

URBAN NEIGHBORHOODS – MULTIFAMILY CODE UPDATE

White paper: Evaluations of recent development trends.

Introduction

Seattle's population is expected to increase by 47,000 households during the next 20 years¹ and the existing housing stock is not sufficient to accommodate these new residents. Zoning is one way that the City can influence how new development will meet these needs. It sets the requirements and limitations about what can be built where in terms of number of units and the size and shape of the buildings and how they fit in with the rest of the neighborhood. Focus groups were held in August 2005 to help identify issues to be addressed by the Multifamily Code Update. Focus group participants expressed a concern that new construction may not be meeting Comprehensive Plan goals related to the number and the mix of new units.

Seattle's Comprehensive Plan was originally adopted in 1994 and substantially updated in 2004 to include new growth targets, both citywide and for individual urban centers and villages. In 1994 the plan acknowledged that new housing built in Seattle was typically either single family homes or large stacked flats (apartments and condominiums). One of the goals of the Comprehensive Plan, since that time, has been to encourage other types of housing that fall between low-density houses and higher-density apartments and condominiums. Ground-related housing, such as townhouses, detached accessory dwelling units and cottage housing, was specifically identified as an important way to accommodate diverse households. During the past decade, townhouses have been the most popular mid-density housing type and account for a large portion of new dwellings in Seattle's multifamily zones. More information about townhouses can be found in "Townhouses in Seattle's Lowrise Zones"

Questions Addressed

This paper addresses the following three groupings of questions about development trends that arose during recent focus groups meetings.

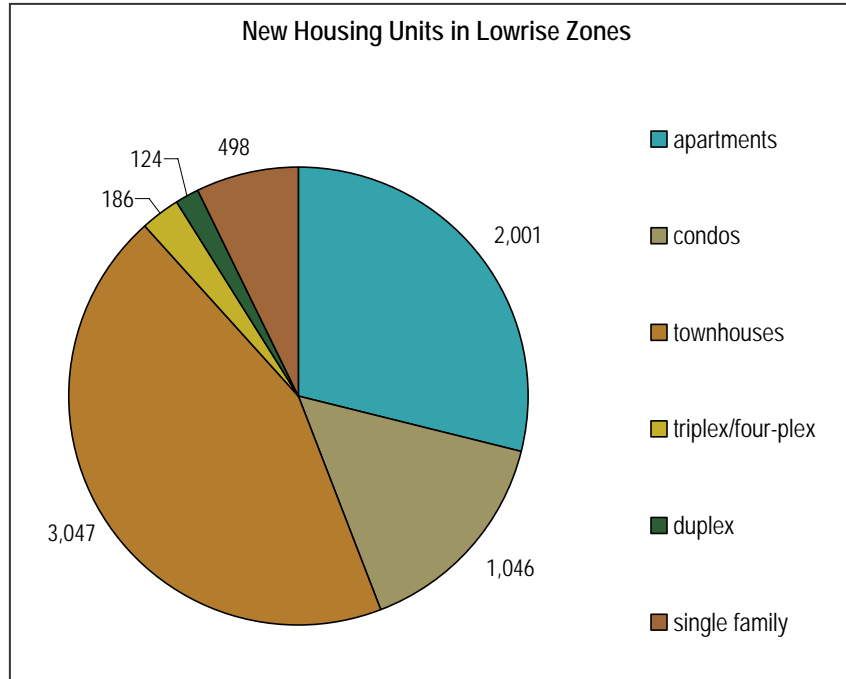
1. What have been the development trends in lowrise zones? Do lowrise zones accommodate a variety and mix of styles and scales? Does the predominance of townhouses reduce the overall capacity of our multifamily zones?
2. What have been the development trends in Midrise and Highrise zones?
3. Does new development meet Comprehensive Plan goals? Is the Urban Village Strategy working?

1. What have been the development trends in lowrise zones?

Prior to 1994 when Seattle's Comprehensive Plan was adopted, almost all new construction in multifamily zones was stacked-flats. Less than 10% was ground related housing and less than 1% was townhouses. One of the goals of the Comprehensive Plan has been to encourage different types of housing that accommodate Seattle's diverse

¹ Although about 45% of these new households are anticipated in Urban Centers/Villages with multifamily zoning, there is not a specific amount of new households that are expected to go in these zones.

residents. Development regulations, such as the unit lot subdivision process, were specifically changed “to help promote townhouses developments.”² More than 8,000 housing units have been built in Seattle’s multifamily zones since the Comprehensive Plan was adopted. Almost 80% of these new homes have been built in lowrise zones.



