

# City of Tukwila

Thomas McLeod, Mayor

### INFORMATIONAL MEMORANDUM

TO: Planning and Community Development Committee

FROM: Nora Gierloff, AICP, DCD Director

BY: Neil Tabor, AICP, Senior Planner

CC: Mayor Thomas McLeod

DATE: June 9, 2025

SUBJECT: 2025 Co-Living Housing and PC Zoning Code Amendment Workplan

#### **ISSUE**

As an update of the Planning Commission Workplan presented at the February 10, 2025 Planning and Community Development (PCD) Committee meeting, staff has additional items it is proposing to add to the Planning Commission Workplan.

#### **BACKGROUND**

In the interest of efficiently using the PCD's time and moving items through the review process, staff proposed to establish an annual workplan for the Planning Commission as a list of anticipated items, rather than seeking PCD's approval to pursue an item on an individual basis. As a continuation of the original list of items presented at the <a href="February PCD meeting">February PCD meeting</a> staff has a few proposed additions based on overlooked or developing items.

Staff is seeking approval of taking up the topics for consideration, whether the topic should be forwarded to Planning Commission, and if PCD members wish for the public hearing for the code amendments to be held at Planning Commission, City Council, or at both bodies.

#### DISCUSSION

#### Additional Items for the 2025 Planning Commission Workplan

#### **State Mandates**

#### **Co-Living Housing**

HB 1998 passed the Washington State Legislature and was signed into law effective June 6, 2024, now codified as <a href="RCW 36.70A.535">RCW 36.70A.535</a>. Co-living, defined as "a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building." Intended to provide opportunities for housing development affordable to households with lower area median income (AMI) levels, the changes in state law require qualifying jurisdictions to permit co-living on any lot which allows at least six multifamily residential units. In Tukwila, this use would not be permitted in the proposed Community Residential (CR) zone with a proposed maximum of five units per parcel, but would be permitted in many other zoning districts which permitted multifamily uses.

# INFORMATIONAL MEMO Page 2

Co-living housing, sometimes referred to as single-room occupancy (SROs), rooming houses, boarding houses, residential suites or congregate living facilities, offer individual sleeping units, while features such as bathroom and cooking facilities may be shared, allowing smaller unit sizes. Updates to state law require co-living housing facilities to be allowed four times the density of units of the underlying multifamily density standard in a zone, and require no more than one parking space per four sleeping units if more than half a mile from a major transit stop, or no parking requirement if within half a mile of a major transit stop. Jurisdictions are restricted from applying additional regulations both in permitting and site or building features that exceed those required for multifamily developments. Sewer connection fees are also limited to 50% of those charged for multifamily units. Jurisdictions are required to adopt compliant regulations by no later than December 31, 2025, or state law supersedes.

Staff is requesting for this topic to be forwarded to the Planning Commission for review, and to hold the public hearing with the Planning Commission.

#### Zoning Code Organization and Streamlining

#### Miscellaneous Updates

Within code amendments and further staff and legal review of the zoning code, numerous areas have been identified as benefitting from reorganization, clarification or further amendment. Some of the areas for future proposed amendments include Wireless Communication Facility standards, Nonconforming Parking Lot standards and differentiation of privately initiated versus staff initiated amendments to comprehensive plan. Proposed amendments may be grouped with other topics previously introduced on the workplan or be brought concurrently to use Committee and Council time most efficiently.

Staff is requesting for this topic to be forwarded to the Planning Commission for review, and to hold the public hearing with the Planning Commission.

#### FINANCIAL IMPACT

N/A

#### **RECOMMENDATION**

The Planning and Community Development Committee is requested to forward these items to the Planning Commission for consideration and to conduct a public hearing for a recommendation with the Planning Commission, after which the topics will be returned to a future PCD meeting.

#### **ATTACHMENTS**

- A. HB 1998
- B. February 10, 2025 PCD 2025 Zoning Code Amendment Workplan Info Memo
- C. Department of Commerce Co-Living Guidance

#### CERTIFICATION OF ENROLLMENT

#### ENGROSSED SUBSTITUTE HOUSE BILL 1998

Chapter 180, Laws of 2024

68th Legislature 2024 Regular Session

CO-LIVING HOUSING

EFFECTIVE DATE: June 6, 2024

Passed by the House March 4, 2024 Yeas 97 Nays 0

#### LAURIE JINKINS

# Speaker of the House of Representatives

Passed by the Senate February 22, 2024

Yeas 44 Nays 4

#### DENNY HECK

#### President of the Senate

Approved March 19, 2024 9:46 AM

#### CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE HOUSE BILL 1998 as passed by the House of Representatives and the Senate on the dates hereon set forth.

#### BERNARD DEAN

Chief Clerk

FILED

March 19, 2024

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

#### ENGROSSED SUBSTITUTE HOUSE BILL 1998

#### AS AMENDED BY THE SENATE

Passed Legislature - 2024 Regular Session

#### State of Washington

68th Legislature

2024 Regular Session

By House Housing (originally sponsored by Representatives Gregerson, Barkis, Leavitt, Rule, Ryu, Reed, Morgan, Fitzgibbon, Berry, Duerr, Bronoske, Ramos, Ramel, Bateman, Peterson, Chambers, Taylor, Simmons, Ormsby, Graham, Callan, Macri, Donaghy, Doglio, Mena, Nance, Riccelli, Cortes, Santos, Pollet, and Davis)

READ FIRST TIME 01/15/24.

- 1 AN ACT Relating to legalizing inexpensive housing choices through
- 2 co-living housing; adding a new section to chapter 36.70A RCW; and
- 3 creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature makes the following 6 findings:
- 7 (a) Washington state is experiencing a housing affordability 8 crisis;
- 9 (b) Co-living housing is a type of housing that can provide 10 rental homes affordable to people with moderate to low incomes 11 without requiring any public funding, and rents in newly constructed, 12 market-rate co-living housing in the Puget Sound region can be
- 13 affordable to people with incomes as low as 50 percent of area median
- 14 income;
- 15 (c) Co-living housing is a residential development with sleeping 16 units that are independently rented and provide living and sleeping 17 space, in which residents share kitchen facilities with residents of
- 18 other units in the building;
- 19 (d) Co-living housing historically provided a healthy inventory
- 20 of rental homes on the lowest rung of the private housing market,
- 21 comprising up to 10 percent of housing in some cities;

- 1 (e) Starting in the mid-20th century, local governments began 2 adopting restrictive zoning and other rules that increasingly 3 prohibited co-living housing, or made it impractical to build or 4 operate, and its numbers plummeted;
- (f) Today, many cities and counties outright prohibit co-living housing on most of their residential land, or they enforce any number of restrictions that make it effectively impossible to build new co-living housing or to convert existing buildings into co-living housing;
  - (g) Co-living housing provides options for people who:

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- 11 (i) Wish to lower their housing expenses by paying less for a 12 smaller home;
- 13 (ii) Prefer a living arrangement with shared community spaces 14 that facilitate social connections;
- 15 (iii) Wish to trade off location for space and, by living in a 16 small home, also get to live in a high opportunity neighborhood they 17 could not otherwise afford; or
- 18 (iv) Want a low-cost, more private alternative to having a 19 roommate in a traditional rental;
  - (h) Many communities throughout Washington face a severe shortage of workforce housing, and co-living housing provides housing affordable to that income range and below, without public funding;
  - (i) Co-living housing reduces pressure on the limited amount of publicly funded affordable housing by providing housing that is affordable to lower income residents who might otherwise wait years for subsidized housing;
  - (j) Co-living housing works best for single-person households, but the housing for singles that it provides reduces demand for family-sized rentals from singles who would otherwise group together to rent large homes;
  - (k) Co-living housing provides a good option for seniors, especially those who want to downsize, or those who desire a living arrangement that is more social than a standard apartment. When located in walkable neighborhoods, co-living housing gives mobility options to seniors who can no longer drive;
- 36 (1) Co-living housing is well-suited for the conversion of office 37 buildings to housing, because it typically requires less plumbing and 38 fixtures for kitchens and bathrooms;

- 1 (m) Co-living housing is well-suited for very low-income people, 2 supportive and recovery housing, and "housing first" homes for the 3 formerly homeless;
  - (n) State building codes have established minimum sizes and other standards to ensure that co-living housing meets modern health and safety standards;
  - (o) Creating co-living housing near transit hubs, employment centers, and public amenities can help the state achieve its greenhouse gas reduction goals by increasing walkability, shortening household commutes, curtailing sprawl, and reducing the pressure to develop natural and working lands; and
  - (p) Co-living housing, because the units are small, is inherently more energy efficient than standard apartments, both saving residents money and reducing the state's energy demand.
- 15 (2) Therefore, the legislature intends to allow the creation of 16 co-living housing as a means to address the need for additional 17 affordable housing options for a diversity of Washington residents.
- NEW SECTION. Sec. 2. A new section is added to chapter 36.70A RCW to read as follows:
  - (1) Cities and counties planning under this chapter must allow co-living housing as a permitted use on any lot located within an urban growth area that allows at least six multifamily residential units, including on a lot zoned for mixed use development.
  - (2) A city or county subject to the provisions of this section may not require co-living housing to:
  - (a) Contain room dimensional standards larger than that required by the state building code, including dwelling unit size, sleeping unit size, room area, and habitable space;
    - (b) Provide a mix of unit sizes or number of bedrooms; or
    - (c) Include other uses.

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- 31 (3)(a) A city or county subject to the provisions of this section 32 also may not require co-living housing to:
- 33 (i) Provide off-street parking within one-half mile walking 34 distance of a major transit stop; or
- 35 (ii) Provide more than 0.25 off-street parking spaces per 36 sleeping unit.
  - (b) The provisions of (a) of this subsection do not apply:
- 38 (i) If a city or county submits to the department an empirical study prepared by a credentialed transportation or land use planning

196 p. 3 ESHB 1998.SL

- expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of (a) of this subsection will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location. The department must develop guidance to assist cities and counties on items to include in the study; or
- 8 (ii) To portions of cities within a one-mile radius of a 9 commercial airport in Washington with at least 9,000,000 annual 10 enplanements.

