Department of Community Development - Nora Gierloff, AICP, Director

TO: Tukwila Planning Commission

FROM: Nora Gierloff, AICP, DCD Director

BY: Neil Tabor, AICP

DATE: July 27, 2023

SUBJECT: Update on Middle Housing Project with Code Recommendations

ISSUE

Staff and consultants are presenting updates to work being conducted within the Middle Housing Project. The update will include background on survey results, prototyping, and suggested code changes.

BACKGROUND

As a continuation of the Middle Housing work to date, staff has put together a refresher on certain conversations that have occurred to date, with an update of survey feedback received and proposed code amendments. While code amendments meeting the requirements of HB 1110 are not required until 6/1/2025, staff will present preliminary suggestions in order to gather feedback from commissioners for further refinement of a housing code update at a later date.

Housing overview

As noted in discussions and various presentations, Tukwila exists within a region experiencing a severe housing shortage. Projections from the Washington Department of Commerce illustrate the need for 1.27 million new homes by 2044 statewide, while Tukwila's own targets will require 250 new net units of housing to be produced each year from 2023 to 2044. Tukwila has seen very limited housing growth in recent decades, with the exception of a few recent projects, largely within the 55+ affordable subset of housing. In order to meet housing targets and better provide housing opportunities for our community, the development code will need to be revised to better facilitate new development, with consideration for potential impacts to current residents.

Survey feedback

Over the past few months, staff conducted a Middle Housing Survey to gather preferences from the community. Core takeaways from the survey results included the difficulty of affording housing in Tukwila and the broader region, the openness to allowing additional housing types, and the desire for more housing options.

The following tables show responses to questions regarding concerns and items that would alleviate concerns around Middle Housing.

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Prompt: I have concerns about the following items related to Middle Housing (45 responses)

Answer	Times Chosen	Percentage
Height of structures	8	18%
Impacts on privacy of adjacent homes	18	40%
Impacts on on-street parking	26	58%
None of the above	14	31%
Other	12	27%

Prompt: My concerns about Middle Housing would be addressed if (46 responses)

Answer	Times Chosen	Percentage
Building heights were similar to		
maximum heights for single-family		
homes	14	30%
Sidewalks and other improvements		
were constructed with new		
development	23	50%
Construction and design were high		
quality	16	35%
The location has good amenities	15	33%
I have no concerns about the impacts of		
Middle Housing	14	30%
Other	12	26%

Overview of requirements of legislative actions

Two significant housing bills were passed in the 2023 legislative session which will require updates to development standards. The general requirements of these bills are outlined below.

HR 1110

Requires allowance of at least two units per lot on all predominantly residential lots. The graphic below also highlights additional density requirements at the point certain population thresholds are passed.

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Table 1: Basic requirements for cities subject to the middle housing bill in the 2024-2027 periodic update.

	CITY LIMITS: Number of middle housing units that must be allowed per lot within city limits	NEAR A MAJOR TRANSIT STOP: Number of middle housing units per lot that must be allowed within ¼ mile of transit	WITH AFFORDABLE HOUSING: Number of middle housing units that must be allowed within city limits if affordable units provided Sec. 3(2)(a)
TIER ONE: Cities with population of at least 75,000 HB 1110, Sec. 3(1)(b)	4 du/lot on all lots zoned predominantly residential, unless zoning permits higher densities	6 du/ lot within 1/4 mile walking distance of a major transit stop, unless zoning permits higher densities	6 du/lot if 2 are affordable, unless zoning permits higher densities
TIER TWO: Cities with population between 25,000 and 75,000 HB 1110, Sec. 3(1)(a)	2 du/lot on all lots zoned predominantly residential, unless zoning permits higher densities	4 du/lot within 1/4 mile walking distance of a major transit stop, unless zoning permits higher densities	4 du/lot on all lots predominantly residential if one is affordable
TIER THREE: Cities with population under 25,000 that are contiguous with the UGA of the largest city in a county with a population over 275,000 HB 1110, Sec. 3(1)(c)	2 du/lot on all lots zoned predominantly residential, unless zoning permits higher densities		

Requires jurisdictions to allow at least six of nine middle housing types in zones that allow single-family homes. These middle housing types include:

- Duplex
- Stacked Flat
- Triplex
- Fourplex
- Fiveplex
- Sixplex
- Townhomes
- Courtyard Apartment
- Cottage Housing

HB 1337

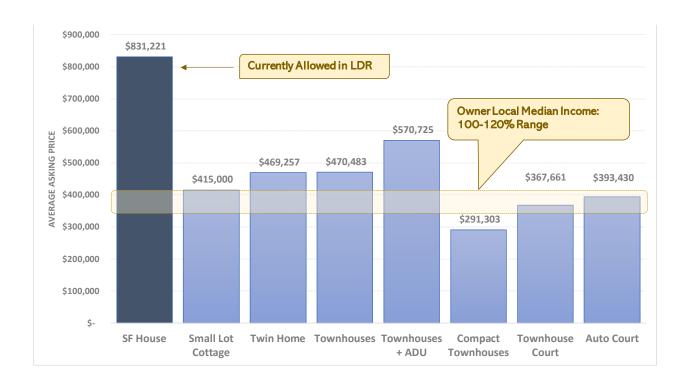
Requires the allowance of two accessory dwelling units (ADUs), of at least 1,000 square feet each, at 24' of height, on lots that allow single-family homes. Jurisdictions cannot impose owner occupancy requirements on ADUs, and must allow units to be individually sold.

