



# Co-Living Housing / Congregate Residences Allowances

Seattle Office of Planning and Community Development (OPCD)  
Director's Report and Recommendation  
June, 2024

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## Introduction and Background

The Office of Planning and Community Development proposes to edit the text of the Land Use Code (Seattle Municipal Code Title 23) to implement Washington State Engrossed Substitute House Bill 1998 from the 2024 legislative session regarding co-living housing. Seattle's land use code regulates co-living housing under the "congregate residence" land use category. The proposed legislation makes several changes to the land use code that remove restrictions or limitations on congregate residences. The overarching intent of the changes is to ensure that co-living housing/congregate residences are not regulated with stricter limitations than other types of multi-family housing.

Several drivers led to this proposal:

**ESSB 1998.** During the 2024 State legislative session the legislature passed and Governor Inslee signed ESSB 1998. The bill officially becomes law on June 6, 2024. It includes various findings concerning the benefits of co-living housing as an inexpensive housing choice. The bill establishes requirements on cities that they must allow co-living housing in any urban growth area on any lot where at least six multifamily housing units are allowed, and the bill mandates that cities may not impose certain development standard restrictions on co-living housing that would be more stringent than for other types of multifamily housing. Interested parties are encouraged to review the [full text of ESSB 1998](#) in conjunction with this proposed legislation.

**Need for more housing supply.** Although the rate of new housing production in Seattle has been at near historic levels in the recent past, Seattle has been gaining jobs at an even faster pace. Between 2005 and 2019, Seattle would have needed to produce an additional 9,000 housing units to maintain its baseline ratio of jobs to housing units. This shortage of housing supply increases competition for each available unit, driving up rents and housing prices across the market<sup>1</sup>. One of the City's primary strategies to address high housing costs is to support increased housing production of all kinds.

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<sup>1</sup> City of Seattle Market Rate Housing Needs and Supply Analysis, April 2021  
[SeattleMarketRateHousingNeedsAndSupplyAnalysis2021.pdf](#)

**Potential for a relatively lower cost housing option.** As documented in the findings of ESSB 1998, co-living housing / congregate residences can provide rental homes affordable to people with moderate to low incomes without requiring any public funding, and rents in newly constructed, market-rate co-living housing in the Puget Sound region can be affordable to people with incomes as low as 50 percent of area median income. 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.

## Proposal and Background

The proposed legislation is designed to directly comply with the requirements of ESSB 1998. The City is not, with this action, advancing policy or code changes other than those necessary to translate the requirements of the new state law into the unique context of the City of Seattle's land use code. The only aspect of this legislation that is discretionary concerns its timing. Whereas ESSB gives cities until December 31, 2025 to adopt or amend development regulations satisfying the requirements of the new law, OPCD and Mayor Harrell are proposing to implement the changes as soon as possible. Adopting the development regulations during 2024 or early 2025 will provide an additional year or more during which the housing supply benefits of expanded allowances for co-living housing/congregate residences will be available to the development community to begin bringing more sleeping rooms online.

Co-living housing/ congregate residence is a residential development with sleeping rooms that are independently rented and provide living and sleeping space, in which residents share kitchen and other common facilities with residents of other sleeping rooms in the building. Sleeping rooms are distinguished from "dwelling units" because sleeping rooms may not by themselves contain all of the primary components of a complete housing unit: a bedroom, kitchen and bathroom. Other colloquially used terms for co-living housing/congregate residences include dormitory or rooming house. Micro-housing is another term that has been used informally in recent years as a name to describe co-living/housing congregate residence buildings.

Other multifamily housing that is not co-living housing / congregate residence housing, consists of complete "dwelling units". Housing that consists of a full and complete suite of living components within a self contained unit is deemed to be a multifamily building with "dwelling units" - a formal term in the land use code. Typical multifamily housing can consist of "Small Efficiency Dwelling Units" (SEDUs), or standard dwelling units. For both of these types of homes, regulations govern the minimum size and configuration of the unit, and the units must include a complete kitchen, bathroom and living space. Regulations for SEDUs provide specifics about the configuration of interior spaces befitting of an efficiency unit, and there is an effective minimum square footage size of 220 sq. ft. The regulations for SEDUs require a built-in closet, a minimum amount of additional storage, and minimum requirements for natural light. Typical dwelling units (that are not small efficiency dwelling units) have even more minimum size requirements that generally result in units that are 320 sq ft or larger.

