

# Co-Living and HB 1998



Ian Crozier, AICP – Previously of MAKERS, he has developed guidance for the Department of Commerce and South Sound Housing Affordability Partners on co-living and HB 1998 implementation.

Angela Rozmyn – The director of Sustainable Development at Natural and Built Environments is a co-living and multifamily housing developer. She also is the co-founder of Women's Personal Finance.



David Neiman – Partner at Neiman Taber Architects with over 35 years in the industry is an architect who has designed co-living and multifamily housing

Katrina Eileen Romatowski – A serial entrepreneur with over 25 years of experience in real estate, Katrina launched reSpace in 2022 and is the Co-Founder of Level Up Seattle, a nonprofit focusing on housing people who age out of the foster program.





# **Co-Living and HB 1998**

**Affordable Housing without Public Subsidy**

WA APA Conference

October 8, 2025



# What if?

What if there was a housing type...

- that was affordable for moderate and low-income adults, without public subsidy...
- that could fit on almost any lot...
- that nudges residents towards social interaction...
- and that has is extremely efficient in terms of energy use and embodied carbon?



Photo source: Nieman Taber Architects

# Co-Living is it!

- “Co-living” is a new term
- It means rented or owned units that share some spaces, especially kitchens
- This means the buildings are cheaper to build, take up less space, use less energy, and facilitate social interactions

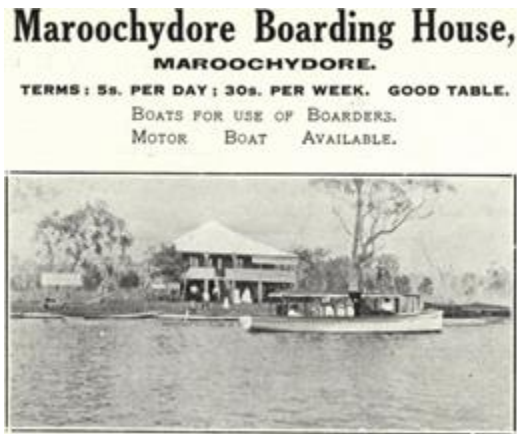


Photo source: Nieman Taber Architects



# Not a new idea

- It's hard to overstate how common this arrangement was prior to the 1950's
- Co-living encompasses dormitories, boarding houses, lodging houses, single-room occupancy (SRO) rentals, residential suites, congregate living facilities, etc.