Staff is currently preparing a code amendment related to Accessory Dwelling Units.

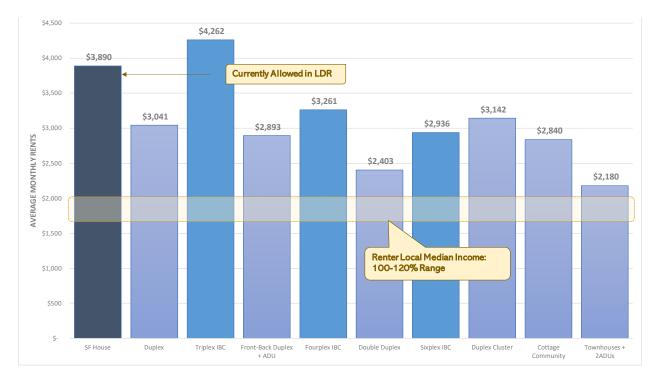
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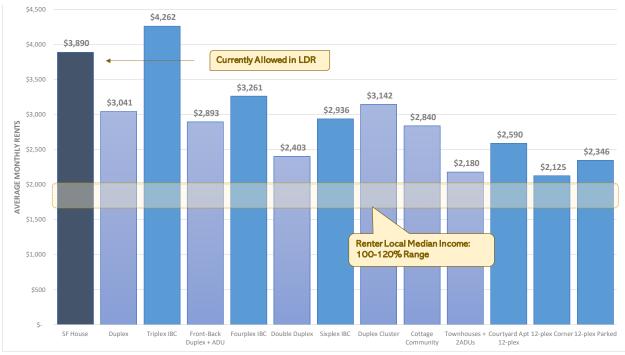
Prototyping

Staff worked with MAKERS and Neighborhood Workshop to analyze the projected price of existing and potential housing types under modified standards. The graphs below show the projected leasing or sale price of different housing types as they relate to Tukwila's local median income.



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Historical Residential Code

Staff reviewed past iterations of residential development standards to provide historical context for commissioners. The table below depicts the Low-Density Residential (LDR) zone standards over time. As seen in the table, there has been little to no modification of these standards since at least 1995. This is significant, as the growth of the region and increases in the cost of housing over the last 28 years has greatly increased the effective cost of development and at what price point new development in this zone is feasible.

Staff briefly reviewed the Moderate-Density Residential and High-Density Residential zones from 1995 against the current standards and also found little to no discrepancy.

Low-Density Residential

	1962	1995	Present
Minimum Lot Size		6,500	6,500
Minimum Width	7,200	0,500	0,500
(Average)	50'	50'	50'
Height	35'	30'	30'
Setbacks			
Front	25% of depth, no more than 30'	20'	20'
Second Front	N/A	15'	15'
a. 1	10% of lot width, no less than 4' no less		<i>-</i> 1
Side	than 8'	5'	5'
	25% of depth, no		
Rear	more than 30'	10'	10'

Suggested Code Changes

The tables below illustrate general proposed changes to comply with HB 1110 and provide more market opportunities for middle housing production. These changes are intended to provide context for discussion and gather feedback from commissioners for further refinement of an eventual code amendment.

As seen in the tables, MDR and HDR zones are included, and will need further updates to sync with changes in densities and allowances to the LDR zone.

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Detached house	Р	Р	Р	Р	Р	TBD
Cottage (small-lot)				Р	Р	TBD
Duplex		Р		Р	Р	TBD
Triplex		Р		Р	Р	TBD
Fourplex		Р		Р	Р	Р
Fiveplex			Р	Р	Р	Р
Sixplex			Р	Р	Р	Р
Townhouses		(up to four)	Р	Р	Р	Р
Courtyard Apts.		(up to four)	Р		Р	Р
7-12plex			Р		Р	Р

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Minimum lot size	6,500 sf	8,000 sf	9,600 sf	5,000 sf (3,000 sf for cottage)	3,000 sf	TBD
Lot area per unit	N/A	3,000 sf	2,000 sf	1,250 sf	800 sf	N/A
Units per lot	1	N/A	N/A	Up to six	N/A	N/A

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
		First floor: 15'	First floor: 15'	15'		
Front Setback	20'	Second floor: 20'	Second floor: 20'	(10' for cottage)	10′	TBD
		Third floor: 30'	Third floor: 30'			
		First floor: 15'	First floor: 15'			
Side Setback	5′	Second floor: 20'	Second floor: 20'	5'	5'	TBD
		Third floor: 20'	Third floor: 20'			
		First floor: 15'	First floor: 15'	10'		
Side Setback Rear Setback	10'	Second floor: 20'	Second floor: 20'	(5' for ADUs & Cottages)	5'	TBD
		Third floor: 20- 30'	Third floor: 20-30'			

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Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Height	30′	30'	45'	35′	35′	TBD
Maximum Lot Coverage	35%	50%	50%	40%	45%	TBD
Parking Requirement	2+ per unit	2+ per unit	2+ per unit	1 per unit	1 per unit	1 per unit (or less)
Landscaping	No requirement	15' front yard	15' front yard	No requirement	TBD	TBD
Design review	No requirement	Required above 2,500 sf	Required above 2,500 sf	No requirement	Required above 5,000 sf	Required above 5,000 sf

<u>ATTACHED</u> Middle Housing Briefing Presentation

Tukwila Middle Housing

Planning Commission July 27, 2023

Overview

- Housing overview (15 minutes)
- Survey feedback (5 minutes)
- Overview of requirements of legislative actions (5 minutes)
- Prototyping (20 minutes)
- Historical residential code (5 minutes)
- Suggested code changes (10 minutes)
- Discussion (20 minutes)

Project Team

MAKERS

- Ian Crozier
- Julie Bassuk
- Markus Johnson

Neighborhood Workshop

• Neil Heller

City Staff

- Neil Tabor
- Nancy Eklund







Julie



Markus



Neil H.