While a lot of the new units are in stacked flats, slightly more than half are ground-related housing. Townhouses now make up the largest single type of housing units being built at approximately 40% of all new units in lowrise zones.

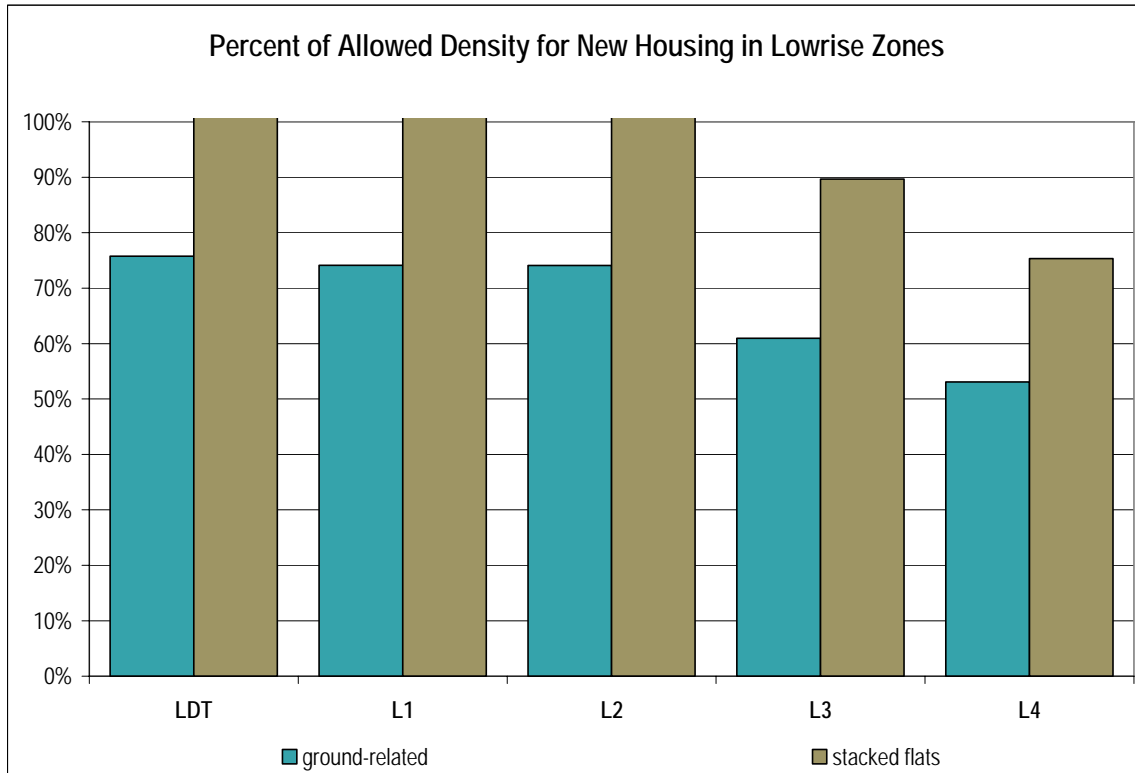
Does the predominance of townhouses reduce the overall capacity of our multifamily zones?

The density of new development was also raised as a concern during the Urban Neighborhood focus groups that took place in August 2005. Some people were concerned that the increase in townhouses undermines the potential capacity of lowrise zones and that this might contribute to rapidly rising housing costs. The following section analyzes the density of new development during the past decade.

The density of new multifamily development varies both by the type of building and by zone. Stacked flats are generally built at about 90% of allowed density. Ground-related buildings, like townhouses and duplexes, are typically built at a lower proportion of allowed density as illustrated in the chart on the following page.

It could be that if current development trends continue, thousands fewer housing units will be constructed in lowrise zones than is allowed by the density limits of the current standards. While the lower density of ground-related buildings does reduce the theoretical capacity of multifamily zones, particularly the Lowrise 3 zone, overall development trends across multifamily, commercial and downtown zones to meet Comprehensive Plan goals both in terms of the types of housing and the number of units.

² “Implementing Seattle’s Comprehensive Plan”—Proposed Development Regulations, page 12.



