

# **MEDINA, WASHINGTON**

# **AGENDA BILL**

# Monday, May 12, 2025

<u>Subject:</u> Presentation and Public Hearing Middle Housing Ordinance and Unit Lot Subdivision Ordinance

<u>Category:</u> Hold public hearings on both the middle housing and subdivision ordinances <u>Staff Contact(s):</u> Jonathan G. Kesler, AICP – Planning Manager, Kirsten Peterson, Senior Project Manager, SCJ Alliance, and Jennifer S. Robertson, City Attorney

## **Summary**

In 2023, the Washington State Legislature passed, and the Governor signed into law, House Bills (HB) 1110 and HB 1337, amending the Growth Management Act, Chapter 36.70A RCW (GMA). HB 2321 was adopted in 2024 to clarify the housing requirements of HB 1110. These legislative amendments require many cities to update their zoning regulations to allow additional densities and housing types defined as "middle housing" in predominantly residential land use districts, along with several other associated requirements to help encourage the development of these housing types.

House Bill 1337 requires cities and counties to allow two accessory dwelling units (ADUs) per lot in urban growth areas and establishes standards for jurisdictions to use. Medina has elected to utilize ADUs for meeting density requirements and has incorporated the ADU requirements into the middle housing ordinance.

The adopted definition of "Middle housing" found within RCW 36.70A.030 is as follows:

"Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes, including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

The City of Medina has been classified by Washington State as a Tier 3 City, which means that the City has a population of less than 25,000 in 2020, is in a county with a population of at least 275,000, and is in a contiguous urban growth area with the largest city in the county.

As a Tier 3 City, Medina has fewer requirements than Tier 1 and 2 cities and is only required to allow for a minimum of two units per lot. As noted in the RCW definition, there are nine (9) types of housing that are identified as middle housing. Tier 3 cities are only required to accommodate for the housing unit types which can reasonably accommodate two units per lot. By default, the State is limiting the required housing types for Tier 3 cities to the following:

- Duplexes
- Stacked flats
- Cottage housing
- Courtyard apartments

The other requirements specific to Tier 3 cities have been incorporated into an ordinance that would amend the Medina Municipal Code (MMC) to achieve compliance with state requirements. These revisions are outlined in the Proposed Revision section below. In addition, part of the legislation also requires cities to allow subdivision for the middle housing units that are of a type that can be subdivided. RCW 36.70A.635(5). These changes are outlined under the Subdivision Updates section below.

## **State Mandates**

*Middle Housing.* Through the adoption of the new housing legislation, the Department of Commerce was directed to provide technical assistance to cities to help with the implementation of the new middle housing legislation.

RCW 36.70A.636(2)(a) states that "the department shall publish model middle housing ordinances no later than six months following July 23, 2023." A model housing ordinance was published and went through several iterations before a final version was completed in November 2024. RCW 36.70A.636(b) goes on further to state:

(b) In any city subject to RCW <u>36.70A.635</u> that has not passed ordinances, regulations, or other official controls within the time frames provided under RCW <u>36.70A.635</u>(11), the model ordinance supersedes, preempts, and invalidates local development regulations until the city takes all actions necessary to implement RCW <u>36.70A.635</u>.

**Subdivision Mandates.** As part of adopting the middle housing requirements, the State legislature included a requirement in <u>ESSHB 1110</u> requiring cities to allow "zero lot line" short subdivisions. <u>RCW 36.70A.635(5)</u>, provides in pertinent part: "A city must also allow zero lot line short subdivision where the number of lots created is equal to the unit density required in subsection (1) of this section."

This means that the City of Medina must allow zero lot line subdivisions that result in two lots for existing lots where residential uses are allowed. In addition, by adoption of different legislation in 2023 (<u>ESSSB 5258</u>), the Legislature amended the State Subdivision Act (<u>Ch. 58.17 RCW</u>) to requires the following:

(3) All cities, towns, and counties shall include in their short plat regulations procedures for unit lot subdivisions, allowing division of a parent lot into separately owned unit lots. Portions of the parent lot not subdivided for individual unit lots shall be owned in common by the owners of the individual unit lots, or by a homeowners' association comprised of the owners of the individual unit lots.

