



# Legislative Department

## Seattle City Council

### Memorandum

**Date:** September 5, 2014  
**To:** Planning, Land Use, and Sustainability (PLUS) Committee  
**From:** Sara Belz, Council Central Staff  
**Subject:** **Council Bill (CB) 118201 – Small Efficiency Dwelling Unit and Congregate Residence Regulations (O'Brien Proposal)**

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#### **Background**

On September 5, 2014, the PLUS Committee will continue its review of Councilmember (CM) O'Brien's proposed approach to regulating small efficiency dwelling units and congregate residences. CM O'Brien's proposal was recently introduced and referred to the Committee as CB 118201. The legislation serves as an alternative to CB 118067, which was introduced in April 2014 as the Mayor's proposed regulatory model for micro-housing. A summary of CM O'Brien's proposal and a matrix that compares it to the content of the Mayor's legislation are also included in your meeting materials.

The Committee previously discussed how to regulate the development of micro-housing at its April 18, June 3, and August 13 meetings. An associated public hearing was held in Council Chambers on May 19 and a stakeholder group convened by CM O'Brien and comprised of developers, neighborhood representatives, micro-housing residents, and urban planning and affordable housing professionals met on June 19, July 1, and July 17.

#### **Decision Agenda for CB 118201**

The PLUS Committee's first discussion of CM O'Brien's proposed approach to regulating small efficiency dwelling units and congregate residences occurred on August 13. During the course of the Committee's conversation, questions were raised about the following elements of CM O'Brien's proposal. For each issue, analysis of potential action options is provided for Committee members' review.

##### **1. Design Review thresholds**

The Seattle Municipal Code (SMC) establishes Design Review thresholds for most zones where multifamily residential development is a permitted use; the only exceptions are Lowrise 1 and Lowrise 2 zones. A table that shows the existing Design Review thresholds for multifamily structures follows below.

Zone	Design Review Threshold
Lowrise 3	More than 8 dwelling units
Midrise and Highrise	More than 20 dwelling units
Neighborhood Commercial 1, 2, and 3	More than 4 dwelling units or 4,000 square feet of non-residential gross floor area
Commercial 1 and 2	More than 4 dwelling units or 12,000 square feet of non-residential gross floor area when located in Urban Center, Urban Village, or other specific areas identified in the SMC

<b>Zone</b>	<b>Design Review Threshold</b>
Seattle Mixed and Master Planned Community	More than 20 dwelling units or 12,000 square feet of non-residential gross floor area
Downtown	More than 20 dwelling units or 20,000 to 50,000 square feet of non-residential gross floor area, depending on the specific zone

Streamlined Design Review is also required for all new developments that include at least three townhouse units and would not otherwise be subject to full Design Review pursuant to the table above. This includes projects in Lowrise 1 and Lowrise 2 zones. Streamlined Design Review is a non-appealable administrative process conducted by DPD staff.

CB 118201 would amend the SMC to revise the City's Design Review thresholds as follows:

- For multifamily projects in which more than 50% of the units are small efficiency dwelling units, and for congregate residences, in all zones (including Lowrise 1 and Lowrise 2):
  - Streamlined Design Review (not appealable, public notice required) would apply to projects containing 5,000-11,999 square feet of gross floor area.
  - Administrative Design Review (appealable, public notice required) would apply to projects containing 12,000-19,999 square feet of gross floor area.
  - Full Design Review (appealable, public notice and two public meetings required) would apply to projects containing 20,000 square feet or greater of gross floor area.

Summary information from DPD that explains the rationale for selecting these particular square footage measures is appended to this memorandum as Attachment 1.

- For multi-family projects in which 50% or fewer of the units are small efficiency dwelling units, the standard Design Review threshold for the zone where the project is located would apply. As is noted above, no Design Review thresholds currently apply in Lowrise 1 and Lowrise 2 zones.

On August 13, Committee members raised questions about the absence of baseline Design Review thresholds for Lowrise 1 and Lowrise 2 zones. They also asked DPD staff to provide information about the scale of multifamily development those zones can generally accommodate.

