



**INFORMATIONAL MEMORANDUM**

**TO:** Community Development and Neighborhoods Committee  
**FROM:** Jack Pace, DCD Director  
**BY:** Nora Gierloff, Deputy DCD Director  
**CC:** Mayor Ekberg  
**DATE:** May 1, 2017  
**SUBJECT:** Follow Up on Housing Policy Work Session

**ISSUE**

This is an update on the development of a housing work plan based on Council priorities.

**BACKGROUND**

The Council held a work session on March 30, 2017 to prioritize various housing policy actions. A summary of those decisions is given in the table below. Based on the Council consensus staff has proposed work plans and approaches to the highest ranking actions. Staff has been mindful to not affect the review schedule for the School District and Tukwila public facility buildings when suggesting time frames for these actions.

| Schedule         | Ranked Actions   | Lead Department |
|------------------|--|-----------------|
| Ongoing          | Public Private Partnerships  | DCD             |
| 2017             | Tenant Rights Education – General and Mobile Home  | HS              |
| 2017             | Tukwila International Boulevard Code Amendments  | DCD             |
| 2017/18          | Multi-Family Tax Exemption –TIB  | DCD/ED          |
| 2018/19          | Allow Duplex/Townhomes in LDR by Neighborhood - possibly as transition zones between commercial and LDR                    | DCD             |
| Budget Dependent | Housing Options Ordinance for Cottage/Compact Homes  | DCD/ Consultant |
| Phased 2017-19   | Update to Accessory Dwelling Unit zoning standards, including Detached Units followed by an amnesty and life safety review | DCD/ Consultant |
| 2017/18          | Reducing Low Density Residential Lot Size by Neighborhood or Change to 6,000 SF Citywide                                   | DCD             |
| Budget Dependent | Habitat for Humanity Neighborhood Revitalization   | DCD/HS          |
| On Hold          | Mobile Home Park change of use regulations   | DCD             |
| On Hold          | Multi-Family Rehabilitation Trust Fund   | ED              |
| On Hold          | Multi-Family Tax Exemption (MFTE) for Rehabilitation   | ED              |

## **DISCUSSION**

### **Public Private Partnerships**

- These will be added to the work plan as opportunities arise. Possibilities include a new site for Bellwether Housing and a new proposal for the Riverton United Methodist Church site.
- Currently, staff is providing support to Forterra as they help the Abu Bakr Islamic Center acquire the Knight's Inn Motel and convert the motel site to residential and small business use.

### **Tenant Rights Education**

- Tukwila's Office of Human Services contracts with the King County Bar Association for eviction prevention services. During 2017, KCBA attorneys will provide three community workshops on tenants rights – two on general tenancy and one on mobile homes. At this time, staff is seeking community partners to market and host these workshops in a safe, accessible space with language interpretation. We anticipate all three workshops will be provided in 2017.

### **Tukwila International Boulevard Code Amendments**

- The Tukwila International Boulevard Work Shop was a collaboration between City staff, members of the public, the City Council and a team of expert consultants that resulted in a series of recommendations to further the vision for the neighborhood.
- The proposed changes involve revisions to the NCC and RC Zoning districts, rechannelization of TIB, traffic analysis of proposed roadway changes, updated environmental review, and additional public outreach. The CDN was updated on this project at their May 1<sup>st</sup> meeting.

### **Multi-Family Tax Exemption for TIB**

- This will follow the TIB Zoning updates so that a target area can be defined and other conditions such as affordability and unit mix can be used to reinforce the community's goals.

### **Allow Duplex/Townhomes in LDR by Neighborhood Rezone**

- These could be transition zones between commercial and LDR in the TIB Corridor, especially important if increased heights are allowed along the Boulevard.
- Each area would require outreach, a Rezone and a Comprehensive Plan amendment so it is scheduled for 2018 at the earliest.