In contrast, sleeping units in co-living housing / congregate residences are not subject to as many space requirements, or requirements for components as SEDUs and dwelling units are. Sleeping rooms may be as small as is allowable for a habitable living space under the building code – down to 70 sq. ft. For sleeping rooms there is no requirement for interior features such as a cooking space, although sleeping

rooms must have access to a window. Therefore, there is greater flexibility afforded to designers in how to configure a co-living housing / congregate residence compared to other types of multifamily development. Sleeping rooms in co-living housing/congregate residences may be constructed with less plumbing than a dwelling unit because they may be provided without a kitchen or bathroom. All of these factors allow co-living housing / congregate residences to be constructed more cost effectively than other types of multifamily housing.

Under current regulations, congregate residences consisting of sleeping rooms are allowed, but in more limited locations (fewer zones) than other types of multifamily housing. The current code also includes some minimum standards for shared spaces and building amenities.

The legislation makes the following specific amendments, all of which are directly required under ESSB 1998.

- ***Allowable Uses.*** The proposal amends the land use code's allowable use tables to make congregate residence an allowed use on any lot that allows for at least six multifamily residential units. This is achieved in the proposed legislation by amending the allowed uses column for Congregate Residences in the city's Lowrise (LR), Midrise (MR), and Highrise (HR) multifamily zones and all Commercial 1 (C1) zones, and all Neighborhood Commercial (NC) zones.
- ***Minimum Standards for Building Features.*** The proposal removes minimum development standards for configuration of congregate residence buildings, including standards for communal areas and common food preparation areas. The city's existing code contains a requirement that a communal area must be included in the building at a size that is at least 15% of the total floor area of sleeping rooms in the building. The city's existing code contains the requirement that at least one common food preparation area be provided in a congregate residence building, and that all residents shall have access to a food preparation area. ESSB mandates that cities may not impose any of these types of development standards on co-living housing / congregate residences that are not imposed on other types of multifamily housing. Therefore, the proposed legislation deletes these requirements from the city's land use code.
- ***Vehicle Parking Requirements.*** ESSB 1998 states that cities may not require co-living housing / congregate residences to provide off-street parking within one-half mile walking distance of a major transit stop. The proposed legislation complies with this provision by modifying the parking allowances table to exempt co-living housing / congregate residences from providing parking in those areas. ESSB 1998 also states that in areas not within one-half mile walking distance of a major transit stop, a city may not require more than 0.25 off-street parking spaces per sleeping unit. No changes to Seattle's code are required to satisfy this latter requirement, since the city already requires only one parking space per 4 congregate residence sleeping rooms.
- ***Bicycle Parking Requirements.*** ESSB 1998 includes general direction that a city may not treat a sleeping unit in co-living housing / congregate residence as more than one-quarter of a dwelling unit for purposes of calculating dwelling unit density requirements. The city's existing practice with respect to numerical dwelling unit or sleeping room density limits is already consistent with this requirement. However existing regulations for bicycle parking do not comport with the one-quarter of a dwelling unit approach. Under the city's existing regulations, one long term

(covered/weather protected) bicycle parking space is required for each sleeping room just as is required for a dwelling unit. The proposed legislation reduces bicycle parking requirements to comport with the intent of ESSB 1998 – that sleeping rooms should generally be treated as 0.25 of a typical dwelling unit. The proposal reduces the long-term and short-term bicycle parking requirement to equal one quarter of the required quantity of the requirement for a dwelling unit. This interpretation also responds to feedback from building owners and operators that bicycle parking requirements currently result in large, underused spaces that unnecessarily add to the cost of construction.

- ***Update to Congregate Residence Definition.*** The proposed legislation updates the definition of congregate residence to better match language and terminology of State legislation.