<b>Option</b>	<b>Considerations</b>
1. Apply the Design Review thresholds proposed in CB 118201.	<ul style="list-style-type: none"> <li>As of June 2014, the Department of Planning and Development had not yet received any permit applications for micro-housing or congregate residence projects located in Lowrise 1 zones. Four such projects have been permitted in Lowrise 2 zones.</li> <li>CB 118201 would add a design review requirement (described above) for small efficiency dwelling unit and congregate residence projects but not for other apartment developments.</li> </ul>

Option	Considerations
	<ul style="list-style-type: none"> <li>If Lowrise 1 and Lowrise 2 remain the only multifamily zones without Design Review for apartments (except for projects with three or more townhouses, small efficiency dwelling unit projects, and congregate residences), it is possible the zones could continue to be a preferred place for new multifamily development by builders of conventional apartments seeking to avoid design review.</li> </ul>
<p>2. Amend CB 118201 to establish new Design Review thresholds for Lowrise 1 and Lowrise 2 zones.</p> <p>*Note: Assumes use of FAR exemptions for certain building features.</p>	<ul style="list-style-type: none"> <li>In a <b>Lowrise 1</b> zone, DPD reports multifamily structures measuring up to 5,000 or 6,000 square feet (depending on the housing type) are developed on 5,000 square foot lots. Given existing restrictions on apartment development in Lowrise 1 zones (only duplex and triplex apartments are permitted), new development is most likely to take the form of three to four townhouse or rowhouse units. <ul style="list-style-type: none"> <li>A townhouse project comprised of three or more units in a Lowrise 1 zone is subject to Streamlined Design Review under existing SMC regulations.</li> <li>A rowhouse project of any size in a Lowrise 1 zone is not subject to any form of Design Review under either existing SMC regulations or CB 118201.</li> </ul> </li> <li>In a <b>Lowrise 2</b> zone, DPD reports a 5,000 square foot lot accommodates up to 7,800* square feet of multifamily development. Such a project could take the form of approximately 24 small efficiency dwelling units measuring an average of 220 square feet, or about 10 conventional small apartments averaging 550 square feet (assumes a 31% set-aside for interior hallways, utility/storage spaces, and walls); or about five townhouses or rowhouses. <ul style="list-style-type: none"> <li>A 7,800 square foot building that is more than 50% comprised of small efficiency dwelling units would be subject to Streamlined Design Review under CB 118201.</li> <li>A 7,800 square foot building with any number of conventional apartments would not be subject to Design Review under existing regulations or CB 118201.</li> <li>A townhouse project comprised of three or more units would be subject to Streamlined Design Review under existing SMC regulations.</li> <li>A rowhouse project of any size in a Lowrise 2 zone would not be subject to any form of Design Review under either existing SMC regulations or CB 118201.</li> </ul> </li> <li>As an alternative to establishing additional new Design Review standards for Lowrise 1 and Lowrise 2 zones via CB 118201, Committee members may want to consider</li> </ul>

Option	Considerations
	formally asking DPD to take a broader look at the Design Review program and, if appropriate, propose new thresholds for Lowrise 1 and Lowrise 2 zones for all types of housing as part of that effort.

***PLUS Committee recommendation:***

## 2. Bicycle parking requirements

The SMC currently requires multifamily structures, including buildings that contain small efficiency apartments, to provide one bicycle parking space for every four dwelling units, regardless of unit size. In congregate residences, one bicycle parking space is required for every 20 sleeping rooms. CB 118201 would increase bicycle parking requirements as follows:

- For multifamily structures that include small efficiency apartments, one bicycle parking space for every two such dwelling units.
- For congregate residences, one bicycle parking space for every two sleeping rooms. An exemption would be provided for projects that meet certain ownership or operational criteria (e.g., supportive housing that serves seniors or the disabled).

At the PLUS Committee's August 13 meeting, Committee members noted that the dimensions of small efficiency dwelling units and congregate residence sleeping rooms can make in-unit storage of bicycles a challenge for residents. They also asked DPD whether data exist, or could be collected, to help determine whether the bicycle parking requirements proposed in CB 118201 track with actual bicycle ownership rates among residents of very small housing types. According to 2013 survey data provided to DPD by a local micro-housing developer, about 25% of the residents in their projects commute by bicycle (survey sample size = 423). The share of survey participants that own a bicycle is presumably higher.