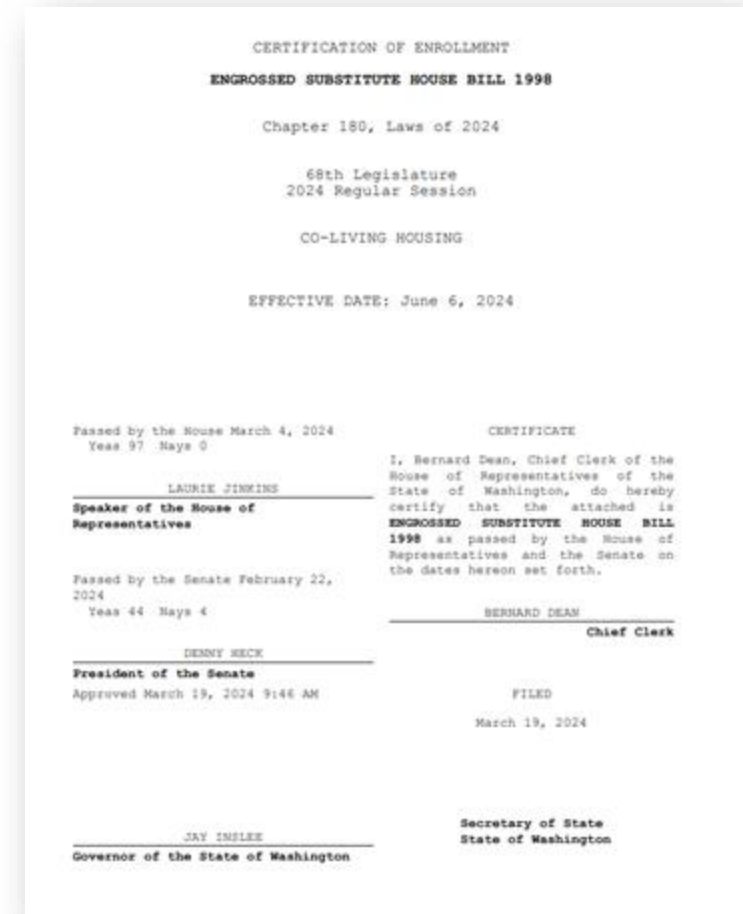


# HB 1998

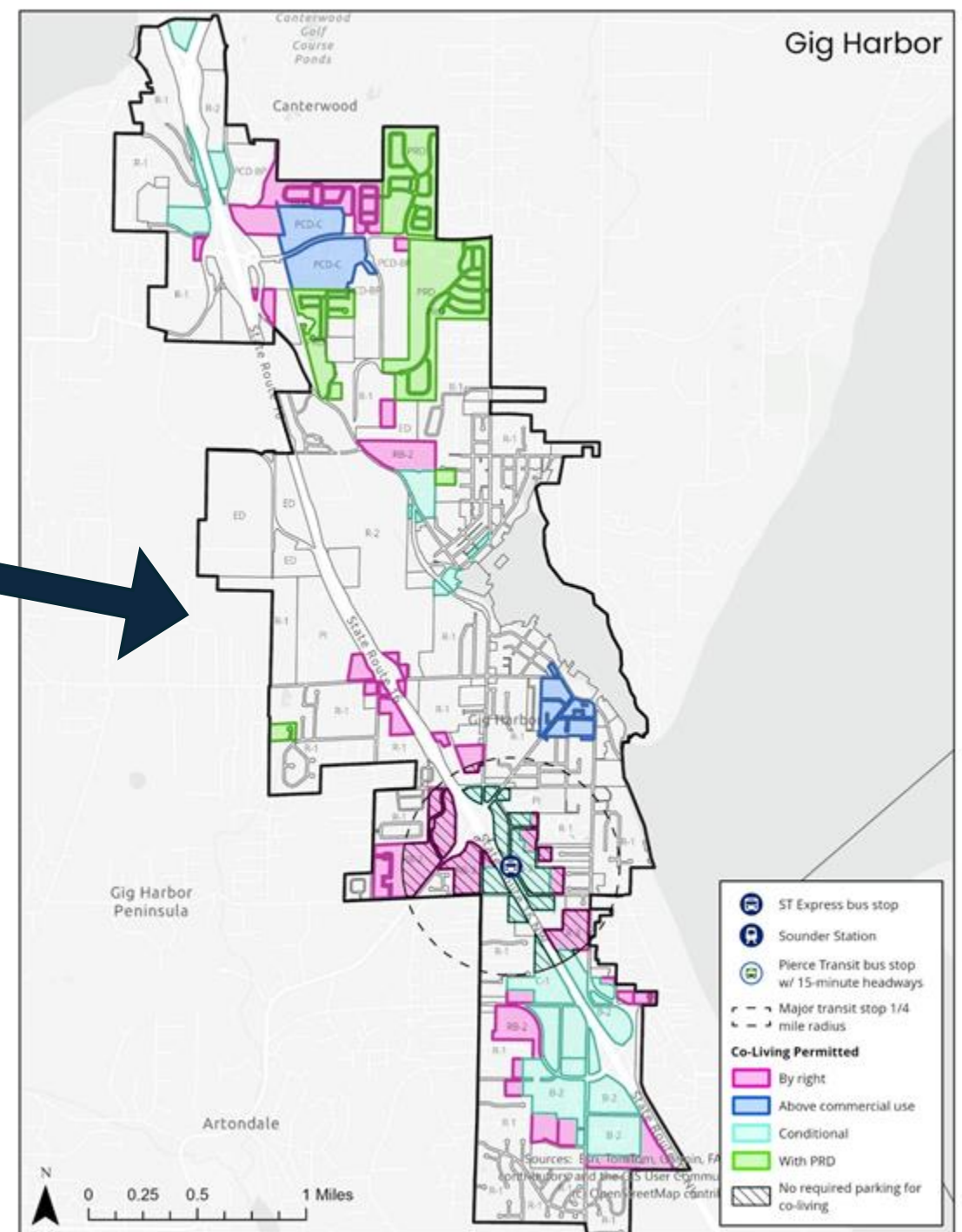
