the City of Spokane's 2001 Comprehensive Plan update initiated a community and planning department discussion that created the impetus for missing middle code and infill changes. The public and the City acknowledged the need to accommodate growth, and the question became: how, where, and to whose benefit? Shaping the results of this discussion was a 2000 affordability report, which listed Spokane as having more affordable housing options than the surrounding area and identified longstanding low wages as more of a factor in creating housing security. According to the report, Spokane's growth was being driven by their affordable housing market, but the City did not have a large enough job base to support these new citizens. Thus, a targeted infill strategy was seen as a way for Spokane to create the necessary density to support/create local businesses, as well as to maintain housing affordability. The 2001 Comprehensive Plan identified the positive aspects of housing choice/infill as the following:

- Creates density around centers and corridors, creating sufficient market demand to sustain walkable, neighborhood scale businesses.
- Creates affordability through housing choice, allowing access to all neighborhoods through live-work housing, triplexes, small lot and starter homes, as well as rowhouses.

Since these Comprehensive Plan amendments were adopted, a series of code changes have been adopted over the years, focusing on items such as smaller lot sizes, zero lot line development, tiny homes, and cottage/pocket development. Public messaging has focused on the concept that housing choice yields a livable space for everyone, and Spokane has developed a webpage entitled "Housing Choices" which explains the connection between housing choice and affordability. Contained on this page is a mapping tool for use by the community and local developers, which maps factors such as vacancy, economic incentives, amenities, and transit routes to highlight properties that are prime candidates for redevelopment and conversely, highlight areas that are not likely to see significant development or changes to the neighborhood. The map also shows building permits issued within the last ten years to give a sense of housing construction trends.

Image 2: Spokane City graphic illustrating the connection between housing choice and affordability.




While the emphasis to the public has been housing choice and affordability, City planners emphasized the previously mentioned 2001 affordability report and the connection between infill and economic vitality as more of a driving factor behind the Comprehensive Plan update and resulting code changes. The emphasis on the economic benefits of infill has driven the City of Spokane's "Centers and Corridors" model of accommodating growth, which focuses on developing walkable housing and commercial density around transit routes and neighborhood centers. The goal is to stimulate the creation of more local businesses and employment by increasing density and residency in these areas.

The latest infill initiative was started in 2016 and passed in February of 2019. Outreach was largely web and email based, and included a 16-person steering committee comprised of developers, design contractors, and community representatives. Emphasis was placed on understanding builder/developer needs, additionally informed by email outreach to every permit applicant within the previous five years. It was during this time that the aforementioned "Housing Choices" page and interactive map were created. Recommendations from the 2016 steering committee and other outreach efforts resulted in amendments targeting the City's multifamily zones surrounding centers and corridors, including increased height limits of 35 feet, changes to attached housing (townhouse) code to improve development feasibility, and a 30-50% reduction in required parking for multifamily development. As well as this emphasis on centers and corridors, Spokane's efforts have a unique data driven approach. Key to the 2016-2019 effort was the establishment of a system to monitor trends in permit counts and valuation by area, and evaluate performance relative to the economy.

The level of citizen opposition to the 2016-2019 effort was a surprise to the Planning Department. As observed with Olympia, misinformation provided by opponents quickly spread,

and was hard to uproot. Most of the opposition came from outlying areas in Spokane, predominately characterized by low-density greenfield development. This posed a conundrum for the Planning Department, as the bulk of the changes for the 2016-2019 effort were focused on centers and corridors, and had relatively little impact on the outskirts. Thus, a key takeaway from the process was that certain groups of people are reactionary regarding densification, and will assume it will affect their property and neighborhood even if the efforts are focused elsewhere. This is where Spokane's mapping tool is helpful for the community, as a tool to educate citizens about exactly where development is likely to happen—and where not.

Since the passing of the 2016-2019 efforts, Spokane planning staff continues to monitor the result of the project and recent legislation for new code/planning requirements.

## Code Highlights:

- Within the higher density zones characterized by multifamily and townhouse development, increased the height limit to allow for full three-story development up to 35 feet for flat roofs, and 50 feet for pitched roofs.
- Applied targeted parking reductions for townhouses, as the City already allows developers to request reduction in areas served by public transit. New parking standards for townhouses reduce the requirement for one space per unit, plus one space per bedroom over three, by 30% less across the board, and 50% within ¼ mile of a transit-served centers or corridor.
- Reduced side setbacks for townhomes to that of the base zone. Previous standard was that on the side without the common wall, a development needed double the side setback of the base zone.
- Pocket residential development revisions:
    - Allows pocket residential developments of over 1.5 acres if approved as a PUD in certain zones. In higher density and commercial zones, allows pocket developments with no maximum parent site size.
    - No requirement for pocket developments to have common open areas.

## Key Takeaways:

- Outreach was key, detailing the scope of the changes as well as the location of the changes.
- Housing choice and density impact the economy, and local businesses, as well as housing affordability.
- Emphasis on "Housing Choice" once again was more effective than "Missing Middle Housing."

- Data can be used to shape both outreach and future efforts, in the form of contacting recent permit applicants and tracking permits after the code changes go into effect.
- Developers and builders are key partners in any code update process.

