

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
OPCD	Geoff Wentlandt	Christie Parker

### 1. BILL SUMMARY

**Legislation Title:**

AN ORDINANCE relating to land use regulations; removing restrictions on congregate residences; and amending Sections 23.42.049, 23.45.504, 23.45.508, 23.47A.004, 23.54.015, and 23.84A.032 of the Seattle Municipal Code.

**Summary and Background of the Legislation:**

The legislation edits the text of the Land Use Code (Seattle Municipal Code Title 23) to implement changes to co-living housing as required by Washington State Engrossed Substitute House Bill (ESHB) 1998 from the 2024 legislative session. ESHB 1998 requires that development regulations be updated to take effect no later than December 31, 2025.

Seattle’s land use code regulates co-living housing under the “congregate residence” land use category. This legislation makes several changes to the land use code that remove restrictions or limitations on congregate residences. These changes include:

- Amending the land use code’s allowable use tables to make congregate residences an allowed use on any lot that permits at least six multifamily residential units.
- Removing minimum development standards for congregate residence building configuration, including standards for communal areas and food preparation areas.
- Modifying the parking allowances table to exempt co-living housing/congregate residences from providing off-street parking within one half mile of a major transit stop.
- Reducing the long-term and short-term bicycle parking requirement.
- Updating the definition of “congregate residence” to align with state legislation.

The overarching intent of the changes is to ensure that co-housing/congregate residences are not regulated with stricter limitations than other types of multi-family housing.

### 2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?  Yes  No

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?  Yes  No

### 3.d. Other Impacts

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

No meaningful financial impacts have been identified.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

This legislation affects SDCI as the staff will need to be made aware of the code amendment for the purposes of permit review. However, this will not create a meaningful fiscal impact on SDCI. This legislation will not increase the amount of permit review by SDCI staff. It may in fact decrease the amount of permit review time required because it removes some complex development standards concerning the interior configuration of congregate residence developments. No changes to zoning maps or changes to the permit tracking software are required. This legislation does not change how Mandatory Housing Affordability (MHA) requirements apply to congregate residences and will not reduce the amount of MHA proceeds to the city.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

Cities are required by the State to make these changes. If the City does not proactively implement the proposed code changes, it could result in time consuming and confusing permitting issues or potential litigation by development applicants who could argue that the City's land use code is not compliant with State law.

### 4. OTHER IMPLICATIONS

**a. Please describe how this legislation may affect any departments besides the originating department.**

This legislation affects SDCI as the staff will need to be made aware of the code amendment for the purposes of permit review. However, this will not create a meaningful fiscal impact on SDCI. No changes to zoning maps or changes to the permit tracking software are required.

**b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No, it does not affect a specific piece of property. This legislation applies to any proposed development for congregate residence in various zones across the city.

**c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

This legislation does not impact vulnerable or historically disadvantaged communities.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

None.

- iii. What is the Language Access Plan for any communications to the public?**

None.

**d. Climate Change Implications**

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

No. This proposal does not alter the City's energy code for buildings. Emissions and energy performance of the building would be considered as part of a building permit review just as it would in the absence of the legislation.

- ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

This legislation is not expected to increase or decrease the city's resiliency in a material way.

- e. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

No.

**5. CHECKLIST**

- Is a public hearing required?**

Yes. A City Council public hearing must be conducted before legislation can be adopted.

- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**  
Yes. OPCD published a SEPA determination of non-significance (DNS) on May 16, 2024, in the DJC and the City’s Land Use Information Bulletin.
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

## **6. ATTACHMENTS**

### **Summary Attachments:**

Summary Attachment 1 – SEPA Environmental Checklist

Summary Attachment 2 – City of Seattle Analysis and Decision of the Director of the Office of Planning and Community Development: SEPA Threshold Determination, Co-Living Housing/Congregate Residence Allowances Legislation