**Previous City Legislation.** The current state of the City's regulations for congregate residences and small efficiency dwelling units stems from a package of code changes and interpretations established around 2014 including [Ordinance 124608](#). During the two years prior to 2014 the city experienced an upswing in the development of projects consisting of individually rented sleeping rooms. Many of the developments were marketed under the private branded name "Apodments". Concerns were expressed by members of the public and some councilmembers that this type of housing was not receiving the appropriate levels of review. In fact many of the developments in question were permitted as a series of large dwelling units consisting of eight bedrooms each and shared kitchens and/or bathrooms. In practice the eight bedrooms within a large dwelling unit were rented out individually. This arrangement allowed developers to avoid minimum standards for the size of housing units, and other procedural requirements such as design review.

The City through its then Department of Planning & Development (DPD) put forward legislation aimed at recognizing the type of housing being constructed, but also making sure it would go through design review and receive a SEPA review – if it was a similar size and scale to other types of multifamily housing that would receive those reviews. ([See retired CB118067](#)). The City Council considered DPD's proposal but convened a working group and then introduced its own replacement bill that took a different approach than originally recommended by DPD. The resultant Ordinance 124608 clarified what would be considered a dwelling unit and established the formal term "Small Efficiency Dwelling Unit (SEDU)" in the land use code. Simultaneously, the new law clarified that "Apodment" style developments should be classified as "Congregate Residences" and went further to limit the zones that Congregate Residences were allowed to be constructed in. This new regulatory structure also established minimum standards for shared spaces and bicycle parking requirements for Congregate Residences. The effect of Ordinance 124608 was to curtail development of Congregate Residences and shift the development of small-sized housing towards the SEDU model. This is especially true for relatively small-scale developments in the Lowrise zones, as Congregate Residence became a prohibited use in those zones.

The proposed legislation that is currently before Council would roll back many of the limitations concerning allowed locations and building configuration that were established in Ordinance 124608 concerning Congregate Residences, while retaining some of the advances from that era of legislation to clearly classify the housing type and enact appropriate procedural and review steps for it.

**Mandatory Housing Affordability (MHA).** MHA requires new development in Seattle to either include a small percentage of rent- and income-restricted affordable housing, or to make an in-lieu payment to the City's Office of Housing for affordable housing. Under existing regulations MHA applies to

development of co-housing / congregate residences whenever a development adds new dwelling units or sleeping rooms. No changes are proposed to how MHA applies to co-living – housing / congregate residences.

**State Environmental Policy Act (SEPA).** Engrossed Substitute House bill 1998 states that action taken by a city or county to comply with the requirements of ESHB 1998 are not subject to administrative or judicial legal challenge under SEPA or the Growth Management Act. Even though there is not an opportunity for appeal, OPCD completed a SEPA checklist and published a SEPA Determination of Non-Significance (DNS) on May 16<sup>th</sup>, 2024. The comment period expired on May 31<sup>st</sup>, 2024 and OPCD did not receive any comments.

## Examples of Co-Living Housing / Congregate Residences

The following section provides several examples of co-living housing / congregate residence buildings that have already been built in Seattle in recent years. The buildings were built in areas (zones) that permit congregate residences. The examples are provided to illustrate the character and features of living spaces and buildings that can be expected in more locations under the proposed ordinance.

**kärsti apartments**  
**1503 NW 59th St, Seattle**

The kärsti apartments building provides 52 small private homes that are less than 200 sq ft, including top floors with sleeping lofts (see figure 2). It provides common amenity spaces, including laundry, mail, cooking, lounges, fitness center, movie theatre, and outdoor seating. These spaces give residents space to socialize, build relationships and community. Owners of the building report that it provides housing for households with incomes in the 30%-80% AMI range without any affordable housing subsidies or public funds.



*Figure 1: Kärsti apartment building. Credit Neiman Taber Architects*



Figure 2: Karsti apartment building rendering of sleeping loft. Credit Neiman Taber Architects.