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- (4) A city or county may not require through development regulations any standards for co-living housing that are more restrictive than those that are required for other types of multifamily residential uses in the same zone.
- (5) A city or county may only require a review, notice, or public meeting for co-living housing that is required for other types of residential uses in the same location, unless otherwise required by state law including, but not limited to, shoreline regulations under chapter 90.58 RCW.
- 20 (6) A city or county may not exclude co-living housing from 21 participating in affordable housing incentive programs under RCW 22 36.70A.540.
  - (7) A city or county may not treat a sleeping unit in co-living housing as more than one-quarter of a dwelling unit for purposes of calculating dwelling unit density.
  - (8) A city or county may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections, unless the city or county makes a finding, based on facts, that the connection fees should exceed the one-half threshold.
  - (9)(a) A city or county subject to the requirements of this section must adopt or amend by ordinance and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section to take effect no later than December 31, 2025.
- 36 (b) In any city or county that has not adopted or amended 37 ordinances, regulations, or other official controls as required under 38 this section, the requirements of this section supersede, preempt, 39 and invalidate any conflicting local development regulations.

- 1 (10) Any action taken by a city or county to comply with the 2 requirements of this section is not subject to legal challenge under 3 this chapter or chapter 43.21C RCW.
- 4 (11) For the purposes of this section, the following definitions 5 apply:
- 6 (a) "Co-living housing" means a residential development with
  7 sleeping units that are independently rented and lockable and provide
  8 living and sleeping space, and residents share kitchen facilities
  9 with other sleeping units in the building. Local governments may use
  10 other names to refer to co-living housing including, but not limited
  11 to, congregate living facilities, single room occupancy, rooming
  12 house, boarding house, lodging house, and residential suites.
  - (b) "Major transit stop" means:
- 14 (i) A stop on a high capacity transportation system funded or 15 expanded under the provisions of chapter 81.104 RCW;
  - (ii) Commuter rail stops;

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- 17 (iii) Stops on rail or fixed guideway systems, including 18 transitways;
- 19 (iv) Stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes; or
- (v) Stops for a bus or other transit mode providing actual fixed route service at intervals of at least 15 minutes for at least five hours during the peak hours of operation on weekdays.

Passed by the House March 4, 2024. Passed by the Senate February 22, 2024. Approved by the Governor March 19, 2024. Filed in Office of Secretary of State March 19, 2024.

--- END ---

198 p. 5 ESHB 1998.SL

Thomas McLeod, Mayor

### INFORMATIONAL MEMORANDUM

TO: Planning and Community Development Committee

FROM: Nora Gierloff, AICP, DCD Director

BY: Nancy Eklund, AICP, Long Range Planning Supervisor

CC: Mayor Thomas McLeod

DATE: February 3, 2025

SUBJECT: 2025 Zoning Code Amendment Workplan

#### **ISSUE**

In the interest of streamlining items for a busy 2025 Planning and Community Development (PCD) Committee calendar and keeping the PCD apprised of upcoming items, staff is requesting direction on the review process for the 2025 Zoning code amendment workplan items.

#### **BACKGROUND**

Per TMC 18.82.040 the Planning Commission's workplan, including review of code amendments, is delegated to them by the Planning and Community Development Committee, or full City Council. Such potential code amendments do not require Planning Commission review before being considered by the City Council; however, the Council may elect to have amendment issues reviewed more extensively by the Commission before the Council renders its final decision.

The shift of City Council Committee meetings from twice a month to once a month has reduced available committee dates, thus lengthening the lead time needed to process a code amendment. Typically, code amendments are presented to the PCD Committee as single amendments or a small package of amendment topics.

#### **DISCUSSION**

The following list of topics includes those placed by the Council on DCD's workplan, those mandated by new state regulations, and those proposed by staff for permit streamlining. Staff would like direction on which items the Committee would like to forward to the PC for a hearing and recommendation, and which, if any, the Council would prefer to expedite by addressing themselves. This consolidated approach will reduce staff and Committee member time, provide a more comprehensive view on proposed Planning Commission Workplan topics, and preserve more Committee time for discussion, updates, and any unanticipated items. Additional items not included in this Workplan would still need authorization from the PCD Committee to proceed to the Planning Commission.

### 2025 Workplan Items

#### City Priorities

### Tukwila International Boulevard Subarea Planning

The City has undertaken significant planning efforts within the Tukwila International Boulevard Study Area. Over the last 25+ years, efforts or documents created include:

• Pacific Highway Revitalization Plan (1997)

- Tukwila International Boulevard Design Manual (1999)
- Tukwila International Boulevard Plan (2000)
- Transfer of SR 99 to the City (2003)
- Establishment of the Urban Renewal Overlay (2009)
- Tukwila Village Development (2015-2021)
- Justice Center Development (2020)
- TIB Rising (2017-2020)
- Transit-Oriented Development Housing Strategies Plan (2021)

Though great effort has been made by residents, community members, stakeholders, and staff to advance the six original goals of the Pacific Highway Revitalization Plan, current development standards do not align with market realities in supporting new investment in further advancing these goals and supporting the City's overall priorities.

As affirmed by market studies conducted as part of the Housing Strategies Plan and discussed within the most recent comprehensive plan update, development standards for housing have not kept pace with construction type realities and increases in development costs. The existing development regulations are not competitive with many comparable development sites in South King County.

Low height allowances of three to four stories, high requirements for parking and recreation space, restrictive upper story stepbacks, limited permitted uses, and other outdated standards have forced recent desirable developments to go through negotiated and one-off development agreements or contract rezones to achieve viability. This creates a permitting bottleneck and introduces a large amount of ambiguity in the development process, which creates significant unpredictability for potential projects and discourages private investment. This situation results in this area lagging similar peer locations and reduces the city's capacity for growth. It also increases the risks of gradual displacement among residents of un-subsidized affordable housing as area housing costs naturally increase, and the affordable homes are not replaced with new affordable housing.

In the interest of furthering the goals for the TIB District and benefitting all current and future residents in this area, staff is proposing to undertake significant code amendments to zoning and development regulations within this district. Areas of expected code amendment proposals could include:

- Anti-displacement provisions
- Affordability requirements
- · Modification of the TIB study area
- Changes to the zoning districts
- Changes to development regulations including height, density, and massing
- Changes to the parking and recreation space requirements
- Modifications to the design standards

#### Parking and Use Chart Consistency

The municipal code contains separate tables that list permitted uses for zoning districts outside of and within the Tukwila Urban Center (TUC). The same is true for parking requirement tables. In many cases, the uses listed in these tables do not match, making it difficult to pair parking requirements with the established use type and compare uses across different zoning districts. This creates confusion for applicants and is difficult for staff to administer.

Through permitting experience and applicant feedback, the Department has also identified parking requirements which are out of step with realistic parking needs. These requirements raise costs of development by mandating largely unused parking areas, limit reuse and

redevelopment potential, frequently force projects to undertake extra processes to reduce parking requirements, or prevent the project from moving forward altogether. Staff proposes to revisit the amount of parking required across uses as part of this update to the parking and use tables.

### Station Area Planning (SRO)

Property owners south of SR 518 and the Tukwila International Boulevard Link Station have expressed interest in undertaking a transit-oriented and mixed-use high-density development, capitalizing on the future connections provided by a new pedestrian bridge across the highway. Sound Transit's documents indicate the bridge will provide direct access from the site to Link Light Rail and the under-development Stride bus rapid transit line, which will allow travel from Tukwila to Bellevue in less than 40 minutes. In the interest of supporting development at this site, staff suggests exploring further subarea planning of this area in conjunction with property owners and adjacent stakeholders.

#### Cannabis Businesses

The Council has expressed an interest in revisiting the Zoning regulations for cannabis businesses. TMC 18.50.210, last amended in 2017, addresses the production, processing, and retailing of marijuana. These uses are permitted (if a state license has been issued) in Heavy Industrial, Tukwila Valley South, and in the Tukwila South Overlay zone (where the underlying zoning is HI or TVS). In addition, the Tukwila code requires separation from various common community uses, making it difficult to site such a business, given the limited zones in which cannabis businesses are allowed. The code also references compliance with sections of the Revised Code of Washington (RCW) that are no longer defined in the RCW. Staff would present the current standards and provide alternatives.

### Permit Streamlining

#### Critical Area Permit

As readily available development sites become scarcer within both Tukwila and the broader region, sites containing environmentally critical areas such as wetlands, streams, and steep slopes become more attractive for potential development. Ambiguity over the presence of critical areas on a site and associated restrictions on development potential can introduce significant uncertainty as to whether site development is viable or not. Confirming the presence of critical areas and their boundaries at the beginning of the development process can better clarify project viability and save costly revisions.

Staff proposes establishing a new critical area permit to determine the presence, categorization, and location of critical areas and their associated buffers on a site. The permit, undertaken at the beginning of a project, would grant assurance of developable areas on a site and be valid for a five-year period. Other jurisdictions, such as King County and the City of Kent, currently offer similar permits.

#### State Mandates and Recommendations

#### Critical Area Code Update

The growth management act (GMA) requires jurisdictions to update their critical area standards within 12 months of the adoption of the periodic update of the comprehensive plan, or no later than December 31, 2025. Critical area updates should incorporate best available science (BAS) and create standards that reflect changes directed by the Department of Ecology, such as modifications to the methodology of how wetlands are rated. These changes are reviewed for compliance at the state level and may impact characteristics such as buffer distances required for certain critical areas. The City's Critical Areas Ordinance was last updated in 2020.

#### Affordable Housing Bonuses for Religious Facilities

RCW 36.70A.545 requires fully planning cities to "allow an increased density bonus consistent with local needs for any affordable housing development of any single-family or multifamily residence located on real property owned or controlled by a religious organization".

The Tukwila Municipal Code currently contains no such provision for increased density on property owned or controlled by a religious organization. To comply with state law and provide transparency for potential developers, a code amendment addressing these requirements is advised.

#### Safe Parking Standards

As a response to the ongoing housing crisis and need to provide safe options for unhoused individuals, safe parking sites have been established in several cities, including Bellevue, Kirkland and Tacoma. Safe parking sites can help provide stability for persons and families living out of their vehicles by offering a legal, secure location to sleep. Many sites also offer wraparound services such as showers, case workers and health services on-site.

Cities are required to allow religious organizations to host unhoused individuals in a number of temporary housing configurations, including "vehicle resident safe parking", per RCW 35A.21.360. Staff suggests exploring a code amendment to establish regulations specific to safe parking sites, compliant with RCW 35A.21.360.