Housing Background

- Washington State projects the need for almost 1.27 million new housing units by 2044 (Washington Dept of Commerce)
- The State fell over a quarter million housing units short in production between 2000 and 2015 (Commerce)
- From 2006 to 2018 Tukwila grew by only 130 housing units, the vast majority of recent housing growth (2019-present) has been from 55+ apartments
- Tukwila would need to produce about 250 new net housing units per year until 2044 to meet its allocated housing target

Housing Background

- Tukwila has approximately 9,356 housing units (KC Parcel Data)
 - 3,580 Single-Family (38%)
 - 5,776 Multi-Unit (62%)
 - 52 units of 2-4 unit buildings (0.6% of total housing stock)
 - 292 units of 6-20 unit buildings (3.1% of total housing stock)
- 87% of net land zoned residential only is in LDR (single-family)
 - LDR: 893.14 acres
 - MDR: 39.74 acres
 - HDR: 94.59 acres

Housing Background

- Approximately 43% of Tukwila Households are owner occupied, while 57% are renter occupied (ACS 2021 5 yr)
- Approximately 7.8% of Tukwila housing units are incomerestricted at 80% AMI or less (King County)
- 49% of households have one vehicle or fewer (ACS 2021 5 yr)

Housing Cost

- Median single-family home costs in Tukwila have increased
 56% between January 2018 and January 2023 (Redfin)
- Average rent prices increased 7.8% from 2021-2022 (WCRER)
- Almost 50% of renters in Tukwila are considered cost burdened, paying more than 30% of household income toward housing, while more than 23% of those renters are considered severely cost burdened, paying more than 50% of income toward housing (CHAS 15-19)
- Tukwila homeowners have considerably lower cost burdened numbers at 25% cost burdened, and 11% severely cost burdened comparatively (CHAS 15-19)

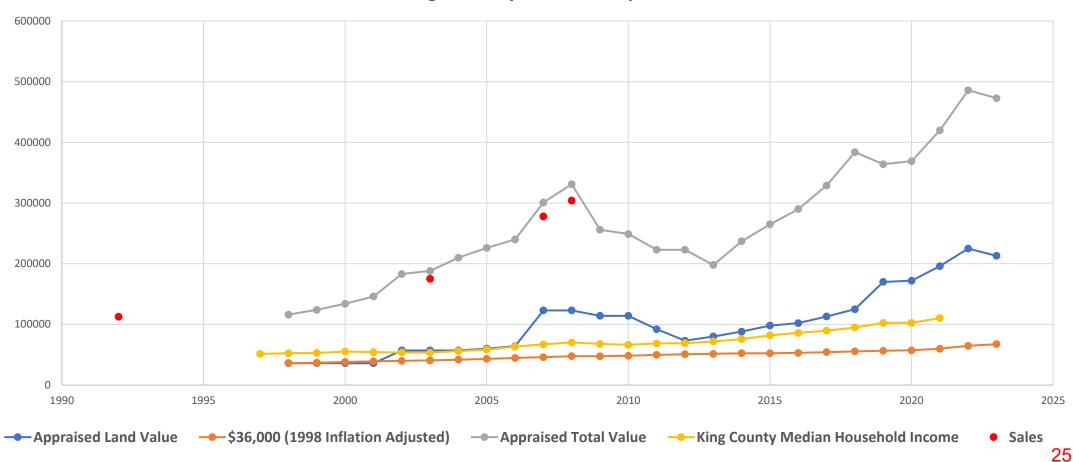
Housing Cost Example

- Single-family home within Tukwila's original city boundary
- 6,960 sqft lot
- 3 bed, 2 bath 1,940 sqft home built in 1936
- No critical area encumbrances
- Minimal home improvements



