Public Hearing Staff Report

Project Name: "Co-Living Code Amendments"

Project Summary: This package includes proposed zoning code changes related to co-living housing. The purpose of these amendments is grounded in House Bill 1998 (codified in RCW 36.70A.535). This legislation reflects a broader state policy goal to address the housing affordability crisis by expanding the supply of smaller, lower-cost units. These amendments ensure SeaTac's zoning code complies with state law, while also tailoring the standards to local conditions and policy goals.

Key goals of the amendments include:

- Complying with HB 1998, which requires Growth Management Act (GMA) cities to broadly allow co-living in all zones allowing at least six multi-family or middle housing units.
- Providing affordable housing options without requiring public subsidy.
- Restoring a housing type once common in cities (boarding houses, single room occupancy) impacted by restrictive zoning policies.
- Offering housing options suitable for students, service workers, seniors, and other small households.

Applicant: City of SeaTac

I. Background

SeaTac, along with many other cities in Washington, is facing a housing affordability challenge. While the region continues to grow, the supply of new housing has not kept pace with demand. This imbalance has driven up rents and housing costs, leaving many households cost-burdened (spending more than 30% of their income on housing). The shortage is particularly acute for smaller, more affordable rental options suited for students, service workers, and single-person households.

Co-Living Housing

Co-living housing provides lockable sleeping units with private bathrooms, but without private kitchens. Instead, residents share kitchens, laundry rooms, and common areas. This model is not new (similar forms of housing such as boarding houses and single-room occupancy hotels were once common in U.S. cities) but it has re-emerged as a way to deliver lower-cost rental options without public subsidy. By emphasizing shared amenities, co-living makes efficient use of building space, keeps unit costs down, and provides a more affordable option than larger apartments.

For SeaTac, co-living housing can:

- Expand the supply of smaller, lower-cost units to serve the City's workforce.
- Provide long-term rental options that meet modern code and safety standards.
- Reduce development pressure on larger multi-family units, helping keep those available for families.
- Support transit-oriented living, since many co-living residents are expected to own fewer cards.

HB 1998 requires cities planning under the Growth Management Act to update their codes by no later than December 31, 2025. Some of the most important provisions of HB 1998 include:

- Allowing co-living wherever multi-family or middle housing of six or more units is permitted.
- Cities cannot impose stricter standards on co-living than they apply to multi-family development.
- Sleeping units count as ¼ of a dwelling unit

Furthermore, because co-living housing resembles college dormitories, SeaTac has also created a new dormitory use definition. Dormitories share many features with co-living, but the key distinction is that they must be directly affiliated with an educational institution. This required staff to also review where colleges/universities are permitted in the zoning code.

Key Issues Raised
The Planning Commission has raised several important issues:

- Parking: Polaris apartments experience overflow due to larger units and multi-generational households. Co-living is aimed at smaller households with fewer cars, so demand is expected to be lower.
- Infrastructure: Traffic, stormwater, and utilities are analyzed at the comprehensive planning level (Envision SeaTac 2044). That work establishes that projected growth, including co-living, can be served as development occurs. The City coordinates with utility providers, and infrastructure plans are updated accordingly. The 2026 PROS Plan will evaluate park and recreation needs to ensure capacity keeps up with growth.
- Commercial zones: There was some worry about displacement of commercial uses. Staff notes multi-family is already allowed in commercial zones, and feasibility will depend on market conditions.

Consistency With Plans and Policies
The proposed amendments are consistent with both state law and the City's adopted policy framework. They also draw directly from Commerce's model ordinance, which emphasizes aligning co-living regulations with multi-family housing standards.

Key points of consistency include:

- Growth Management Act (HB 1998/RCW 36.70A.535): Requires that co-living be allowed wherever at least six units of multi-family or middle housing are permitted. The City's proposal complies with this mandate.
- Envision SeaTac Comprehensive Plan: Supports housing diversity, affordability, and transit-oriented development. Policies encourage housing choices for a range of household sizes and incomes.
- Housing Needs Assessment: Found a growing demand for smaller rental units, particularly for service workers, students, and single-adult households. Co-living directly responds to this need.
- PROS Plan (2026): Will address recreational and open space needs as the City accommodates new housing. Co-living projects are required to provide recreation space, both indoor and outdoor, consistent with this policy direction.

