

CITY COUNCIL STUDY SESSION

Recommended Land Use Code Amendment (LUCA) to remove barriers to micro-apartments

Liz Stead, Interim Co-Director, 452-4113

Nick Whipple, Planning Manager, 452-4578

Mathieu Menard, Senior Planner, 452-4574

Development Services Department

DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Study Session for Council to consider the recommended micro-apartments LUCA. Planning Commissioner Mohammad Malakoutian will present the Planning Commission recommendation to approve the LUCA. The Resolution documenting this recommendation is included as Attachment A.

Following discussion, staff is seeking Council direction to prepare the draft micro-apartments LUCA Ordinance for final action at a future meeting.

RECOMMENDATION

Direct staff to bring back the micro-apartments LUCA Ordinance as drafted for final action at a future meeting.

BACKGROUND & ANALYSIS**Background**

Launched by Council on October 10, 2022, this LUCA proposes to remove barriers to micro-apartments by reducing vehicle parking standards, increasing the allowable dwelling units per acre, increasing bicycle parking, and removing the multifamily play areas requirement. A strike-draft of the proposed LUCA is provided as Attachment B.

The LUCA is a component of the Council prioritized “Next Right Work” actions to further increase housing production, affordable housing production, and housing diversity within the City. Council has initiated work on the following “Next Right Work” items:

- Remove barriers to micro-apartments;
- Allow higher floor area ratio (FAR) for residential (or unlimited FAR or dwelling units per acre);
- Reduce permit fees for affordable housing projects;
- Encourage Detached Accessory Dwelling Units (DADUs), Accessory Dwelling Units (ADUs); and duplex, triplex, quadplexes, including mechanism for separate ownership; and
- Simplify the permitting process and expedite permitting for affordable housing

Components of the Recommended LUCA

The purpose of this LUCA is to remove barriers to constructing micro-apartments. While micro-apartments are not explicitly disallowed by the Land Use Code (LUC), very few, if any, micro-apartments have been built within the City. The current LUC requirements for density, parking, and required amenities often drive up the cost of projects making micro-apartment construction infeasible or

unit costs uneconomical. This LUCA is narrowly tailored to address items in the LUC that were identified as impediments to micro-apartments through staff outreach and experience.

Micro-apartment definition:

The proposed LUCA adds a definition to LUC 20.50.034 to define micro-apartments as multifamily dwelling units that contain a kitchen and bathroom with a maximum size of 320 gross square feet. This definition would not include group quarters or other congregate-style housing where bedrooms are clustered around a shared kitchen or bathroom.

Exceptions and Alternative Standards for Eligible Micro-apartments:

The LUCA proposes a new section, LUC 20.20.537 Micro-Apartments, which establishes LUC exceptions and alternative standards for micro-apartments developed within the geographic scope shown in Figure 1 below. The exceptions and alternative standards below apply near frequent transit, including within one-half mile from a transit stop with service at least four times per hour for 12 hours per day, one-quarter mile from a stop with service at least two times per hour for 12 hours per day, and within one-half mile of a future light rail or bus rapid transit station scheduled to begin service within two years. A note will be added in the Land Use Tables to point readers to LUC 20.20.537 and indicate where the following LUC exceptions and alternative standards apply.

Vehicle Parking:

This LUCA provides a new minimum parking ratio of 0.25 parking spaces for every micro-apartment unit located in mixed-use land use districts near frequent transit. The LUCA also provides Director authority to decrease the minimum required parking to accommodate specific conditions when the applicant can show that decreased parking ratios are appropriate based on the needs of a specific project.

Bicycle Parking:

The recommended LUCA establishes a new bicycle parking ratio for micro-apartments. Currently, there is no minimum bicycle parking requirement for certain mixed-use land use districts, and the amount of off-street bicycle parking required in Downtown, Eastgate, East Main, and BelRed for residential uses is one bicycle parking space for every ten dwelling units. These quantities may not result in adequate off-street bicycle parking as many micro-apartment residents may commute by bicycle, as indicated by developers and operators interviewed by the City. Additionally, only East Main and Downtown require that a portion of the bicycle spaces be protected from rain, indicating that much of the required bicycle parking is intended to be short-term. The LUCA provides a new minimum bicycle parking ratio of one parking space for every five micro-apartment units and a requirement for these spaces to be secure and weatherproof. This quantity reflects the expected demand for bicycle storage relative to conventional multifamily housing elsewhere in the City.

Multifamily Play Areas:

Currently, under LUC 20.20.540, new multifamily development over ten units shall provide at least 800 square feet of open space plus an additional 50 square feet per unit over ten. This requirement does not apply Downtown. The intent of this requirement is to provide soft-surfaced play areas for children and families.