Housing Cost Example

Single-Family Home Example



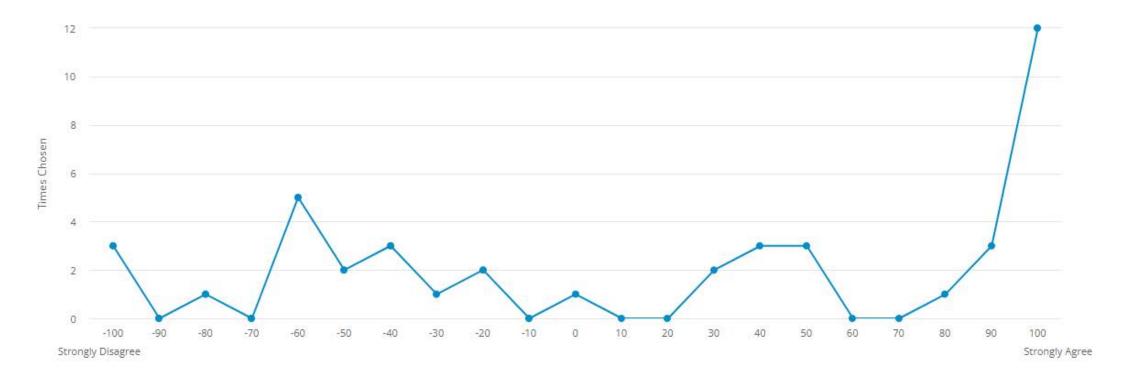
Housing Cost Example

- From 1998 to 2021:
 - Appraised land value increased 444%
 - Total appraised structure and land value increased 262%
 - King County Median Household Income only increased 110%
 - Inflation on \$36,000 (1998 land appraisal) increased **66%** over this period to \$59,846.13, a small portion of the overall increases
 - For a household making the median income in:
 - King County the ratio of home purchase price to annual income increased from:
 - 2.0x to 3.5x
 - Tukwila the ratio of home purchase price to annual income increased from:
 - 3.2x to 5.4x

Please check the box if you believe certain Middle Housing Types (above) SHOULD BE ALLOWED in areas meeting these characteristics (to the left):



The costs of housing are a challenge for my household.



I have concerns about the following items relating to Middle Housing:

Answer	Times Chosen	Percentage
Height of structures	8	18%
Impacts on privacy of adjacent homes	18	40%
Impacts on on-street parking	26	58%
None of the above	14	31%
Other	12	27%

My concerns about Middle Housing would be addressed if:

Answer	Times Chosen	Percentage
Building heights were similar to maximum heights for single-family homes	14	30%
Sidewalks and other improvements were constructed with new development	23	50%
Construction and design were high quality	16	35%
The location has good amenities	15	33%
I have no concerns about the impacts of Middle		
Housing	14	30%
Other	12	26%

- "No more new housing -Tukwila is too densely populated now as it is. I do NOT support anymore new housing in ANY form."
- "Restrictive, draconian (sic), paternalistic SFH zoning codes (and parking requirements) are a blight on our region and a disturbing (sic) remnant of segregation and redlining. Missing middle is the most affordable housing configuration (higher density + simpler construction techniques), if only our status-quo-drunk city council has the courage to do make obvious and necessary changes to allow housing abundance."
- "Can y'all actually make the change"

Middle Housing Survey Feedback (Summary)

- Respondents generally were supportive of a variety of middle housing types
- 30% had no concerns over middle housing to begin with
- Privacy and parking were the primary concerns
- Associated infrastructure improvements, construction quality and structure height relative to single-family allowances were areas for alleviating concerns

State Legislative Requirements - HB 1337

- Jurisdictions must allow:
 - Two ADUs on each lot that allows single-family
 - Up to 1,000 sqft each, attached or detached
 - A height of at least 24'
- Jurisdictions cannot:
 - Require owner occupancy of the principal residence or ADUs
 - Restrict the ADUs from being condominium-ized and sold as separate units
 - Impose certain restrictions on the conversion of existing structures

State Legislative Requirements -HB 1110

Table 1: Basic requirements for cities subject to the middle housing bill in the 2024-2027 periodic update.

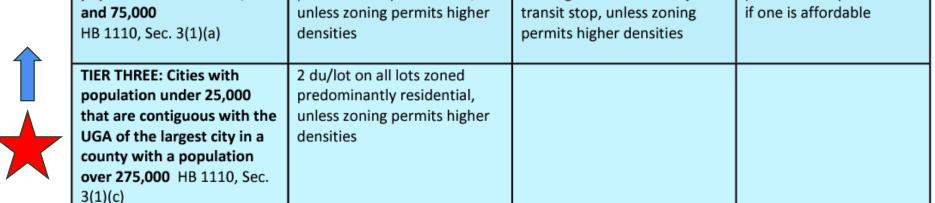
CITY LIMITS: Num middle housing ur must be allowed p within city limits	its that STOP: Number of middle	WITH AFFORDABLE HOUSING: Number of middle housing units that must be allowed within city limits if affordable units provided Sec. 3(2)(a)
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4 du/lot within 1/4 mile

walking distance of a major

4 du/lot on all lots

predominantly residential



2 du/lot on all lots zoned

predominantly residential,



TIER TWO: Cities with

population between 25,000

State Legislative Requirements - HB 1110

- Jurisdictions must allow at least 6 of 9 Middle Housing Types, which are:
 - Duplex
 - Stacked Flat
 - Triplex
 - Fourplex
 - Fiveplex
 - Sixplex
 - Townhomes
 - Courtyard Apartment
 - Cottage Housing

Tukwila Low-Density Residential Update

LDR/MDR Prototyping & Sensitivity Testing



Neighborhood Workshop

Prototype Builder (ROI Model):

Quick Building Modeler: Physical & Financial



Test existing regulations for financial feasibility



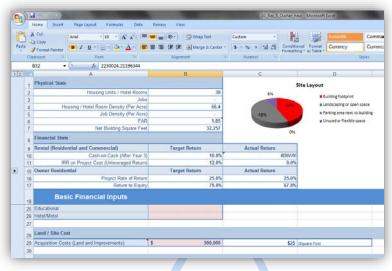
Identify affordability compared to local incomes

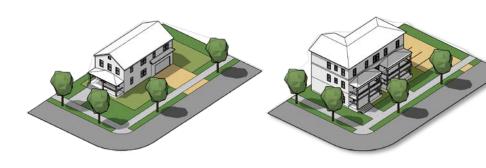


Test impact of new development regulations or funding programs



Experiment with sensitivity of key variables (setbacks, parking, lot size, etc.)