Options	Considerations
1. Apply the bicycle parking requirements proposed in CB 118201.	<ul style="list-style-type: none"> <li>• By requiring one bicycle parking space to be provided for every two small efficiency dwelling units or congregate residence sleeping rooms, this option would double the bicycle parking requirement for small efficiencies and increase the requirement for congregate residence sleeping rooms by a factor of ten.</li> <li>• If more than 50% of the residents in a congregate residence or a multifamily building comprised of small efficiency units own bicycles, some of them will still have to store their bicycles in their living quarters, which are very small, or leave them locked outside in potentially less secure locations.</li> </ul>

Options	Considerations
2. Amend CB 118201 to require the provision of one bicycle parking space for every small efficiency dwelling unit or congregate residence sleeping room. Provide an exemption for congregate residence projects that meet certain ownership or operational criteria.	<ul style="list-style-type: none"> <li>• This option provides greater assurance that residents of very small residential types will not be required to store their bicycles in their living quarters.</li> <li>• Selection of this option could trigger the construction of bicycle parking facilities that will never be fully utilized.</li> <li>• Requiring a greater amount space to be set aside for bicycle parking could slightly reduce the total number of dwelling units or congregate residence sleeping rooms some buildings will be able to accommodate.</li> </ul>
3. Amend CB 118201 to require the provision of one bicycle parking space for every four small efficiency dwelling units and congregate residence sleeping rooms.	<ul style="list-style-type: none"> <li>• This option is generally consistent with the Mayor's proposal, CB 118067.</li> <li>• It is reasonable to assume that a greater share of congregate residence and small efficiency dwelling unit residents will own bicycles than will commute by bicycle. Thus, the 2013 survey data obtained by DPD that suggests 25% of congregate residence and small efficiency dwelling unit residents may commute by bicycle is an indication that the provision of one bicycle parking space for every four such residential units will not be sufficient to meet resident demand.</li> <li>• Requiring less space to be set aside for bicycle parking could slightly increase the total number of dwelling units or congregate residence sleeping rooms some buildings will be able to accommodate.</li> </ul>

***PLUS Committee recommendation:***

**3. Vehicle parking requirements**

CB 118201 would apply the following vehicle parking requirements to multifamily structures that include small efficiency dwelling units and to congregate residences:

- Within Station Area Overlay Districts, Urban Centers, and frequent transit service areas in Urban Villages: No minimum parking requirements for any residential uses.
- All other areas:
  - For multifamily structures that include small efficiency dwelling units, one space for every two such units.
  - For congregate residences, one space for every four sleeping rooms.

**(Note:** Under existing SMC regulations, multifamily projects located outside a Station Area Overlay District, Urban Center, and Urban Village may qualify for a vehicle parking reduction of up to 50% if the project is located within a quarter-mile of a frequently-served transit stop.)

This proposal deviates from the City's existing parking requirements in just one way: the minimum number of vehicle parking spaces required to be provided for small efficiency dwelling units located outside Station Area Overlay Districts, Urban Centers, and frequent transit service areas in Urban Villages would be reduced from one per dwelling unit to 0.5 per dwelling unit. For other dwelling unit types that may be included in multifamily projects, the provision of at least one vehicle parking space per unit would generally be required.

Although not a particular focus of the PLUS Committee's discussion on August 13, Central Staff was asked to include vehicle parking requirements in this decision agenda as a response to the public's often high level of interest in the topic.

