



Lacey Planning Commission Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Wednesday, January 14, 2026

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Land Acknowledgement

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of Agenda and Consent Agenda Items

A. Approval of Agenda

B. Approval of December 10, 2025 meeting minutes

1. December 10, 2025 minutes

5. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

6. Commission Members' Reports

7. Department Report

8. Public Hearing

9. New Business

A. **Nomination and Election of Officers for 2026.** The Planning Commission will nominate and elect members to serve as chair and vice-chair for 2026.

10. Old Business

A. **Middle Housing Draft Code Amendments: Jennifer Adams, Housing Coordinator.** The Planning Commission will review draft code amendments to implement the middle housing requirements of HB 1110.

1. Middle Housing Draft Code Amendments Attachments

11. Communications and Announcements

A. Planning Commission Schedule

12. Next Meeting - January 28, 2026

13. Adjournment

Attendance and Public Comment

Attend Remote or In-Person

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

In-Person Council Chambers at Lacey City Hall
 420 College Street SE, Lacey, WA 98503

Zoom: https://us02web.zoom.us/webinar/register/WN_AAby3yOBRLuDMYKigXE0IA

Website: <https://cityoflacey.org/government/public-meetings/>

Facebook: <https://www.facebook.com/cityoflacey>

YouTube: <https://www.youtube.com/watch?v=IThUWbjZOLY>

Cable: Channel 77 with your local cable provider

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 893 8027 4512)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located at the meeting location.

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_AAby3yOBRLuDMYKigXE0IA

Instructions and access details will be provided once registration is complete.

Written Public Comment

Please email written public comments to PlanningCommission@cityoflacey.org. The comment period will close two hours before the meeting time. Commissioners will receive all written public comments provided by this deadline. Comments may not be addressed during the meeting. All comments are part of the official record.

MINUTES

Lacey Planning Commission Meeting
Wednesday, December 10, 2025 – 6:00 p.m.
Lacey City Hall Council Chambers, 420 College St SE – and via Zoom

Meeting was called to order at 6:00 p.m. by Chair Jeff Gadman.

Planning Commission members present: Jeff Gadman, Kyrian MacMichael, Judith Doyle, Spencer Zeman, Robert Lane & Elliot Kirk. Staff present: Ryan Andrews, Jennifer Adams, Kathryn Bisser and Erin Skelley

Jeff noted a quorum present. Judy read the Land Acknowledgement.

Kyrian MacMichael made a motion, seconded by Spencer Zeman to approve the agenda for tonight's meeting. Spencer Zeman made a motion, seconded by Kyrian MacMichael to approve the November 12, 2025 minutes. All were in favor, both motions carried.

- 1) **Public Comments:** None
- 2) **Commission Members Reports:** None
- 3) **Department Report:** Ryan Andrews stated that staff and Chair Gadman provided the Planning Commission recommendation on the Comprehensive Plan Update to the City Council during the November 25th meeting. The response was very positive overall and the Council was very appreciative of the Planning Commission's efforts. The Comprehensive plan will be adopted during the December 16th Council meeting. Elliot Kirk was thanked for his service to the Planning Commission. There will be a recognition ceremony in the near future for Elliot and Gail Madden.
- 4) **Jeff Gadman suspended the regular meeting and opened the Public Hearing on the Co-Living Housing Draft Code Amendments at 6:10 PM.**
- 5) **Public Hearing: Co-living Housing Draft Code Amendments: Jennifer Adams, Housing Coordinator.** The Planning Commission conducted a public hearing to take testimony on draft amendments to the Lacey Municipal Code for Co-living housing as required by RCW 36.70A.535. No testimony was received.
- 6) **Jeff Gadman closed Public Hearing and re-opened regular meeting at 6:29 PM**

Spencer Zeman made a motion, seconded by Robert Lane, to make a recommendation on the Co-living Housing Draft Code Amendments to the City Council to include an amendment to the definition of Co-living Housing stating that each sleeping unit "may include a private toilet and sink". All were in favor, the motion carried.
- 7) **New Business: 2026 Draft Docket Review: Ryan Andrews, Community Planning Manager.** The Planning Commission reviewed the draft 2026 Docket/Work Program in preparation for presentation to the City Council at the joint meeting scheduled for February 10th. The Planning Commission reviewed the proposed work program items and discussed any other emerging issues or items that may be added to the work program and discussed how they should be prioritized. No formal action was needed.
- 8) **Old Business:** None
- 9) **Communications and Announcements:** Ryan went over the schedule
- 10) **Next Meeting:** January 14, 2026
- 11) **Adjournment:** 7:32 PM