Existing For-Sale Market

\$1,000,000

\$900,000

\$800,000

\$700,000

\$600,000

\$500,000

\$400,000

\$300,000

\$200,000

\$100,000



New Construction Comps

						\			
Lot Size	# of Beds	# of Baths	Sq Ft	Ask	ing Price	Pric	e PSF	Year Built	
17,550	4	4	3,000	\$	650,000	\$	217	2023	
11,120	5	3	2,488	\$	875,000	\$	352	2023	
						/			

Tukwila, WA Single-Family Asking Price to Square Feet (May 2023)

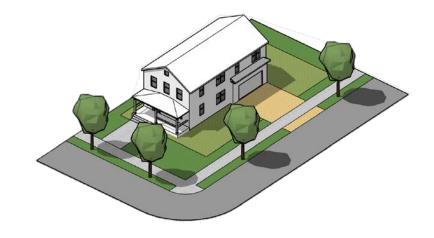


Single-Family Sensitivity Testing

Existing LDR Lot Standards

	Existing Standards
Sales Price	<mark>\$831,221</mark>
% Local Median Income	243%
Unit Size (sf)	2,500
Lot Size (sf)	6,900
Lot Cost (\$25 psf)	\$172,500
Lot Area per Unit	6,900
Lot Coverage	23%
Parking per Unit	2

\$831,221



Lot and unit size are key drivers of home price.



Single-Family Sensitivity Testing

Existing LDR Lot Standards

Modified LDR Lot Standards (Lot size & parking)

\$831,221



\$391,969

Reduced Minimum Lot Size & Parking Requirements

Reducing standards around minimum lot size supports market choices to consume less land and build smaller.

	Existing Standards	Modified Standards	Pct Change
Sales Price	<mark>\$831,221</mark>	\$391,969	-53%
% Local Median Income	243%	105%	-53%
Unit Size (sf)	2,500	870	-64%
Lot Size (sf)	6,900	2,500	-64%
Lot Cost (\$25 psf)	\$172,500	\$62,500	-50%
Lot Area per Unit	6,900	2,500	-64%
Lot Coverage	23%	18%	-22%
Parking per Unit	2	1	-50%



PrototypingHousing Choice

More Affordable Homeownership Types

WA HB-1110
2-4 Unit Houses
(Owner-Occupied)

Neighborhood-Friendly Rental Options









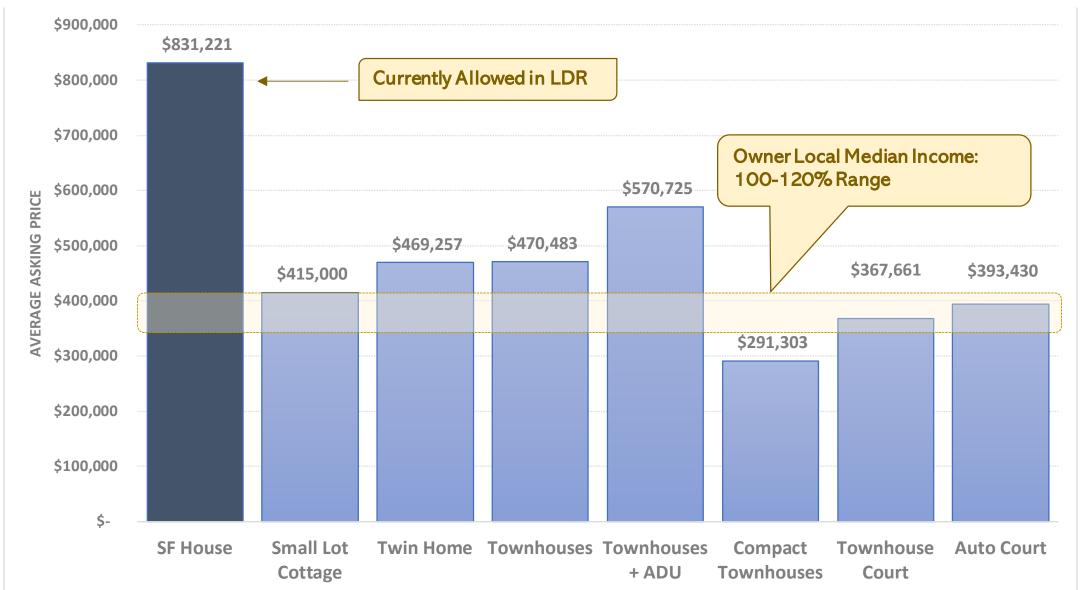
Focus on Existing Built Context

Preserve <u>existing</u> house with subdivision or addition

Building replacement or new construction on vacant lot

For Sale	For Rent		
New Flag Lot Cottage New Small Lot Cottage Small Lot Subdivision (up to four)	ADU 2 ADUs One Unit Two Units Three Units		
Opportunity to redu	ice land costs		
Twin Homes Rowhouses Townhouses	House + ADU Duplex (+ ADU) Triplex (+ ADU) Double Duplex Four Cottages Fourplex		