### **FINANCIAL IMPACT**

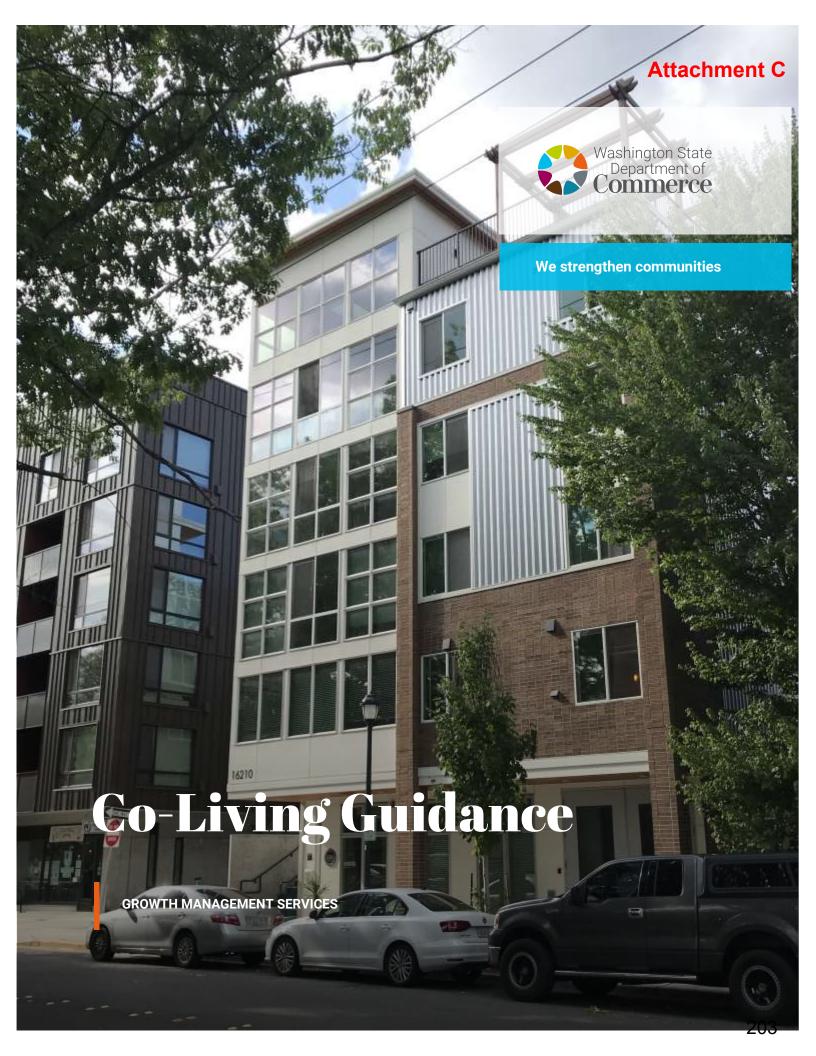
N/A

#### RECOMMENDATION

The Planning and Community Development Committee is requested to determine which code amendments should be forwarded to the Planning Commission for a recommendation and which, if any, will be directly addressed by Council and return to a future PCD meeting.

#### **ATTACHMENTS**

N/A



# Acknowledgements

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For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772). Published January 2025.

# Table of Contents

1.0 Introduction	4
1.1 Purpose and Legal Background	4
1.2 Applicability to Jurisdictions	4
1.3 Co-Living Background	5
2.0 Development Regulations	6
2.1 Applicability and Permitting	6
2.2 Mix of Uses	7
2.3 Definitions, density and room dimensions	8
2.4 Off-Street Parking Standards	13
2.5 Other Standards	15
3.0 Additional Considerations	16
3.1 Affordable Housing	16
3.2 Conversion Projects	17
3.3 Infrastructure Issues	18
3.4 Design Considerations	20
3.5 Short Term Rentals	21
3.6 Homeownership	21
3.8 Comprehensive Plans	21
4.0 Resources	22
APPENDIX A: Co-Living History and Benefits	24
What is Co-Living?	
Co-Living Evolution	24
Benefits of Co-Living Housing	
Messaging	
APPENDIX B: Parking Near Major Transit Stops	30

# 1.0 Introduction

# 1.1 Purpose and Legal Background

### **Guidance Purpose**

This guidance is intended to support planners, advisory bodies, elected officials and interested parties in implementing code amendments related to RCW 36.70A.535, and to help readers understand best zoning practices for co-living housing. This guidance uses diagrams, references to public informational documents, and real-world examples to offer recommendations and best practices for the development of co-living housing.

### State Law

The Washington Legislature passed Engrossed 2nd Substitute House Bill 1998 ("E2SHB 1998", commonly referred to as "HB 1998") in 2024. The provisions of <u>HB 1998</u> are codified in <u>RCW 36.70A.535.</u> HB 1998 requires cities and counties planning under the Growth Management Act to adopt development regulations allowing co-living as a permitted use on any lot located within an urban growth area that allows at least six multifamily residential units, including on a lot zoned for mixed-use development. The bill provides standards for unit size, parking, density, fees, and other development regulations.

# 1.2 Applicability to Jurisdictions

The requirements of co-living are applicable to all "fully planning" counties and the cities and towns within those counties. To know if your community is in a fully planning county, visit the Commerce interactive map. <sup>1</sup>

### **Statutory Deadlines**

Requirements for co-living take effect December 31, 2025.<sup>2</sup> By this date, subject cities and counties must adopt or amend co-living housing standards, consistent with RCW 36.70A.535, by ordinance and incorporate co-living housing into their development regulations, zoning regulations, and other official controls. If updates to bring co-living standards into alignment with statutory requirements are not completed by this date, the requirements of RCW 36.70A.535 will "supersede, preempt, and invalidate any conflicting local development regulations."

Under this statute, any action taken by a city or county to comply with the requirements of the co-living housing law is not subject to legal challenge under the Growth Management Act or the State Environmental Policy Act.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Department of Commerce. "The Growth Management Act status of Washington counties and cities." April 2017. https://deptofcommerce.app.box.com/s/z8ygn0ifeimybnlh4j6v8cl1wxkp1jfa

<sup>&</sup>lt;sup>2</sup> RCW 36.70A.535(9)(a)

<sup>&</sup>lt;sup>3</sup> RCW 36.70A.535(10)

# 1.3 Co-Living Background

### What is Co-Living?

State law provides a definition of co-living housing:

"Co-living housing" means a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building. Local governments may use other names to refer to co-living housing including, but not limited to, congregate living facilities, single room occupancy, rooming house, boarding house, lodging house, and residential suites.<sup>4</sup>

Many terms are used to refer to co-living housing. In addition to those noted in the statute, co-living housing may be referred to as micro-units, dormitories, or another term. More information on the different types of co-living housing is included in "Overlapping Names and Use Types" on page 7.

### **Benefits**

Co-living housing has many benefits, including:

- Providing market-rate, non-subsidized rental homes affordable to people in the workforce earning as low as 50% of area median income (older co-living units in Spokane area cost \$350 per month, and in the Puget Sound suburbs some new co-living units are renting for \$1,000 per month)
- Offering housing options for people who want a low-cost, private alternative to living with roommates
- Creating a living arrangement with shared community spaces that facilitate social connections
- Increasing affordable housing options in high opportunity neighborhoods with transportation access
- Reducing sprawl and vehicle miles traveled through infill development. This may in turn reduce auto emissions, energy use, and pollution

Stakeholders note that co-living is a great option for seniors looking to downsize their living arrangements and that co-living helps build communities and reduce loneliness for people of all ages. Co-living may be an attractive housing option for many community members and is an effective way to help accommodate housing needs for the state's growing population. More information on benefits of co-living is included in the Legislature's findings in the notes section of RCW 36.70A.535 under "Intent—Findings—2024 c 180."

## History

Co-living housing types have a long history in America. Co-living housing was common in the pre-Revolutionary era and represented a larger share of urban housing stock by the turn of the 20th century. As norms and cultural values shifted in the post-WWII period, co-living buildings became stigmatized and new co-living developments were prohibited in many cities.

In Washington, co-living development had a resurgence in the Puget Sound region beginning in the 2000's, as the need for new low-cost apartments in desirable neighborhoods sparked interest in co-living housing among

<sup>&</sup>lt;sup>4</sup> RCW 36.70A.535(11)(a)

local developers. These modern co-living buildings improved on the design quality and amenities of twentieth century models. For examples and more history on co-living housing, see Appendix A.

# 2.0 Development Regulations

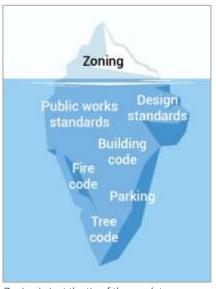
This section provides recommendations and considerations for meeting the co-living development regulation requirements of RCW 36.70A.535.

Implementing regulations should respond to each jurisdictions' code framework. In addition to zoning code, cities and counties should review potential barriers in other regulatory areas which may result in conflicts that prohibit co-living housing development and may be preempted by state law. This may include Public Works standards, design standards, fire and tree code, and more.

# 2.1 Applicability and Permitting

### Applicability to Lots and Zones

Per RCW 36.70A.535(1), "Cities and counties planning under this chapter must allow co-living housing as a permitted use on **any lot located within an urban growth area that allows at least six multifamily residential units,** including on a lot zoned for mixed-use development."



Zoning is just the tip of the regulatory iceberg. Source: MAKERS

The term "multifamily" is not defined by the Growth Management Act. For the purposes of co-living, Commerce interprets "multifamily residential units" to mean any type of housing which allows at least six units on a lot, excluding manufactured home parks, group homes (such as assisted living for seniors or people with disabilities), emergency housing, or emergency shelters.

Co-living housing must be a permitted use on any lot if:

- Six or more multifamily residential units are permitted under both the land use permissions and density or lot size standards. This includes lots where multifamily use is permitted to be mixed with non-residential uses (i.e. mixed-use development).
- A lot is subject to the minimum residential density and transit proximity requirements of RCW 36.70A.635(1)(b)(ii).

Cities are not required to allow co-living housing on lots where six units are permitted only through an affordable housing density bonus, such as under RCW 36.70A.635(1)(b)(iii).

### Permit Type and Public Notice

Standards for permitting co-living housing must be no more restrictive than permitting standards for other types of multifamily housing in the same zone, per RCW 36.70A.535(4). For example, if multifamily housing is permitted outright, co-living housing must be permitted outright. Commerce recommends local governments consider updating land use matrices and allowable use tables to eliminate conditional use permits and administrative conditional use permits for all housing types—including multifamily housing, low-income

housing, and senior housing—to reduce barriers to housing that has traditionally been more difficult to permit.

Per RCW 36.70A.535(5), co-living housing may only be subject to the review, notice, and public meeting requirements that are applied to other types of residential uses in the same location, unless otherwise required by state law, such as shoreline permit regulations under Chapter 90.58 RCW.