### **Housing Options Ordinance for Cottage/Compact Homes**

- Staff is researching consultant assistance with this project to determine when we would have the staff and funding to proceed. See Attachment A for a guide to the policy considerations for a cottage housing ordinance.

**Update to Accessory Dwelling Unit zoning standards, including Detached Units followed by an amnesty and life safety review**

- Staff would conduct outreach to let the public know about the proposal to allow detached units, lower minimum lot sizes, and change to a more flexible ADU size limit.
- Developing design guidelines or prototype plans for detached units would require consultant assistance and therefore is dependent on available professional services funding.
- An amnesty for existing ADUs would need to follow any ordinance changes and require significant building inspector time, so would likely be scheduled for 2019.

**Reducing Low Density Residential Lot Size by Neighborhood**

- The table below shows the distribution of lot sizes for the approximately 3,700 Low Density Residential lots in residential use (excluding the community center, parks, schools, churches etc.) See Attachment B for a map of LDR parcels and neighborhoods.
- One option is to change to a 6,000 SF LDR lot size citywide, retaining the simplicity of the current code and zoning map. Theoretically this could create up to 311 additional lots through short plats, though many lots have constraints that would prevent division.
- The other choice is a neighborhood by neighborhood outreach program for area specific standards. The Council will need to balance the cost and staff time required for this against the relatively few properties where development potential would be affected. Clustering the 10 neighborhoods into 4 or 5 groups for outreach would lower the cost. We could start in Allentown because those residents have been the most vocal about seeking change.

| Lot Square Footage | Number of Parcels | Vacant* | Effect of Lot Size Change to 6,000 SF  |
|--------------------|-------------------|---------|--|
| 0 - 2,499          | 19                | 90%     | No change to development potential   |
| 2,500 - 4,999      | 178               | 26%     | No change to development potential   |
| 5,000 - 5,999      | 137               | 18%     | No change to development potential   |
| 6,000 - 6,499      | 251               | 3%      | These parcels would be made conforming   |
| 6,500 - 11,999     | 1,960             | 9%      | No change to development potential   |
| 12,000 - 12,999    | 215               | 5%      | Potential ability to short plat into 2 lots  |
| 13,000 - 17,999    | 403               | 10%     | No change to development potential   |
| 18,000 - 19,499    | 96                | 7%      | Potential ability to short plat into 3 lots rather than 2  |
| 19,500 and up      | 463               | 24%     | Many of these have environmental constraints such as slopes and wetlands or lack access to sewer |

\*May contain a mobile home or be in common ownership with an adjacent built lot

**Habitat for Humanity Neighborhood Revitalization**

- Habitat for Humanity would like to start a home repair program in one of Tukwila's neighborhoods. Habitat would like to repair approximately five houses per year over a period of multiple years to show a visible impact on the neighborhood's safety and appearance. Habitat would manage the program including seeking donations, volunteers and homeowner participants.
- The City would need to commit approximately \$30,000 per year to pay Habitat. When the Council indicates a willingness to provide funding, staff and Habitat will start planning the program.

**Mobile Home Park change of use regulations**

- Staff does not plan to work on this item at this time due to low priority, cost and work load, however staff will continue to monitor legislative developments and solutions addressed in other municipalities.

**Multi-Family Rehabilitation Trust Fund**

- Staff does not plan to work on this item at this time due to low priority, cost and work load.

**Multi-Family Tax Exemption (MFTE) for Rehabilitation**

- Staff does not plan to work on this item at this time due to low priority, cost and work load.

**FINANCIAL IMPACT**

Some actions such as the Habitat for Humanity Revitalization require additional funding which may delay implementation until the next budget cycle. For the code amendments we will work with our existing professional services budget and if that is insufficient then present a budget request to Council.

**RECOMMENDATION**

Information Only.

