

# **Director's Report and Recommendation Micro-housing Units and Congregate Residences February 28, 2014**

## **Background**

The Department of Planning and Development (DPD) has been tracking micro-housing production for over two years, and has provided periodic communication with elected officials, community groups and members of the public. We believe the proposed regulations will improve how this type of housing fits into neighborhoods and make the housing more livable for renters, while continuing to support innovation in housing design to create affordable choices.

Since the beginning of 2013, there have been multiple public dialogue opportunities about micro-housing and congregate residences. This included a Council Transportation Committee sponsored brown bag meeting on April 18, 2013, a community meeting on Capitol Hill on May 6<sup>th</sup>, 2013, a briefing of the City Council Planning Land Use and Sustainability (PLUS) committee on June 28<sup>th</sup>, 2013, briefings at Ballard District Council and Central Ballard Residents Association meetings in December of 2013, and extensive coverage in local media and blogs.

On June 25, 2013 DPD sent a memorandum to the PLUS committee documenting staff draft recommendations for improved micro-housing regulation. During the June 28<sup>th</sup> PLUS briefing Councilmembers indicated general agreement with the staff draft and directed the department to prepare legislation. On October 7, 2013 DPD released draft legislation and an environmental Determination of Non-Significance (DNS) pursuant to the State Environmental Policy Act (SEPA), and considered public comments. The DNS was appealed to the City's Hearing Examiner on October 28<sup>th</sup>, 2013. After a three day public hearing in January of 2014, the Hearing Examiner issued a decision upholding DPD's environmental analysis and in support of a determination that the proposed legislation would not have significant adverse impacts on the environment.

At the direction of Mayor Murray, DPD is now forwarding final proposed legislation and an updated Director's Report to the City Council for review and consideration. In addition to this proposed legislation the Mayor directed DPD to continue to monitor micro-housing and congregate residence production to ensure the proposed regulations have the intended affect. The Mayor also directed DPD to analyze potential future measures to target the location of micro-housing and congregate residences to designated urban villages and urban centers only, as the most appropriate locations for this type of housing.

## Edits and Revisions

This version of the legislation and Director's Report is very similar to the version released in October of 2013, with a small number of edits and revisions. The Director's Report now includes information from changes due to public comment and an updated micro-housing and congregate residence tracking list as of February 2014. A minor addition to apply green factor landscaping requirements to congregate residence developments has been added. There are minor wording revisions added in the proposed definitions to further specify the criteria for when development is to be considered micro-housing.

## Purpose and Intent

With this proposed legislation, the City recognizes micro-housing and congregate residences as viable, emerging forms of housing, that can help achieve goals and policies of the Comprehensive Plan. In particular micro-housing and congregate residences directly address the following goals and policies:

### City of Seattle Comprehensive Plan

*Housing Goal 4: Achieve a mix of housing types that are attractive and affordable to a diversity of ages, incomes, household types, household sizes, and cultural backgrounds.*

*Housing Goal 11: Implement strategies and programs to help ensure a range of housing opportunities affordable to those who work in Seattle.*

*Housing Policy 20: Promote and foster, where appropriate, innovative and non-traditional housing types such as co-housing, live/work housing and attached and detached accessory dwelling units, as alternative means of accommodating residential growth and providing affordable housing options.*

*Housing Goal 13: Provide new low-income housing through market-rate housing production and assisted housing programs.*

*Housing Goal 5: Provide for lower off-street parking requirements in locations where car ownership rates are low for resident populations, to help reduce housing costs and increase affordability.*

*Land Use Goal 12: Promote a residential development pattern consistent with the urban village strategy, with increased availability of housing at densities that promote walking and transit use near employment concentrations, residential services and amenities.*

Each of the policies or strategies listed above is supported by micro-housing and congregate residence production. However, the evolution of micro-housing and congregate residence production in Seattle over the past several years was not fully anticipated by existing land use regulations. The format is an innovation in housing design, development and operation in response to market conditions. The housing is embraced by willing renters and appears to be fulfilling a marketplace need. Other major cities including San Francisco, New York City and Boston are experiencing similar demand for micro-housing and are taking initiative to support it. The micro-housing format occurring in Seattle has the unique characteristic of being grouped around a shared kitchen or common space. The housing type is responsive to emerging contemporary lifestyles choices, including increased personal mobility and the high desirability of urban neighborhoods to certain demographic segments.

For these reasons and consistency with established city policies, DPD recommends formally recognizing micro-housing as a form of housing and permitting it to be built in appropriate locations. However, we also understand there are strong public opinions on this emerging form of housing and acknowledge a need to clarify regulations and processes for permitting. In the absence of clear regulations, some of the micro-housing and congregate residences permitted in the past few years led to buildings that aren't as good a fit with their surrounding neighborhoods as they could have been.

Therefore DPD is proposing legislation that would clarify regulation of micro-housing, and ensure that the appropriate reviews and standards are in place to adequately address micro-housing and related forms of development including congregate residences.

## Guiding Principles

Below are the guiding principles used to develop these recommendations. The principles respond to expressed concerns from the public, as well as consistency with broader policies in the City's Comprehensive Plan, other City policies, and direction from the Mayor and City Council:

- Preserve affordability – continue to support micro-housing and congregate residences as housing options in Seattle
- Ensure basic health and safety of all housing
- Provide consistent treatment and classification of micro-housing and congregate residences across all City departments and programs
- Improve tracking and awareness of micro-housing and congregate residence development
- Regulate micro-housing and congregate residences similarly to other types of new development as warranted based on empirical performance aspects such as:
  - The scale and design of the buildings
  - Intensity of uses and activities in the buildings
  - Transportation mode choice of residents

## Additional Information

More information and tracking materials about micro-housing and congregate residences are included in a series of appendices to these recommendations. Please see the list of appendices and materials at the end of this report.

## Proposed Actions

DPD proposes the following 11 actions to clarify regulation and better achieve the guiding principles listed above:

1. Define "micro-housing unit" and "micro" under Residential Use within the Land Use Code.
2. Prohibit micro-housing developments in single-family zones.

3. Apply a design review threshold for micro-housing and congregate residences by the size of the building (not number of dwelling units).
4. Update development standards for micro-housing and congregate residences to add a minimum size requirement for shared kitchens and common areas.
5. Limit kitchen components in individual micros and sleeping rooms to differentiate from dwelling units.
6. Update development standards to ensure appropriate size of refuse collection areas in micro-housing and congregate residence developments.
7. Update development standards for quantity of required vehicle and bicycle parking in micro-housing and congregate residence developments.
8. Clarify eligibility for Restricted Parking Zone (RPZ) passes for occupants of micro-housing and congregate residences. *(To be carried out in SDOT procedures or Director's Rule).*
9. Account for micro-housing and congregate residence sleeping rooms in progress towards residential growth targets. *(To be carried out in DPD procedures or Director's Rule).*
10. Deepen the required affordability levels for participation in incentive zoning for affordable housing for projects with micro-housing or congregate residences, and for very small studio apartments.
11. Apply green factor landscaping requirements to congregate residences.

## 1. Define “Micro-housing unit” and “Micro” within the Land Use Code

Currently, micro-housing is not defined or distinguished from other dwelling units in the Land Use Code. Doing so would allow the City to apply appropriate development standards and clarify the regulation of micro-housing production. To this point, DPD has in most instances permitted the type of housing within an allowed dwelling unit with up to eight sleeping rooms. Typically the housing is a cluster of up to eight sleeping rooms each with individual bathrooms and bedrooms, around a shared kitchen within a townhouse dwelling unit or apartment dwelling unit.

The city’s longstanding definition of “household” in Land Use Code Section 23.84A.016 is:

*"Household" means a housekeeping unit consisting of any number of related persons; eight or fewer non-related, non-transient persons; eight or fewer related and non-related non-transient persons, unless a grant of special or reasonable accommodation allows an additional number of persons."*

The code limit on the number of roommates, friends, or boarders who are legally allowed to live together in a household is 8. This 8 person household limit is reflected in the definition of “Dwelling Unit” - the defined term used as the basis for a wide range of zoning standards and land use thresholds. Per Section 23.84A.008 (underline added):

*"Dwelling Unit" means a room or rooms located within a structure, designed, arranged, occupied or intended to be occupied by not more than one household as living accommodations independent from*

*any other household. The existence of a food preparation area within the room or rooms shall be evidence of the existence of a dwelling unit.*

When any new development occurs, a land use (zoning) review determines whether the application meets standards for items such as required parking (bicycles and vehicles) if any, size standards of refuse storage areas, and whether environmental review (pursuant to SEPA) or design review is required. Thresholds for any parking requirements or review processes are based on the quantity of “dwelling units.” In the absence of a sub-classification of micro-housing DPD has no mechanism to identify and apply land use (zoning) standards specifically aimed at this form of housing.