To hear the full discussion of a specific topic, or the complete meeting, watch the recorded video available on YouTube: https://www.youtube.com/watch?v=pE_gsKg6fBQ



STAFF REPORT

Planning Commission
January 14, 2026

Subject: Middle Housing Draft Code
To: Planning Commission
Prepared by: Jennifer Adams, Housing Coordinator *JAR*
Department Director: Vanessa Dolbee, CED Director *VD*
Reviewed By: Not Applicable
Final Review: Same as Department Director

Purpose: Briefing

Recommendation: No recommendation at this time. Staff will provide an update on Lacey's draft Middle Housing code, review state requirements under House Bill 1110, and solicit feedback from the Planning Commission on key policy issues to guide further code refinements. A follow-up briefing will occur in February, 2026.

Prior Review:

Planning Commission - November 12, 2025 ([Link](#))

Policy Alignment

City of Lacey Comprehensive Plan 2025 | Housing Element

1. Policy H-A1: Promote housing choice for residents of diverse household sizes, incomes, and abilities by allowing a greater variety of housing types and by increasing residential densities.
2. Policy H-2A: Ensure equitable housing distribution by promoting the development of diverse housing types including affordable, workforce, and market-rate housing – in a variety of neighborhoods.

Attachments

1. 16.03.057 LMC – Middle Housing Development draft code (proposed within Chapter 16.03 LMC, General Provisions); Chapter 16.72 LMC – Off-Street Parking and Loading (middle housing addition to Table 16T-13); and Chapter 16.06 LMC – Definitions (supporting proposed section 16.03.057 LMC)

In 2023, the Washington State Legislature adopted Engrossed Second Substitute House Bill 1110 (HB 1110), which requires cities planning under the Growth Management Act (GMA) to allow a broader range of housing types – commonly referred to as “middle housing” - in areas traditionally zoned for detached single-family residences.

Middle housing generally includes housing types such as duplexes, triplexes, fourplexes, townhouses, cottage housing, and other housing forms that are compatible in scale with single-family neighborhoods.

The intent of HB 1110 is to increase housing supply, expand housing choice, and improve affordability by allowing more diverse housing options in residential areas.

Guiding State Law – RCW 36.70A.635

The primary statutory framework for middle housing implementation is found in [RCW 36.70A.635](#), which establishes minimum residential density requirements and outlines how cities must accommodate middle housing. Under this statute, cities are required to allow a specified number of housing units per lot in areas where detached single-family homes are permitted, subject to certain conditions and allowances.

Tier II City Requirements

The City of Lacey is classified as a Tier II city under state law (determined by population). As such, Lacey is required to implement middle housing regulations consistent with Tier II standards.

Key Tier II implementation requirements include:

- allowing at least two (2) residential units per lot on all lots zoned predominantly for residential use;
- allowing at least four (4) residential units per lot (in applicable residential zoning districts) if one (1) unit meets affordability criteria consistent with state/local law;
- ensuring development standards are “objective” for middle housing and are not more restrictive than those applied to detached single-family dwellings in the same district;
- ensuring administrative design review only.

While state law establishes minimum requirements, cities retain discretion over certain policy choices, including how density is addressed beyond the minimum standards, how to structure affordability, and how middle housing regulations are organized within the municipal code.

Draft Middle Housing Code Framework

Staff is proposing a new standalone Middle Housing chapter within the Lacey Municipal Code. The draft framework is informed by: state statutory requirements, local community engagement, stakeholder input, prior Planning Commission feedback, and internal collaboration among planning staff.

Key elements of the draft framework include a density approach that establishes a four-unit-per-lot cap that meets state requirements while maintaining predictability and compatibility



in residential areas; counting all dwelling units on a lot toward total unit density, including detached single-family dwellings and accessory dwelling units; and a limited, optional pathway to allow up to six middle housing units on a lot when all units meet affordability requirements.

Stakeholder Feedback and Feasibility Considerations

Stakeholder engagement informed the development of the City's middle housing framework. Input from both the Olympia Master Builders Association and the Housing Authority of Thurston County highlighted feasibility challenges associated with incorporating affordability requirements into small-scale middle housing projects. Similarly, the Olympia Master Builders Association noted that affordability requirements for small scale projects can be difficult to finance without substantial incentives. Taken together, this feedback underscores the importance of a thoughtful and context-sensitive approach to middle housing implementation- one that remains realistic about market feasibility and minimizes potential impacts to established residential neighborhoods. Additional detail regarding stakeholder feedback will be provided during the staff presentation.

Planning Commission Role and Requested Feedback

At this time, staff is requesting the Planning Commission review the draft code. Specifically, staff is seeking the Planning Commission's input on the following which will be discussed in further detail during the meeting:

1. The approach to middle housing density, including a maximum of four (4) dwelling units per lot as a baseline implementation of state requirements?
2. Added unit per lot incentive for projects that are fully affordable to 80% of the AMI or less.