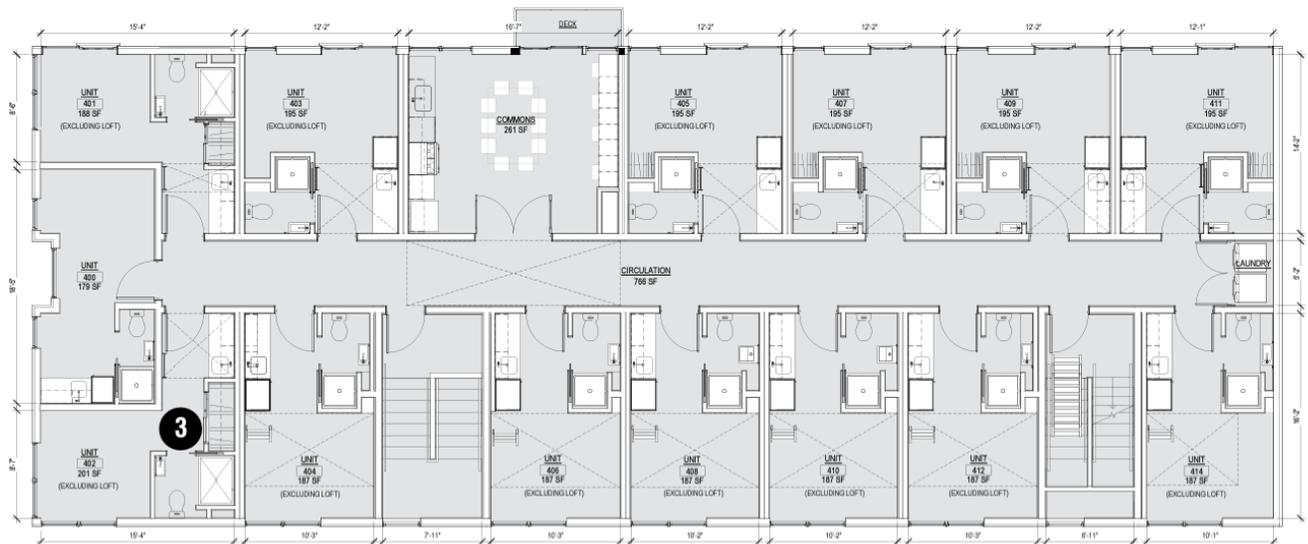


Figure 3: Karsti apartment building floor plan. Credit Neiman Taber Architects.

## YOBI MICROHOUSING 1421 31st Ave Seattle

Yobi is designed as a single building with one entry at the street. The ground floor features commons with a lounge, fireplace, kitchen, study room, laundry, and media area. The upper floors and basement have 9-11 sleeping rooms per floor with a shared commons in the middle, and there are a total of 45 sleeping rooms in the building. All homes are in the 150 sq ft – 200 sq ft range.



*Figure 4: Yobi building. Credit Neiman Taber Architects.*



Figure 5: Yobi building visualization of loft space, and upper level floor plan. Credit Neiman Taber Architects.

## **THE ROOST LOFTS** **901 Hiawatha Pl S, Seattle**

The project provides 33 sleeping rooms and includes some inexpensive market-rate units, and some 40% AMI affordable units, and a below market-rate commercial space leased to an arts nonprofit. The housing units are supplemented with shared community kitchens, living, dining, and meeting spaces that improve the livability of the small apartments and provide an opportunity for residents to meet, interact and build community. All units are about 220 sq ft.



Figure 6: The Roost building. Credit Neiman Taber Architects.