Therefore, the proposal is a new definition of “micro-housing unit” that would be an additional sub-classification of residential use in the code. Additionally, DPD proposes to define “micro” as the component sleeping quarters or room for an individual within a micro-housing unit. In this way, DPD can identify micro-housing, and can also enumerate the quantity of “micros” in order to apply standards and thresholds, as well allow for accurate and regular tracking in permits. The new “micro-housing unit” and “micro” definitions would include specific features to help ensure housing of this type adheres to allowable formats and can be distinguished from other types of residential use.

The definitions would include the following:

***“Micro-housing unit”*** means a dwelling unit housing no more than eight non-related persons, comprised of no more than eight micros, and having a common kitchen that is a minimum of 120 square feet in net floor area and that is available for use by all persons residing in the micro-housing unit. If a dwelling unit includes three or more micros, and half or more of the sleeping rooms within that dwelling unit are provided as micros, the dwelling unit will be considered a micro-housing unit unless the combined floor area of the micros and other sleeping rooms comprises less than 50 percent of the net floor area of the unit, excluding unfinished areas.

***“Micro”*** means a room or rooms, located within a micro-housing unit, which is comprised of a sleeping room, and has all of the following characteristics:

- a. contains 285 square feet or less of net floor area, including abutting ancillary areas such as a private bathroom, closets, and also including the area of sleeping lofts;*
- b. contains a bathroom with a toilet, bathing facility, and lavatory;*
- c. does not contain a food preparation area or kitchen;*
- d. no lavatory or sink is located outside of the bathroom.*

A key indicator of the presence of a food preparation area or kitchen for plan review and enforcement purposes is the presence of a stove or range, or the requisite wiring for 220V electrical service or a gas supply line. Additional specificity on interpretation of the presence of a kitchen and determination as micro-housing would be contained in an associated DPD Director’s Rule, if needed.

If not all components of the micro-housing unit definition are present in a housing proposal it would not be classified as micro-housing. The applicant would either have to revise proposed plans to conform to the

defined features, or conform the development proposal to another multi-family housing type. For example, if a proposed micro contained a kitchen or more than 285 sf, it would not be considered as micro-housing. DPD would direct the applicant to remove the elements of a kitchen, reduce the size of the micro below 285sf, or to pursue another housing format such as congregate housing, or conventional apartment dwelling units. It is also important to note that any grouping of more than 8 micros would trigger classification as a congregate residence and associated standards. (See below) The proposed definition of micro-housing unit also includes characteristics to help distinguish it from single-family homes and larger apartments or condominiums that might include multiple bedrooms with individual baths. A key factor with those larger residential configurations would be significant areas (more than 50% of floor area) devoted to shared spaces such as kitchens, living rooms or dens.

**Congregate Residences:** The Land Use Code already contains defined terminology for congregate residence, assisted living facility, nursing home and others categories of multi-family residential land uses. Some recent forms of development with similarities to the form of housing referred to as micro-housing are classified as congregate residences. Historically, the congregate residence classification was most commonly used to permit student dormitories, sororities/fraternities or similar uses. Congregate residences are composed of any number of sleeping rooms of 9 or more within a single congregate residence that contains shared or common elements to the living arrangement. The congregate residence definition, included below, will continue to be applied and factors into the discussion in this report of certain standards and reviews. DPD will clarify practices that housing in congregate residences is not to be considered as conventional dwelling units, and that congregate residences are a distinct type of housing.

*"Congregate residence" means a use in which rooms or lodging, with or without meals, are provided for nine or more non-transient persons not constituting a single household, excluding single-family dwelling units for which special or reasonable accommodation has been granted.*

## **2. Prohibit new micro-housing unit development in single-family zones (or other specific zones)**

Congregate residences are already not allowed in single-family zones. DPD proposes an amendment to prohibit micro-housing in single-family zones as well.

It is legal and common for a group of roommates to rent rooms in an existing single-family home, and such a practice could continue. The limitation on occupation of a single-family home by a group of roommates is subject to the household limit of 8 unrelated persons. So, a group of this size may inhabit a conventional home, which typically has bedrooms of a variety of sizes, not all of which have bathrooms. The proposed additional regulation of micro-housing would grant DPD the authority to identify new construction or major renovation of homes in single-family zones specifically for creation of micro-housing formats. Therefore, if a proposed new development or major renovation in a single-family zone has characteristics making it substantially similar to micro-housing, DPD could determine it to be a micro-housing residential use and not

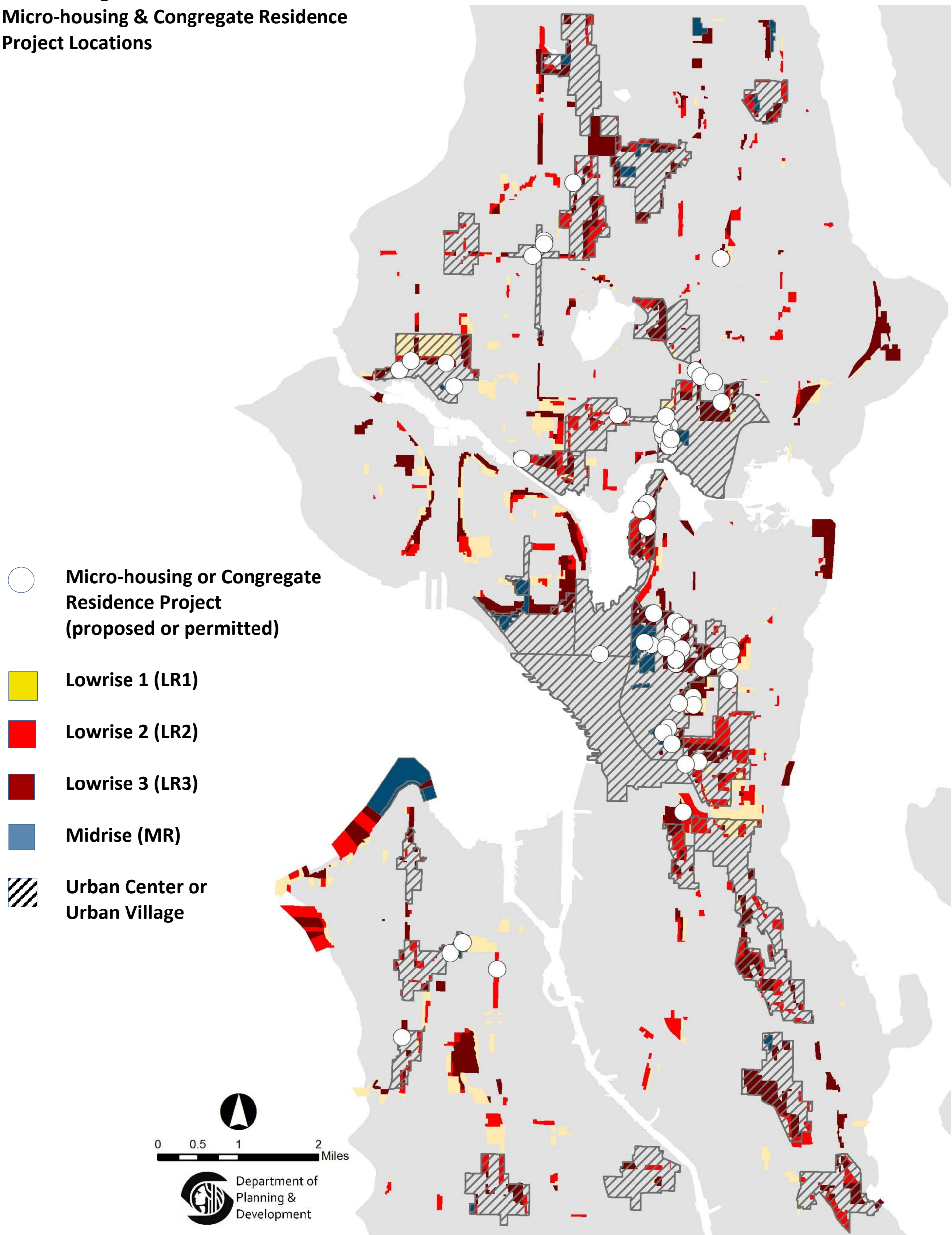
allow it in the single-family zone. DPD would make the interpretation based on the internal configuration of rooms and spaces in the home. The types of specific factors DPD would consider to indicate the presence of micro-housing in a single-family zone include the ratio of bedrooms to bathrooms, and the percentage of non-bedroom living spaces (i.e. living and dining rooms) to bedrooms.