II. Summary of Amendments

The code amendments cover several main areas:

A. Definitions and Allowances
   1. Co-living: Individual sleeping units (70-300 sq ft) with bathrooms, but no kitchens. Shared kitchens and laundry areas are required.
   2. College dormitory: Same layout as co-living but only allowed when directly tied to a college/university.

3. Allowances: Co-living is not permitted in the lowest-density residential zones (RL and RM). Co-living is permitted in the following zones:
    a) URM
    b) RH
    c) URH
    d) URH-MU
    e) CL (conditionally)
    f) NVM
    g) NVH
    h) CB
    i) CB-C
    j) RBX (conditionally)

B. Parking Standards
1. Co-living: 0.5 spaces per sleeping unit within one mile of the airport; 0.25 spaces beyond one-mile airport buffer; no parking required within ½ mile of transit outside the buffer.
2. College dormitory: 0.5 spaces per room/unit (reduced from 1.5).
3. Multi-family (no changes; for comparison purposes): Studio – 1; 1 bedroom – 1.5; 2-3 bedrooms: 2

Housing Type	**Parking Requirement**	**Notes**
Multi-Family (Studio)	1.0 per unit	Existing SMC 15.455; no changes, listed for comparison purposes
Multi-Family (1 Bedroom)	1.5 per unit	Existing SMC 15.455; no changes, listed for comparison purposes
Multi-Family (2-3 Bedrooms)	2.0 per unit	Existing SMC 15.455; no changes, listed for comparison purposes
Co-Living (Airport Buffer <1 mi)	0.5 per sleeping unit	Commission concern this may be too low
Co-Living (½ mi Transit, outside Airport Buffer)	No parking required	Transit proximity standard
Co-Living (Beyond Airport Buffer)	0.25 per sleeping unit	Lowest ratio outside buffers
College Dormitory	0.5 per bedroom	Reduced from 1.5 per bedroom

Commissioners have raised concerns that 0.5 spaces within the airport buffer is too low. Staff notes that without the buffer, the requirement would be 0.25 spaces per sleeping unit. Additionally, under state law (SB 5184) all multi-family projects located outside the one-mile airport radius will be required to provide no more than 0.5 parking spaces per unit no later than July 27, 2028.

C. Development Standards
1. Density: Each sleeping unit counts as ¼ of a dwelling unit.
2. Kitchens: At least one shared kitchen per 15 units; at least one per floor.
3. Recreation: 60 sq ft (same as minimum required recreation space inside of the overlay districts for multi-family). Up to 50% may be indoors.
4. Balconies/patios and play areas: Not required for co-living.

D. Landscaping Standards

1. Co-living uses the same standards as multi-family, with some flexibility for frontage in RH and URH zones.
2. Dormitories have higher frontage standards, recognizing their institutional character.

E. Short-Term Rentals
   1. No co-living sleeping unit may be used as a short-term rental
      a. This ensures co-living stays as long-term housing rather than short-term rentals.

III. Planning Commission Review

A. The Planning Commission reviewed the topic and proposed amendments at its May 20, 2025 and July 15, 2025 meetings.

IV. Regulatory Requirements

A. SEPA Review

The City served as SEPA Lead Agency for this proposal and issued a Determination of Nonsignificance (DNS) on October 3, 2025. The comment period for the SEPA action will expire on October 17, 2025 at 5 pm.

B. Washington State Department of Commerce Review

The City submitted an expedited Request for 14-day Review with Notice to Intent to Adopt Amendments to Commerce on October 2, 2025.

C. Public Hearing Notice

Notice of this public hearing was posted on SeaTac's Public Notices website on September 22, 2025.

V. Staff Recommendation

Staff recommends approval of the proposed co-living code amendments. These changes are necessary to bring the City into compliance with HB 1998 and align with SeaTac's housing goals. Staff believes these proposed regulations comply with federal and state law, serve the present needs of the community, and are consistent with the City of SeaTac Comprehensive Plan.

VI. Planning Commission Consideration

Planning Commission should hold a public hearing, take testimony, and provide City Council a recommendation to approve or deny the proposed amendments, approve with specific modifications. The Planning Commission recommendation is requested by October 21, 2025 but may provide its recommendation after the public hearing on October 7, 2025.

VII. Exhibits

A. Proposed Code Amendments
B. Co-Living Code Amendment Tracking Matrix

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