Next Steps

Following Planning Commission feedback, staff will continue interdepartmental coordination, incorporate Planning Commission input as appropriate, and return to the Planning Commission in February of 2026 with a refined draft for further review.



Chapter 16.03
GENERAL PROVISIONS

Sections:

16.03.010	Title
16.03.015	Lacey Comprehensive Land Use Plan
16.03.016	Map Overlay
16.03.020	Intent
16.03.030	Interpretation and application
16.03.040	Exemptions
16.03.045	Prior limited rezones
16.03.050	Permitted intrusions into required yards
16.03.055	Minimum density requirements
16.03.057	Middle Housing Development
16.03.060	Manufactured Housing
16.03.065	Residential swimming pools
16.03.070	Fencing standards
16.03.080	Reasonable accommodation

16.03.010 Title.

This title shall be known as the zoning ordinance of the city of Lacey. (Ord. 583 §2.01(A), 1980).

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16.06.57 Middle Housing Development

A. Applicability.

This section applies to the Low Density Residential, Moderate Density Residential, and Lacey Historic Neighborhood zoning districts. Within these zoning districts, middle housing is permitted and may be developed on any lot, including vacant lots, where detached single-family dwellings are permitted, except as follows:

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1. Critical Areas: Portions of a lot, parcel, or tract designated as critical areas under RCW 36.70A.170 or their buffers, including wetlands, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas. This limitation does not apply to critical aquifer recharge areas where a detached single-family dwelling is an allowed use, provided that all aquifer recharge protection requirements are met.
 2. Recently Split Residential Lots: A lot created by the subdivision of a single residential lot after July 23, 2023 solely for the purpose of increasing middle housing unit yield.

B. Unit Density and Affordable Housing Requirements.

1. Units Per Lot Allowance

- a. A minimum of two (2) middle housing units per lot shall be permitted, regardless of lot size. Middle housing units shall adhere to the minimum lot area standards of the underlying zone.
- b. Incentivizes for additional units: Middle housing containing more than two (2) but not more than four (4) units shall be permitted when at least one (1) unit is designated as affordable in accordance with RCW 36.70A.635(2)(a). For the purposes of this subsection, "affordable unit" means a dwelling unit that is affordable to low-income households earning eighty percent or less of the county area median income (AMI), adjusted for household size, as determined annually by the U.S. Department of Housing and Urban Development (HUD).
- c. The standards of subsection (B)(1)(a) of this section do not apply to lots created through subdivision where the resulting lot is less than 1,000 square feet in area.
- d. Middle housing shall be regulated on units per lot, not units per acre. Any density calculations or limits that apply to other housing types or development in the Lacey Municipal Code (LMC) do not apply to middle housing unless specifically stated.

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- e. Single-family detached dwellings and accessory dwelling units (ADU) shall be counted towards total unit density per lot.

2. Optional Affordability-Based Density Increase

- a. The City may consider middle housing developments containing up to six (6) dwelling units per lot when all dwelling units are designated as affordable, as defined in RCW 36.70A.635(2)(a).
- b. Requests to exceed four (4) dwelling units per lot permitted under this subsection shall comply with all applicable development regulations and affordability requirements.

C. Permit Processing.

Middle housing shall be subject to the same permit types, procedures, timelines, and approval criteria as a detached single-family dwelling within the same zoning district.

D. Development and Design Standards.

1. Development Regulations:

- a. Middle housing shall comply with all applicable development standards including but not limited to setbacks, height limits, lot coverage, and landscaping requirements, as established for detached single-family dwellings in the underlying zoning district, unless otherwise specified in this section.
- b. Where this chapter provides alternative standards or exceptions for middle housing types, those standards shall apply.