## Overlapping Names and Use Types

Some jurisdictions already define and regulate co-living uses by different names. Jurisdictions should review their codes for terms identified in RCW 36.70A.535— congregate living facilities, single room occupancy, rooming house, boarding house, lodging house, and residential suites—as well as micro-units and dormitories. Regardless of the name, uses meeting the statutory definition of co-living housing are subject to the requirements of RCW 36.70A.535. Where appropriate, consolidating related co-living uses in zones where they must be allowed under RCW 36.70A.535, may provide clarity of land uses, ease of administration, and demonstrating consistency with the law.

Uses that should not be regulated as co-living housing include group living uses that fall under another state law framework with regard to licensing, occupancy and/or zoning standards, such as assisted living facilities (Chapter 18.20 RCW), adult family homes (Chapter 70.128 RCW), or group homes (which are overseen by the Department of Social and Health Services (DSHS)). Emergency shelters, transitional housing, emergency housing, and permanent supportive housing (STEP) should not be combined with co-living or similar housing types (RCW 35.21.683 and RCW 36A.21.430). As a residential use, co-living differs from short-term rentals and should not be grouped with these uses.

Co-living is also different than co-housing, which is a type of ownership model that features fully equipped dwelling units that share common spaces. Co-housing is a community where people live in their own homes while sharing some facilities and spaces.

For more on non-overlapping housing types, see Commerce's "STEP and Other Housing Definition Fact Sheet."

### Where Co-Living Allowance is Not Required

In some cases, jurisdictions may define uses which fall under the broader co-living definition, and which are allowed in areas where consistency with RCW 36.70A.535 is not required (i.e. zones where less than six multifamily residential units are allowed per lot). In these cases, retaining the more specific definitions is recommended when they provide a different type of housing option, provide for few sleeping units, or housing in other zoning districts. A common example may be boarding house.

### 2.2 Mix of Uses

RCW 36.70A.535(2)(c) prohibits jurisdictions from requiring co-living housing to "include other uses."

This means that the co-living use cannot be singled out in a general zone-wide or citywide requirement to contain other uses, such as ground-floor commercial uses. However, under RCW 36.70A.535(4), location-specific requirements for ground-floor non-residential uses that apply to multifamily housing can apply to co-living housing. Many larger co-living buildings have historically included a mix of retail and service uses to serve the upstairs residents and surrounding neighborhood.

# 2.3 Definitions, density and room dimensions

### **Co-Living Definition**

The co-living definition in RCW 36.70.535(11)(a) states: "Co-living housing" means a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building."

Because dwelling units can also be "independently rented and lockable and provide living and sleeping space," jurisdictions should adopt clear standards to distinguish co-living sleeping units from dwelling units. Guidance is provided in the following sections.

### **Co-Living Density**

RCW 36.70A.535(7) states: "A city or county may not treat a sleeping unit in co-living housing as more than one-quarter of a dwelling unit for purposes of calculating dwelling unit density."

This means that in a zone with a maximum density of 30 dwelling units per acre, a co-living housing development on a one-acre site must be permitted to build co-living housing with up to 120 sleeping units, as long as all other development regulations are met. In zones where there is no density limit for multifamily housing, there should also be no density limit for co-living housing.

### **Limits On Number of Units**

A cap on the number of co-living sleeping units allowed per building is invalid when there are no equivalent limits on the number of units permitted in a multifamily building in the same zone, per RCW 36.70A.535(5). This requirement does not apply to zones where co-living is permitted beyond the locational requirements of RCW 36.70S.535(1). In those areas, the number of sleeping units per co-living building may be limited to less than the maximum for multifamily housing.

Jurisdictions should carefully review limitations on the number of sleeping units in co-living buildings, whether under the name "co-living" or another term. For example, one Washington jurisdiction defines "rooming house" as "a dwelling, with a central kitchen and with more than one but fewer than nine boarders, with no more than nine sleeping rooms." Since multifamily uses do not have an equivalent limit on the number of units in zones that allow rooming houses (using the 4:1 ratio), this definition should be amended, replaced or clearly defined as a use in zoning areas which would not be subject to RCW 36.70A.535.

### **Sleeping Units**

### **Sleeping Unit Definition**

The International Building Code (IBC) defines a "sleeping unit" as "A single unit that provides rooms or spaces for one or more persons, includes permanent provisions for sleeping and can include provisions for living, eating and either sanitation or kitchen facilities but not both. Such rooms and spaces that are also part of a dwelling unit are not sleeping units."<sup>5</sup>

A sleeping unit is a standalone bedroom and does not have the full features of a dwelling unit. Unlike dwelling units, sleeping units are not required to have closets, bathrooms or kitchens. However, most new co-living

<sup>&</sup>lt;sup>5</sup> 2021 International Building Code, Section 202 Definitions.

developments include private bathrooms and kitchenettes because they are popular with tenants and some building managers find shared bathrooms challenging to manage.

Sleeping units are different from "efficiency dwelling units" under the IBC. These units, which are also known as "studio apartments", are required to have a closet, full bathroom, kitchen sink, cooking appliance, and refrigerator. Efficiency dwelling units have a defined minimum size of 190 square feet.

The IBC does not limit the number of sleeping units that may share a kitchen and sanitation facilities (bathrooms). Any local limits on the number of unrelated people who share a co-living sleeping unit should be based on occupant load per square foot or generally applicable health and safety provisions as established by applicable building code or city ordinance, per RCWs <u>35.21.682</u>, <u>35A.21.314</u>, and <u>36.01.227</u>.





Sleeping unit interiors. Left. Courtesy of Natural and Built Environments, LLC. Right. Courtesy of Neiman Taber Architects.

#### **Room Dimensional Standards**

RCW 36.70A.535(2)(a) prohibits jurisdictions from requiring co-living housing to "Contain room dimensional standards larger than that required by the state building code, including dwelling unit size, sleeping unit size, room area, and habitable space."

The 2024 IBC definitions and minimum dimensions are as follows:7,8

- Habitable space means "A space in a building for living, sleeping, eating or cooking. Bathrooms, toilet rooms, closets, halls, storage or utility spaces and similar areas are not considered habitable spaces."
   Habitable spaces other than kitchens must not be less than seven feet in any plan dimension.
- Dwelling unit means "A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation." Dwelling units have a total minimum size of 190 square feet of habitable space and must have at least one room that is a minimum of 120 square feet. Kitchens are not required to be of a minimum floor area.
- Sleeping units must have a minimum size of 70 square feet. For reference, this comfortably fits a twin-size bed.

<sup>&</sup>lt;sup>6</sup> As of this writing the state building code has the same minimum dimensions as the 2024 International Building Code. See Washington Administrative Code 51-50-1208, Section 1208-Interior space dimensions. <a href="https://app.leg.wa.gov/WAC/default.aspx?cite=51-50-1208">https://app.leg.wa.gov/WAC/default.aspx?cite=51-50-1208</a>. <sup>7</sup> 2024 International Building Code, Section 202 Definitions.

<sup>&</sup>lt;sup>8</sup> 2024 International Building Code, Section 1208 Interior Space Dimensions.

Bedroom means "Any room or space used or intended to be used for sleeping purposes in either a dwelling unit or a sleeping unit." A bedroom has a minimum size of 70 square feet when intended for use by one occupant and 100 square feet when intended for use by two occupants, plus another 50 square feet per additional occupant.

The building code has no maximum size for sleeping units. A unit larger than 190 square feet may be considered a sleeping unit if it conforms to the definitions noted above. Cities and counties may adopt a maximum size for sleeping units. A maximum sleeping unit size of 300 square feet would reflect typical sleeping unit sizes in co-living buildings, with a bathroom, closet and/or kitchenette (see co-living examples in Appendix A).



Excerpt of a floor plan from The Kärsti co-living housing development in Seattle, showing sleeping units with private sanitation facilities and kitchenettes and a common kitchen and dining room. Image courtesy of Neiman Taber Architects.

## **Sleeping Units vs. Dwelling Units**

The density and parking calculations provided by RCW 36.70A.535 apply to sleeping units, not small dwelling units such as studio apartments. The table below is an example of how a local jurisdiction can distinguish between sleeping units and dwelling units based on the unit size and the inclusion of certain features.

<sup>&</sup>lt;sup>9</sup> 2021 International Property Maintenance Code, Section 202 General Definitions.

<sup>&</sup>lt;sup>10</sup> 2021 International Property Maintenance Code, Section 404.4.1 Room area.

Sanitation (bathroom) and kitchen facilities are not defined by the IBC and the definitions noted in the table are provided as examples. There must be at least one shared kitchen facility for sleeping units to be considered co-living housing, per RCW 36.70A.535(11)(a).

#### Example definitions:

- Sanitation facilities consist of at least a sink (not shared with kitchen), toilet, and shower and/or tub.
- Kitchen facilities are a room or space used for cooking or the preparation of food with all of the following: sink (not shared with sanitation facilities), 220-volt or natural gas stovetop with ventilation, refrigerator, and food preparation area. Portable or countertop appliances are not part of kitchen facilities.

In the Puget Sound area, many new co-living developments include private bathrooms and kitchenettes. A kitchenette does not meet the definition of a kitchen. It has limited cooking facilities such as a sink, small one-or two-burner electric stove, microwave, and mini-fridge. It might also include adequate counter space for plugin electric cooking appliances.

Jurisdictions should review their zoning and building codes and may develop local interpretations, provided local interpretations and regulations are consistent with the requirements of RCW 36.70A.535 and the Washington State Building Code.

	Minimum size under state building code	Sanitation facilities (i.e. bathroom)	Kitchen facilities
Sleeping unit	70 square feet	In-unit bathroom optional.*  Must have access to shared bathroom if in-unit bathroom is not provided.	In-unit kitchen optional*  Must have access to shared kitchen.
Dwelling unit	190 square feet **	In-unit bathroom required.	In-unit kitchen required.

<sup>\*</sup> Sleeping unit may not have both private sanitation and kitchen facilities, however kitchenettes may be allowed.

### Mix of Unit Sizes an Option, Not a Requirement

RCW 36.70A.535(2)(b) prohibits jurisdictions from requiring co-living housing to "Provide a mix of unit sizes or number of bedrooms." Developers may choose to combine co-living sleeping units and full-feature dwelling units in the same building. In such configurations, all residents are typically given access to co-living common areas.

### Common Areas

Shared spaces are essential to the concept of co-living. These may include common kitchens, bathrooms, lounge/social rooms, fitness rooms, libraries, workshops, and similar amenities. Only shared kitchens are

<sup>\*\*</sup> Cities and counties may adopt a larger minimum size for dwelling units.

required in order to meet the statute's definition of co-living. When designing common areas, developers consider market demand and how to make their buildings competitive for tenants.