## Spokane County

Unlike the Cities of Olympia and Spokane, Spokane County has only recently begun to examine its barriers to infill development. In 2018 and 2019, the Planning Department received concerns from the development community regarding new projects in the Urban Growth Area (UGA). According to developers, location, economic limitations, and small parcel sizes within established neighborhoods was making even traditional subdivisions and single-family homes financially unfeasible. The Planning Department recognized the need to act, and took the opportunity to research and implement a complete package of changes which included map/zoning code alterations, amendments to the Comprehensive Plan, and changes to Spokane County's development regulations. The goals of the final package included:

- Creating opportunities for diverse housing types and infill opportunities within the UGA by exploring the current barriers to financial feasibility of the final developed product; and
- Increasing housing affordability.

Perhaps due to the motivation behind the project, outreach was only "as required" and staff reports listed no outside comments from the community. Additionally, no recent legislation was mentioned as an inspiration or concern. In regards to the development code amendments, the Planning Department looked at development code barriers for duplexes, rowhouses, triplexes, and fourplexes. Emphasis was placed on minimum lot size requirements, as well as increasing the permissible density for infill development. The code relied on development standards to ensure neighborhood compatibility, as well as requiring technical review meetings for triplexes and fourplexes. Special standards were created to encourage corner lot duplexes, including counting them as a single-family dwelling for the purposes of density calculations. Within the Comprehensive Plan, amendments included a revised LDR zone definition with a target density of 8 dwelling units per acre, up from 6 dwelling units per acre. The development

code incorporated this density change, as well as several other changes such as a revised duplex definition to allow for the creation of stacked duplexes.

In addition to code changes, the City simultaneously pursued upzoning approximately 30 acres from low density to medium or high-density residential. Zone changes are detailed below, and were estimated to result in the potential for an additional 251.6 units within to the UGA, providing housing for an estimated additional 258.4 persons.

Table 3: Calculated increases in potential dwelling units and population.

| File # | Existing Category | Proposed Category | Site Size | Potential Dwelling Units Existing Category | Potential Dwelling Units Proposed Category | Potential Population Existing Category | Potential Population Proposed Category |
|---|---|---|---|---|---|---|---|
| 18-CPA-05 | Low Density Residential | Medium Density Residential | 25.5 | 102.0 | 280.5 | 255.0 | 420.8 |
| 19-CPA-02 | Low Density Residential | High Density Residential | 1.9 | 7.6 | 39.9 | 19.0 | 59.9 |
| 19-CPA-06 | Low Density Residential | High Density Residential | 0.7 | 2.8 | 14.7 | 7.0 | 22.1 |
| 19-CPA-07 | Low Density Residential | High Density Residential | 1.7 | 6.8 | 35.7 | 17.0 | 53.6 |
| | | **Total** | **29.8** | **119.2** | **370.8** | **298.0** | **556.4** |

Assumptions
LDR = 4 units/acre, MDR = 11 units/acre, HDR = 21 units/acre
SFR = 2.5 persons/dwelling, Multifamily = 1.5 persons/dwelling unit

# Code Highlights:

- Low Density Residential zone density increased from 6 to 8 dwelling units per acre.
- Reduced minimum lot sizes for all infill/missing middle projects across the board.
- Bonus density for corner lot duplexes, stating "A two-family duplex dwelling located on a corner lot shall be considered as a single-family dwelling for the purpose of calculating density…"
- Duplex definition changed to allow stacked duplexes.
- Bonus density provided an additional two units for row housing, triplexes, and fourplexes.
- Development standards incorporated for triplexes and fourplexes to minimize impacts to surrounding single-family homes.
- Technical review meetings required for triplexes and fourplexes.

## Key Takeaways:

- Small lot sizes in existing neighborhoods may only be financially feasible to develop with middle housing options, due to a high cost of land combined with a limited pool of middle and upper-income single-family purchasers. As a hypothetical example, a greater share of potential homebuyers are likely able to purchase the two $200,000 townhomes compared to a $400,000 single-family home developed on the same total amount of land area.
- Definitions of missing middle housing types can offer additional flexibility by permitting a variety of configurations, such as allowing both stacked and side-by-side duplex options.
- Encouraging infill development can be accomplished through site-specific upzoning as well as development code and Comprehensive Plan amendments.

# FURTHER RESOURCES:

## Olympia:

http://olympiawa.gov/city-government/codes-plans-and-standards/missing-middle.aspx

- Website detailing Olympia's 2018 code efforts, including detailed analysis on barriers to Middle Housing in Olympia and the results of public surveys.

## City of Spokane:

https://my.spokanecity.org/housing/choices/

- The City of Spokane's housing choices website, detailing information about housing supply and demand in Spokane, different types of housing options, and the latest changes to encourage more housing options in the City.

https://my.spokanecity.org/projects/infill-housing-strategies-infill-development/

- Webpage dedicated to the infill changes in 2019, aimed at more development and homeownership in Spokane's Centers and Corridors.

## Spokane County:

https://www.spokanecounty.org/DocumentCenter/View/22281/Draft-Infill-Amendment-9-17-18?bidId=

- Spokane County's initial report on infill development options within LDR zones (9-17-18)

https://www.spokanecounty.org/585/Comprehensive-Plan-Amendments

- Resulting findings of fact for the 2019 infill development amendments.