<u>RCW 58.17.060</u>(3). So, while the middle housing legislation only requires the City to allow the zero-lot line short subdivisions up to two lots per residential lot, ESSSB 5258 requires the general allowance of unit lot short subdivisions, not just zero-lot line short subdivisions. The proposed draft code accomplishes compliance only with the middle housing requirements using the unit lot subdivision procedures as the most effective way to have the subdivision be consistent with the underlying zoning and built environment in Medina.

As a Tier 3 City, Medina **must** adopt new middle housing regulations **by June 30**, **2025**. The Middle Housing Update deadlines are found in **Exhibit 1**, which was produced by the Department of Commerce.

If the middle housing ordinance is not adopted by the June 30, 2025, deadline, then the model ordinance as described above will preempt the City's regulations and take effect. Because the City took early action, it has been able to integrate only the required sections of the RCW. If the City adopts the proposed amendments before June 30, 2025, it will **not** be governed by the model housing ordinance.

While a full comparison chart has not been developed, some of the provisions that would be most notably different are within the dimensional standards of the model ordinance. Height allowances would be set at 35 feet, compared to Medina's existing 25 feet, and the setbacks would be much less than the existing standards.

# PROPOSED REVISIONS - MIDDLE HOUSING

The full revisions to the code are outlined below. Where applicable, Staff have indicated which sections of code are required to be updated for compliance with the new housing legislation. Other minor edits have been made to improve flow and consistency within the code.

When reading the attached ordinance, please note that language that is <u>underlined</u> indicates that it is an addition to the existing city code. Language shows with a <del>strikethrough</del> indicates that it is existing language proposed for deletion.

# MMC 16.00.020(B)(2) Statement of Purpose

The term "single-family" has been removed from the statement of purpose sentence to instead refer to protecting "the community's *residential* nature...", rather than "the community's *single-family residential* nature".

# MMC 16.12 Definitions

The following definitions within the MMC are being revised, deleted, or added. The definitions depicted in the color red are definitions that are required to be added within the MMC pursuant to the middle housing legislation, which amended RCW 36.70A.030 Definitions. All definitions are followed by a brief rationale for the amendment.

Please be advised that additional amendments to definitions are being made with the "S" definitions as well. Those updates are not included in this ordinance, but rather they are incorporated into a separate ordinance related to unit lot and zero lot line subdivisions. The purpose of placing the "S" definitions in that ordinance is to avoid having two separate ordinances contemporaneously amending the same section of code.

# Accessory Building

This definition is being revised to provide a differentiation between "accessory building" and "accessory dwelling unit".

# Accessory Dwelling Unit

This definition is being revised to specify that an ADU that exceeds the size limitations of MMC 16.34.020 shall be considered a duplex (if attached) or a cottage (if detached).

## • Administrative Design Review

This is a new definition required pursuant to the middle housing legislation which amended RCW 36.70A.070. This has been revised to provide clarity on the role of the director.

#### • Condominium

This is a new definition which duplicates the language of RCW 64.34.020(10). It is not required per the middle housing legislation but is included in the Sate definitions and is relevant to the other housing related amendments to the code.

#### • Cottage

This term is proposed for deletion and will be replaced with a new definition for "cottage housing".

#### • Cottage housing

This is a new definition, required pursuant to the middle housing legislation, which amended RCW 36.70A.030, Definitions.

#### • Courtyard apartments

This is a new definition, required pursuant to the middle housing legislation, which amended RCW 36.70A.030, Definitions.

#### • Duplex

This is a new definition agreed upon by City Council. The new housing legislation requires that Tier 3 cities allow duplexes as a permitted use in residential zones, but allows jurisdictions to craft their own definitions.

#### Major Transit Stop

This is a new definition, required pursuant to the middle housing legislation which amended RCW 36.70A.030, Definitions.

#### • Middle Housing

This is a new definition, required pursuant to the middle housing legislation which amended RCW 36.70A.030, Definitions.

#### • Tier 3 City

This is a new definition that has been provided by the State but is optional. Staff recommend inclusion of the definition for clarity when describing Medina as a Tier 3 city.

#### Townhouses

This is a proposed new definition. The new middle housing legislation does not require Tier 3 cities to allow for townhouses, however, the inclusion of definitions for housing types not permitted can help provide differentiation and clarity between housing types.