Options	Considerations
1. Apply the vehicle parking requirements proposed in CB 118201.	<ul style="list-style-type: none"><li>• Existing parking regulations would remain largely unchanged except that a new, reduced vehicle parking requirement for small efficiency dwelling units would be applied outside certain higher density areas.</li><li>• Using 2013 survey data collected by micro-housing developers, DPD estimates the share of very small housing unit residents that own cars is likely around one-third. The vehicle parking requirement proposed for small efficiency dwelling units located outside Station Area Overlay Districts, Urban Centers, and frequent transit service areas in Urban Villages would accommodate a higher vehicle ownership rate; however, residents of small efficiency apartments located outside those areas may also be somewhat more likely to own cars.</li><li>• Under CB 118201, only special purpose congregate residences – e.g., college dormitories, fraternities and sororities, nonprofit and supportive housing – would be permitted outside Urban Centers and Urban Villages. According to DPD, existing parking requirements for congregate residences meeting those use and locational criteria have generally proven sufficient; thus, they are not proposed to be amended in CB 118201.</li><li>• Most of the very small housing units constructed in Seattle in recent years have been built in Urban Centers and Urban Villages, where no residential parking requirements currently apply to multifamily uses.</li></ul>

Options	Considerations
<p>2. Reopen discussion about residential parking requirements within Station Area Overlay Districts, Urban Centers, and frequent transit service areas in Urban Villages.</p>	<ul style="list-style-type: none"> <li>• Should the Committee choose to move forward with this discussion as part of its deliberations on CB 118201, final Council action on the legislation would be delayed until 2015. DPD and SDOT staff would need to time to collect and prepare relevant parking data for Committee members' review, and additional environmental analysis and public process would likely also be required. A possible alternative would be for the Committee to take up this discussion as an independent issue, separate from its review of CB 118201. Such an approach may be more appropriate given that residential parking requirements apply to a broad range of housing types and not just congregate residences and small efficiency dwelling units.</li> </ul>

***PLUS Committee recommendation:***

**4. Restricted Parking Zone (RPZ) permits \*NOTICE OF REVISION\***

The following information is included in this memorandum as a means of notifying Committee members and the public about a recent revision to CM O'Brien's proposal.

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CM O'Brien's proposal included the following element when it was presented at the August 13 PLUS Committee meeting:

*Households occupying residences within RPZs that measure less than 400 square feet in area would not be eligible to obtain more than one RPZ permit. This rule would apply to residents of all small residential types, not just small efficiency dwelling units and congregate residence sleeping rooms.*

After Seattle Department of Transportation staff expressed concern about implementing and enforcing the proposed area limit standard, CM O'Brien revised his proposal to narrow the application of the one RPZ permit rule to residents of small efficiency dwelling units and congregate residence sleeping rooms. This revision is reflected in CB 118201.

**Next Steps**

After September 5, the PLUS Committee's next opportunity to discuss and possibly take action on CB 118201 will be on September 16. Should you have any questions about the content of this memorandum or CB 118201 more generally, please feel free to contact me at any time.

**Attachment 1: Basis for Design Review Proposal (*adapted from DPD's Director's Report for CB 118067, dated February 28, 2014*)**

<b>Proposed Design Review thresholds for multifamily projects in which more than 50% of the units are small efficiency dwelling units and for congregate residences, all zones</b>		
<b>Building Size</b> Gross Square Feet (GSF)	<b>Type of Design Review</b>	<b>Building Size Benchmark / Rationale</b>
5,000 to 11,999 GSF	Streamlined Design Review	<ul style="list-style-type: none"> <li>• Approximate size of 3 to 8 unit townhouse development currently required to undergo Streamlined Design Review.</li> <li>• Size of typical Lowrise zone development on 1 commonly platted city lot.</li> </ul>
12,000 to 19,999 GSF	Administrative Design Review	<ul style="list-style-type: none"> <li>• Approximate size of 9 unit townhouse or lowrise development currently required to undergo design review only in Lowrise 3 zone.</li> <li>• Size of typical Lowrise zone development on 2 commonly platted city lots.</li> </ul>
> 20,000 GSF	Design Review Board Design Review	<ul style="list-style-type: none"> <li>• Approximate size of 20 unit conventional apartment development in the Midrise zone – existing threshold for Midrise design review.</li> <li>• Approximate size of development at full development capacity on 1 commonly platted city lot in the Midrise zone, and the majority of all developments on 2 commonly platted lots in the Midrise zone.</li> <li>• Approximate size of smaller-end mixed-use buildings commonly constructed in Neighborhood Commercial zones.</li> </ul>