Some have suggested prohibiting micro-housing in other zones, such as Lowrise 1 (LR1) and Lowrise 2 (LR2). According to DPD's tracking list (February, 2014) micro-housing production has not occurred in the Lowrise 1 zone (0 projects currently identified), and is only slightly more prevalent in Lowrise 2 zones (4 projects currently identified). Where LR1 and LR2 zones are located within urban centers and urban villages well served by transit our observation is that micro-housing can be appropriately sited. DPD also observes that where LR1 and LR2 zones are located outside of urban centers or urban villages vehicle parking requirements are in effect (and would be increased pursuant to action 7 below). An integral part of the observed micro-housing development model is to produce housing without vehicle parking on site. Therefore the frequency of transit service (and presence or absence of parking requirements) is in the majority of cases influencing micro-housing location away from LR1 and LR2 zones that are generally outside of urban centers and urban villages with frequent transit service, where parking would be required. (See also Action 7 parking and associated map.)

Mayor Murray has directed DPD to consider additional measures to further target the location of micro-housing and congregate residences to designated urban centers and urban villages only. Urban centers and urban villages have the best infrastructure and access to transit in place to accommodate the densities associated with micro-housing, and that the scale of the housing may be less compatible for infill development in existing neighborhoods outside urban villages and centers. Therefore we will continue to closely monitor whether micro-housing and congregate residences are being built outside of urban villages and urban centers. DPD will analyze and prepare additional legislation that would prohibit development of micro-housing or congregate residences outside of urban villages and centers.

The map on the following page illustrates the location of all Lowrise 1 (LR1), Lowrise 2 (LR2), Lowrise 3 (LR3) and Midrise (MR) zones in the city, along with the location of urban villages and urban centers. The map displays the location of micro-housing and congregate residence development on the city's tracking list (February, 2014). We can see from the map that of the 62 projects identified only 5 are outside of an urban village or urban center. With the overwhelming majority of this development focused on urban villages and centers.

Lowrise Zones (LR1, LR2, LR3) and  
Midrise Zones (MR)  
Urban Villages and Urban Centers  
Micro-housing & Congregate Residence  
Project Locations





### 3. Apply a design review threshold for buildings with micro-housing units, and for congregate residences by the size of the building

#### Types of Design Review

There are three types of design review processes as follows:

**Design Review** using the Design Review Board is a review conducted by 5 member appointed citizen design review boards. Design review is conducted in public meetings held in neighborhood locations. The process requires three alternative design concepts to be presented. There are two principal steps, Early Design Guidance (EDG) and Design Recommendation. Design review decisions involving Board review are appealable to the City's hearing examiner. (Type II land use decision).

**Administrative Design Review (ADR)** is a form of design review that is conducted by a DPD design review planner. Public notice of the project is provided on the website, and in a mailed notice to nearby residences. Members of the public have the chance to comment to the planner. Submittal requirements for three alternate design schemes are required and there are two formal steps to the approvals process (Early Design Guidance, and Design Recommendation). There is a formal decision appeal opportunity to the hearing examiner. (Type II land use decision).

**Streamlined Design Review (SDR)** is a simplified form of administrative design review that is conducted by a DPD design review planner. Public notice of the project is provided on the website, and in a mailed notice to nearby residences. Members of the public have the chance to comment to the planner. Applicant submittal requirements are reduced and the number of approval steps is more limited than Administrative or Full Design Review. There is no formal decision appeal opportunity to the hearing examiner. (Type I land use decision).

The type of design review that is required (or voluntarily available) is generally based on the scale of the proposed development. Larger scaled development undergoes review by the board and administrative forms are used for other projects.

#### Applicability of Design Review

Currently design review thresholds for residential uses are based on the number of dwelling units in the project. (See DPD Tip #238 and summary table below). For example in Lowrise 3 zones, projects with nine or more dwelling units are required to undergo design review. Under current practices (without a formal definition of "micro-housing") the number of micros is not counted toward the design review threshold individually. Only complete "dwelling units" are counted. So, projects with a large number of micros (up to 8 within each micro-housing dwelling unit) can currently be permitted without triggering a design review requirement. Similarly, there is no threshold for design review for congregate residences that addresses the number of sleeping rooms, and congregate residences are not defined as a dwelling unit, therefore, are currently not required to undergo design review.

**Summary of Current Design Review Thresholds**  
**Residential Development (Excerpted from DPD Tip#238)**

<b><i>Full Design Review (Board)</i></b>	
<b>Zone / Location</b>	<b>Threshold</b>
Lowrise 3	9 or More Dwelling Units
Midrise	20 or More Dwelling Units
Neighborhood Commercial Zones (NC1, NC2, NC3) Commercial Zones (C1, C2 – certain locations)	4 or More Dwelling Units
<b><i>Administrative Design Review (ADR)</i></b>	
Projects under the mandatory design review thresholds seeking development standard departures may generally voluntarily submit for ADR. A development standard departure allows a project design to achieve flexibility in the application of prescriptive land use standards, provided the applicant can demonstrate that it would result in a development that meets or exceeds the intent of design guidelines.	
<b><i>Streamlined Design Review (SDR)</i></b>	
<b>Zone / Location</b>	<b>Threshold</b>
Townhouse development in any zone	3 or more townhouse dwelling units

DPD proposes to identify all development projects containing micro-housing units and any congregate residence project, and make the threshold for design review for these forms of development based on the size of the building in gross square feet (GSF), rather than by number of dwelling units. The design review threshold for this form of housing would apply in any zone across the city. The thresholds are scaled to be similar to the physical size and scale at which other conventional housing developments would undergo design review based on the dwelling unit thresholds.

The proposal for building size thresholds are summarized in the following table:

Proposed design review thresholds for developments with Micro-Housing Units, and Congregate Residences all zones citywide		
Building Size Gross Square Feet (GSF) Non-Exempt Floor Area	Type of Design Review	Building Size Benchmark
6,000 to 11,999 GSF	Streamlined Design Review (SDR)	<ul style="list-style-type: none"> <li>Approximate size of 3 to 8 unit townhouse development currently required to undergo SDR</li> <li>Size of typical Lowrise zone (LR) development on 1 commonly platted city lot</li> </ul>
12,000 to 19,999 GSF	Administrative Design Review (ADR)	<ul style="list-style-type: none"> <li>Approximate size of 9 unit townhouse or lowrise development currently required to undergo design review only in Lowrise 3 (LR3) zone</li> <li>Size of typical Lowrise zone (LR) development on 2 commonly platted city lots</li> </ul>
> 20,000 GSF	Design Review Board Design Review	<ul style="list-style-type: none"> <li>Approximate size of 20 unit conventional apartment development in the MR zone – existing threshold for MR design review</li> <li>Approximate size of development at full development capacity on 1 commonly platted city lot in the MR zone, and the majority of all developments on 2 commonly platted lots in the MR zone</li> <li>Approximate size of smaller end mixed use buildings commonly constructed in Neighborhood Commercial (NC) zones</li> </ul>

**Streamlined Design Review (SDR):** Currently in all zones a townhouse project with 3 to 8 townhouse units must undergo SDR. Such a project would commonly contain between 6,000 and 16,000 gsf assuming an average townhouse unit size of 2,000 gsf. DPD also observes that the physical size of development at this scale is commonly configured on one typical platted residential lot (often 50 x 100 or similar dimensions, or about 5,000 sf.). Considering a maximum Floor Area Ratio (FAR) of between 1.0 and 2.0 allowed in lowrise multi-family zones, a development in lowrise zones on a typical 5,000 sf lot would yield between 5,000 (5,000sf lot x 1.0) and 10,000 gsf (5,000sf lot x 2.0). A development with an FAR of 1.2 on a 5,000sf lot would produce a 6,000 gsf project. So, we can assume that most new micro-housing developments in lowrise zones that do not under build the allowable floor area on one platted lot would trigger SDR at the proposed threshold of 6,000 – 11,999 gsf.

**Administrative Design Review (ADR):** The proposed 12,000-19,999 gsf threshold for ADR approximates the scale at which the smallest apartment buildings normally built in Lowrise, Midrise, and Commercial Zones would be required to undergo design review. Between 2011 and the summer of 2013, there were 113 multi-

family residential projects required to undergo design review in the LR, MR, NC and C zones, most of which were apartments or mixed-use development. Of these 113 design review projects, only 3 were below the 12,000 gsf threshold. A list summarizing the 25 smallest multi-family projects to undergo design review from 2011 to the summer of 2013 is provided following the image examples below. So the 12,000 gsf threshold is a size limit that would require ADR for micro-housing projects of the same size and scale as the vast majority of all multi-family apartment buildings that are currently required to undergo design review. We also observe that the physical size of development at this scale is commonly configured on two typical platted residential lots (often around 10,000 sf.). Considering a maximum Floor Area Ratio (FAR) of between 1.0 and 2.0 allowed in lowrise multi-family zones, a development in lowrise zones on two typical lowrise zone lots would yield 12,000 gsf at an FAR of 1.2. So we can assume that most new micro-housing developments in lowrise zones that do not under build to the allowable floor area on two platted lots would trigger ADR at a threshold of 12,000+ gsf.