#### • Unit

This is a new definition provided by Staff in response to Council's request to provide a term. This definition was shared with City Council during the November 25 City Council meeting. This defined provides clarity in response to the State's use of the term "unit".

#### • Unit density

This is a new definition recommended by the State for inclusion, but is one that the City may define.

## MMC 16.20.010 Comprehensive Plan and Zoning

- Subsection A is proposed for amendment to remove the term "single-family" and instead refer only to the "residential" setting of the community.
- Table 16.20.010 is a table which includes a description of the Comprehensive Plan Land Use Designations in the first column, with the associated Implementing Zone Designations in the second column. The term "single-family residential" is being removed and replaced with the simplified term "residential".

## MMC 16.20.020(B) Adoption of official zoning map

This section of the code provides a description of each of the zoning districts. The term "single-family" has been removed from each of the residential zones (R-16), (R-20) and (R-30) and refers instead to "residential".

#### MMC 16.21.030 Use Table

The use chart is an important tool within the development code to help users of the code determine which uses are permitted or prohibited within each of the various zoning districts. With the middle housing legislation requirements, the required middle housing types have been added to the chart, including:

- Duplex
- Cottage Housing
- Stacked Flats.
- Courtyard apartments

Placeholders have also been incorporated for "low-rise apartments", "short term rental", "townhouses" and "hotel/motel/transient lodging".

Additionally, a footnote has been added to provide a reference to the limitations specific to middle housing.

#### MMC 16.21.060 Maximum dwelling units on a lot

This section of code has been updated significantly in order to comply with the State requirements found in RCW 36.70A.635(5) to provide more specificity about the allowance of two units per lot, including language describing the <u>exemptions</u> to the 2-unit per lot requirement.

A new subsection D has also been included which states that proposed modifications to the unit density standards would be allowable only through the implementation of a Development Agreement.

#### MMC 16.30.060 Residential Off-Street Parking

A new subsection (2) has been incorporated to specify the off-street parking requirements for middle housing dwellings. This language has been included for compliance with RCW 36.70A.635(6).

The additional provisions are as follows:

- No off-street parking will be required within one-half mile walking distance of a major transit stop.
- A maximum of one off-street parking space per unit shall be required on lots no greater than 6,000 square feet before any zero lot subdivisions or lot splits.
- A maximum of two off-street parking spaces per unit shall be required on lots greater than 6,000 square feet before any zero lot line subdivisions or lot splits.

# MMC 16.34.020 Accessory Dwelling Units

While the term middle housing does not include "Accessory Dwelling Units" the City of Medina is also including legislation (required by House Bill 1337) related to ADU's in the middle housing update. The code amendments within this section of the code are as follows:

- Subsection (A) ADU's will now be included in the density and minimum lot area requirements, where they were previously excluded.
- Subsection (C) now allows for up to two (2) ADU's on a lot per each single-family dwelling located on the same lot, provided that the unit density standards are not exceeded. This section goes on to further state that if a lot is developed with a duplex, or with two units classified as middle housing, then no ADU is permitted on that lot.
- Subsection (D) Development Standards has also been updated to comply with HB 1337. A summary of the proposed new language is as follows:
  - ADU's will only be allowed on lots that meet the minimum lot size requirements for the principal unit. In addition, no additional dwelling units will be allowed on lots that are the result of a lot split which is below the minimum lot size for the zone.
  - ADU's will not be allowed on lots with critical areas, lots that are not connected to a public sewer system, or lots that are within the shoreline jurisdiction.
  - ADU's may not be used as "short term rentals".
  - The maximum gross floor area of an ADU is set at 1,000 square feet. (Although the maximum may be higher, it cannot be less than 1,000 square feet.)
  - The maximum roof height of an ADU is 25 feet, or the maximum height allowed for the primary unit (whichever is lower).
- Subsection (E) now includes language about the exception to ADU parking requirements, which is not applicable when the ADU is located within one-quarter mile of a transit stop.
- Subsection (F) previously included a brief statement that garage space could be converted into an ADU. Two revisions are being proposed for this sections:
  - Accessory buildings have been listed as allowable structures for conversion into ADU's.
  - A provision has been added to require that parking spaces removed for conversion to ADU's must be replaced elsewhere on the property.