**ATTACHMENTS**

- A. Guide to Drafting a Cottage Housing Ordinance
- B. Map of LDR Parcels

# Cottage Housing in Your Community

## A Guide to Drafting a Cottage Housing Ordinance

### **Introduction**

Cottage housing is receiving increased attention as a way to meet the needs of a significant and growing share of the housing market. A number of successful examples in the region provide useful lessons.

With the high price of multi-family zoned land, cottage development is really only practical in single family zones. Several jurisdictions in the Puget Sound area have adopted, or are considering adoption of ordinances to allow construction of cottage housing in those zones.

It should be emphasized that cottage housing does not represent a completely new type of zoning, but rather an alternative use of land with an existing underlying zoning. In some respects cottage housing is similar to single family housing and some respects it is more like multi-family housing.

Approaches to allowing cottage housing will vary by jurisdiction, existing land uses and market conditions. What works well in one area will not necessarily be appropriate in another. This report provides guidance to those looking for an approach that will both encourage cottage construction and ensure that the developments fit well into existing neighborhoods.

### **General considerations**

When drafting a cottage housing ordinance the following should be kept in mind:

**Entitlement.** Most cottage projects will be built on infill sites in established single family neighborhoods, so jurisdictions will need some process to determine if a proposed cottage development is appropriate. This process should not be so cumbersome and uncertain that it scares away potential cottage developers and results in conventional single family development on parcels of land that would work well for cottages. An administrative conditional use permit seems to strike a good balance between developer certainty and community input.

**Making cottage development pay.** Because of the high price of land in multi-family zones, infill cottage development is, for the most part, only practical in single family zones. But for builders to want to undertake cottage development, as opposed to building single family houses as the zoning would allow, cottage development has to be at least an equal, if not a better business proposition than single family. A cottage ordinance and its accompanying processes must not be so restrictive that they tend to make single family construction a better option.

*Cottage housing does not represent a completely new type of zoning, but rather an alternative use of land with an existing underlying zoning.*

*For builders to want to undertake cottage development, as opposed to building single family houses as the zoning would allow, cottage development has to be at least an equal, if not a better business proposition than single family*

*Most jurisdictions measure allowable densities by units-per-acre or by minimum lot sizes. But all units are not created equal, and such measures foster a misperception of cottage housing*

*Cottages allow empty-nesters, seniors, the newly-single to get the equity out of their large house but still have a detached home in a comfortable setting near friends and family*

**Re-defining density.** Most jurisdictions measure allowable densities by units-per-acre or by minimum lot sizes. But all units are not created equal, and such measures foster a misperception of cottage housing. For cottages it is more helpful to think of:

Floor area ratio (FAR). By measuring the total floor area of a cottage development against the parcel size, cottages will likely have a smaller impact than the single family homes that would be allowed in the zone.

Population. A cottage development will likely have the same, or fewer people than the single family homes that could be built on the site.

Cars and traffic. A cottage development that attracts a mix of singles and couples will have no more cars than a group of houses, especially those with teenagers.

Another way to think about cottage housing is to measure *intensity of use* rather than counting the number of structures.

**What is the market?** Cottage developments built to-date have attracted large numbers of buyers who are single. Some developments have attracted young or empty-nester couples. Children are rarely seen in cottage housing built thus far. A somewhat larger cottage could work for families with children, but parking may become an issue as those children get to driving age.

Planning decisions can affect the ability of builders to target certain market segments. Holding cottages to too small a size limit may eliminate couples or small families (single parent with one child, for example) from the market. Zoning that makes a single floor possible will make cottages attractive to seniors who want to avoid stairs. Parking requirements (either minimums or maximums) will strongly influence marketability.

**Meeting a neighborhood need.** Cottage housing provides a way for people to give up their large house but stay in their neighborhood. The reason that many people hold onto large single family houses long after they need all the bedrooms and the big yard is simply that they want to stay in an area they are familiar with. Cottages allow empty-nesters, seniors, the newly-single to get the equity out of their large house but still have a detached home in a comfortable setting near friends and family.

