

## 6a. Staff Report - Cottage Housing Dev. Code Amendments Intro.

Planning Commission Meeting Date: April 21, 2022

Agenda Item: 6a.

### PLANNING COMMISSION AGENDA ITEM CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Cottage Housing Development Code Amendments Introduction  
**DEPARTMENT:** Planning & Community Development  
**PRESENTED BY:** Elise Keim, Associate Planner

Public Hearing

Discussion

Study Session

Update

Recommendation Only

Other

#### **INTRODUCTION**

In May 2021, the City Council adopted the Housing Action Plan (HAP) with the passage of Resolution 478.<sup>1</sup> The HAP explores potential City-led actions and initiatives to encourage the production of affordable and market rate housing to meet the needs of a growing and diversifying population now and in the future. The HAP identifies Shoreline's greatest housing needs and associated tools to address those needs. By increasing the types of housing that can be built in Shoreline, the City is addressing the housing shortage and implementing the HAP. The City Council confirmed the seven high-priority initiatives needed to implement the HAP. These seven priorities are:

- Update the Deep Green Incentive Program
- Develop cottage housing regulations
- Develop "missing-middle"-friendly zoning
- Develop standards for small lot single-family development
- Partner with affordable housing providers
- Support Community Land Trusts through incentives or partnerships
- Identify surplus City property for development of affordable housing

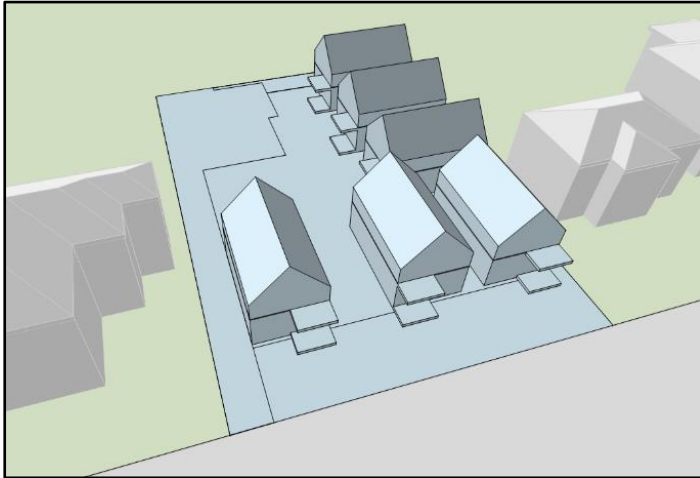
<sup>1</sup> The Staff Report for City Council's adoption of Resolution 478, which includes the HAP, can be reviewed at the following link: [staffreport052421-7e.pdf \(shoreline.wa.us\)](https://www.shoreline.wa.us/staffreport052421-7e.pdf)

Approved By: \_\_\_\_\_

Project Manager \_\_\_\_\_

Planning Director \_\_\_\_\_

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*Image of possible cottage housing cluster*

Tonight, we are discussing cottage housing which was highlighted as a City Council priority during the HAP adoption process. This staff report discusses cottage housing and the work plan to create Development Code amendments to allow cottage housing.

The City received grant funding from the Washington State Department of Commerce for Housing Action Plan implementation (HAPI Grant). Per the terms of the HAPI Grant, specific deliverables are required including an existing conditions report, public engagement, and draft and final development code amendments. This work is to be completed no later than June 2023. Shoreline has engaged the services of The Blueline Group to support staff in this endeavor.

### **BACKGROUND**

The Planning Commission discussed the HAP in 2020 and 2021, submitting its recommendation to the City Council in March 2021. A key finding in the HAP is that Shoreline has an overall housing shortage that reflects a regional lack of supply, with housing costs increasing faster than household incomes. Most of Shoreline's households consist of one or two people and, for these smaller households, includes two subgroups - seniors and young adults. Smaller "missing-middle" housing types, such as cottage housing, may appeal to these subgroups and to other demographic subgroups.

*Missing-middle* housing describes a spectrum of housing types denser than detached single-family homes, but smaller than 4-story low-rise apartments. Missing-middle housing can be more affordable than detached single-family homes, offering a variety of unit sizes appropriate for young adults, seniors, and small families. These housing types are meant to blend in within existing single-family neighborhoods while providing more density. Cottage housing is a type of missing-middle housing. By increasing the types of housing that can be built in Shoreline, the City is addressing the housing shortage and implementing the HAP.

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Image of the missing middle housing spectrum

Cottage housing regulations generally allows for small 1 or 2 story houses that may be attached or detached. The homes are arranged around a common interior courtyard. Houses are small, typically 700-1,200 square feet. With appropriate design standards, this type of housing blends into single family neighborhoods as cottage housing appears similar to single family houses from the street.



Photo credit: The Cottage Company

Cottage housing is currently not a permitted type of development in Shoreline. The City previously had cottage housing regulations and permitted seven cottage housing developments from 2000-2004. These regulations were repealed in 2006 due to concerns about design and compatibility.

### DISCUSSION

#### **Why Cottage Housing?**

The HAP includes goals to encourage a greater housing supply and variety in Shoreline than is seen today. While there is a wide spectrum of missing-middle housing, Shoreline is focusing on cottage housing as a priority for HAP implementation.