***Design Review Board Review:*** The proposed 20,000+ gsf threshold for Design Review Board review approximates the scale of a Midrise (MR) zone development of 20 conventional dwelling units– the current threshold for design review in the MR zone. For example a conventional apartment development with 20,000 gsf would typically include approximately 25% of the area in lobbies and corridors etc. This would leave 15,000 sf for units, which would produce 20 conventional apartment dwelling units at 750 sf in size. The 20,000 gsf threshold also reflects the size of a typical development in the MR zone on one commonly platted lot, when the development approaches the zone’s maximum 4.25 FAR. ( $5,000 \times 4.25 = 21,250$  gsf). Therefore micro-housing or congregate residence development projects in the MR zone on one lot, developed to full capacity, and the vast majority of projects on more than one lot, would trigger design review using the Board. We also note that 20,000 gsf is roughly equivalent to the scale of smaller mixed-use development projects in neighborhood business districts in Neighborhood Commercial (NC) zones. Development of a scale found in the Midrise and Neighborhood Commercial zones is appropriate for Design Review Board review.

***Recommendations for Type of Design Review:*** The above recommendations for type of design review (SDR, ADR, and Design Review Board review) are based on the building size benchmarks indicated in the table, and also on an assessment of cost factors and design review board workload levels. As a general principle, the cost and time associated with a design review requirement should be in proportion to the scale of the development project. A project with the budget of a small lowrise multi-family development should not be subject to the same design review process as a downtown highrise tower. With cost proportionality in mind, DPD recommends forms of design review most appropriate for the scale of the development proposal.

In addition there are workload constraints on the seven appointed, volunteer Design Review Boards. In general, each of the boards meets regularly every two weeks to review projects. Typically no more than 2 projects are reviewed during any given meeting. So, there is a maximum feasible pace of review that can be achieved by the boards. During high volume development periods, long lead times for design review board appointments can occur. Therefore, DPD recommends using SDR and ADR instead of the board review process for smaller and intermediate scale micro-housing developments. The department has more

flexibility to adjust staffing levels for undertaking administrative reviews than it does to increase the capacity and structure of the volunteer design review boards.

***Application of Proposed Design Review Threshold\****

Applying these proposed design review thresholds to the micro-housing units and congregate residence projects DPD has observed on its tracking list (February, 2014) would result in the following.

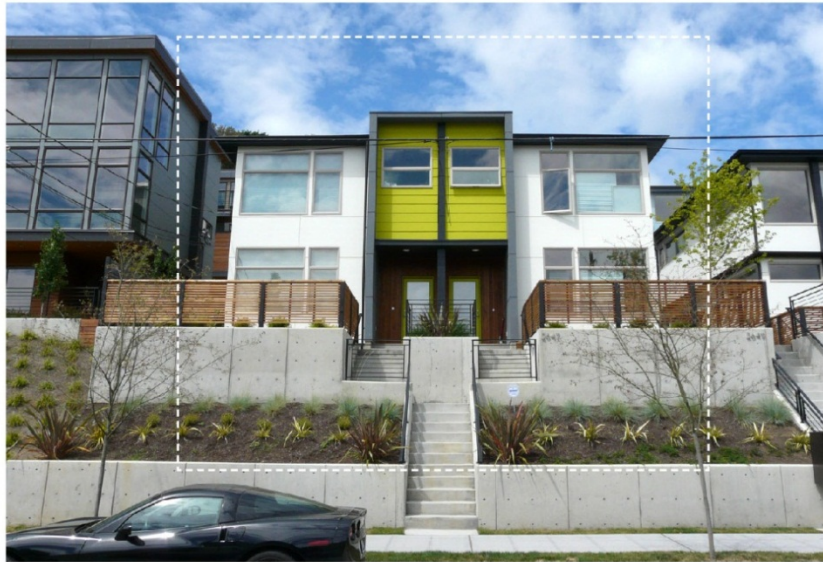
- Of 62 total projects that would have been classified as having micro-housing units or as congregate residences...
  - 26 would have undergone SDR (42% of total projects)
  - 20 would have undergone ADR (32% of total projects)
  - 8 would have undergone Design Review board review (13% of total projects)
  - 8\*\* would have undergone no design review (13% of total projects)

\* For the purpose of this analysis, for projects that have not yet identified building square footage amounts in permitting documents, we have made building size assumptions based on the project lot size and allowable FAR.

\*\*It should be noted that 4 of the 8 projects that are below any design review threshold are renovations of existing single-family home type structures located within multifamily zones.

For reference, exhibits on the following pages provide examples of projects at about 6,000 gsf about 12,000 gsf, and about 20,000 gsf to show the scale of micro-housing or congregate residence buildings that would be required to undergo SDR, ADR and design review using the board respectively.

**Example 1:** A development with about 6,000 GSF. All new buildings that include micro-housing units or congregate residences larger than this would be required to undergo Streamlined Design Review (SDR).



5,950 GSF project  
4 townhouse units  
6,000 sf lot  
Underwent Streamlined Design Review (SDR)  
Located in LR1 Zone  
Located in lower Magnolia





**Example 2:** A development with slightly more than 12,000 GSF. All new buildings that include micro-housing units or congregate residences of this size or larger would be required to undergo Administrative Design Review (ADR).



**12,952 SF project**  
**8 LiveWork Units**  
**9,300 SF Lot**  
**Columbia City Historic Review Board project**  
**Located within the NC2-40 zone**

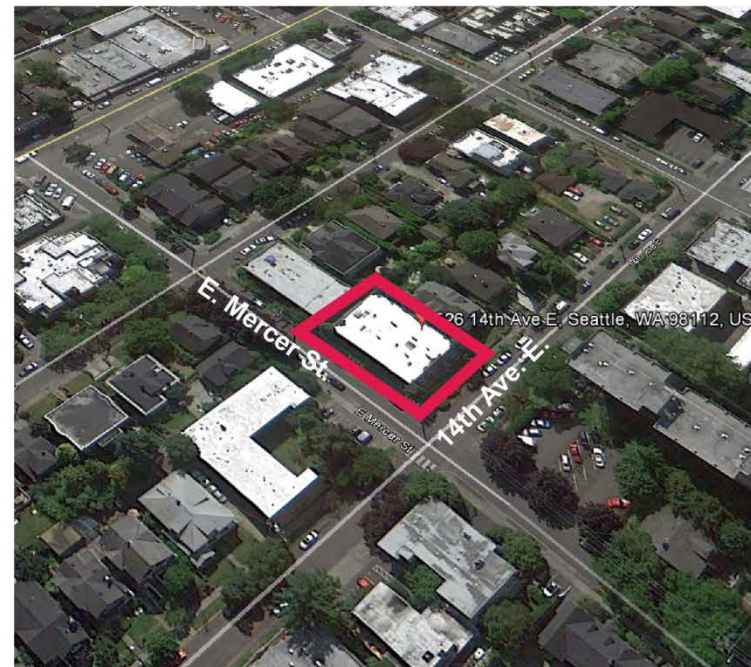
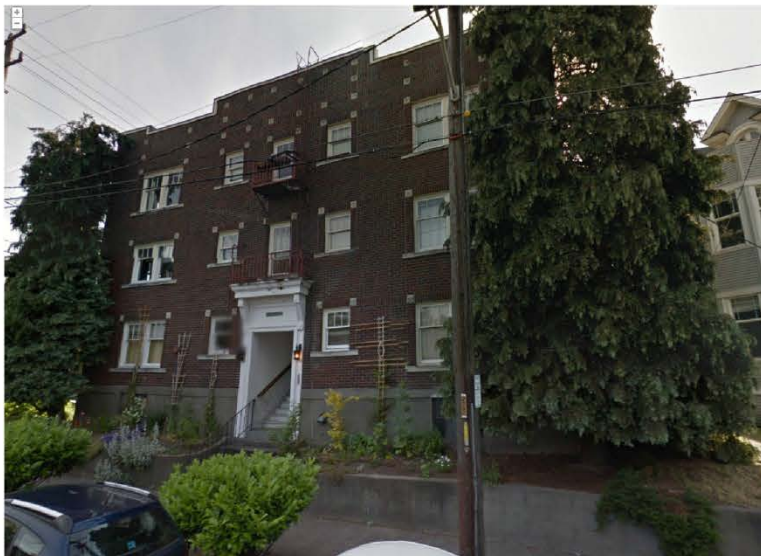




**Example 3:** A development with approximately 20,000 GSF. All new buildings this size or larger with micro-housing units or congregate residences would be required to undergo Design Review Board review.