#### SUBDIVISION UPDATES

#### A. Definitions – Chapter 16.12 MMC.

The definition of "Lot" at MMC 16.12.130 is updated for consistency with the new unit lot subdivision provisions.

The definition of "Parent Lot", "Unit Lot" and "Lot Split" are added to MMC 16.12.130 as those terms are used in the updated code. Lot split was added as that is a term that was use during in the middle housing legislation. (RCW 36.70A.635(5); RCW 36.70A.681(2).)

In MMC 16.12.200, the definitions for "Subdivision" and "Short Subdivision" were updated to address until lot subdivisions. New definitions for "Unit Lot Short Subdivision" and "Zero Lot Line Subdivision" were also added. Note the "Unit Lot Short Subdivision" is limited to only the number of lots for middle housing.

# B. Subdivisions – Chapter 16.73.

MMC 16.73.020 "Applicability" was updated to include short unit lot subdivision but note but only to the extent that such maximum lot count equals the number of middle housing units.

MMC 16.73.060 "Survey Requirements" was updated to include short unit lot subdivisions for middle housing.

MMC 16.73.080 "Review procedures and approvals" was updated to include short unit lot subdivisions for middle housing.

MMC 16.73.090 "Approval criteria" was updated to include short unit lot subdivisions for middle housing. In addition, a new subsection "C" was added to specifically address short unit lot subdivisions for middle housing. This sets forth how the criteria applies and restrictions for use of the short unit lot subdivision procedures. This subsection includes several protections to ensure that only the maximum density set forth is the zoning code for middle housing is used and that redivision of a lot is not allowed. This subsection also clarifies that the maximum lot coverage for the original lot is still applicable across the new lots as are the existing setbacks which must be followed for the external lot area(s)/parent lot.

A new code section MMC 16.73.095 "Lot segregations – Zero-lot-line development" is proposed for when the unit lot subdivision is also a zero lot line subdivision.

MMC 16.73.100 "Submittal requirements" is amended to include short unit lot subdivisions. This also requires the applicant to show all lot lines, including internal lines, common use areas, setbacks, building footprints, etc.

MMC 16.73.100 "Approval criteria—Final short subdivision and subdivision" is amended to include short unit lot subdivisions.

MMC 16.73.120 "Submittal requirements—Final short subdivision and subdivision" is amended to include short unit lot subdivisions and unit lot subdivisions. A new subsection "G" was added to specifically address unit lot subdivisions and to require appropriate notes on the face of the plat, which requires:

- 1. The title of the plat shall include the phrase "Short Unit Lot Subdivision."
- 2. The individual unit lots are not separate buildable lots. Additional development of the individual unit lots may be limited as a result of the application of development standards to the parent lot.
- 3. Approval of the design and layout of the development was granted by the review of the development, as a whole, on the parent lot.
- 4. Additional development of the individual unit lots, including but not limited to reconstruction, remodel, maintenance, addition, or changes in use shall comply with

conditions of approval of the unit lot subdivision and may be limited as a result of the application of development standards to the parent lot or other applicable regulations.

- 5. Subsequent platting actions, additions, or modifications to any buildings may not create a nonconformity of the parent lot nor create any additional lot.
- 6. Additional divisions of land which create a new lot shall not be permitted in this Short Unit Lot Subdivision.

MMC 16.73.140 "Recording with county auditor" is amended to include short unit lot subdivisions for middle housing.

MMC 16.73.150 "Expiration of final approval" is amended to include short unit lot subdivisions.

## PROCEDURAL REQUIREMENTS

The review procedures for processing text code amendments to the development regulations are outlined in Chapter 16.81 of the Medina Municipal Code as follows:

#### 16.81.040. Review procedures.

The following shall apply to processing a text amendment to development regulations:

- A. The city council shall decide whether to review the amendment or direct the planning commission to review the amendment.
- B. If the planning commission reviews the amendment, after considering the amendment, the planning commission shall vote and forward a written recommendation to the city council.
- C. The planning commission's written recommendation shall be presented to the city council unchanged and accompanied by a staff report that includes any proposed changes to the planning commission's recommendation. If any proposed changes are substantively different from the planning commission's recommendation, the city council may remand the changes to the planning commission before proceeding further with action on the amendment.
- D. At least one public hearing shall be held prior to the city council acting on an amendment. The public hearing may be held before the planning commission, the city council, or both.
- E. City staff shall prepare a report on the amendment to be presented to the hearing body considering the amendment.
- F. Notice of hearing shall be provided pursuant to MMC 16.81.070.
- G. The city council may approve, approve with modifications, remand to the planning commission for further proceedings, or deny the amendment.