**Affordability.** Although cottages are small, they are not necessarily inexpensive to build. A cottage includes all of the most expensive rooms of a house (kitchen, bathrooms) as well as heating, ventilation and other systems. Moreover, it can be expensive to do construction work in the tight spaces of a cottage cluster.

Nevertheless, cottages and small lot houses have been built to sell at modest prices and have introduced some affordability into desirable neighborhoods. Some requirements, however, will affect costs and the ability of a developer to build an affordable cottage cluster. For instance, full two-story framing is less expensive than story-and-a-half framing, so, ironically, height restrictions can drive up construction costs. Excessive setbacks, separations and parking requirements can use land that could otherwise accommodate

*Rather than codifying all parameters of cottage development, jurisdictions should consider a more informal approach of design guidelines and design review*

*A two-for-one cottage ordinance can work where land is relatively inexpensive. In high demand areas . . . an increase in the number of cottages allowed may tip the economic scales in favor of a cottage housing development*

more cottages or common buildings. If impact fees, permit fees and utility hook-up fees are based on single family housing, they may be unreasonably high.

**Utilities.** The treatment of public utilities is not a land use issue, but it needs attention. Because most cottages are sold in condominium ownership, the water utility can provide a single water meter and leave it up to the owners association to install sub-meters and collect water and sewer fees from residents. Where sewer rates are tied to water use, offset meters should be allowed to account for water used in site irrigation. The stormwater run-off from cottages will be about the same as the equivalent single family development and should be treated the same.

**Design guidelines and review.** Rather than codifying all parameters of cottage development, jurisdictions should consider a more informal approach of design guidelines and design review. These processes, which should be handled administratively, allow a developer and city to work together to craft a development that meets community needs and works well with the site and the target market.

## **Parameters for Cottage Housing**

Following are descriptions of the key parameters that make up a cottage housing ordinance, as well as some possible approaches. For illustration, the application of each parameter within three cottage developments is shown. (descriptions of these projects are at the back of the report). Comments address both market and neighborhood factors.

### **Cottage Units Allowed**

One way to determine the number of cottages that can be built on a site is to work through the underlying zoning. Cottage ordinances adopted thus far in the region allow up to two cottages in place of each single family house that would otherwise be built on the site. Where the zoning is more dense and/or the cottages are larger, this might be reduced to something like 1.75 cottages per house.

| Ravenna   | Greenwood Avenue | Poulsbo Place   |
|---|------------------|---|
| 3 for 1, not counting carriage units; 4.5 to 1 counting carriage units. | 2 for 1          | Part of a planned unit development. Cottages are 12 units/acre on land zoned up to 22 units/acre. |

**Comments:** A two-for-one cottage ordinance can work where land is relatively inexpensive. In high demand areas a developer could easily find that building one large house is easier and more profitable than building two cottages. In that case, an increase in the number of cottages allowed may tip the economic scales in favor of a cottage housing development.

*Creating a sense of community requires at least four cottages around a common open space. If a cottage cluster gets too big it begins to lose the sense of intimacy*

**Cluster Size**

The clustering of cottages is an important design feature. Creating a sense of community requires at least four cottages around a common open space. If a cottage cluster gets too big -- more than a dozen units -- it begins to lose the sense of intimacy. A masterplanned community may have as many units as space will allow and the market will absorb. These units should, however, be arranged in their own smaller clusters.

| Ravenna  | Greenwood Avenue                                      | Poulsbo Place   |
|--|---|---|
| Six cottages and three carriage units in one cluster | Eight cottages and one common building in one cluster | Six clusters with between five and ten cottages per cluster |

*Comments:* The cluster and its central open space is meant to provide a quasi-public space for residents, with a presumption of a certain amount of sociability. Planning and design guidelines, however, should not try to force this too much. Experience and site-specific considerations will be the best guide to what configurations and features will work best.