**20,022 GSF total**  
**25 apartment units**  
**Capitol Hill**  
**Historic Apartment Building (Built 1910)**  
**Located within the LR3 zone**  
**Project pre-dates design review**

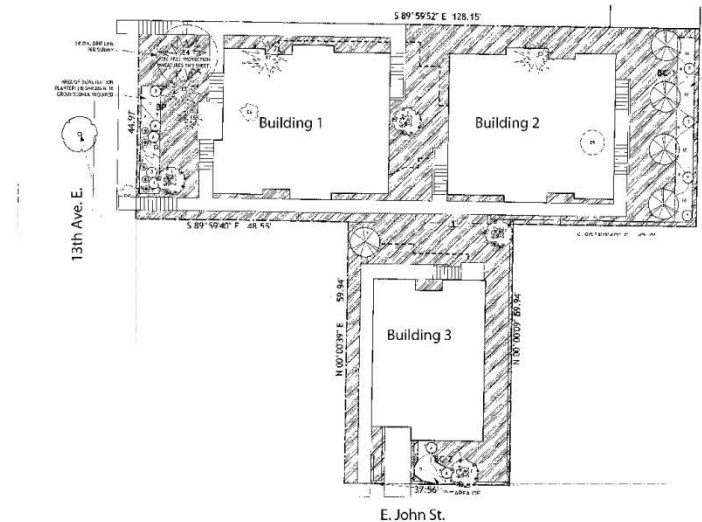




**Example 4:** A micro-housing unit development that did not undergo any design review. The development contains more than 12,000 gsf in all three buildings, so it would have been required to undergo Administrative Design Review (ADR) if these recommendations had been enacted at the time.



**13,848 GSF in all three buildings**  
**8 Townhouse style dwelling units**  
**56 Micro-apartments**  
**Capitol Hill**  
**Located within the LR3 zone**  
**Project did not undergo design review**



**Table: Design Review of Multi-family Apartment Projects.** The table below summarizes the 25 smallest apartment development projects required to undergo design review between 2011 and May of 2013. It shows that few multi-family apartment projects smaller than the threshold proposed for micro-housing design review are required to undergo design review. Or that the proposed thresholds for micro-housing are on par with design review requirements for other kinds of apartment development.

**2011- May 2013  
 25 Smallest Multifamily Apartment Projects  
 That Underwent Design Review**

ADDRESS	Zone (s)	Dwelling Units	Approx. GSF	Description
12350 33RD AVE NE	LR3, NC2-40	23	3,850	Four-story, 23-unit residential building with one live-work unit.
355 15TH AVE	NC1-30	8	6,742	Two, three-story structures for eight live-work units.
717 3RD AVE N	LR3	20	10,380	Three-story, 20 unit residential structure.
11714 PINEHURST WAY NE	NC2-40	12	14,637	Four-story structure with 12 residential units over 1,400 sq. ft. of commercial space.
4558 7TH AVE NE	MR	24	14,785	Six-story structure with 24 residential units.
160 20TH AVE	LR2	16	15,784	Two 3-story structures containing a total of 16 low income residential units.
1814 12TH AVE S	LR3	22	15,943	Five-story structure containing 22 residential units.
3829 CALIFORNIA AVE SW	LR3	29	15,999	A three-story structure containing 29 residential units.
109 12TH AVE E	LR3	23	17,509	Four-story structure containing 23 residential units.
6818 62ND AVE NE	LR3	15	18,550	Three-story structure containing 15 low income residential units.
1366 31ST AVE S	NC1-30	18	20,042	3 story building, containing 18 residential units above 5,178 sq. ft. of retail.
12517 33RD AVE NE	C1-65, NC3P-85	21	20,400	Four-story residential structure with 21 units above a 1,500 sq. ft. community center at ground level.
6401 32ND AVE NW	NC1-30	18	21,089	Three-story structure containing 18 residential units above 5,001 sq. ft. of retail.
8026 15TH AVE NW	NC2-40	24	22,032	Four-story structure containing 24 residential units and one live-work unit.
521 2ND AVE W	NC3-40	30	22,550	A four-story structure containing 30 residential units and three live work units.
2200 24TH AVE E	LR1, NC1-30	24	23,427	Three-story building with 24 residential units, one live-work unit (1,031 sq. ft.) and retail and office use (4,926 sq. ft.)
1711 12TH AVE	NC3-40	35	23,578	A four-story building with 35 residential units and two live/work units.
1406 E REPUBLICAN ST	LR3	35	25,900	A 4-story structure containing 35 residential units.
4111 STONE WAY N	NC2-40	27	27,050	A four-story structure containing 27 residential units over 1,560 sq. ft. of retail/commercial space.
1600 E JOHN ST	LR3	15	27,766	A 17,000 sq. ft. 4-story structure containing 15 residential units.
1823 18TH AVE	LR3	32	28,807	A four-story residential structure containing 32 units.
2034 NW 56TH ST	NC3-65	18	36,664	Two structures, one, 4-story with 18,505 sq. ft. of office and retail and one, 5-story with 18 residential units.
6404 24TH AVE NW	NC1-65	25	37,060	Five-story addition to a structure, contains 25 residential units above 3,665 sq. ft. of ground level retail.
127 BROADWAY E	NC3P-40	24	43,229	Add three stories to existing building for a total of six stories and allow 24 residential units with 3,328 sq. ft. of retail at ground floor.
9051 20TH AVE SW	C1-40	35	49,769	A three to four-story structure containing 2,095 sq. ft. of retail space, four livework units and 35 residential units above.
6950 SAND POINT WAY NE	LR3	20	61,568	A three-story structure containing 39 low income residential units.

*88 larger projects underwent design review during the timeframe in addition to these 25 smallest.*

**Notes:**

Relevant zones only. Excludes downtown zones and South Lake Union

Project identification was made based on number of multifamily dwelling units. (Some small commercial/office only projects may be excluded from the analysis)

#### **4. Add a minimum size for shared kitchen space in micro-housing units and congregate residences.**

Currently there is no Land Use Code minimum size requirement for shared kitchen / common area, nor is there a minimum requirement for apartment size. The Seattle Building Code includes minimum requirements on the size and floor area of habitable spaces. (SMC 22.206.020) These Building Code requirements control the minimum sizes of micros in micro-housing and sleeping rooms in congregate residences. Minimum building code standards include (summary):

- Every dwelling unit shall have at least one habitable room with not less than 120 sf floor area
- No habitable room may be less than seven feet in any floor dimension
- Every room used for sleeping purposes shall have not less than seventy (70) square feet of floor area

DPD proposes to continue to rely on building code standards to provide adequate minimum sizes of micros in micro-housing. In practice, micros have commonly ranged from about 100 sf of floor area to 185 sf of floor area based on a review of plans for most micro-housing developments on the DPD tracking list. DPD has not encountered substandard living conditions or other health and safety concerns that would suggest requiring a larger minimum size for micros.

However, DPD has identified examples in some recent projects where space provided in the shared kitchen/common area appears to be smaller than a functional minimum for this type of shared space. As of September, 2013, fourteen micro-housing projects were identified as having at least one shared kitchen smaller than 120sf, with a few proposed shared kitchens sized as small as 50 sf. The shared kitchen/common area within micro-housing, which is expressly designed to contain up to 8 micros, should be sized and available for use by a multiple person household. DPD therefore recommends that a new requirement be added in the Code that a micro-housing dwelling unit shall include a shared kitchen/common area not less than 120 square feet. A 120 square foot kitchen (i.e. 10'x12' or 8'x15') is a size that can be used for cooking by more than one person at a time, and is likely to include adequate space for a table and chairs for eating meals. The 120 square foot requirement is also consistent with the building code requirement for at least one room in the dwelling unit of this size. Our observation of a need for a minimum useable kitchen/shared space is also based on field visits and tours to micro-housing.

DPD also proposes a requirement for a minimum quantity of communal area within congregate residences for similar reasons and to provide consistency. Currently certain special classes of housing such as Assisted Living Facilities include standards for shared communal areas (required 5% of total floor area in assisted living units or 25% of the lot area, whichever is less). No similar standard is in place for congregate residences. As a benchmark to develop a standard, DPD reviewed recently permitted off-campus student housing at the University of Washington located on Campus Parkway. Spruce and Alder Halls are congregate residence structures, in which small sleeping rooms for one student are arranged along corridors, with each sleeping room having an individual private bathroom and no kitchen. The halls have many parallels to privately produced congregate housing. A review of plans indicates that common areas including lounges and cafeterias are equal to approximately 11% of the total floor area in sleeping rooms.

Based on this review and other research DPD proposes that a 10% communal area requirement be added for all congregate housing.