Micro-apartments are generally occupied by single individuals with no children. As such, staff proposes exempting micro-apartment units from the multifamily play areas requirements. In a mixed-development project (i.e., projects with micro-apartments and studios or one/multiple bedrooms), micro-apartment units would not be counted when determining the minimum size requirement for a multifamily play area.

Density:

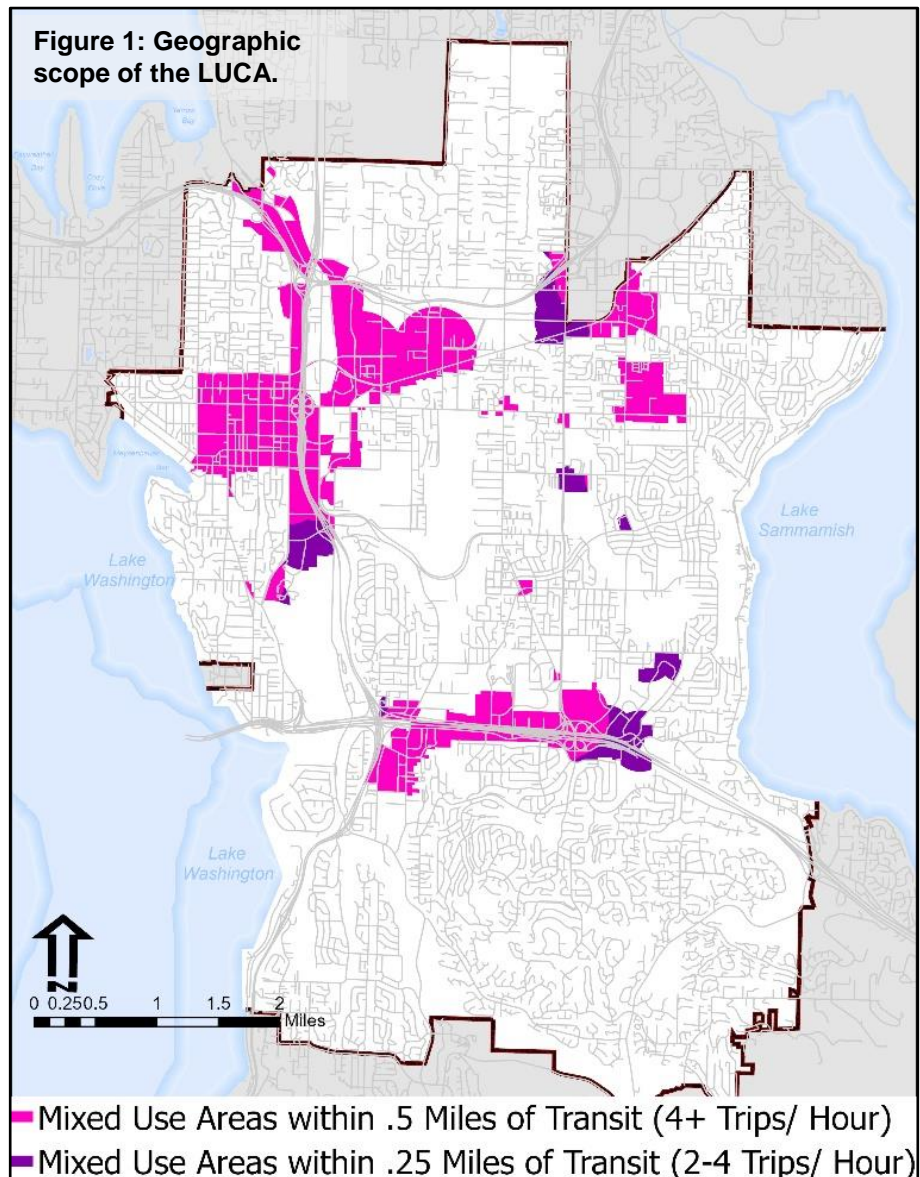
Currently, the LUC uses a dwelling unit per acre measurement to determine density in many of the City’s mixed-use land use districts and FAR in other mixed-use land use districts. To encourage small apartment units, the LUCA establishes that a micro-apartment unit be calculated as a quarter dwelling unit for density purposes. This is consistent with other provisions of the LUC, which allow for specific uses less than 600 square feet in size to be counted as a half dwelling unit. Staff believes that the increased number of units allowed will remove a significant barrier to micro-apartments while focusing on the building size.

Geographic Scope:

Council requested that the Planning Commission make a recommendation specific to the proposed geographic scope of the project. The recommended geographic is as follows and is shown in Figure 1.

1. Within one-quarter mile of a transit stop that receives transit service at least two times per hour for 12 or more hours per day; or
2. Within one-half mile of a transit stop that receives transit service at least four times per hour for 12 or more hours per day; or
3. Within one-half mile of a future light rail or bus rapid transit station scheduled to begin service within two years.