Cities can place standards on the provision of common areas as long as these are not more restrictive than standards for other multifamily development. For instance, a city may require one common area for each eight sleeping units, or ten square feet of common space for each 100 square feet of sleeping unit. Such common areas could be counted towards minimum required open spaces (as some codes allow indoor spaces to qualify for some or all open space requirements). Also see Section 2.5 for more information on open space standards.









Examples of common areas. Clockwise from upper left: lounge and common kitchen in the Kärsti, Seattle WA, courtesy of Neiman Taber Architects. Lounge and laundry room in the Yobi in Seatle, WA, courtesy of Neiman Taber Architects. Common kitchen and lounge in Plaza Apartments in Kirkland, WA, courtesy of Natural and Built Environments, LLC.

#### **Shared Kitchens**

Shared kitchens are required in order to meet the statutory definition of co-living. The law has no specific requirements for shared kitchens. In addition to the other co-living requirements described in this section, at least one shared kitchen must be provided in a development for it to be classified as a co-living use under RCW 36.70A.535.

The specific size or quantity of shared kitchens in a co-living development should not be regulated if the same kind of regulation is not applied to multifamily development. Developers have found that tenants can meet their daily needs with in-unit plug-in appliances and kitchenettes. As a result, modern co-living buildings tend to

have only a few shared kitchens that are large enough to host gatherings – for example, one kitchen per 15-20 sleeping units and typically no more than one kitchen per floor. Building owners have found that shared kitchens and other common areas often facilitate social activity like game nights and group dinners.

### **Utility Functions**

Developers report that laundry appliances are typically provided at a ratio of 10-15 sleeping units per set. The building design determines whether laundry appliances are spread throughout a building or centralized in a laundry room. One developer reported that private storage units are lightly used.

# 2.4 Off-Street Parking Standards

### State Law

### **Basic Requirements**

Off-street parking requirements for co-living housing are subject to the following standards:<sup>11</sup>

- A maximum of 0.25 off-street parking spaces per sleeping unit may be required.
- No off-street parking may be required within one-half mile walking distance of a major transit stop (see Major Transit Stop specifications below).

Co-living residents tend to produce fewer vehicle trips than the general population due to proximity to transit and services, and reduced car ownership. 12, 13

### **Exceptions**

The above off-street parking requirements do not apply:

- If a city or county submits to the Department of Commerce an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location.<sup>14</sup>
- To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.<sup>15</sup>

<sup>&</sup>lt;sup>11</sup> RCW 36.70A.535(3)

<sup>&</sup>lt;sup>12</sup> A transportation analysis of a mixed apartment and co-living housing project in downtown Kirkland with 290 total units estimated 64 peak hour vehicle trips based on industry standards. A post-occupancy analysis found the project had 33 peak hour vehicle trips. The report concluded this resulted from site management of resident parking and the area's transportation options available to residents.
<sup>13</sup> Another mixed-use co-living development in Kirkland was approved for reduced minimum parking at 0.5 parking spaces per sleeping unit, for a total of 255 provided parking spaces. This was 155 spaces less than would have been required by previous code, and a one-year post-occupancy analysis found the project was 45 spaces over-supplied.

<sup>&</sup>lt;sup>14</sup> See the Department of Commerce Empirical Parking Study Guidance: <a href="https://www.commerce.wa.gov/growth-management/housing-planning/middle-housing/">https://www.commerce.wa.gov/growth-management/housing-planning/middle-housing/</a>

<sup>&</sup>lt;sup>15</sup> This only applies to Seattle-Tacoma International Airport. Enplanement data is provided by the Federal Aviation Administration: <a href="https://www.faa.gov/airports/planning\_capacity/passenger\_allcargo\_stats/passenger">https://www.faa.gov/airports/planning\_capacity/passenger\_allcargo\_stats/passenger</a>. Jurisdictions applying this exemption should base the one-mile radius on airport passenger facilities.

### **Major Transit Stop**

Off-street parking cannot be required for co-living housing within one-half mile walking distance of a major transit stop. "Major transit stop" is defined by RCW 36.70A.535(11)(b):

"Major transit stop" means:

- (a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW;
- (b) Commuter rail stops;
- (c) Stops on rail or fixed guideway systems, including transitways;
- (d) Stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes; or
- (e) Stops for a bus or other transit mode providing actual fixed route service at intervals of at least 15 minutes for at least five hours during the peak hours of operation on weekdays. 16

This definition is identical to that for accessory dwelling units, under <u>RCW 36.70A.696(8)</u>. This term is slightly different than the general definition of major transit stops under <u>RCW 36.70A.030(26)</u>. For more information on how to identify major transit stops and measure distance, see Appendix B.

## **Local Policy Choice**

### **Eliminating Off-Street Parking Requirements**

The cost of providing surface parking can significantly increase the per-space construction cost of co-living housing, depending on the type of parking, number of stalls required, drive aisle area, and turnaround space.

Eliminating minimum off-street parking requirements may encourage co-living development by reducing the cost and physical complexity of projects. This may be particularly beneficial for infill development. Off-street parking requirements often affect the number of units that can be constructed in a co-living housing project, and can significantly impact a project's feasibility. Builders can continue to include off-street parking to meet market demand, even without regulatory requirements.

Eliminating off-street parking requirements for co-living housing is particularly appropriate for areas well-served by local transit service, connected to bike and pedestrian infrastructure, and proximate to job centers.

### **Bicycle Parking Requirements**

Bicycle parking is not addressed in RCW 36.70A.535. If a jurisdiction requires bicycle parking based on the number of vehicle parking spaces, the co-living calculation for 0.25 vehicle parking spaces per sleeping unit will reduce the amount of bicycle parking required. However, if bicycle parking is based on number of sleeping units no reduction is required.

### References

- City of Olympia, WA Ordinance 7366 (2023) reduces parking minimums for all residential units
- A Business Case for Dropping Parking Minimums, 2022, Planning Magazine
- Parking Reform Network

<sup>&</sup>lt;sup>16</sup> RCW 36.70A.535(11)(b)

### 2.5 Other Standards

### **Bulk Standards**

Co-living buildings can range from the size of a single-family home house to a full-sized apartment building.

RCW 36.70A.535(4) and (5) state:

"(4) A city or county may not require through development regulations any standards for co-living housing that are more restrictive than those that are required for other types of multifamily residential uses in the same zone."

(5) A city or county may only require a review, notice, or public meeting for co-living housing that is required for other types of residential uses in the same location, unless otherwise required by state law including, but not limited to, shoreline regulations under chapter 90.58 RCW.

This means that co-living housing must be subject to zoning dimensional standards that are equal or less restrictive than those for multifamily uses in the same zone. This includes, but is not limited to, the following

types of standards: building height, setbacks, lot coverage, floor area ratio, lot area and lot dimension, impervious surface, open space, and landscaped area standards.

Jurisdictions should review their codes for any supplemental use standards related to spacing, distribution, buffering, and other location restrictions for coliving housing. Under RCW 36.70A.535(4), such standards should not create a greater restriction on the permitted location of co-living housing compared to multifamily housing in the same zone. For example, a requirement for co-living housing to not be on adjacent lots, or to be separated by 500 feet, is not consistent with the law.

See Section 3.2 Conversion Projects for bulk standards requirements related to conversions.



Bulk, height, coverage, and other standards for co-living housing must be no more restrictive than standards for multifamily housing. Pictured: co-living and multifamily housing in downtown Redmond. Source: MAKERS



Example of multifamily building with facade articulation. Source: MAKERS

### **Design Standards**

Co-living housing should be subject to equal or less restrictive design standards than other multifamily uses, per RCW 36.70A.535(4).

Jurisdictions should give special consideration to design standards based on the size of dwelling units, such as articulation standards or minimum balcony sizes. These standards may need to be adjusted or interpreted differently as they are applied to co-living housing, as sleeping units are smaller and not the same as dwelling units. For example, a façade articulation standard that says, "the maximum façade width without articulation shall be no greater than the width of a

unit", could be amended to a specific dimension instead. See Section 3.2 Conversion Projects for design standards requirements for conversion projects.

### **Open Space Standards**

Some jurisdictions require a minimum useable open space or amenity area per dwelling unit, often scaled to the size of dwelling unit or number of bedrooms (studio, one-bedroom, two-bedroom, etc.). Stakeholders report that sleeping units typically accommodate a single resident, so applying per-unit open space standards to these units can result in disproportionate requirements which reduce the feasibility of co-living housing development.

RCW 36.70A.535 does not have specific provisions related to open space standards. Jurisdictions have several options for updating multifamily open space standards to support co-living feasibility:

- Create a reduced open space requirement for sleeping units. For example, apply one-quarter or one-half the open space requirement for co-living that apply to studio apartments.
- Apply an alternate open space standard that does not rely on the size or quantity of units. For instance, require a certain amount of open space for each 1,000 square feet of residential net floor area, for multifamily and co-living.

If open space is required, consider allowing indoor common areas to count as open space in addition to traditional outdoor space (courtyards, balconies, roof decks, etc.). Co-living buildings necessarily include a variety of shared indoor spaces and amenity areas, usually including at least shared kitchens and dining rooms. Other shared indoor spaces may include multi-purpose entertainment space, fitness center, movie theater, library, workshop, conference room, and similar amenities that promote shared use and a sense of community. To encourage a balance with outdoor spaces, some jurisdictions allow projects to count only a portion of indoor common area toward minimum open space square footage requirements.

# 3.0 Additional Considerations

# 3.1 Affordable Housing

Market-rate co-living housing can provide an affordable housing option without needing to participate in formal affordability programs. Co-living is often the least expensive private market option available in urban markets and can meet the needs of those who might otherwise experience economic displacement or homelessness. Adequate supply of co-living housing may reduce pressure on publicly funded affordable housing and provide housing affordable to lower income residents who might otherwise wait years for subsidized housing.

However, co-living housing must be eligible to participate in formal government programs and receive public funding. RCW 36.70A.535(6) states:

"(6) A city or county may not exclude co-living housing from participating in affordable housing incentive programs under RCW 36.70A.540."

Where incentive programs are adopted, co-living housing developments can provide affordable housing in exchange for density and height bonuses, fee waivers, expedited permitting, and other benefits that are available to multifamily housing (when consistent with the incentive program requirements). Co-living housing

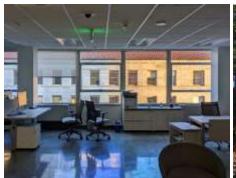
may also be eligible for multifamily tax exemptions (MFTE) when meeting the local requirements adopted under Chapter 84.14 RCW. It may also be eligible for the use of HUD Housing Choice vouchers.<sup>17</sup>

Stakeholders report that even where co-living housing is permitted, some non-profit affordable housing providers do not include it in their portfolio because of operational complexities. There are more shared spaces to maintain and monitor in a co-living building than a traditional apartment building.