**Total Floor Area per Cottage**

To be defined as a "cottage," some upper limit may be placed on total floor area. The examples top out at 1265 square feet, but it is suggested that a cottage could be larger.

| Ravenna | Greenwood Avenue | Poulsbo Place  |
|---------|------------------|----------------|
| 850 sf  | 768 to 998 sf    | 870 to 1265 sf |

*Comments:* The size of a cottage will play a large part in determining what market segments find it appealing. Smaller cottages -- under 1000 square feet or so -- will attract mostly single buyers with some couples, whereas larger cottages work well for couples or even small families. A cottage cluster could have several different sized cottages, giving buyers a variety of choices and encouraging some diversity of household sizes and make-ups.

The option of a larger cottage will be attractive to developers since the additional space, such as an extra bedroom, is less expensive to build, but may increase the value of the building significantly. If larger cottages are part of a development, however, provision must be made for some additional parking that would be needed for teenagers with cars.

**Main and Second Level Floor Areas**

Regulating the main floor area controls the footprint and scale of each cottage. Some jurisdictions have then imposed a maximum for the second floor as a percentage of the first floor area, in order to minimize mass and bulk. These parameters can vary within the cluster.

*The size of a cottage will play a large part in determining what market segments find it appealing. . . . A cottage cluster could have several different sized cottages, giving buyers a variety of choices and encouraging some diversity of household sizes and make-ups.*



*Another consideration comes from viewing cottages as senior housing. Many seniors will look for a one-story home so they do not have to worry about stairs as they become older.*

| Ravenna                               | Greenwood Avenue                                    | Poulsbo Place   |
|---------------------------------------|---|---|
| 425 sf main floor, 425 sf upper floor | 648 to 798 sf main floor. 118 to 203 sf upper floor | 805 sf main floor, 460 sf upper floor in two-story cottage. 870 sf main floor in rambler. |

**Comment:** Instituting complex formulas for floor areas can give neighbors some assurance that the cottage development will not overwhelm its surroundings. At the same time, rigid formulas will complicate the design process and may foreclose options that would work well on a given site (for example, a daylight basement on a steep site).

Another consideration comes from viewing cottages as senior housing. Many seniors will look for a one-story home so they do not have to worry about stairs as they become older.

**Height Limit**

A number of factors determine appropriate height limits for cottage development. The underlying zoning will have a height maximum. Additional height can be granted for steeply pitched roofs (greater than 6:12, for example).

| Ravenna     | Greenwood Avenue | Poulsbo Place |
|-------------|------------------|---------------|
| 28 feet max | 22 feet max      | 20 feet max.  |

**Comments:** The architectural styles favored in cottage developments built thus far tend to include lower plate heights on the second floor, placing part of the living space in the roof. This building style is common in most neighborhoods, so cottages built this way will fit in. But because this style uses dormers and results in complicated interior and exterior angles, it is a more expensive style of construction, as compared to a full two-story building with an attic. Going to a full two stories must be approached with great care, however, due to concerns about "skinny houses."

Another architectural feature that will affect height is the desire to raise cottages off the ground. When cottages are clustered close together, a few steps up to a porch allows for a visual separation between community space and private space.

**Common Open Space**

Cottage developments generally cluster around some common open space. The size of this space will be determined by the overall density of the project, the footprints of the cottages as well as the setbacks and separations.

*Another architectural feature that will affect height is the desire to raise cottages off the ground. When cottages are clustered close together, a few steps up to a porch allows for a visual separation between community space and private space.*

| Ravenna                  | Greenwood Avenue         | Poulsbo Place   |
|--------------------------|--------------------------|---|
| 200 square feet per unit | 575 square feet per unit | Common space in clusters ranges from 259 sf to 780 sf per unit. 370 sf average. |

*Building codes specify a minimum of six feet between structures for fire safety, and this may be sufficient in many developments.*

**Comments:** More dense projects on expensive land will, naturally, have less open space, so it is important to maximize the common space by minimizing space in setbacks and separations.