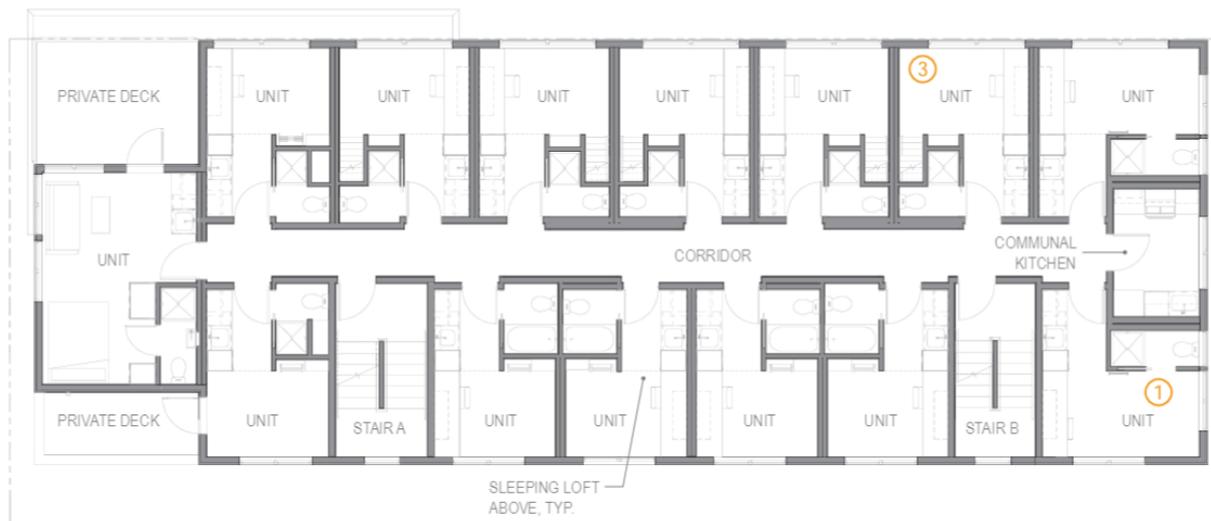


Figure 7: The Roost building. Upper level floor plan. Credit Neiman Taber Architects.

## Expected Effects of the Legislation

The primary effect of the proposed legislation is to allow and incrementally encourage the Co-housing / Congregate Residence model of housing to be built in more places. The most likely candidate locations for increased Co-housing / Congregate Residence production will be in the

City's Lowrise (LR) multifamily zones. LR zones are most commonly located in the City's designated Urban Villages or along arterial roadways. Places with the largest contiguous areas of LR zoning include Capitol Hill, Ballard, Fremont, and Columbia City. Co-housing / Congregate Residences are almost always built without on-site vehicle parking, so there will likely be an increase in production of the housing type in new areas where parking would not be required. These are places within a one-half mile walking distance of a major transit stop that are not already in an urban village or center.

## Future Considerations

In the next two years the City is anticipating significant additional changes to the land use code that will expand locations where "middle housing" is allowed. These code changes will follow other major State legislation from the 2023/2024 session concerning middle housing, especially HB 1110 which mandates cities to allow a variety of housing types in locations that were formerly zoned for single family homes only. The City is currently in the process of contemplating these updates to the Neighborhood Residential (formerly Single Family) zones as a component of the major update to the Comprehensive Plan. After the new plan is complete the City will quickly implement zoning changes to the NR zones that allow greater variety of housing types and more density of housing units on lots, compared to today's regulations. These changes will create new instances and locations where at least six multifamily residential units will be allowed by zoning. Such locations and instances must also comply with ESSB 1998 concerning co-housing/congregate residences. It is our intent to integrate new allowances for co-housing/congregate residences in forthcoming updated regulations for the City's NR zones, when that legislation is advanced following the major Comprehensive Plan update.

## Findings and Recommendation

The OPCD Director makes the following findings related to this proposed legislation.

- The proposed legislation addresses the requirements and direction provided to Washington cities by Engrossed Substitute House Bill 1998.
- The proposal is in line with the City's priority to increase housing supply.
- The proposal is in line with the City's priority to increase housing types with the potential to provide a relatively lower cost option.
- The proposal is consistent with numerous policies within the City's Comprehensive Plan in the housing element of the plan.
- OPCD has evaluated the environmental impacts of the proposal and determined them to be non-significant. A SEPA DNS was issued on May 10, 2024. Consistent with ESSB 1998 no opportunity for appeal of the SEPA DNS was provided.

In consideration of the factors and information contained in this report OPCD recommends that City Council review the proposed legislation and adopt the associated Land Use Code text amendments.