2. Design Standards.

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- a. Middle housing shall be subject to the Design Review requirements of Chapter 14.23 LMC (Design Review).
 - b. Townhouses and cottage housing developed as middle housing shall comply with the design standards required by Chapter 14.23.072 LMC (Design Criteria Detached Single-Family Dwelling Units and Cottage Housing), and 14.23.076 LMC (Design Criteria for Townhouses).
- E. Parking Standards. Off-street parking and loading for middle housing developments shall be provided in accordance with 16.72 LMC (Off-Street Parking and Loading).
- F. Additional Middle Housing Provisions.
- 1. Impact fees shall be consistent with Chapter 14.25 LMC (Impact Fees).
 - 2. Transportation: Regulations for driveways, frontage improvements, alley improvements, and other transportation, public works, and engineering standards shall not be more restrictive for middle housing than for a single detached residence.
 - a. Alternative requirements may be applied when the total number of units on a lot exceeds adequate infrastructure capacity and/or compromises health and safety standards.
 - b. Any such modifications must be based on unit count rather than housing type, proportional to the expected impact, and subject to administrative review.
 - 3. Middle housing shall follow the same development permit and environmental review processes as single detached residences in accordance with RCW 36.70A.635 (6)(c). These include but are not limited to, shoreline regulations under Chapter 90.58 RCW, building codes under Chapter 19.27 RCW, energy codes under Chapter 19.27A RCW, stormwater runoff under Chapter 15.22 LMC, landscaping under Chapter 16.80 LMC, environmental performance standards under Chapter 16.57 LMC, and electrical codes under Chapter 19.28 RCW.

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4. The City shall not approve a building permit for middle housing without compliance with the adequate water supply requirements of RCW 19.27.097.
 5. The City is not required to issue a building permit for middle housing if other federal, state, and local requirements for a building permit are not met.

G. Declarations and Governing Documents.

1. As of July 23, 2023 homeowner’s associations, condominium associations, and common interest communities, must comply with RCW 36.70A.635 and related statutes. Declarations and governing documents created after July 23, 2023, may not prohibit or effectively prevent the construction, development or use of additional housing units as required by state law.
 - a. While the City does not have the authority to enforce or invalidate such documents, property owners and associations are encouraged to consult RCW 64.38, 64.34, 64.90 and 64.32, for specific requirements. Existing governing documents cannot be amended to prohibit middle housing, though they may establish design standards. Disputes over such provisions must be resolved through private legal action.

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Chapter 16.06

DEFINITIONS

Sections:

- 16.06.010** **Intent**
- 16.06.020** **Use and interpretation generally**
- 16.06.030** **Interpretation in case of conflicting definitions**
- 16.06.040** **Abutting**
- 16.06.050** **Accessory building**

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16.06.344 Fourplex

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16.06.498 Middle Housing

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16.06.698 Stacked flat

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16.06.747 Unit density

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16.06.010 Intent.

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16.06.344 Fourplex.

"Fourplex" means a residential building with four attached dwelling units.

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16.06.498 Middle Housing.

Middle housing means building that are compatible in scale, form, and character with single detached homes and contain two or more attached, stacked, or clustered homes including: duplexes, triplexes, fourplexes, stacked flats, townhouses and cottage housing.

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16.06.698 Stacked flat.

“Stacked flat” means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.

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16.06.747 Unit density.

“Unit density” means the number of dwelling units allowed on a lot, regardless of lot size.

Chapter 16.72 OFF-STREET PARKING AND LOADING

Sections:

16.72.010	Intent
16.72.020	General requirements
16.72.025	Maintenance
16.72.030	District parking requirements
Table 16T-13	
16.72.040	<i>Repealed</i>
16.72.045	<i>Repealed</i>
16.72.050	Development standards

16.72.010 Intent.

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Table 16T-13

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Use	Unit Measure	Optional Min	Max	Required Bicycle Parking Spaces
RESIDENTIAL				
Accessory dwelling unit	Per dwelling unit	1		None
Single-family	Per dwelling unit	2 ⁶		None
Duplexes	Per dwelling unit	2		None
Middle Housing Types RCW 36.70A.635(6)(e)	Per dwelling unit (Lots 6,000 square feet or smaller)		1	None
Middle Housing Types RCW 36.70A.635(6)(f)	Per dwelling unit		2	None

	(Lots greater than 6,000 square feet)			
Multifamily structures	Per each studio unit	1		1 per 10 auto stalls. 2 minimum per building
	Per each 1- or 2-bedroom unit	1.5		
	Per each 3 or more bedroom unit	2		
Manufactured home subdivision	Per dwelling unit	2		None
Manufactured home parks ⁵	Per dwelling unit	1.5		None
Rooming houses, lodging houses, bachelor or efficiency units	Per occupant	1	3	None
Senior citizen apartments	Per 3 dwelling units	1	2	See multifamily

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CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting
January 14, 2026**

- 1. Nomination and Election of Officers**
- 2. Work Session:** Middle Housing Regulations

Packets due: January 9, 2026

**Planning Commission Meeting
January 28, 2026**

- 1. Work Session:** Accessory Dwelling Unit Regulations

Packets due: January 23, 2026

**Planning Commission Meeting
February 10, 2026**

- 1. Joint Work Session with City Council**

Packets due: January 27, 2026

**Planning Commission Meeting
February 11, 2026**

Meeting Cancelled

Pending Items: DG&PWS Additional Updates (Joey Etter)