**Distance between Structures**

The buyer of a cottage home is presumed to be more concerned with ownership of four walls and the simple fact of detachment, than with the distance from the neighbors. Building codes specify a minimum of six feet between structures for fire safety, and this may be sufficient in many developments.

|          |                  |               |
|----------|------------------|---------------|
| Ravenna  | Greenwood Avenue | Poulsbo Place |
| Six feet | 10 feet minimum  | Six feet      |

**Comments:** For projects with high land cost, the site plan will need to emphasize the maximum footprint of the cottages for economic reasons, and put as much of the remaining space as possible into the common areas. Such a site plan will need to have minimal separations. Careful design can preserve privacy.

**Setbacks**

Front, side and rear yard setbacks will likely begin with those in the underlying zoning. An averaging of setbacks around the side and rear yards can provide design flexibility while not overwhelming the neighbors.

|   |  |  |
|---|--|--|
| Ravenna   | Greenwood Avenue                                       | Poulsbo Place                            |
| 10 feet front, five feet side, two feet along alley | Average of 10 feet side and rear.<br>Front setback N/A | Three feet side and rear, 10 feet front. |

**Comments:** Setbacks from the street and from adjacent property represent land that cannot be used very productively in a cottage cluster. Because the emphasis of a cottage development is on common central open space, peripheral areas should not be expected to have much utility. Therefore, setbacks should be minimized so the central common space can be maximized. If setback averaging is used, the cottages closest to the property line may be those with the least bulk.

*Setbacks from the street and from adjacent property represent land that cannot be used very productively in a cottage cluster. Because the emphasis of a cottage development is on common central open space, peripheral areas should not be expected to have much utility.*

**Parking**

Parking is perhaps the most significant factor in the economics of cottage housing. The space needed to maneuver and park a car is nearly the same as the footprint of a small cottage. Moreover, clustering does not generally allow parking immediately adjacent to each cottage. Cottage projects must have enough land to provide a separate parking area, preferably out of view of the street. The presence of an alley can eliminate the need for a driveway and turn-around space.

The number of spaces required per unit will be determined primarily by the market segment the development is targeting. Smaller cottages (under 1000 square feet) will typically be owned by single adults, who will probably own just one car. Larger cottages are suitable for couples who may own two cars

and even a third if they have teenagers. If there is no on-street parking for guests, additional spaces will be needed on-site. Parking requirements may be lowered if good transit service is nearby.

One way to recoup the cost of providing parking is to build carriage houses over the parking area. Although it is possible to build one carriage unit over two parking spaces, a more likely configuration would be one unit over three or four spaces.

*One way to recoup the cost of providing parking is to build carriage houses over the parking area. . . . A likely configuration would be one unit over three or four spaces*

| Ravenna   | Greenwood Avenue  | Poulsbo Place  |
|---|---|--|
| One enclosed space per unit. Three carriage units on top of nine-car parking structure. On-street parking available | One enclosed space per unit and seven uncovered spaces. No on-street parking. | One enclosed space per unit. Some attached to unit. On-street parking available. |

### ***An evolutionary process***

Although the region has seen several successful cottage developments, both new and old, the concept is still evolving. Developers continue to learn what designs and configurations work best for various market segments. Communities continue to learn how to make cottages fit well into existing neighborhoods.

Cottage ordinances should recognize the continuing evolution of cottage housing and be written with enough flexibility so that builders and communities can work together to create great projects. Jurisdictions should anticipate fine-tuning their approach to cottage housing after some projects are on the ground.