# 3.2 Conversion Projects

Co-living conversions of existing buildings were relatively common in the past when zoning was more flexible. Commerce recommends considering providing flexibility for both commercial-to-residential and residential-to-residential co-living conversion projects. Older office buildings may be particularly good candidates for conversion due to their floor configurations, with pre-existing shared restroom and kitchen facilities. In some communities, developers have found success converting older motels and churches into micro-units and congregate housing.

Another common type of co-living conversion was older large houses converted into small apartments with some shared kitchen or bathroom facilities. Zoning has made conversions of this type largely prohibited in recent decades. Commerce recommends considering these types of conversions.







Left: Co-living may be well suited to office-to-residential conversions. Center: An older converted mansion with a mix of co-living units and dwelling units. Right: Developers have converted older motels into co-living in several eastern Washington cities. Source: MAKERS

### New requirement for cities

<u>RCW 35.21.990</u> and <u>RCW 35A.21.440</u> require cities (these RCW sections do not apply to counties) to provide regulatory flexibility for conversion projects that are in commercial and mixed-use zones. In summary, these laws state that cities may not:

- Impose a restriction on housing unit density that prevents the addition of housing units at a density up to 50 percent more than what is allowed in the underlying zone.
- Impose parking requirements on the addition of dwelling units or living units added within an existing building.

<sup>&</sup>lt;sup>17</sup> https://www.hud.gov/sites/dfiles/PIH/documents/HCV\_Guidebook\_Payment\_Standards.pdf see section 2.4.

- Impose permitting requirements on the use of an existing building for residential purposes beyond those requirements generally applicable to all residential development within the building's zone.
- Impose design standard requirements, including setbacks, lot coverage, and floor area ratio requirements, on the use of an existing building for residential purposes beyond those requirements generally applicable to all residential development within the building's zone.
- Impose exterior design or architectural requirements on the residential use of an existing building beyond those necessary for health and safety of the use of the interior of the building.
- Prohibit the addition of housing units in any specific part of a building except ground floor commercial or retail that is along a major pedestrian corridor as defined by the city.

Cities may not require off-street parking for the addition of dwelling units or living units within an existing building.

### 3.3 Infrastructure Issues

Public works and infrastructure standards that create conditions on development are a "development regulation" subject to RCW 36.70A.535(4) which limits regulations to those no more restrictive than required for other types of multifamily uses. This is supported by the definition of "development regulations" under RCW 36.70A.030.

To comply with RCW 36.70A.535(4), public works and infrastructure development standards cannot be more restrictive for co-living housing than for multifamily residential uses. Co-living sleeping units have been shown to have substantially lower utility use than dwelling units, in part because more than 90 percent of co-living residents are single-person households.<sup>18</sup>

#### **Water and Sewer**

Water and sewer utility purveyors (cities, special districts, and private purveyors) should adopt specific standards for co-living buildings, or sufficient flexibility in the application of multifamily standards to adequately serve co-living buildings without requiring construction of excess infrastructure.

Regarding sewer connections specifically, RCW 36.70A.535(8) states: "A city or county may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections, unless the city or county makes a finding, based on facts, that the connection fees should exceed the one-half threshold." If utility purveyors have several rates for different types of dwelling units, the rate applied for co-living should be no more than one-half the rate for multifamily dwelling units, or the closest applicable category, such as a hotel. Commerce recommends adopting this co-living sewer connection fee in the adopted fee schedule.

State law does not define "connection fee", but the definition for "connection charge" in RCW <u>35.92.385(4)(b)</u> may be informative: "...the one-time capital and administrative charges, as authorized in RCW 35.92.025, that are imposed by a utility on a building or facility owner for a new utility service and costs borne or assessed by a utility for the labor, materials, and services necessary to physically connect a designated facility to the respective utility service."

<sup>&</sup>lt;sup>18</sup> Reported by a co-living developer and building owner during interviews conducted for this guidance.

Fact-based findings that justify sewer connection fees above the one-half threshold may include information such as:

- Existing co-living sleeping units in the jurisdiction or planning area generate a nearly similar or equal amount of sewer demand as dwelling units in the same area.
- A proposed co-living development for which project-specific fees are being calculated has sleeping units that exceed 300 square feet (meaning the sleeping units are nearly the size of the smallest dwelling units available on the market).
- A sewer utility conducts a financial analysis that demonstrates it does not have sufficient alternative funding to bear the costs of labor, materials, and services necessary to physically connect a co-living development to sewer service under the connection fee rate limitation of RCW 36.70A.535(8).

Reduced monthly rates for co-living units are another way to reduce co-living housing costs. For example, King County treats "microhousing" units as 0.35 of a residential customer equivalent (based on a detached single-family residence) for monthly sewer capacity charges.<sup>19</sup>

Cities, counties, and water utilities should consider a similar one-half to one-quarter metric for requirements related to water infrastructure connections and fees.

### **Impact Fees**

RCW 36.70A.535 does not address impact fees. However, jurisdictions must adopt a fee schedule that complies with RCW 82.02.060(1), which states in part: "...The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units...". This requirement must be adopted no later than six months after the jurisdiction's next periodic comprehensive plan update required under RCW 36.70A.130.

New guidance by Commerce on impact fees will be published separately.

Some co-living-specific considerations for setting fee rates:

- Co-living sleeping units are smaller than traditional multifamily units, and therefore should have an adjusted fee, depending on the metric for calculating such fees.
- Co-living residents have been found to produce fewer vehicle trips than the general population due to proximity to transit and services and lower rates of car ownership.<sup>20</sup>
- Given limited access to private open space, co-living residents may desire greater access to public parks, open space, and recreation facilities.
- Co-living residents tend to be single adults without school-aged children.

<sup>&</sup>lt;sup>19</sup> "About the capacity charge." King County. <a href="https://kingcounty.gov/en/dept/dnrp/waste-services/wastewater-treatment/sewer-system-services/capacity-charge/about">https://kingcounty.gov/en/dept/dnrp/waste-services/wastewater-treatment/sewer-system-services/capacity-charge/about</a>

See a Parking Analysis Memo for 162TEN, a co-living building in Redmond: <a href="https://www.sightline.org/wp-content/uploads/2024/01/20140831\_162TEN\_Parking-Analysis\_Deviation.pdf">https://www.sightline.org/wp-content/uploads/2024/01/20140831\_162TEN\_Parking-Analysis\_Deviation.pdf</a>. See similar reports for two Kirkland projects in the footnotes of Section 2.4.

More information on impact fees is available from the Municipal Research and Services Center (MRSC).<sup>21</sup> Jurisdictions updating impact fees which may affect non-city facility providers (e.g., school districts) should coordinate with those facility providers on impact fee calculations and capital facilities plans.

### **Electricity**

The electricity used per sleeping unit in co-living developments is typically much lower than for dwelling units. Electricity providers and permitting authorities should consider the lower usage needs when requiring installation of infrastructure.

### References

- <u>King County Capacity Charge</u>. Example of a utility fee which is graduated based on the size and type of residential dwelling.
- <u>Department of Ecology municipal stormwater permits</u>. Information on what types of stormwater requirements are in place for jurisdictions across the state.

# 3.4 Design Considerations

There are a few differences and key considerations for co-living design that differentiate it from design for typical multifamily development.

### **Architectural Finishes**

Because co-living sleeping units are compact, each unit can rent at a higher price per square foot than a typical apartment. As a result, developers report being able to include more durable and higher quality and finishes, such as stone countertops and better lighting, in units and in shared spaces. Co-living housing's limited space needs create the opportunity to exchange space for quality, while still maintaining affordability.

### Common Space Design

Given the limited private space in each unit, the design of shared spaces, especially kitchens and eating areas, takes on increased importance for resident quality of life. Shared space designs that include features such as sound absorbing acoustic panels and well-designed, adjustable lighting will help create spaces that are more comfortable and inviting for residents. Outdoor open spaces should be designed to provide a range of activities and spaces for individuals and small groups to enjoy.



Ceiling installed acoustic panels in a common area. Photo courtesy of Schemata Workshop.

### **Sound Proofing**

With limited private space and many neighbors, stakeholders noted the importance of sound proofing shared walls and ceilings. Developers are encouraged to go beyond minimum sound proofing requirements in the building code. If jurisdictions modify requirements, such standards must apply equally to co-living and multifamily development.

<sup>&</sup>lt;sup>21</sup> "Impact Fees." Municipal Research Service Center. https://mrsc.org/explore-topics/planning/land-use-administration/impact-fees

### 3.5 Short Term Rentals

Short term rental is a business model in which individual residences are rented out by the owner to customers using an online platform. Some cities restrict short-term rentals in order to support a greater share of the housing stock available for residences; this is especially common in smaller cities and towns with high levels of tourism. Jurisdictions seeking to increase the supply of housing for low- and very low-income households may consider prohibiting short-term rentals in co-living buildings.

# 3.6 Homeownership

RCW 36.70A.535(11)(a) describes co-living housing as rental housing, stating "'Co-living housing' means a residential development with sleeping units that are independently rented..."

Co-living housing with sleeping units that are independently owned are not addressed by RCW 36.70A.535. This means ownership co-living housing can be treated differently than the state law requires and may be subject to more restrictive standards for parking, density, and other development regulations.

Jurisdictions may choose to allow owner-occupied co-living housing to be regulated the same as rented co-living housing. This may reduce regulatory barriers for owner-occupied co-living housing and create opportunities for conversion to cooperative ownership. Ownership of co-living housing may be less common than rental co-living housing, but it can be encouraged as an opportunity to promote homeownership for people with low-to-moderate incomes.

# 3.8 Comprehensive Plans

### **Integrating Co-Living into Housing Elements**

Co-living housing allowed under RCW 36.70A.535 may meet housing needs for low-income households in the 50-80% Area Median Income (AMI) band, and possibly the 30-50% AMI band<sup>22</sup>. Each local jurisdiction will need to verify this finding at the local level. This can be done through a housing needs assessment created for a comprehensive plan or through a market analysis.<sup>23</sup> If no examples of co-living housing are available in your region, it may be appropriate to use data on co-living housing costs from the closest comparable jurisdiction and compare that to local affordability levels (AMIs in the county in which the analysis is being performed).