Prototype Modeling Outcomes – For Sale





Prototype Modeling Outcomes – For Rent

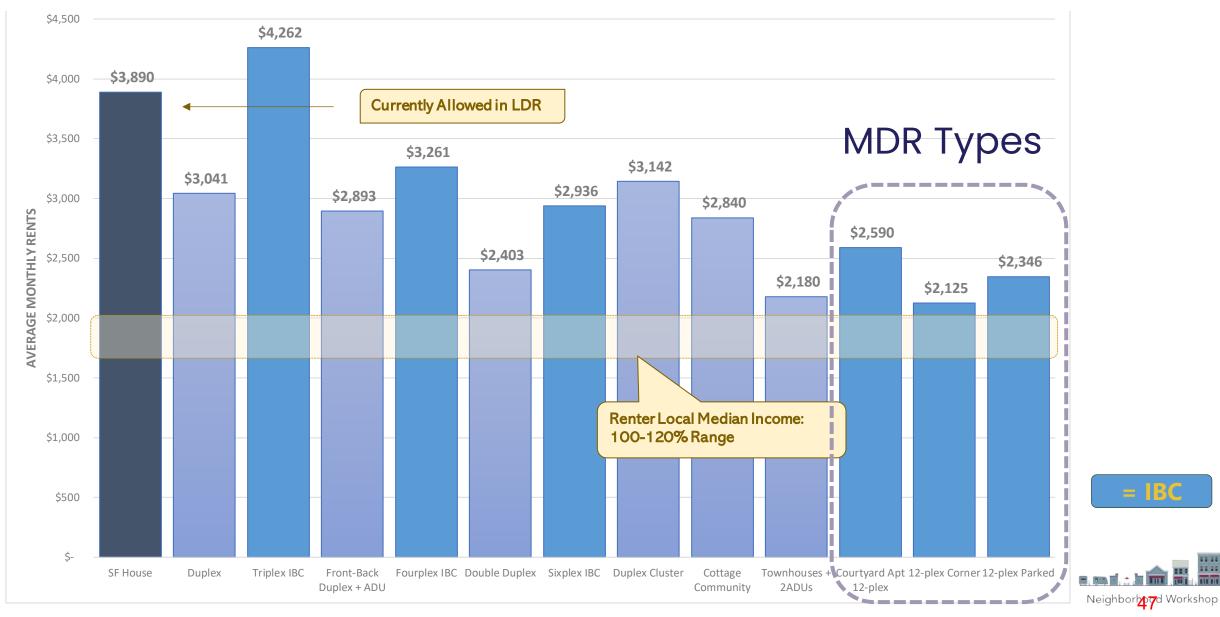






Neighborhood Workshop

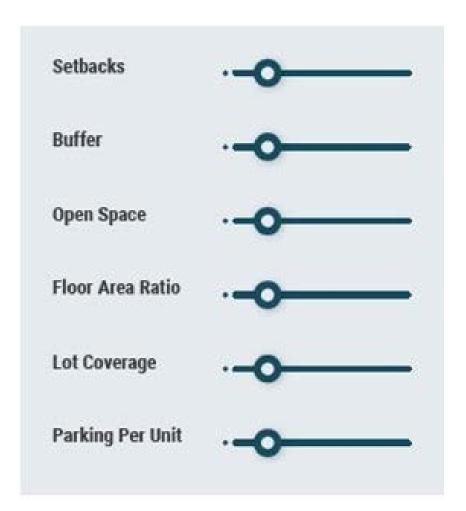
Prototype Modeling Outcomes - For Rent



Housing Choice Opportunities

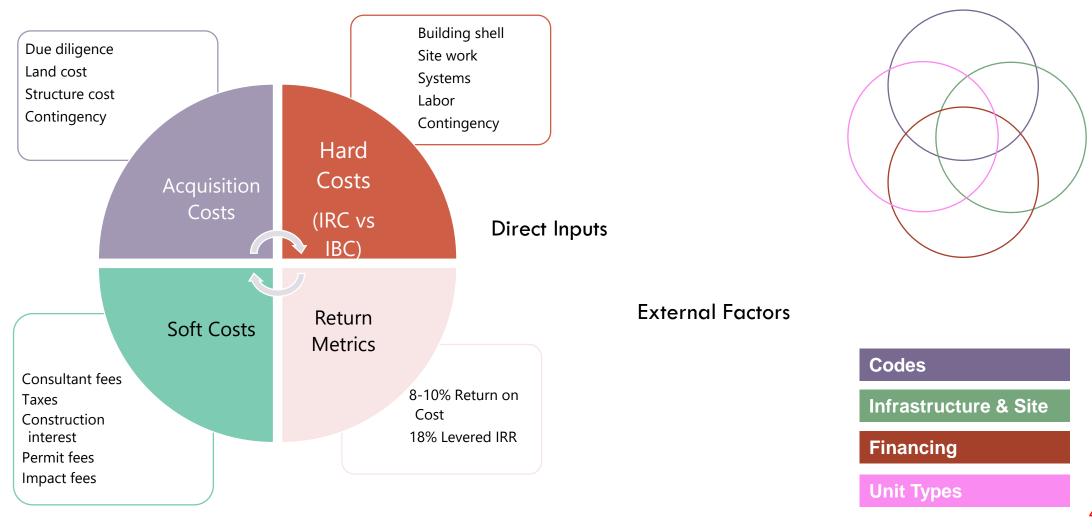
Support affordable, ownership-oriented and neighborhood scale middle housing by:

- Reduce / eliminate minimum lot size requirements
- Allow multiple units per lot
- Reduce / allow flexibility for parking requirements
- Create standards that support market choices
- Support compact format rental 48types in MDR



Prototype Builder (ROI Model):

Modeling Inputs: some locally specific, others national averages



Historical Residential Code (LDR)

- Effectively no changes between 1995 to present
- MDR and HDR have not functionally changed in almost 30 years either
- LDR is approximately 87% of land zoned for only residential use
- Significant increases to land acquisition and overall development costs from 1995 to present have made like for like development much more expensive today vs 1995

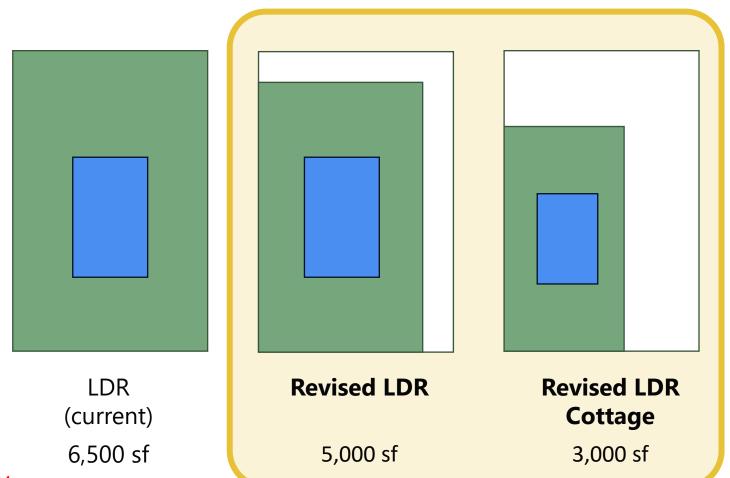
	1962	1995	Present
Minimum Lot Size	7,200	6,500	6,500
Minimum Width		·	
(Average)	50'	50'	50'
Height	35'	30'	30'
Setbacks			
	25% of depth, no more than		
Front	30'	20'	20'
Second Front	N/A	15'	15'
Side	10% of lot width, no less than 4' no less than 8'	5'	5'
Side	tilali o	J	5
	25% of depth, no more than		
Rear	30'	10'	51 10'



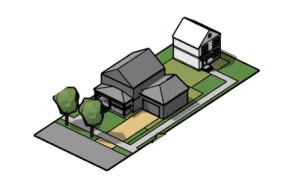
Key Code Update Opportunities

- Reduce/eliminate minimum lot size requirements
- Allow multiple units per lot
- Reduce/allow flexibility for parking requirements
- Create standards that support market choices
- Support compact rental types in MDR
- Expand housing options for prospective buyers and renters
- Create ownership opportunities at **lower price points**, more attainable to the median Tukwila Household

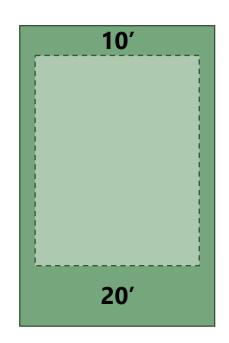
Adjust minimum lot size



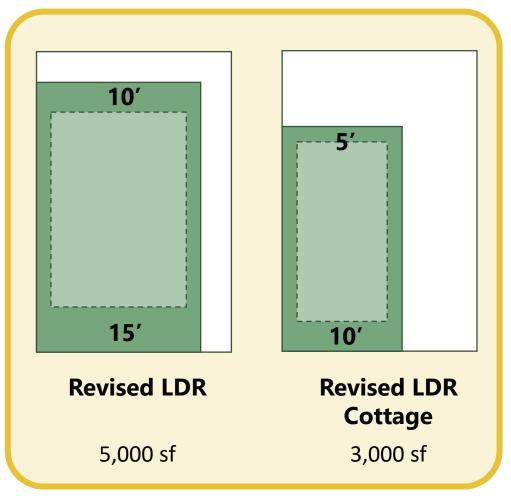




Adjust setbacks



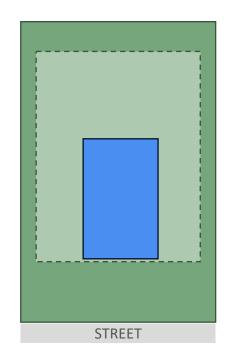
LDR (current) 6,500 sf





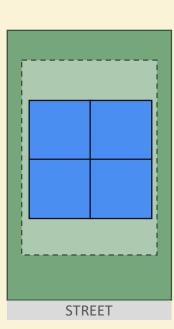


Multiple units per lot



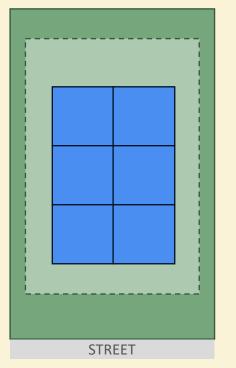
LDR (current)

1 unit



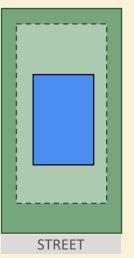
Revised LDR

Up to 4 units on 5,000 sf



Revised LDR

Up to 6 units on 7,500 sf



Revised LDR Cottage

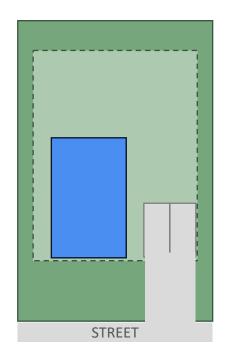
1 unit (max 1,200 sf)