There are three factors that contribute to the trend of ground-related buildings being built at lower percentages of allowed density.

1. **Development standards**, including environmental and design review, shape the way ground-related buildings relate to the site. Parking and driveways particularly limit the opportunity to achieve allowed density when more parking and open space is required than is demanded by the future residents. In some circumstances, when a developer has two or more lots, they will develop each lot as an individual project, rather than combining all of them to stay under street improvement and environmental and design review thresholds. This limits their ability to consolidate projects and reach a higher density, and ultimately constrains the design and layout of the site as a whole.
2. **Lot size and configuration**. The typical lot size in Lowrise zones is between 4,500 and 5,000 square feet, while the average lot size for a stacked flat is closer 8,000 or 10,000 square feet. Only about 16% of currently platted lots in multifamily zones are large enough for typical stacked flats. An example of how this can impact density is that larger lots can more easily accommodate underground parking, which is more expensive but also frees-up space for more units.
3. **Market demand and construction costs**, combined with the other two factors, create the final constraint on the density of ground-related buildings. People who can afford to purchase a new townhouse typically want at least 1,000 square feet of living space. Given the current development standards and lot size, it is

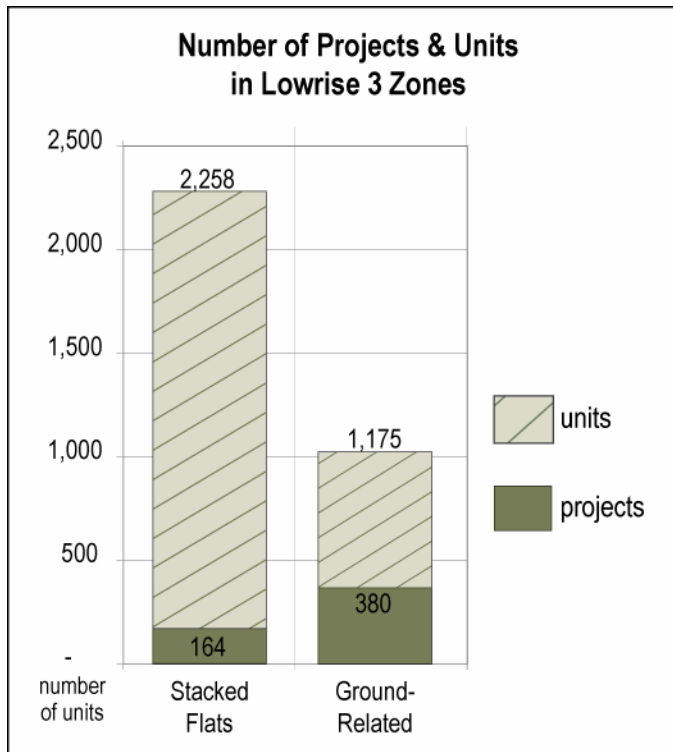
difficult to fit more than four ground-related units on the average lot available for development in the multifamily zones.

Development in Lowrise 3 illustrates how Comprehensive Plan goals are being met as well as what could be improved and is addressed in more detail below.

Lowrise 3 zones and Townhouses

Lowrise 3 zones account for the largest proportion of multifamily zoning at about 43% of multifamily zones and 3% of Seattle's overall land area. This zone also accounts for more than 3,400 housing units that have been built during the past decade, which is about half of all new units built in multifamily zones. While townhouses account for the majority of projects built in Lowrise zones, many stacked flats and other types of ground related housing are also being built.

In Lowrise 3 zones, most of the recent *projects* have been townhouses, while most of the new *units* are in stacked flats, as illustrated in the adjacent chart.



Similarly, more land in Lowrise 3 zones was redeveloped into stacked flats than townhouses. This is an important distinction because although it may seem like only townhouses are being built in multifamily zones, the relatively smaller number of stacked flat projects contribute significantly to the overall production of new housing.

Demand for ground related homes, including townhouses, is not likely to decrease. Comprehensive Plan targets for the number of new housing units can be met even though this type of housing is built at lower density than allowed by zoning, in part because more units are being built in Neighborhood Commercial zones. At the same time, if current trends continue, long-range capacity in multifamily zones diminishes. This can increase housing costs for everyone and put more pressure to up zone single family areas. As mentioned above, there are a number of factors that contribute to lower-density ground related housing. In terms of the Multifamily code, development standards are the one factor that the City can change.