Allowing for co-living housing in areas that have historically been excluded or in areas where there is evidence of racially disparate impacts will increase affordable housing production, helping meet housing element goals to address past practices and policies that have contributed to racially disparate impacts and exclusion.<sup>24</sup>

### Land Use Elements and Land Capacity

For land capacity analysis, consider that assumed densities and potential development outcomes for co-living housing will be different than those that have been observed for multifamily development and mixed-use development. In identifying assumed development rates for land capacity analysis, consider incorporating

<sup>&</sup>lt;sup>22</sup> Per RCW 36.70A.070(2), jurisdictions are required to identify sufficient capacity of land for housing affordable at these income levels, and to make adequate provisions for these populations' housing needs.

<sup>&</sup>lt;sup>23</sup> See the Department of Commerce's <u>Guidance for Updating Your Housing Element</u>, specifically Steps 3.1 and 3.2 on pages 35-37.

<sup>&</sup>lt;sup>24</sup> See the Department of Commerce's <u>Guidance to Address Racially Disparate Impacts</u>.

information about local market conditions and real estate market dynamics. Additionally, RCW 36.70A.535(8) requires that sleeping units be calculated as not more than one-quarter (1/4) for purposes of calculating dwelling unit density. Although co-living housing may yield higher densities of housing units than other housing typologies, tracking any assumptions and rationale used for assumed densities will be helpful.

Not all sites that are zoned for co-living housing will develop or redevelop as co-living housing. In addition to sites needing appropriate zoning for development, co-living housing also needs:

- Physical and financial feasibility
- Developers who are familiar with building co-living housing
- Sites with a willing seller
- Access to financing
- Sufficient demand for co-living housing at a particular location

To determine local viability of co-living, consider researching trends by interviewing developers about the likelihood for developing a co-living product, and evaluating demographics to determine how much demand there is for this housing type. For many communities, it will take a while to identify likely trends in this reemerging housing typology, so assumptions for co-living development should be modest.

## 4.0 Resources

## **Code Examples**

• <u>Seattle Council Bill 120822</u> – Seattle code updates to comply with RCW 36.70A.535, adopted October 2024.

### **Further Reading**

Groth, Paul. Living Downtown: The History of Residential Hotels in the United States. Germany: University of California Press, 1994.

New Homeless and Old. Hoch, Charles, and Slayton, Robert A. Temple University Press, 1989.

"Rooming Houses: History's Affordable Quarters." Sightline Institute, 2012. <a href="https://www.sightline.org/2012/11/14/rooming-houses-historys-affordable-quarters/">https://www.sightline.org/2012/11/14/rooming-houses-historys-affordable-quarters/</a>

"The Hotel Spirt", Slate, 2022. <a href="https://slate.com/business/2022/07/hotels-rental-market-housing-prices-shortage-solution.html">https://slate.com/business/2022/07/hotels-rental-market-housing-prices-shortage-solution.html</a>

"The Rich American Legacy of Shared Housing." Bloomberg, 2023. https://www.bloomberg.com/news/features/2023-05-02/a-visual-history-of-single-room-occupancy-sro-affordable-housing

"Micro-apartments are back in Seattle after disappearing decades ago", Seattle Times, 2024. <a href="https://www.seattletimes.com/seattle-news/micro-apartments-are-back-in-seattle-after-nearly-a-century/">https://www.seattletimes.com/seattle-news/micro-apartments-are-back-in-seattle-after-nearly-a-century/</a>

"Why some Seattle area seniors are choosing dorm-sized apartments", KUOW, 2024. <a href="https://www.kuow.org/stories/why-some-seniors-are-choosing-dorm-sized-apartments">https://www.kuow.org/stories/why-some-seniors-are-choosing-dorm-sized-apartments</a>

"America Redux Excerpt: The Rich American Legacy of Shared Housing", Bloomberg Citylab, 2023. <a href="https://www.bloomberg.com/news/features/2023-05-02/a-visual-history-of-single-room-occupancy-sro-affordable-housing">https://www.bloomberg.com/news/features/2023-05-02/a-visual-history-of-single-room-occupancy-sro-affordable-housing</a>

"Roots of a Crisis," Real Change, 2016. https://www.realchangenews.org/news/2016/06/29/roots-crisis

"Historic South Downtown Oral Histories: Marie Wong Discusses Her Research on Seattle's SRO Hotels and the Men and Women Who Lived in Them". HistoryLink.org, 2015. https://www.historylink.org/File/11135

"Considering SRO Housing in New York City and Beyond." HUD Office of Policy and Research Development, 2018. <a href="https://www.huduser.gov/portal/pdredge/pdr-edge-trending-062518.html">https://www.huduser.gov/portal/pdredge/pdr-edge-trending-062518.html</a>

Oregon House Bill 3395, Section 17 (2023). Requires local governments within an urban growth boundary to allow the development of single room occupancy (SRO) housing.

# APPENDIX A: Co-Living History and Benefits

# What is Co-Living?

State law defines co-living housing as:

"Co-living housing" means a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building. Local governments may use other names to refer to co-living housing including, but not limited to, congregate living facilities, single room occupancy, rooming house, boarding house, lodging house, and residential suites.<sup>25</sup>

Co-living housing goes by many names. In addition to the congregate living facilities, single room occupancy (SROs), rooming house, boarding house, lodging house, and residential suites, noted in the statute, it may also be referred to as micro-units, dormitories, or some other term.

# Co-Living Evolution

### **Twentieth Century Legacy**

Co-living, under various names, has a long history in American cities and towns going back to pre-revolutionary times. <sup>26, 27</sup> By the early 1900's, in some major cities it represented as much as ten percent of the rental housing stock, providing a popular housing and lodging option for industrial workers, travelling salesmen, the elderly, young adults, and writers and artists. <sup>28</sup>







Left. The historic Wilson Hotel building, built 1890, is now managed by the Anacortes Housing Authority and functions as co-living housing with ground floor commercial businesses (source: MAKERS). Middle: The Upton Hotel in Spokane, built in 1910 and now known as the Grand Coulee Apartments, is listed on the National Register of Historic Places (Source: Will Maupin, <u>CC BY-SA 4.0</u>). Right. Milwaukee Hotel is one of several SROs still in operation in Seattle's Chinatown International District neighborhood. (Source: MAKERS)

<sup>&</sup>lt;sup>25</sup> RCW 36.70A.535(11)(a)

<sup>&</sup>lt;sup>26</sup> "The Hotel Spirt", Slate. <a href="https://slate.com/business/2022/07/hotels-rental-market-housing-prices-shortage-solution.html">https://slate.com/business/2022/07/hotels-rental-market-housing-prices-shortage-solution.html</a>

<sup>&</sup>lt;sup>27</sup> "Microunits: A Tool to Promote Affordable Housing" in Retooling Metropolis. Armlovich, Alex. Manhattan Institute, 2016.

<sup>&</sup>lt;sup>28</sup> "The Rich American Legacy of Shared Housing." Bloomberg, 2023. <a href="https://www.bloomberg.com/news/features/2023-05-02/a-visual-history-of-single-room-occupancy-sro-affordable-housing">https://www.bloomberg.com/news/features/2023-05-02/a-visual-history-of-single-room-occupancy-sro-affordable-housing</a>

Co-living establishments served people with a wide range of incomes and stages of life. Grander "hotels" offered centralized service perks like cleaning, meals, and laundry at the fraction of a cost of maintaining a larger home. More economical lodging houses, including those run by non-profit operators like the YMCA and Salvation Army, provided basic accommodations affordable to those who had fallen on hard times. With minimal private space available to them, co-living residents relied upon and patronized a rich variety of restaurants, small groceries, music halls, reading rooms, and night clubs, which was foundational to early and mid-20<sup>th</sup> century American urban culture.<sup>29</sup>

As Americans' economic opportunities, travel habits, and values shifted in the post-war period, co-living lost prominence and importance. Identifying safety problems and poverty associated with older co-living properties, urban reformers across the country enacted more stringent regulations that made it more expensive to operate and used zoning to prevent the creation of new co-living buildings. Government ledefforts to demolish existing co-living buildings for "slum clearance", along with gradual decay of older buildings, reduced the number of remaining pre-WWII co-living buildings, now most commonly referred to as single-room occupancy hotels or "SROs". By the 1980's, most co-living housing stock in major cities was demolished or converted to other uses, while public housing and subsidized apartments were not built at a large enough scale to replace the gap in affordability left by co-living, contributing to rising urban homelessness. In response, new policies were passed to preserve existing SROs, even as creation of new co-living buildings remained illegal.

### **New Beginnings**

Starting in the 2000's some developers in the Seattle area noted rising housing costs that created the need for new low-cost apartments in desirable neighborhoods. These developers explored flexibility in Seattle's zoning regulations for congregate housing, i.e. small sleeping units with shared kitchens. From 2009 to 2015 they built thousands of congregate housing "micro-units", targeted at young renters, recent arrivals, and students. This new housing option provided an affordable alternative as overall housing prices continued to spike, but also incited a strong backlash concerned about livability and neighborhood impacts. After code changes around 2015 tempered Seattle's micro housing boom developers continued to seek out opportunities in for new co-living in Redmond, Kirkland, commercial zones in Seattle (where congregate housing was still allowed), and other cities.<sup>31</sup> Developers have also explored conversions of older motels into micro-units in cities around the state in recent years.



Example of early 2010's congregate housing in Seattle. Source: MAKERS

The design of this new co-living housing has evolved considerably from twentieth century models, with contemporary architectural styles and amenities, as illustrated in the examples below.

<sup>&</sup>lt;sup>29</sup> New Homeless and Old. Hoch, Charles, and Slayton, Robert A. Temple University Press, 1989.

<sup>&</sup>lt;sup>30</sup> "Rooming Houses: History's Affordable Quarters." Sightline Institute, 2012. <a href="https://www.sightline.org/2012/11/14/rooming-houses-historys-affordable-quarters/">https://www.sightline.org/2012/11/14/rooming-houses-historys-affordable-quarters/</a>

<sup>&</sup>lt;sup>31</sup> "When is Seattle Going to Fix Micro-Housing?" Sightline Institute, 2021. <a href="https://www.sightline.org/2021/02/04/when-is-seattle-going-to-fix-micro-housing/">https://www.sightline.org/2021/02/04/when-is-seattle-going-to-fix-micro-housing/</a>

### **Co-living Examples**

While some older pre-zoning co-living buildings survive, modern co-living buildings have been built in Washington cities in the past two decades, marketed as micro-studios, micro-units, congregate apartments, eco flats, residential suites, or with the brand name "aPODments". Examples showing the range of scale and form these buildings take are included below.