In the case of both the proposed minimum shared kitchen size in micro-housing units, and the minimum required communal area in congregate residences, these spaces may not also count toward otherwise required Residential Amenity Area. Residential Amenity Area requirements in the LR and MR zones may be a blend of outdoor and indoor common and open spaces. This proposal would ensure that the required residential amenity area is in place, and additionally, adequate shared kitchen and interior communal areas are provided to serve residents' needs in congregate residences.

## **5. Limit kitchen components in individual micros and sleeping rooms to differentiate from dwelling units.**

The proposed legislation would limit the amount of kitchen components that could be located in individual micros (for micro-housing), or sleeping rooms (for congregate residences). The purpose of this is to differentiate the housing type from conventional dwelling units.

In micro-housing units, the shared kitchen for a grouping of up to 8 micros is a defining element of the housing type. Limiting kitchen features to the shared kitchen, and not allowing kitchen features to be constructed within individual micros, ensures that the housing type is truly distinct from conventional dwelling units. This proposal would disallow plumbed sinks from being placed within the bedroom portion of the micro – requiring that the plumbed sink be placed in the bathroom enclosure. The proposal also clarifies that a gas or electric stove or cooktop can't be located in an individual micro. Under the new proposal, plumbed sink and stove will be the primary indicators of a food preparation area or kitchen – and without these features it is unlikely that a true kitchen or food preparation area would be present.

A congregate residence is defined by the presence of 9 or more sleeping rooms organized in a building with shared or 'congregate' features. As with micros, placing a limit on the amount of food preparation areas or kitchens that can be constructed within individual sleeping rooms ensures that the housing type is truly distinct from a series of conventional dwelling units. Therefore the proposal would place limits on plumbed sinks and gas or electric stoves or cooktops within the sleeping rooms. However, in contrast to micro-housing, congregate housing commonly and customarily includes a variety of sleeping room formats and configurations. For example, contemporary student housing is often built with a mix of some sleeping rooms with kitchen areas targeted to graduate or more senior students, and some sleeping rooms with no kitchens for undergraduate students. Similarly, in some transitional senior housing arrangements that do not qualify as Assisted Living or Nursing Homes, there may be a range of sleeping room formats – some or all with kitchens and some without. To account for a variety of formats and still allow DPD to distinguish from conventional dwelling units, we propose a percentage limit of no more than 25% of sleeping rooms in congregate residence allowed to have food preparation or kitchen areas.

Additionally, we propose flexibility for the Director to consider an increase in the percentage of kitchens to up to 100% of sleeping rooms while still considering a proposal to be a congregate residence, if the housing is affiliated with a university or college, or if it includes other clear characteristics of a shared or common living arrangement. Specific criteria include the presence of a large dining room for group dining or receipt of meals through a meal program, or the presence of support services related to disabilities or illnesses on site. In this way, the congregate residence format allows a greater degree of flexibility in the overall configuration and arrangement of sleeping rooms, as well as variety of shared or communal spaces.

## **6. Update development standards for solid waste storage areas in development with micro-housing units and congregate residences**

There currently are standards for the sizing of refuse collection storage areas, as well as standards for the size of refuse receptacles themselves. When new development occurs, DPD regulates the required size of solid waste materials storage areas in the building in consultation with Seattle Public Utilities (SPU). The Land Use Code requirement for size of refuse collection area is based on the number of dwelling units (see Table A below).

**Table A for 23.54.040: Shared Storage Space for Solid Waste Containers**

<b>Residential Development</b>	<b>Minimum Area for Shared Storage Space</b>
2-8 dwelling units	84 square feet
9-15 dwelling units	150 square feet
16-25 dwelling units	225 square feet
26-50 dwelling units	375 square feet
51-100 dwelling units	375 square feet plus 4 square feet for each additional unit above 50
More than 100 dwelling units	575 square feet plus 4 square feet for each additional unit above 100, except as permitted in subsection 23.54.040 C.

In addition to the DPD code requirement, SPU provides standards for the size of the actual solid waste receptacle in three components summarized below. SPU also exercises discretion in working with applicants for new development to make sure the design sizing and location of refuse receptacles are adequate. To date SPU's review has resulted in adequate refuse collection areas in existing micro-housing unit projects. When a building has solid waste overflow, SPU addresses this on a case by case basis. One solution is to require more frequent pick-up. SPU practices and requirements are summarized as follows:

- Garbage - divide the number of residential units by 10 to get the cubic yards of weekly garbage service:  
<http://www.seattle.gov/util/MyServices/Garbage/BldgOwnersManagers/ChoosingaDumpsterSize/index.htm>

- Recycling - will need the same amount of cubic yards as garbage, but recycling will vary from building to building.
- Food waste – container size is based on the total dwelling units of the building:  
[http://www.seattle.gov/util/MyServices/FoodYard/BldgOwnersManagers\\_FoodYard/CartCostSize/index.htm](http://www.seattle.gov/util/MyServices/FoodYard/BldgOwnersManagers_FoodYard/CartCostSize/index.htm)

Additionally, there are requirements for container/cart/dumpster storage including:

- Storage has to be on the property, not public ROW. If the property size is too small to store waste in a location accessible for the garbage pickup, then it will need on-site management to bring garbage out for pickup.
- Refuse has to be close and easy enough for containers to be picked up by the waste collection company.
- If there is not enough capacity, SPU will require more frequent pickup, which will increase the cost to the building owner.

As a precautionary measure DPD proposes additional authority for SPU to consider the quantity of micros or sleeping rooms in congregate residences in its plan review for determining the appropriate recycling and waste storage square footage area and access.

## **7. Update development standards for amount of required bicycle and vehicle parking in developments with micro-housing unit and congregate residences**

***Bicycle Parking:*** Currently the amount of off street bicycle parking required for residential uses is one bicycle parking space for every four dwelling units in multi-family housing, and one bicycle parking space for every 20 residents in congregate residences. (Table E, SMC 23.54.015) These quantities may not result in adequate off-street bicycle parking for micro-housing units because up to eight micros may be located within a dwelling unit. Since most developments with micro-housing units in recent years have been built with few or no vehicle parking spaces there is added importance to providing storage space for bicycles.

DPD proposes to increase the requirement for off-street bicycle parking for development including micro-housing units and for congregate residences. DPD recommends a new requirement for off-street bicycle parking space of one secure bicycle parking space for every 4 micros or sleeping rooms in a congregate residence. This quantity reflects the expected higher demand for bicycle storage for this form of development relative to other forms of development citywide. We also note that in the survey of tenant demographics provided by operators of Apodments®, 25% of tenants said they commute by bicycle. This suggests that at a minimum one in four residents of micros own a bicycle – with the actual bicycle ownership percentage likely to be higher when non-commuter bike owners are reflected. In tours of micro-housing unit developments DPD observed, in some cases, undersized spaces for bicycle parking.

***Vehicle Parking:*** Seattle Municipal Code 23.54.015 provides minimum parking requirements for vehicles. In Table B below are requirements for vehicular parking for residential uses. Required vehicle

parking for multi-family residential uses is generally 1 required parking space for each dwelling unit in areas where parking is required. (SMC 23.54.015 I). As noted for other topics above, this requirement would apply to one “dwelling unit” which could contain up to eight micros. Note that for Congregate Residences, and for Assisted Living Facilities the vehicle parking requirement is one space for each 4 residents. DPD proposes to add a vehicle parking requirement for micro-housing to SMC 23.54.015 that would be equal to the 1:4 ratio currently required for Congregate Residences and Assisted Living quarters.

**Specific Areas Where No Vehicle Parking Is Required:** Per Table B for 23.54.015 there is no minimum vehicle parking requirement for residential uses in areas that are either: 1) within urban centers or within the Station Area Overlay District; or 2) in commercial and multifamily zones within urban villages that are not within urban center or the Station Area Overlay District, if the residential use is located within 1,320 feet of a street with frequent transit service. In these locations, which are planned to be the city’s most compact, walkable and transit-rich, the City has adopted policies not to mandate new vehicle parking.

In keeping with existing vehicle parking policies we recommend treating micro-housing equally to other forms of multi-family housing , and not adding a new parking requirement specifically for micro-housing. DPD proposes to continue allowing parking exemptions for specific areas per 23.54.015 L. and M. below to be available to micro-housing along with other forms of housing.