For example, setbacks or parking requirements could be adjusted to make it feasible to accommodate more, smaller, homes in a multifamily development on one parcel of land. This type of home could be appropriate for senior citizens who would like to down-size from the house they raised their family in as well as younger households without children.

Current development standards limit the form that ground related housing can take, which is part of the reason that much of the new buildings look very much the same, regardless of the neighborhood³. Changes to development standards could improve how new development relates to the neighborhoods context and also address the density issues mentioned above. Changes may also be appropriate to encourage development of more apartments and condominiums in these zones.

Overall development trends in lowrise zones are similar to those in Lowrise 3. There are more ground related projects, particularly townhouses, than stacked flats, but stacked flats account for more of the units that have been built. Overall, there is a variety of different types of housing that has been constructed in the past decade. As a result, Comprehensive Plan goals are starting to be met in terms of more diversity of housing types in multifamily zones. There is still room for improvement. Revised, more flexible development standards, particularly for ground related housing, could:

- allow higher density ground related projects;
- accommodate more diverse households; and
- improve compatibility with neighborhood contexts.

2. What have been the trends in Midrise and Highrise development?

Generally, new buildings in Midrise and Highrise zones are built at similar densities as existing housing in these zones.

Only three new buildings were constructed in Highrise zones during 1994-2004, all of which are in First Hill, the only neighborhood with this zoning. The average density for these projects is one unit per 260 square feet of lot area, which is slightly lower than the average density of the neighborhood, but still similar to the character of the neighborhood.

All of the new homes built in Midrise zones were stacked flats, with the exception of one new duplex in Alki and some single family houses that were built as part of Homesite's Noji Gardens. The average density of the stacked flats was about one unit per 340 square feet of lot area, which is more than double new development in Lowrise zones and also slightly above the average density for this zone, which includes some single-family homes and duplexes.

³ For more information about how development standards affect the form of ground-related housing, please see "Townhouses in Seattle's Lowrise Zones."

Only a few stacked flats have been built each year during the past decade in Midrise zones. That number has begun to decline during the past few years, which could be a reflection of how soft the rental market has been until recently. There does seem to be capacity for about 4,500 more housing units in Midrise zones based on current development trends. The amount of redevelopable land and projected number of units is more than sufficient for the next 20 years, which is the time frame for Seattle's Comprehensive Plan.⁴

3. Does new development meet Comprehensive Plan goals? Is the Urban Village Strategy working?

The Comprehensive Plan includes goals about:

- accommodating 47,000 new households that are expected in Seattle during the next 20 years;
- encouraging a diversity of housing types that accommodate the needs of diverse households;
- maintaining affordable housing; and
- directing residential development in accordance with the Urban Village Strategy.⁵

This section focuses on the number of new households that can be accommodated in Seattle's multifamily zones and the Urban Village Strategy. The Urban Village Strategy is a key component of how to accommodate new households, which directs the majority of growth into the parts of Seattle that are already more densely developed than surrounding single family neighborhoods. Overall, the Urban Village Strategy of the Comprehensive Plan is working in terms of the mix of housing types being constructed and where most of the units are built.

More than one third of new housing units built in Seattle during the last decade were constructed in multifamily zones. More than 70% of these new homes were built within urban centers or villages (excluding downtown). General trends indicate that higher densities are being built in Urban Centers and Villages than outside of them. Similarly, new construction in Urban Centers typically has higher densities than those in Hub Urban Villages or Residential Urban Villages.

An increasing number of new homes are also being built in commercial zones, almost 5,000 units during 1994-2004. This is consistent with Comprehensive Plan goals that focus on creating compact neighborhoods that have a mix of activities and contributes to overall density. The table below illustrates the portion of new housing that was built in multifamily and commercial zones by urban centers/villages.

⁴ See Seattle's Comprehensive Plan policy H2.

⁵ Ibid, LUG11, LUG12, HG1 and HG2.

Percent of new housing units constructed	Urban Centers	Urban Villages		Outside Urban Centers/Villages
		Hub	Residential	
In Multifamily zones	42%	47%	61%	45%
In Commercial zones	56%	53%	31%	23%

In summary new development does meet Comprehensive Plan goals for diversity of housing types and the urban village strategy to direct growth to urban villages and urban centers seems to be working.