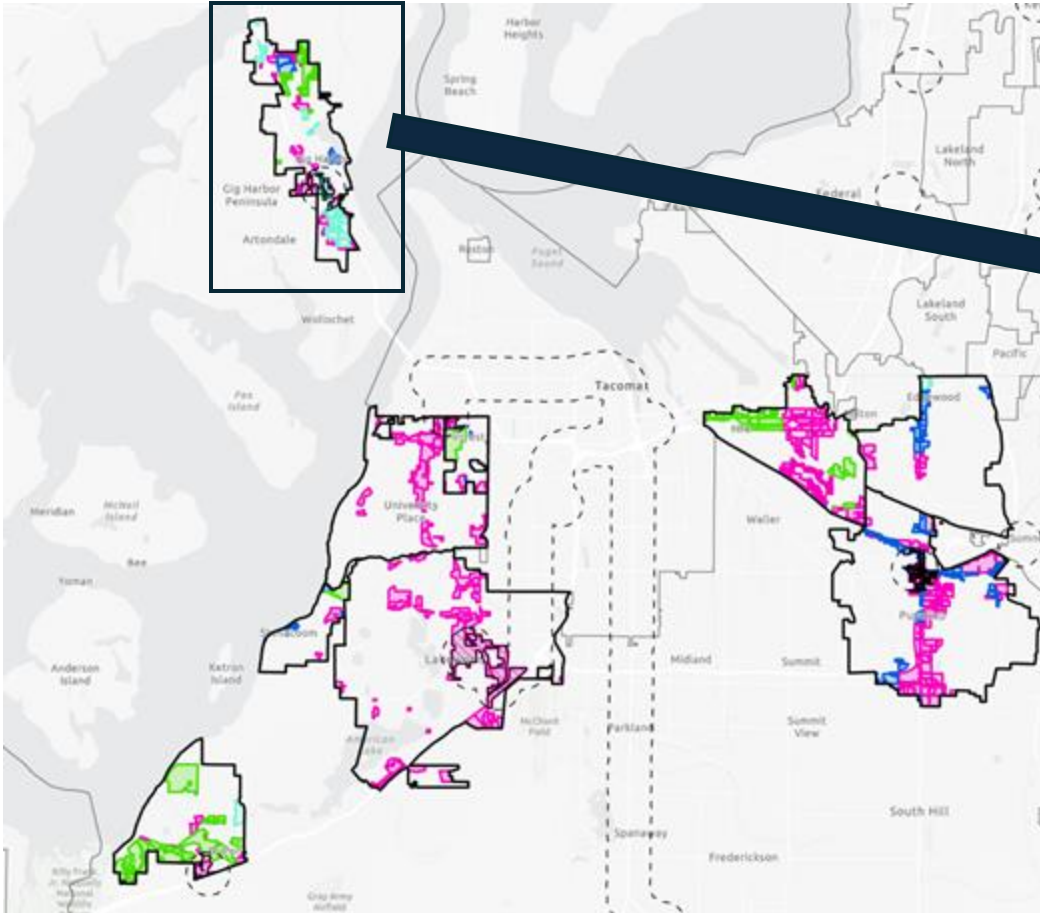
HB 1998, codified as RCW 36.70A.535 requires **all** GMA cities and counties to:

- **Allow** co-living anywhere where six dwelling units per lot or more are allowed
- Allow co-living at **4x density** allowed for dwelling units
- Require no more than **¼ parking** space per sleeping unit
- Not require parking within ½ mile of **major transit stops**, including bus w/ 15-minute headways
- **Permitting process** must be the same as typical multifamily

Cities must update code by **December 31, 2025**.



# Applicability

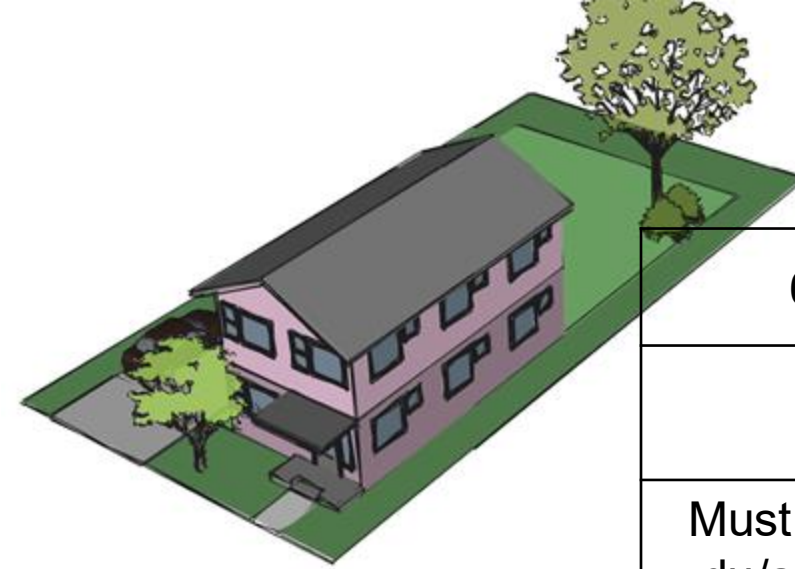


Jurisdictions must allow co-living anywhere where six dwelling units per lot or more are allowed.



# Density Bonus

Jurisdictions must allow co-living at 4x typical dwelling unit density.



6 sleeping units

32 sleeping  
units/acre

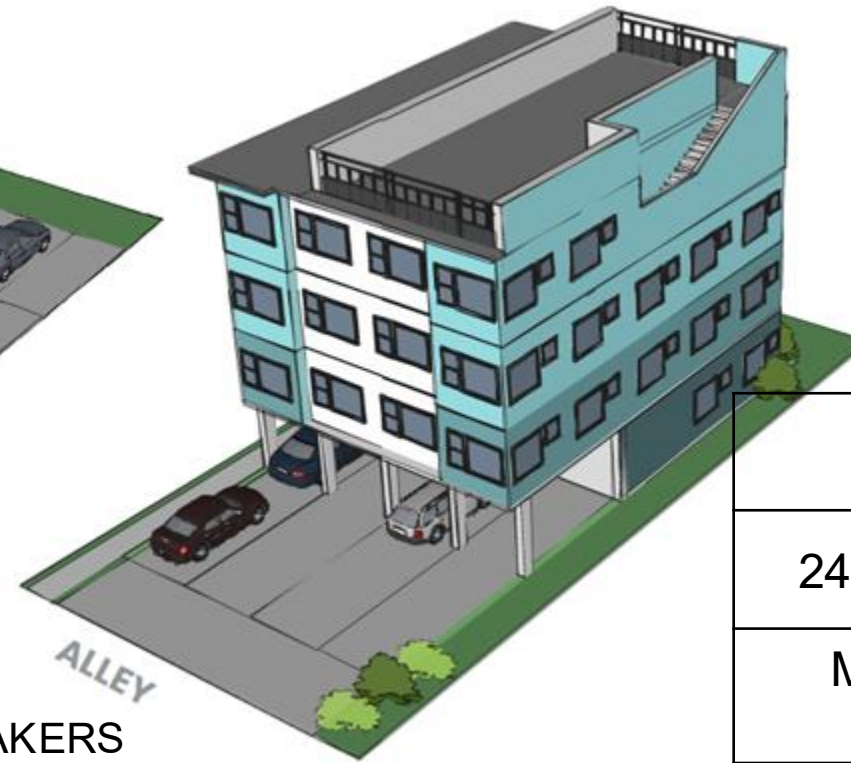
Must permit where **8**  
du/acre is permitted



15 sleeping units

136 sleeping units / acre

Must permit where **34**  
du/acre is permitted



28 sleeping units

244 sleeping units/acre

Must permit where **61**  
du/acre is permitted

Image source: MAKERS



# HB 1998 cont'd

- Co-living is defined in RCW based on access to **shared** kitchens
- Jurisdictions should consider how to distinguish **sleeping units** from **dwelling units** in code
- Jurisdictions may **choose** to expand the RCW definition of co-living to include ownership co-living
- The **major transit stop** definition in RCW 36.70A.535 includes stops for buses that run every 15 minutes (at least 5 hours/day)

# Conversions

- It's much easier to convert non-residential buildings into co-living than to dwelling unit residential because co-living allows for shared kitchen and bathroom facilities.
- Some buildings that you may see converted into co-living:
  - Office buildings
  - Churches
  - Motels
  - Big houses