#### The Kärsti

Seattle, 2020

52 co-living units + 334 sf commercial space

Co-living unit size range: 187-276 sf

Lot size: 5,000 SF

Parking: zero off-street parking

Mixed-use income-restricted (MFTE) congregate apartments built in one of

Seattle's mixed-use zones.

Photo courtesy of Neiman Taber Architects



### **Arete Apartments**

Kirkland, 2015

228 co-living units, 52 dwelling units, and 7,200 sf commercial space

Co-living unit size range: 185-286 sf Lot size: 62,220 SF (two parcels) Parking: 255 off-street spaces

Large mixed-use complex incorporating both co-living units and

traditional one-, two-, and three-bedroom apartments. *Image courtesy of Natural and Build Environments, LLC* 



### Ramiro's Place

Seattle, 2014 22 co-living units Lot size: 3,200 SF

Parking: zero off-street parking Co-living unit size range: 131-175 sf

One of many micro-unit buildings built in Seattle between 2012-2015 prior to

code changes that increased the minimum unit size.

Image source: MAKERS



#### **Tudor Apartments**

Remond, 2011 61 co-living units

Lot size: 14,387 SF (nine parcels) Parking: 30 off-street parking spaces Co-living unit size range: 222-301 sf

Micro-suite building designed to mimic appearance of townhouses.

Photo courtesy of Natural and Build Environments, LLC

# Benefits of Co-Living Housing

As housing in Washington has become increasingly unaffordable, interest in co-living has grown. Co-living housing has many benefits, including:

- Providing market-rate, non-subsidized rental homes affordable to people in the workforce earning as low as 50 percent of area median income (older co-living units in Spokane area cost \$350 per month, and in the Puget Sound suburbs some new co-living units are renting for \$1,000 per month)
- Offering housing options for people who want a low-cost, private alternative to living with roommates
- Creating a living arrangement with shared community spaces that facilitate social connections
- Increasing affordable housing options in high opportunity neighborhoods with transportation options
- Reducing energy demand since units are small and new housing can reduce commutes and sprawl

Modern co-living buildings are high-quality and can feature desirable amenities. Stakeholders note that co-living is a great option for seniors looking to downsize their living arrangements and that co-living helps build communities and reduce loneliness for people of all ages. They are especially well-suited for urban infill on narrow lots because the rent per square foot tends to be higher than other multifamily building types.<sup>32</sup> Like any other development, co-living buildings must comply with all building, fire, and life safety codes.

For these and other reasons, co-living is an effective way to help accommodate housing needs for the state's growing population. For more information, see the Legislature's findings in the notes section of RCW 36.70A.535 under "Intent—Findings—2024 c 180."

# Messaging

While once common, it has been decades since co-living uses like SROs and boarding houses were widely permitted in most cities. Planners in jurisdictions implementing RCW 36.70A.535 may encounter members of the public and elected officials with questions about the legislative requirement to re-introduce and allow coliving as a permitted use in on lots that allow at least six multifamily residential units.

RCW 36.70A.535 provides the framework for regulating co-living, including where co-living must be a permitted use and limitations on jurisdictions regarding how certain development standards may be applied. Planners and public officials do have an important role to play in public communication and education about co-living and the residents who may live in co-living units, including why the State legislation was passed. In addition to the benefits of co-living identified above, planners and public officials should review the points below and consider incorporating them in public facing materials on co-living.

## Framing Discussion of Co-Living

- Allowing co-living housing implements a state requirement and offers one more housing option to achieve
  the statewide housing needs projection developed by Commerce for 1.1 million homes over the next 20
  years.
- Co-living is a way for the private market to take pressure off publicly-subsidized affordable housing. More than a third of Washington households are housing cost-burdened, meaning they pay more than 30% of

<sup>32 &</sup>quot;The Macro View on Micro Units," Urban Land Institute, 2014.

their income in housing costs, and there isn't nearly enough income-restricted affordable housing to house everyone who would qualify for it.

- Recently built co-living housing in Kirkland and Redmond is popular with service sector workers, seniors, and young professionals.
- Different types of housing are better suited to people at different stages of life, and in different types of
  employment. A broad range of housing options can also help people adjust to abrupt changes in income or
  family status.
- Shared living spaces like common kitchens and dining areas encourage social interaction between residents.
- The building code places well-vetted minimum standards on habitable space.
- Co-living housing is environmentally friendly. Co-living housing is generally located near destinations, allowing residents to drive less. Small units with shared walls require less energy to heat and cool.

The following resources may be shared with members of the public and elected officials who want to learn more about co-living housing.

- FAQ: Co-living for Washington State, Sightline Institute, 2023
- America Redux Excerpt: The Rich American Legacy of Shared Housing, Bloomberg Citylab, 2023
- Cruel Musical Chairs (or Why Is Rent So High?), Sightline Institute, 2017
- Micro-apartments are back in Seattle after disappearing decades ago, Seattle Times, 2024
- Why some Seattle area seniors are choosing dorm-sized apartments, KUOW, 2024
- Additional videos and informational materials in English, Chinese, and Spanish are available at the Department of Commerce Housing Planning webpage.

Resources for public engagement strategies:

- <u>STEP Messaging Guide, Department of Commerce, 2024.</u> Note: while STEP is different from co-living, the strategies described may also be useful for communicating about co-living.
- "You Don't Have to Live Here" Why Housing Messages are Backfiring and 10 Things We Can Do About It, Frameworks Institute. 2016
- Building Support for Affordable Homeownership and Rental Choices, Center for Housing Policy, 2013
- How Does Affordable Housing Affect Surrounding Property Values? Housing Synthesis Research Project, 2008.
- Myths and Facts about Affordable & High Density Housing, California Planning Roundtable, 2002

### Internal Staff Engagement

Co-living regulations touch on multiple departments within a jurisdiction. Staff in other departments whose work involves permitting and development review may be unaware or not well informed about the requirements of RCW 36.70A.535 and benefits of allowing co-living housing in multifamily zones.

It is important to pro-actively communicate with other department staff about the jurisdiction's obligation to incorporate co-living into the multifamily permitting procedures. To help address potential issues, focused staff workshops and mock pre-application meetings can be highly valuable. For example, in anticipation of allowing middle housing (small multiunit buildings like duplexes and townhouses) in low-density residential zones the City of Shoreline held several mock pre-application meetings to daylight questions, confusion, and inconsistencies in permitting procedures. According to staff, the process helped identify the need for more

specific standards related to fire access and utility fee rates, as we as several provisions outside of the zoning code that needed to be updated. A similar process for co-living could be beneficial.

Some potential questions to review with staff and non-city service providers such as water districts and fire districts:

- Are all of those involved in the permit review process aware of the legal requirement to permit co-living buildings?
- What information is needed to review a co-living permit application?
- Are there existing regulations which conflict with co-living, RCW 36.70A.535?
- How does the code address converting dwelling unit-based standards (such as open space square feet per unit) when dealing with much smaller sleeping units?
- Do permit reviewers know if, or how much, parking or usable open space is required?
- Do permit reviewers know the impact fee rate per sleeping unit, and does this accurately reflect likely impacts?
- Are permit reviewers aware that sewer connection fees for co-living are calculated at no more than one-half a dwelling unit, unless findings are made to allow connection fees to exceed the one-half threshold?
- Can the Building Official provide a summary of minimum unit sizes for a sleeping unit?

Do utility providers have the information they need to adequately forecast potential demand from co-living buildings?

# APPENDIX B: Parking Near Major Transit Stops

### Measuring One-Half Mile Walking Distance

Jurisdictions can measure distances from major transit stops in at least two different ways. Each method comes with advantages and disadvantages. The chosen methodology should be identified in the code, perhaps within a definition of "walking distance", to ensure the methodology is consistently applied and measured over time. Inclusion of the walking distance area on the zoning map, would offer greater certainty to property owners and others as to which parcels are and are not included in the walking distance requirements of a major transit stop. A potential downside to this approach is the need to go through a procedural process to amend the zoning map should the walking distance need to be amended over time due to physical improvements that change the walking distance or routes.

For both methods it is important to consider whether to place a center point of the major transit stop or use the perimeter of the major transit stop. In general, separate radii should be drawn for each boarding and alighting point if they are separated by more than 100 feet, such as a north-bound and a south-bound bus stops that are located at opposite ends of a block. For large major transit stops, such as a rail station, the most straightforward approach is to locate center points in the middle of the station platforms. However, the optimal approach should always be determined using the best judgement of the jurisdiction.

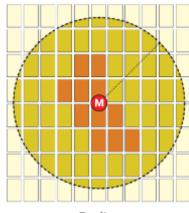
### Radius, with Adjustments

In this approach, a circle is centered on the major transit stop and the radius of the circle is the required distance. All applicable lots which are fully within the circle should be applicable. Lots which are partially within the circle should also be applicable in order to increase housing capacity near major transit stops, though a jurisdiction can also set other criteria such as at least 50 percent of a lot or a minimum amount of lot area is in the circle for the lot to be included.

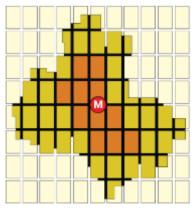
a case-by-case basis using the best judgement of the jurisdiction.

This method has the advantage of being easy to execute. A consideration is where precisely the circle is centered for large major transit stops, such as a rail station; the approximate center of the stop or platforms is most straightforward and avoids potential complexities with using pedestrian entrances and property boundaries - however, this should be determined on

This method has the disadvantage of not accounting for conditions that can constrain walkability and reduce the actual area that is in reasonable walking distance of the major transit stop, such as terrain, water bodies, missing pedestrian routes, or infrastructure barriers. This disadvantage could be overcome by first drawing the



Radius



Path-Finding

Conceptual illustration of different methods for measuring walking distance. Orange on the map represents a multifamily zone and yellow represents a middle housing zone. Source: MAKERS circle and then customizing and adjusting it to remove areas which are not reasonably in walking distance due to local conditions. Areas which are removed should have documentation explaining why they are exempt.

### **Path-Finding**

In this approach, actual walking paths extending from a major transit stop for the required walking distance are mapped using a geospatial analysis of the local street network and other pedestrian routes such as off-street trails. All lots zoned predominantly for residential use which touch the walking paths are applicable.

This method has the advantage of more accurately capturing lots within actual walking distance of major transit stops.

This method has the disadvantage of requiring access to geospatial analysis software and the skills, funding, and time to employ it. This method also requires that the analysis be repeated from time-to-time to account for changes to pedestrian infrastructure. In some cases, these disadvantages could be overcome by hiring an outside consultant who specializes in geospatial analysis. Network analysis results created for this purpose should be displayed on zoning maps and made available for download on public geographic information system (GIS) databases, if possible.