



Missing Middle Work Group - Notes May 25, 2017

In attendance: Chair: Carole Richmond
Carl Kagy, Denise Pantelis, Bob Jacobs, Roussa Cassel, Amy Tousley,
Matt Newton, Kirsten Evenson, Todd Monohon, Dennis Olson, Paula
Ehlers, Mike Matlock, Rick Walk

Staff: Leonard Bauer, Director

1. Welcome and Introductions
 - a. Chair Richmond welcomed the group to the meeting.
2. Report on Open Houses and Review Schedule for Future Work Group Meetings
 - a. Mr. Bauer gave a report on the open house held on May 18, 2017. The work group reviewed their schedule for future meetings; a handout was provided.
 - b. Mr. Bauer provided the group with a flyer about the (OPOP) tour of Accessory Dwelling Units and tiny houses being held on June 3, 2017.
 - c. Mr. Bauer provided a handout regarding the (ULI-SF) study.
3. Summary of Work Group Issues Identified at Last Meeting
 - a. Mr. Bauer summarized issues that were identified at the previous meeting.
 - b. The group discussed the following:
 - i. Why is the City looking to put infill housing in existing neighborhoods?
 1. Mr. Bauer described that the direction is to promote infill housing throughout the City that is compatible with existing neighborhoods. The group reviewed PowerPoint slides of examples from other cities.
 - ii. Rent would be market-based; not necessarily reduced based on the cost of construction.
 - iii. Need to look at the Building Code requirement of cooking stoves for dwelling units.
 - iv. The ULI-SF study shows 58% of units are below market rate.
 - v. If you can build enough units and it is less costly, you would be able to have an overall market adjustment.
 - vi. The City cannot change state building codes.
 - vii. What data do we have on sprinkler requirements, and what safety outcomes?
 - viii. Examples of the cost to hook an accessory dwelling unit to existing services.

- ix. There could be issues later on when an owner sells the property if they have not separated the utilities.
- x. Could fees and utilities be prorated by square footage or size?
- xi. Examples of how much it costs to hook up utilities separately:
 - 1. 176 sq. ft. tiny house
 - a. \$65,000 cost, \$25,000 hookup + impact fees
 - b. Hookup + impact fees equal about 40% of the cost of the tiny house.
 - 2. 200 sq. ft.
 - a. 30%
 - 3. 400 sq. ft.
 - a. 24%
 - 4. 800 sq. ft.
 - a. 17%
 - 5. 2,500 sq. ft.
 - a. 8%
- xii. A possible option to encourage affordable housing is to waive fees for nonprofits committing to long-term lower affordability (e.x. 30 years).
 - 1. Also need to remove owner-occupancy requirement.
 - 2. Able to build at \$100 per sq. ft.
- xiii. Illustrates a wide range of costs for infill housing.
- xiv. Impact fees and hookup fees are actual costs to the City systems.
 - 1. Need a study to see if there is a difference in actual system impacts or subsidize.
 - 2. Mr. Bauer informed that a study can be performed to determine this.
- xv. If intent is density and walkability, keep prices down as missing middle units come on-line.
- xvi. Can we incentivize or adjust stormwater utility fees if on-site infiltration is done?
- xvii. May also have engineering design standards that could be more flexible to alternative designs, especially for smaller units or affordable housing.
- xviii. Requirement of underground electric is also additional cost versus overhead.
- xix. What would requirements be for tiny houses on wheels?
- xx. Portland proposal (Orange Splot website) – if tie downs are used and all other seismic requirements met, does it meet IRC?
- xxi. The City could have lots that are designated for parking RV's/tiny homes.
- xxii. See rental tiny house resort in California.

4. Building Construction Requirements/Costs

- a. Mr. Bauer summarized key current City and State regulations for:

- i. Internal conversions with no expansion of the building. Such as adding a dwelling unit within an existing house or converting a garage or other accessory building into a residence.
 - ii. Expansions of existing buildings for one or more additional dwelling units.
 - iii. New construction of a detached additional unit on the same property as an existing residence. Such as an accessory dwelling unit.
 - iv. New construction of a multi-unit building.
- b. The group discussed policy questions for each of the regulations summarized. Some of the questions discussed were:
 - i. Which of these regulations have significant impact to construction costs?
 - ii. Can the City consider changes to these regulations?
 - iii. Should the City consider provisions to address “off-grid” approaches, such as solar or wind energy, composting toilets, etc.?

5. Homework Assignments

6. Next Meeting and Topic:

- a. June 22, 2017 – Utilities and Transportation

For more information on the Missing Middle Project, please visit our web page:

olympiawa.gov/missingmiddle