*Note: The table below is shown with the proposed change to add a parking requirement for micro-housing.*

<b>Table B for 23.54.015: PARKING FOR RESIDENTIAL USES</b>		
Use		Minimum parking required
<b>I. General Residential Uses</b>		
A.	Adult family homes	1 space for each dwelling unit
B.	Artist's studio/dwellings	1 space for each dwelling unit
C.	Assisted living facilities	1 space for each 4 assisted living units; plus
		1 space for each 2 staff members on-site at peak staffing time; plus
		1 barrier-free passenger loading and unloading space
D.	Caretaker's quarters	1 space for each dwelling unit
E.	Congregate residences <u>and micro-housing units</u>	1 space for each 4 <del>residents</del> <u>sleeping rooms or micros</u>
F.	Cottage housing developments	1 space for each dwelling unit
G.	Floating homes	1 space for each dwelling unit
H.	Mobile home parks	1 space for each mobile home lot as defined in Chapter 22.904
I.	<b>Multifamily residential uses, except as provided in Sections II or III of this Table B for 23.54.015.(1)</b>	1 space per dwelling unit.

J.	Nursing homes(2)	1 space for each 2 staff doctors; plus 1 additional space for each 3 employees; plus 1 space for each 6 beds
K.	Single-family dwelling units	1 space for each dwelling unit
<b>II. Residential Use Requirements For Specific Areas</b>		
L.	All residential uses within urban centers or within the Station Area Overlay District(1)	No minimum requirement
M.	All residential uses in commercial and multifamily zones within urban villages that are not within urban center or the Station Area Overlay District, if the residential use is located within 1,320 feet of a street with frequent transit service, measured as the walking distance from the nearest transit stop to the lot line of the lot containing the residential use.(1)	No minimum requirement
N.	Multifamily residential uses within the University of Washington parking impact area shown on Map A for 23.54.015(1)	1 space per dwelling unit for dwelling units with fewer than two bedrooms; plus
		1.5 spaces per dwelling units with 2 or more bedrooms; plus
		.25 spaces per bedroom for dwelling units with 3 or more bedrooms
O.	Multifamily dwelling units, within the Alki area shown on Map B for 23.54.015(1)	1.5 spaces for each dwelling unit
<b>III. Multifamily Residential Use Requirements with Income Criteria</b>		
P.	Multifamily residential uses: for each dwelling unit rented to and occupied by a household with an income at time of its initial occupancy at or below 30 percent of the median income(3), for the life of the building(1)	0.33 space for each dwelling unit with 2 or fewer bedrooms, and 1 space for each dwelling unit with 3 or more bedrooms
Q.	Multifamily residential uses: for each dwelling unit rented to and occupied by a household with an income at time of its initial occupancy of between 30 and 50 percent of the median income(3), for the life of the building(1)	0.75 spaces for each dwelling unit with 2 or fewer bedrooms, and 1 space for each dwelling unit with 3 or more bedrooms
R.	Low-income disabled multifamily residential uses(1) (3)	1 space for each 4 dwelling units
S.	Low-income elderly/low-income disabled multifamily residential uses (1) (4)	1 space for each 5 dwelling units
T.	Low-income elderly multifamily residential uses(1) (3) not located in urban centers or within the Station Area Overlay District	1 space for each 6 dwelling units



***Recent Vehicle Parking Related Policies:*** Several recent policy or legislative actions have affirmed the City's commitment to allowing the market, rather than vehicle parking minimums to dictate the amount of parking provided in urban centers, and urban villages with frequent transit service. Policy initiatives include the following:

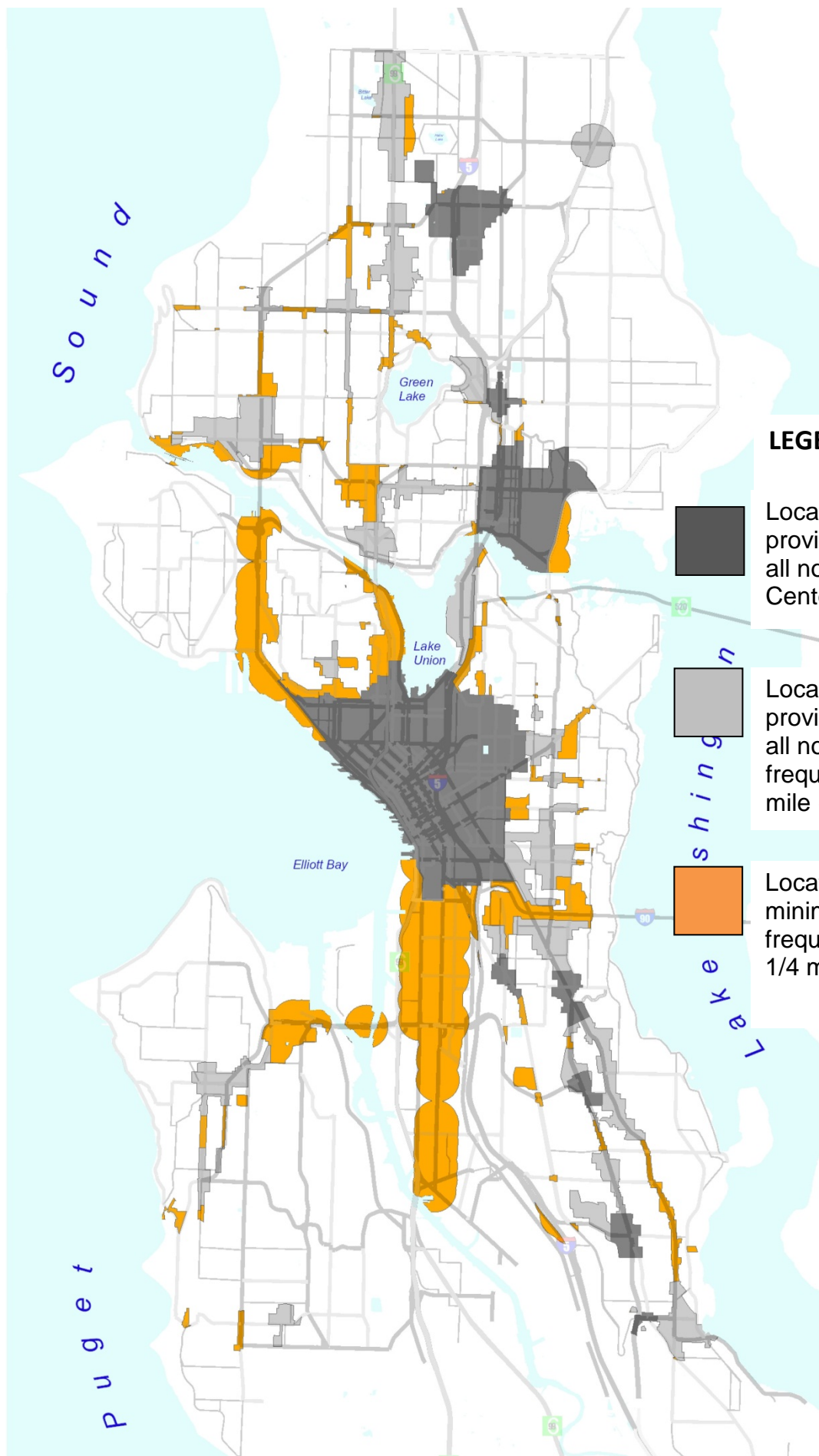
- **Lowrise Multifamily Code Update (2010):** Ordinance 123495, passed December, 2010 by 9-0 vote adopted new zoning regulations for Lowrise zones including no required parking in urban village areas within ¼ mile of frequent transit. This follows similar approaches to parking policy with the adoption of Midrise and Highrise zoning in 2010 and new Commercial zoning in 2006.
- **Climate Action Plan (2013):** Approved by City Council in spring 2013 recognizes that 40% of all Green House Gas Emissions in Seattle are from passenger vehicle emissions. Numerous actions aimed at outcomes of "trending away from single occupant vehicles."
- **Seattle Transit Communities Policy (2013):** Added into the City of Seattle Comprehensive Plan in May 2013 with numerous goals and policies to reduce reliance on automobile travel including "Land Use Goal – 61: Reduce dependence on automobile transportation and reduce greenhouse gas emissions by supporting transit communities."

***Observed Micro-Housing Unit Vehicle Parking:***

In a survey of tenant demographics provided by operators of Apodments® (as of June, 2013), 32% of tenants said they commute by car at least occasionally. This finding reveals that about one third of micro-housing residents appear to own or have access to an automobile.

Of the 58 micro-housing or congregate residence projects on DPD's tracking list only 3 buildings provide on-site vehicle parking. Micro-housing developers have taken advantage of parking exemptions for urban centers and urban villages by providing no vehicle parking in the majority of projects. Micro-housing has been located in neighborhoods with the highest walkscores (Capitol Hill: 97 and University District: 92 – both "walker's paradise"). In most cases, residents of micro-housing who own cars park their vehicle in a private parking lot, or on the street. (See RPZ action below).

***Locations where parking is required:*** The map below summarizes locations citywide where parking is required with new development. Locations where parking is not required are where almost all development of buildings with micro-housing has occurred.