# Resources

- Commerce and SSHA3P guidance documents

- <https://www.commerce.wa.gov/can-co-living-work-for-wa-communities-new-guidance-available/>
- <https://www.commerce.wa.gov/growth-management/housing-planning/middle-housing/>

- Pew study on office conversions

- [Co-Living Could Unlock Office-to-Residential Conversions | The Pew Charitable Trusts](#)

- David's blog

- [Neiman Taber Architects: Washington State Fixes Microhousing](#)

- Panel websites

- [Home - Natural & Built Environments](#)
- [Neiman Taber Architects](#)
- [About Re|Space — Katrina Eileen Real Estate](#)

- Misc articles

- <https://manhattan.institute/article/microunits-a-tool-to-promote-affordable-housing>
- <https://sightline.org/2012/11/14/rooming-houses-historys-affordable-quarters/>
- <https://www.bloomberg.com/news/features/2023-05-02/a-visual-history-of-single-room-occupancy-sro-affordable-housing>
- <https://www.bloomberg.com/news/articles/2018-02-22/the-rise-and-fall-of-the-american-sro?sref=Y5NzbMHF>
- <https://www.realchangenews.org/news/2016/06/29/roots-crisis>
- [KUOW - Why some Seattle area seniors are choosing dorm-sized apartments](#)
- [Micro-apartments are back in Seattle after disappearing decades ago | The Seattle Times](#)
- [Housing: America's great forgotten solution to high rents and house prices.](#)





# Extra slides

# What is Co-Living?

- Small sleeping units with some shared facilities (usually kitchens)
- Played a major role in housing in cities and towns pre-WWII
- Micro-units, residential suites, and congregate housing built in Seattle, Redmond, Kirkland, and Tacoma since 2009