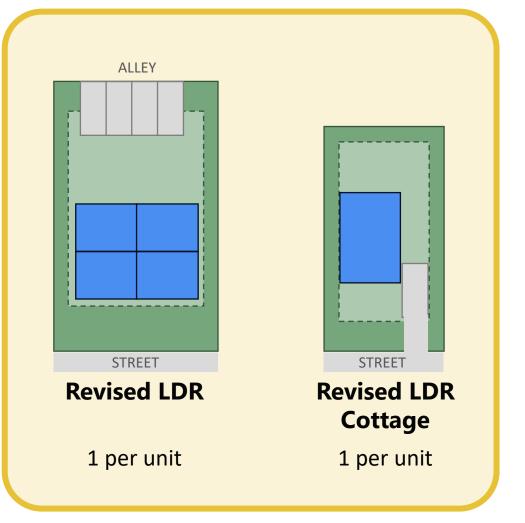




Minimum Required Parking



LDR (current)
2 per unit





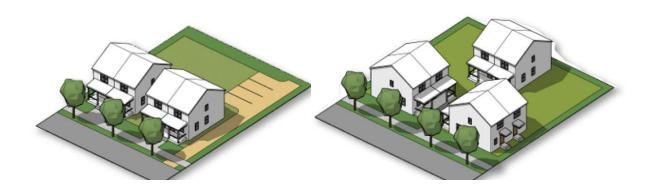
Duplex with 2 parking per unit



Duplex with 1 parking peg-unit

Support Market Choices

 Duplex clusters allow builders flexibility to avoid costly IBC building code





Compact Rentals in MDR

- Changes to the MDR zone (upcoming in comp plan process) can emphasize affordability
- Up to twelve units can fit on a compact site, reducing per-unit construction costs
- Infeasible to build affordable rental housing at low densities





10 units on 2,000 sf lot in an established urban neighborhood

Summary of Recommendations: Permitted Dwellings

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Detached house	Р	Р	Р	Р	Р	TBD
Cottage (small-lot)				Р	Р	TBD
Duplex		Р		Р	Р	TBD
Triplex		Р		Р	Р	TBD
Fourplex		Р		Р	Р	Р
Fiveplex			Р	Р	Р	Р
Sixplex			Р	Р	Р	Р
Townhouses		(up to four)	Р	Р	Р	Р
Courtyard Apts.		(up to four)	Р		Р	Р
7-12plex 60			Р		Р	Р

Summary of Recommendations: Lot area and density

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Minimum lot size	6,500 sf	8,000 sf	9,600 sf	5,000 sf (3,000 sf for cottage)	3,000 sf	TBD
Lot area per unit	N/A	3,000 sf	2,000 sf	1,250 sf	800 sf	N/A
Units per lot	1	N/A	N/A	Up to six	N/A	N/A

- Reduced minimum lot size
- Reduced lot area per unit
 - Allow four units per 5,000 sf lot or up to six units per 7,500 sf lot
- New units per lot standard
 - Don't rely on unclear terms like "fourplex". Allow a certain number of units in any configuration of attached or detached.

Summary of Recommendations: Setbacks

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Front Setback	20'	First floor: 15' Second floor: 20' Third floor: 30'	First floor: 15' Second floor: 20' Third floor: 30'	15' (10' for cottage)	10'	TBD
Side Setback	5'	First floor: 15' Second floor: 20' Third floor: 20'	First floor: 15' Second floor: 20' Third floor: 20'	5'	5'	TBD
Rear Setback	10'	First floor: 15' Second floor: 20' Third floor: 20-30'	First floor: 15' Second floor: 20' Third floor: 20-30'	10' (5' for ADUs & Cottages)	5'	TBD

- Reduced front setback in LDR
- Reduced setbacks for small-lot cottages
- Standardized setbacks in MDR
 - Preliminary recommendation to eliminate stringent and variable setbacks for MDR for multi-story buildings.

Summary of Recommendations: Dimensional Standards

Zone	LDR (existing)	MDR (existing)	HDR (existing)	LDR (revised)	MDR (revised)	HDR (revised)
Height	30'	30'	45'	35'	35'	TBD
Maximum Lot Coverage	35%	50%	50%	40%	45%	TBD
Parking Requirement	2+ per unit	2+ per unit	2+ per unit	1 per unit	1 per unit	1 per unit (or less)
Landscaping	No requirement	15' front yard	15' front yard	No requirement	TBD	TBD
Design review	No requirement	Required above 2,500 sf	Required above 2,500 sf	No requirement	Required above 5,000 sf	Required above 5,000 sf

- Increase allowed height and lot coverage
- Reduce minimum parking to 1 per unit
- Standardized setbacks in MDR
 - Preliminary recommendation to eliminate complex and demanding setbacks in MDR for multi-story buildings.
- Increase flexibility for landscaping and design review

Discussion & Feedback

- Are there area of specific emphasis for staff to consider as they refine standards into a future code amendment?
- Of the 9 middle housing types are there any you'd like to specifically not allow in LDR?
- Would more visuals and examples of housing be preferred as opposed to numbers and standards?
- Are there suggestions for staff in how to better frame choices in code development?
- For denser zones allowing housing, are there suggestions for aligning these zones with potential middle housing changes?
- Any other feedback?