## LEGEND



Locations with flexibility to provide no-minimum parking for all non-institutional uses (Urban Centers, Station Area Overlays)



Locations with flexibility to provide no minimum parking for all non-institutional uses, if frequent transit service within 1/4 mile (Urban Villages).



Locations for 50% reduction in minimum parking due to frequent transit service within 1/4 mile (23.54.020.F)

## **8. Clarify regulations for how amount of restricted parking zone (RPZ) passes are tabulated for micro-housing units and congregate residences**

The Seattle Department of Transportation (SDOT) administers the RPZ program. Pursuant to SMC 11.16.315 there is a limit to the number of RPZ passes – which allow overnight and extended on-street parking hours in RPZ zones – that may be obtained by the resident of a home in the area. The current limit is that one “eligible household unit” is entitled to have no more than four RPZ permits at any one time. In addition an eligible household unit may obtain one guest RPZ pass.

SDOT and DPD have encountered at least one instance where a resident of a micro-housing project has obtained RPZ passes by positing the micro as the eligible household unit. SDOT now limits the number of RPZ permits issued to 4 per “dwelling unit.” So that a “dwelling unit” with 8 micros would only be eligible for a maximum of 4 RPZ passes. This does not require legislative change. Legislative changes that define “micro-housing unit” and “micro” allowing DPD to formally identify and track in permitting systems will facilitate SDOT’s administration of the RPZ program.

## **9. Account for micro-housing units and congregate residences in progress towards growth targets**

Currently, accounting of progress toward Comprehensive Plan growth targets are calculated based on dwelling units for all types of housing. The City tracks the quantity of dwelling units produced as an indicator of how growth is occurring for comparison with goals set in long range plans such as the Comprehensive Plan. Dwelling units (or households) are used for growth tracking purposes not only in Seattle, but also in regional planning, including countywide planning policies. Growth targets are planning goals and are not regulatory maximums. The Washington State Growth Management Act (GMA) requires each jurisdiction to demonstrate that it has the zoning capacity and infrastructure to accommodate its share of population growth that the state forecasts for each county over the next 20 years. The growth target is the minimum amount that each jurisdiction must take in order to meet the countywide forecast.

In addition to citywide planning goals, the City considers whether certain neighborhoods have met or exceeded their growth targets in determining the setting of SEPA thresholds in particular neighborhoods. If the neighborhood has not yet exceeded its growth target, SEPA thresholds are higher, and when a neighborhood exceeds its growth target, SEPA thresholds are brought to lower levels. Updates to the SEPA thresholds are done by updating a Director’s Rule (for the current rule, see DPD rule # 9-2012).

Solely for the purposes of tracking growth in the city and in neighborhoods, DPD proposes accounting for micro-housing and congregate residence sleeping rooms using a ratio of every four (4) micros or sleeping rooms in congregate residences to count as one (1) dwelling unit equivalent. Our analysis

suggests a 4:1 ratio based on intensity of use and occupancy factors. This does not require legislative change.

If we apply the proposed growth-tracking approach to the micro-housing projects on the tracking list (September, 2013) the following would result: under current practices the 58 projects with micro-housing or congregate residences on the tracking list are contributing 303 additional dwelling units (households) to the city. Under the proposed method, the same 58 projects would have contributed a total of 700\* households to the city for growth tracking purposes.

\* For the purpose of this analysis projects that have not yet identified a proposed number of congregate residence sleeping rooms in permitting documents are not included in the tabulation.

## **10. Increase the required affordability levels for participation in incentive zoning for affordable housing, for projects with micro-housing units or congregate residences, and for small studio apartments.**

In March of 2013, the Seattle Office of Housing (OH) issued Director's Rule 01-2013 regarding micro-housing eligibility to participate in the Multi-Family Property Tax Exemption program (MFTE). The Director's Rule clarifies that the number of dwelling units in a building must be reported consistently between application to DPD and OH. In this way, a developer could not access the MFTE program by reporting micros as affordable 'units' – if the developer had also indicated that a grouping of up to 8 micros was the dwelling unit in a permit application to DPD. This Director's Rule has clarified application of the MFTE program with regard to micro-housing. However, there are similar issues that need correction related to the City's incentive zoning program for affordable housing, that are proposed to be fixed as a part of this legislation.

Certain zoning designations and geographic areas include incentive zoning provisions that allow for increased floor area and/or building height to be constructed if a developer provides a specified amount of affordable housing. SMC Chapter 23.58A specifies affordability levels in terms of "income eligible households" and specifies the amount of affordable housing that has to be provided in order to achieve the additional development potential.

Examples of areas that have access to incentive zoning for affordable housing are Midrise (MR) zones, where the maximum Floor Area Ratio (FAR) can be increased from 3.2 to 4.25 and allowable height can be increased from 60 to 75 feet if affordable housing is provided. Other areas include neighborhoods such as the West Seattle Triangle and Roosevelt which have undergone recent legislative rezones that include incentive zoning provisions.

Currently, "income-eligible" households are those that earn 80% of Area Median Income (AMI). A developer would have to provide housing that is affordable to persons earning 80% AMI, currently an income of \$45,100 per year. The quantity of the affordable housing required to participate in the program is 14% of the bonus floor area gained. Developers also have the option of providing affordable housing equal to only 8% of the bonus floor area gained if the housing is available to persons earning 50% AMI or less.

The current affordability levels are appropriate to receive a bonus for conventional dwelling unit apartments. They are not adequate to ensure affordability beyond market rate levels for micro-housing, congregate residences, or for very small conventional dwelling unit studio apartments. For example, an apartment affordable to a single person at the current 80% AMI requirement results in a monthly rent of \$1,127 dollars. DPD and OH have observed market rate rents for micros in the range of \$650 - \$800, well below the 80% AMI rent level. So the 80% AMI level would not increase affordability beyond market levels for micros. A similar case applies for very small studio apartment dwelling units below 400 sf.

DPD and OH recommend that there is public benefit to continuing to allow projects with micro-housing, congregate residences and very small studio apartments to participate in the incentive zoning program if affordability levels are deepened for these types of housing. DPD and OH recommend that in order for any project with micro-housing, a congregate residence, or any studio apartment below 400 sf in size to be eligible for the incentive zoning, the micro, sleeping room or small studio apartment must be affordable at 40% AMI. This equates to a single person earning \$24,280 per year, which translates to a maximum monthly rent of \$607 per month. \$607 per month is at or slightly below the low end of current rents for micros, and below market rents for very small studio apartments.

Production of affordable micros, sleeping rooms, and small studio apartments under the incentive zoning program has the benefits of: helping to ensure the micros are made available to low income persons (as opposed to renters of a second 'in-city' home, or transitional space); and requiring a 50 year affordability term that would be subject to replacement requirements.

## **11. Ensure application of green factor landscaping requirements to congregate residences and micro-housing units.**

Since October of 2013, a technicality was discovered that led to some uncertainty over how green factor landscaping requirements are applied to congregate residences. Green factor is a landscaping requirement that calls for new development to provide landscaping that performs to a certain ecological value based on a scoring sheet and the size of the lot. The multi-family and commercial chapters of the zoning code (SMC 23.45 and SMC 23.47A respectively) are intended to apply green factor landscaping requirements to all new multi-family residential development.

For multi-family residential zones the current code (SMC 23.45.524) says:

*"Landscaping that achieves a Green Factor score of 0.6 or greater, determined as set forth in Section 23.86.019, is required for any lot with development containing more than one dwelling unit in Lowrise zones..."*

And for commercial zones the current code (SMC 23.47A.016) says:

*"Landscaping that achieves a Green Factor score of .30 or greater, pursuant to Section 23.86.019, is required for any lot with: a. development containing more than four new dwelling units; or b.*

*development, either a new structure or an addition to an existing structure, containing more than 4,000 new square feet of nonresidential uses...”*

The technicality arises, because congregate residences are regarded as a single large dormitory-style structure that technically does not contain multiple dwelling units. Although the building would contain nine or more sleeping rooms, it would not be classified as having conventional dwelling units. In this instance, under existing regulations, it could be argued that because a congregate residence does not have dwelling units, green factor landscaping would not apply. Similar complications in applying a dwelling-unit based threshold to micro-housing units could arise.

To fix this technicality and erase any doubt, DPD proposes to revise the above referenced landscaping requirements in both the multi-family and commercial chapters to require that green factor landscaping requirements be applied to any congregate residence development and development containing any micro-housing units.

## **Appendices to the Director's Report and Recommendation Micro-housing units and Congregate Residences**

- 1. Micro-housing project tracking list**
- 2. Micro-housing project map**
- 3. Micro-housing project examples**
- 4. Micro-housing volumes and expected development capacity**
- 5. Memo on fire and life safety – building code**
- 6. Director's Rule Multi-Family Housing Tax Exemption (MFTE)**
- 7. Summary, other cities' approach to micro-housing**