Planning Commission Study Session, Public Hearing,



Recommendation, and Discussion

The Planning Commission held a study session on this proposed LUCA on January 25. The Planning Commission raised questions related to unit livability, affordability, parking, kitchen arrangements, accessibility, and how to encourage micro-apartments in mixed-unit projects. The Planning Commission then scheduled the LUCA for a Public Hearing and asked for additional information to be presented at that time.

During the public hearing on this LUCA, the Planning Commission received testimony expressing support for the LUCA and encouraging accessibility. Commenters spoke about both limiting the geographic scope to areas served by transit and expanding the geographic scope to include mixed-use areas and other multifamily land use districts. Commissioners raised questions about the geographic scope, bicycle parking, affordability, accessibility, and air conditioning, which staff addressed. Commissioners also discussed how the proposed LUCA would enhance the public health, safety, or welfare, including that the LUCA provides some affordability and broadens housing choices in the City.

Following the public hearing and subsequent discussion, the Planning Commission unanimously decided to recommend adoption of the Micro-Apartment LUCA with modifications to limit the geographic scope of the LUCA to areas served by transit.

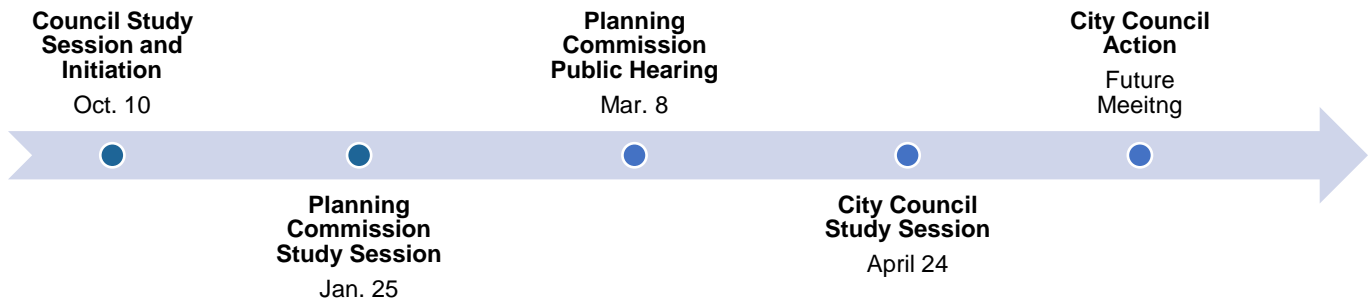
Public Engagement

Staff followed a public engagement plan with four modes of outreach and engagement to ensure the public, stakeholders, and interested parties had access to up-to-date information and the opportunity to provide comments.

1. Process IV Requirements. Process consistent with Chapter 20.35 LUC procedural requirements to provide opportunities for public comment, including:
 - Notice of Application of the proposed LUCA and Public Meeting on January 12
 - Notice of Public Hearing and staff report on February 16
 - SEPA Determination of Non-Significance issued on February 16
 - Planning Commission public hearing on the proposed LUCA on March 8
 - City Council Study Session on April 24
2. Direct Engagement and Feedback: Interviews with developers, architects, and property managers familiar with micro-apartments.
3. Community Outreach:
 - Information on LUCA, contact information, webpage link, and study session date provided in the December 2022 Neighborhood Newsletter
 - Community Informational Session held January 19
4. Online Presence. City webpage to provide opportunities for the public to stay informed and to request additional information, including:
 - Staff contacts
 - Public information regarding LUCA progression

Review Process

The timeline identifies the review process for this LUCA. Council will consider the recommended LUCA during the April 24 Study Session, with final action at a future meeting.



POLICY & FISCAL IMPACTS

Policy Impact

The proposed LUCA is consistent with the following policies included in the Affordable Housing Strategy and Comprehensive Plan:

- **AHS Action B-1.** Encourage micro-apartments around light rail stations through actions such as reduced parking requirements.
- **Comprehensive Plan Policy LU-3.** Promote a land use pattern and an integrated multimodal transportation system.
- **Comprehensive Plan Policy HO-11.** Encourage housing opportunities in mixed residential/commercial settings throughout the city.
- **Comprehensive Plan Policy HO-17.** Evaluate the housing cost and supply implications of proposed regulations and procedures.

Fiscal Impact

There is no fiscal impact associated with implementing these changes.

OPTIONS

1. Direct staff to bring back the Ordinance as drafted for final action at a future meeting.
2. Provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Planning Commission Resolution Recommending LUCA
- B. Strike-Draft of Recommended LUCA
- C. Draft Micro-Apartments LUCA Ordinance
- D. Micro-Apartments LUCA Staff Report

AVAILABLE IN COUNCIL LIBRARY

N/A