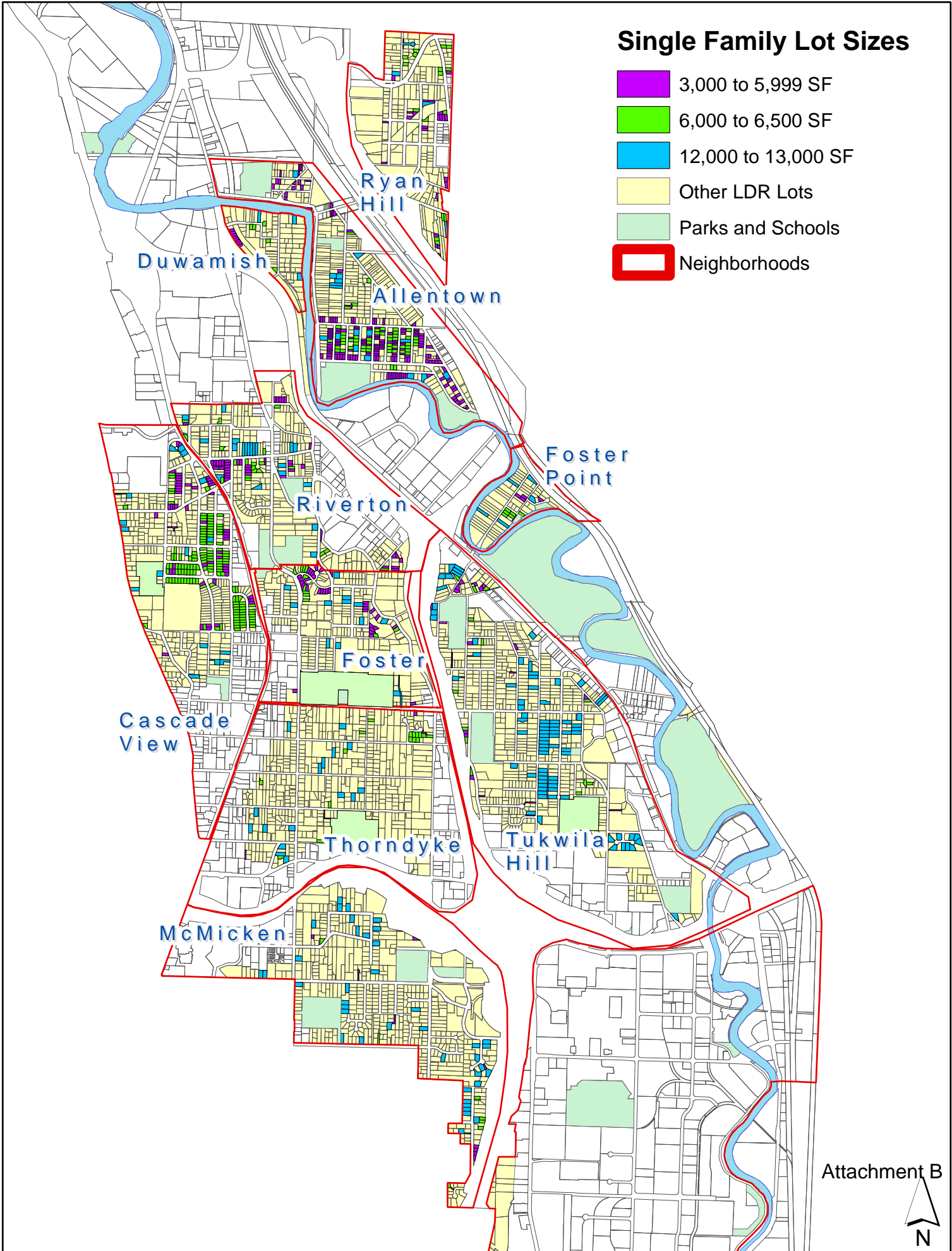
*Cottage ordinances should recognize the continuing evolution of cottage housing and be written with enough flexibility so that builders and communities can work together to create great projects.*





# Single Family Lot Sizes

- 3,000 to 5,999 SF
- 6,000 to 6,500 SF
- 12,000 to 13,000 SF
- Other LDR Lots
- Parks and Schools
- Neighborhoods



Attachment B