Cottage housing site plan example in Washington, D.C.

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The Comprehensive Plan includes policies to facilitate the provision of a variety of housing choices for Shoreline residents, including cottage housing. Housing choice means the ability of households in the city to live in the neighborhoods and housing type of their own choosing. Allowing cottage housing will increase the housing choices available to residents of Shoreline. The following goals and policies in the Comprehensive Plan encourage housing choice and cottages:

<p><b>Land Use Policy 1:</b> The Low Density Residential land use designation allows single-family detached dwelling units. Other dwelling types, such as duplexes, single family attached, cottage housing, and accessory dwellings may be allowed under certain conditions. The permitted base density for this designation may not exceed 6 dwelling units per acre.</p>	<p><b>Land Use Policy 2:</b> The Medium Density Residential land use designation allows single-family dwelling units, duplexes, triplexes, zero lot line houses, townhouses, and cottage housing. Apartments and professional offices may be allowed under certain conditions. The permitted base density for this designation may not exceed 12 dwelling units per acre.</p>
<p><b>Housing Policy 6:</b> Consider regulations that would allow cottage housing in residential areas, and revise the Development Code to allow and create standards for a wider variety of housing styles.</p>	<p><b>Housing Policy Goal II:</b> Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations</p>



*Cottage Housing Example in Newport, OR*

Both the Comprehensive Plan and the HAP support the creation of cottage housing regulations to increase housing choice in Shoreline. While cottage housing regulations are a first step in implementing the Comprehensive Plan and the HAP, it represents just one tool in the housing toolkit to address the housing needs of the City.

### **PROCESS AND SCHEDULE**

The first deliverable required by the HAPI Grant is the Existing Conditions Report. Report contents will include:

- An overview of Cottage Housing
- Demographics Analysis
- Zoning Analysis
- Buildable Lands Analysis



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- Study Areas, including existing physical character and proximity to transit and public facilities and amenities like parks, schools and libraries
- Local case studies

The key purpose of the report is to assess the spatial and demographic conditions of Shoreline to determine where cottage housing might be located and what segments of the population would be most likely to choose this type of housing. The initial analysis of existing conditions should be completed by July 2022.

The second deliverable required by the HAPI Grant is Public Engagement. Public engagement with stakeholders, including Shoreline community members and developers, will occur in the Summer 2022. A public outreach plan is currently being drafted to ensure those most likely to be affected by cottage housing will be reached. Engagement will likely be a hybrid of virtual and in-person events including surveys, facilitated discussions, and open houses. In addition, to encourage public involvement, a City website has been created where information and updates will be posted. The website can be viewed at the following link:

<https://www.shorelinewa.gov/government/departments/planning-community-development/long-range-planning/cottage-housing>

A summary of the public engagement and its results will be shared with Planning Commission later this year

The third deliverable required by the HAPI Grant is a draft version of the cottage housing regulations. Insights from the Existing Conditions report and public engagement will be instrumental in preparing these regulations which is anticipated to be completed by October 2022.

The fourth and final deliverable required by the HAPI Grant will be the final version of cottage housing regulations. As with all development regulations, before forwarding to City Council, the Planning Commission will review the draft regulations and hold a public hearing. The City Council will consider adoption of the final regulations by the HAPI Grant deadline June 2023.

The Blueline Group has already started assessing existing conditions and the drafting of a public engagement strategy. City staff has also met with the developer stakeholder group to notify them of the upcoming cottage housing code and a number of developers have expressed interested in being involved in the process.

A project timeline is shown below.

Winter/Spring 2022	Spring/Summer 2022	Summer/Fall 2022	End of 2022	Winter/Spring 2023	June 2023
<ul style="list-style-type: none"> <li>• Engage Consultant</li> <li>• Brief Planning Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Existing Conditions Report</li> <li>• Public Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Analyze Data</li> <li>• Present Findings to Planning Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Regulations to Planning Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Planning Commission Recommendation</li> <li>• City Council Consideration</li> </ul>	<ul style="list-style-type: none"> <li>• Cottage Housing Ordinance Considered for Adoption</li> </ul>

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### **DISCUSSION QUESTIONS**

The following questions are intended to help facilitate discussion:

1. Is there anything you would like assessed in the Existing Conditions Report that is not mentioned already?
2. What do you think is a key consideration in the development of cottage housing regulations (e.g. design/aesthetics, compatibility, equity, density, sustainability, affordability etc.)?
3. What factors should the City considering when deciding whether the use of cottage housing is successful in providing missing-middle housing?

### **ADDITIONAL INFORMATION**

For more information about the cottage housing code, please visit the project webpage:

<https://www.shorelinewa.gov/government/departments/planning-community-development/long-range-planning/cottage-housing>

or contact Elise Keim, Associate Planner, at [ekeim@shorelinewa.gov](mailto:ekeim@shorelinewa.gov) or (206) 801-2553.

### **CONCLUSION**

Tonight's presentation is to introduce the work plan for cottage housing Development Code amendments. At this time, City Staff is seeking early input on potential topics to be included in the Existing Conditions Report and general comments or feedback to be considered as the project gets underway.