- The overall density of new construction is:
 - Higher within urban centers and villages than outside of them, and
 - Adequate to meet housing goals, particularly when coupled with new construction downtown and in Commercial zones.
- Increased flexibility in development standards, coupled with improved design considerations, could help improve how new development relates to existing neighborhoods.

Conclusions

This paper responds to three major questions about actual development vs. anticipated that arose during multifamily focus groups that took place in August 2005:

- Overall, the range of housing densities being constructed indicates that Comprehensive Plan goals and policies are being met: to encourage a range of housing types and to promote pedestrian activity and transit use, and support of local business and services.
- Stacked flats frequently reach allowed density in all Lowrise zones. Ground-related new homes are built closest to allowable density in LDT, L1 and L2 zones. Ground-related homes in L3 and L4 zones are not as dense as allowed. Changes to development standards that allow more flexibility may help solve this issue by making stacked flat development more viable.⁶
- New buildings in Midrise and Highrise zones have appropriate densities.

In summary, while some changes to development standards should be examined to increase the density of new buildings in Lowrise 3 and 4 zones, detailed examination of density trends in Seattle's multifamily zones shows that the Urban Village Strategy is working in terms of the location and types of new housing that is built in multifamily zones and that the number of new units is generally in line with what is anticipated.

⁶ For specific ideas about how to allow more density in ground-related homes, please see "Townhouses in Seattle's Lowrise Zones."

Appendix 1: Providing services to growing areas.

What is the City doing to provide new services concurrent with new development, particularly in Urban Villages?

This was one of the common questions in the multifamily focus groups. The City of Seattle continuously strives to improve our neighborhoods great places to live. One of the major objectives of the Comprehensive Plan's urban village strategy is to ensure that public services and amenities are targeted to areas where future growth is anticipated to adequately serve the growing population. Parks and community centers; libraries; roads, parking, sidewalks and trails are some of the services provided by the City for its residents. Transit is a regional issue and the City works closely with Metro King County and Sound Transit to ensure that a range of transportation options are available for Seattle's people who live and/or work here. Below is a brief summary of some examples of how the City is increase services as population increases with links to more information.

Parks

The ProParks Levy has completed 40 park development projects and started more than 40 others. Most of these parks are in urban centers or villages, or were recommended by neighborhood plans to serve underserved portions of the City based on Comprehensive Plan goals for accessible park space. More information about specific projects can be found at:

<http://www.seattle.gov/parks/proparks/projects.htm>

Neighborhood Matching Funds have been used for more than 450 park projects since 1989. Recent project information can be found at:

<http://www.seattle.gov/parks/projects/nmf/default.htm>

Community Centers

Nine community centers and two neighborhood projects are part of the Community Centers and Seattle Center Levy that was approved in 1999. So far, projects in High Point, the International District, Jefferson, Sand Point, Southwest and Yesler have been completed. Current projects are underway in Belltown, Northgate and Van Asselt. The International District, Belltown and Northgate community centers have been sited to serve underserved urban centers.

Libraries

In 1998, voters approved a "Libraries for All" bond measure that provides upgrades for many neighborhood library branches, 16 of which have been completed. Libraries projects have been focused on urban villages, with new libraries being added to three urban villages.

<http://www.spl.org/lfa/neighborhoodlibs/neighborhoodlibs.html>

Roads, parking, sidewalks and trails

SDOT continually makes improvements to Seattle's roads and trails. In 2005 alone, almost \$10 million was spent on more than four dozen projects that improve safety along arterials and trails. Many of these improvements were specifically to increase pedestrian safety and to improve trails for bicyclists and pedestrians. Almost \$80 million was spent on maintenance and improvements across the city including the Fremont Bridge and South Jackson Street. Another \$1+ million is being spent to resurface streets, add traffic calming devices and improve or install traffic signals.

<http://www.seattle.gov/transportation/2005majorconstructionmap.htm>

Transit

More than 100 bus routes serve Seattle, both within the city and connecting to other cities. During 2005, 46 improvements to bus service either increased the frequency or extended the hours of service along these routes. Light rail is currently under construction that will provide service between SeaTac airport and downtown Seattle. The Seattle Transit Plan seeks to improve connections to and between urban villages.

Washington State Ferries also connects Seattle to Bainbridge Island, Bremerton, Southworth and Vashon Island. More information can be found at:

<http://www.cityofseattle.net/transportation/transitnetwork.htm>