All code requirements were followed leading up to the City Council public hearing as follows:

#### PLANNING COMMISSION REVIEW

The Planning Commission reviewed the proposed amendments during a duly-advertised public hearing held on April 22, 2025 for both ordinances. At the conclusion of the hearing the Commission made a motion to forward recommendations of approval to City Council by a unanimous vote. However, the Commission requested that the Council determine what length or percentage of the common wall must exist between the two dwellings in a duplex so that it would gualify as attached.

# PUBLIC NOTICE

The Notice requirements are outlined in MCC 16.81.070. Notice of the City Council May 12, 2025, public hearing was published in the Seattle Times and on the City website on April 25, 2025. See **Exhibit 2.** 

## SEPA AND STATE REVIEW

The City issued a SEPA Determination of Non-Significance (DNS) on March 25, 2025. See **Exhibit 3**. In accordance with RCW 36.70A.636, adoption of these ordinances are exempt from SEPA appeals.

The draft ordinance was submitted to the Washington State Department of Commerce on March 25, 2025, and the required 60-day notice period will end on May 24, 2025. As of the date of this report no comments from state agencies have been received.

#### PUBLIC OUTREACH

In addition to following the minimum noticing requirements, the City also exerted great efforts to be transparent with Medina community members about the new state requirements and to provide opportunities for engagement throughout the process of updating the code.

On June 10, 2024, the City Council adopted a Public Engagement Plan (PEP) via Resolution 444. This plan was utilized as a guiding document by City Staff and the planning consultants with SCJ Alliance.

In addition to providing materials for posting on the City website, and producing postcards, flyers and other materials for peer-to-peer engagement, two community forums were held in January 2025 as follows:

- Thursday, January 9, 2025, 6 8 pm St. Thomas Episcopal Church.
- Wednesday, January 15, 2025, 6 8 pm Medina City Hall & via Zoom

The purpose of the forums was to share information with the public, allow for Q&A, and to encourage participation in a community survey. At the conclusion of the survey, **199 responses** were received online. The completion rate was 72.4%, with 144 surveys fully completed and 55 partially completed. Four paper surveys were completed and submitted to City staff.

More information about the community outreach efforts, and the results of the survey, can be found on the Medina City website here:

https://www.medina-wa.gov/developmentservices/page/new-housing-laws-middle-housing-andadu-legislation-and-medina

#### **DECISION CRITERIA**

In addition to detailing the noticing requirements, the Medina City Code also provides decision criteria for making text amendments to the development regulations. These are found in MMC 16.81.080, as follows:

The city council may amend the text of a development regulation only if it finds:

- A. The proposed amendment is consistent with the goals, policies and provisions of the Medina comprehensive plan;
- B. The proposed amendment bears a substantial relation to public health, safety, or welfare; and
- C. The proposed amendment advances the public interest of the community.

In addition to the above, the Ordinances meet and support Council's priorities 1, 2 and 5.

Council Priorities:

- 1. Financial Stability and Accountability
- 2. Quality Infrastructure
- 3. Efficient and Effective Government
- 4. Public Safety and Health
- 5. Neighborhood Character and Community Building

#### Exhibits:

- Exhibit 1 Middle Housing Update Deadlines
- Exhibit 2 Public Hearing Notice
- Exhibit 3 SEPA Threshold Determination
- Exhibit 4 Middle Housing PowerPoint Presentation

#### Attachment(s)

- Middle Housing Ord. No. XXX
- Unit Lot Subdivision Ord. No. XXX

#### Budget/Fiscal Impact: None

**Recommendation:** Hold public hearings on both the middle housing and subdivision ordinances.

Interim City Manager Approval: MrsRm

**Proposed Council Motion:** "I move to open the public hearing on the middle housing regulations and subdivision regulations for the City of Medina to comply with the Growth Management Act (GMA)".

Time Estimate: 60 minutes