Photo source: Nieman Taber Architects



# What is Co-Living?

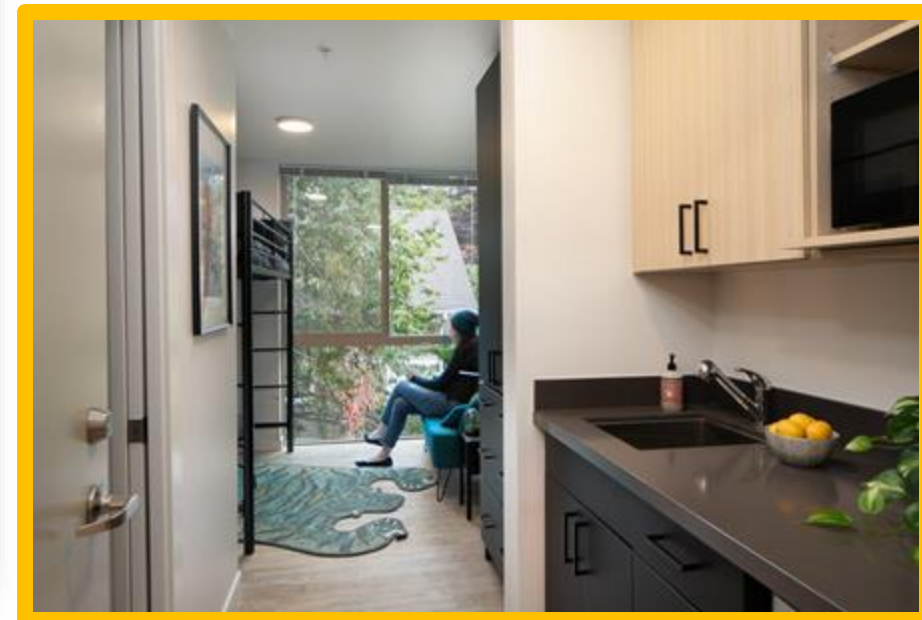
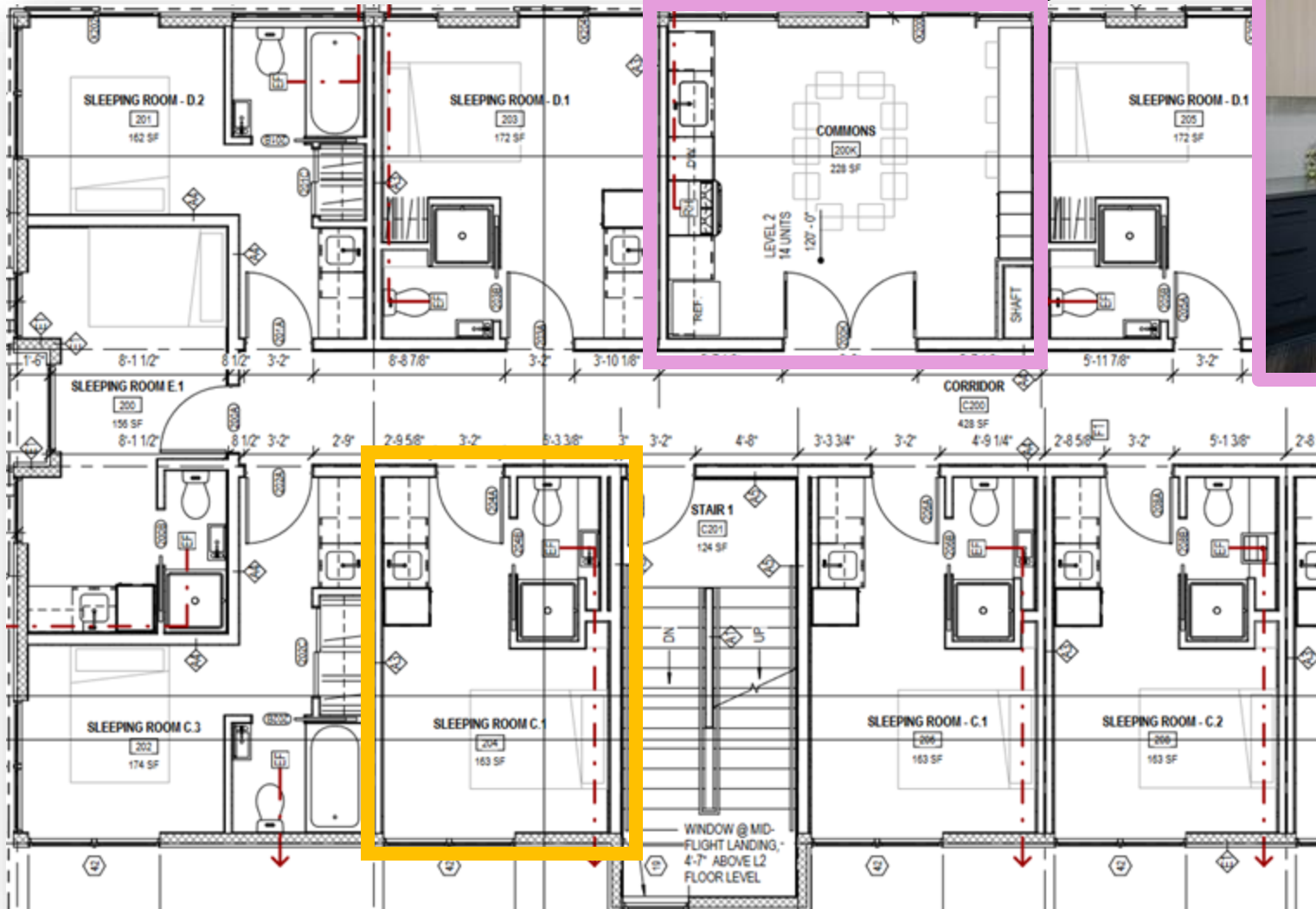


Photo source: Nieman Taber Architects

# New-Build Co-Living Examples



<b>The Kärsti</b> Seattle, 2020	52 co-living units + 334 sf commercial space Co-living unit size range: 187-276 sf
<b>Arete Apartments</b> Kirkland, 2015	228 co-living units, 52 dwelling units, and 7,200 sf commercial space Co-living unit size range: 185-286 sf
<b>Ramiro's Place</b> Seattle, 2014	22 co-living units Co-living unit size range: 131-175 sf
<b>Tudor Apartments</b> Remond, 2011	61 co-living units Co-living unit size range: 222-301 sf

# Puyallup Legacy Co-living Example

- “Holly Hotel” in Puyallup
- Small studios – rent starts around \$750
- Some units share bathrooms and, possibly, kitchens
- Smallest units are around 300 sf





# Conversions

- Because demand for housing in general, and small format housing in particular is so great, and co-living is so space efficient, it is an attractive prospect for conversions of older buildings that have outlived their initial intended use:
  - Office buildings
  - Churches
  - Large houses
  - Motels

# Conversion

## Examples: Motels

- Motel to micro-unit conversions in Fife, Tacoma, Tri-cities, Spokane





#### IDENTIFYING OPPORTUNITY

## We purchase hotels in growth markets nationwide.

The typical property we acquire is between 100 and 200 units. We target markets with robust job and wage growth. The hotels are also located near centers of employment and transit corridors. We currently own 24 properties across five states - including our home state of Washington. Before the end of 2024 we will be acquiring over 1,000 more units and expanding our projects into a total of 8 states!

#### ADDRESSING THE AFFORDABILITY CRISIS

## The United States needs 7.3 million more homes.

The workforce housing crisis continues to expand, with an estimated shortage of 7.3 million homes for lower income citizens, up 8% since 2019. [Source: NLIHC]

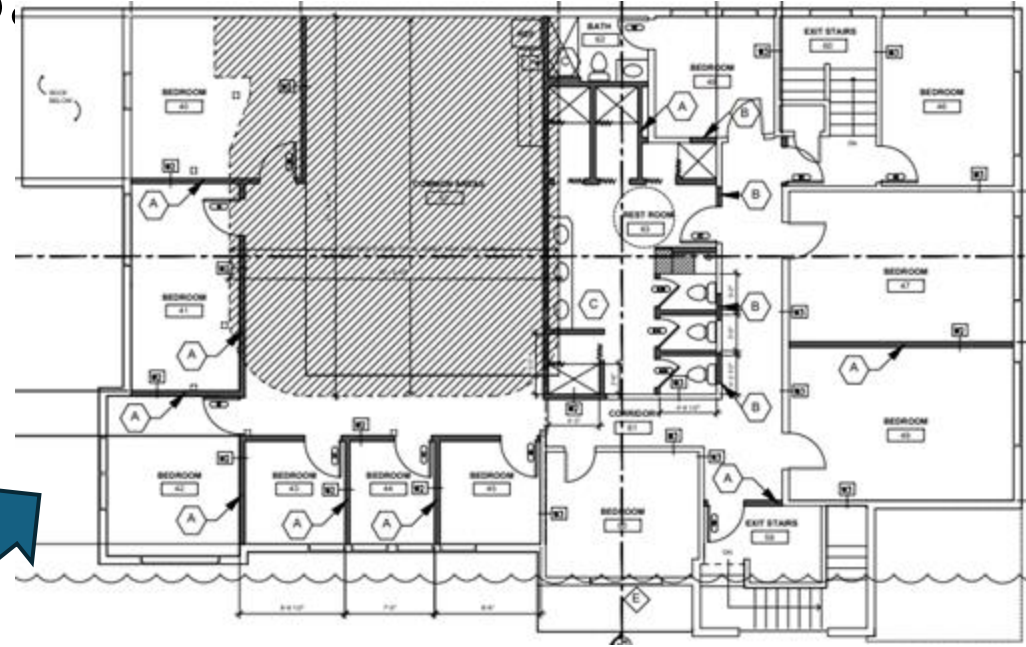
We are addressing the housing crisis by developing high-quality homes at scale through converting hotels to apartments.





# Conversion Examples: Churches

- Church to congragate housing examples in Port Orchard and Tacoma



# How does Co-Living help?

**Options:** More options let people choose what's best for themselves.

**Cost:** Housing affordable to single adults at 40-60% AMI without public funding.

**Sustainable:** Low energy costs and generally low VMT.

**Compact and flexible:** Co-living can fit in “townhouse” style buildings, mixed in with typical multifamily, and use sites that are too small for multifamily.



Photo source: Nieman Taber Architects

# Co-Living and HB 1998: Affordable Housing without Public Subsidy

October 8, 2025



# Who lives in co-living housing?

(Hint: it's not just college students and young professionals)

Seniors who want to age in place

Life reset post divorce

Tech professionals who want to live minimally

Service employees on a limited budget

Retirees and disabled people on a fixed income

Education and entry level healthcare workers

# Most people who live in co-housing:

Make under 80% AMI

Live alone

Don't have a car

Know their neighbors

Live in the city they work





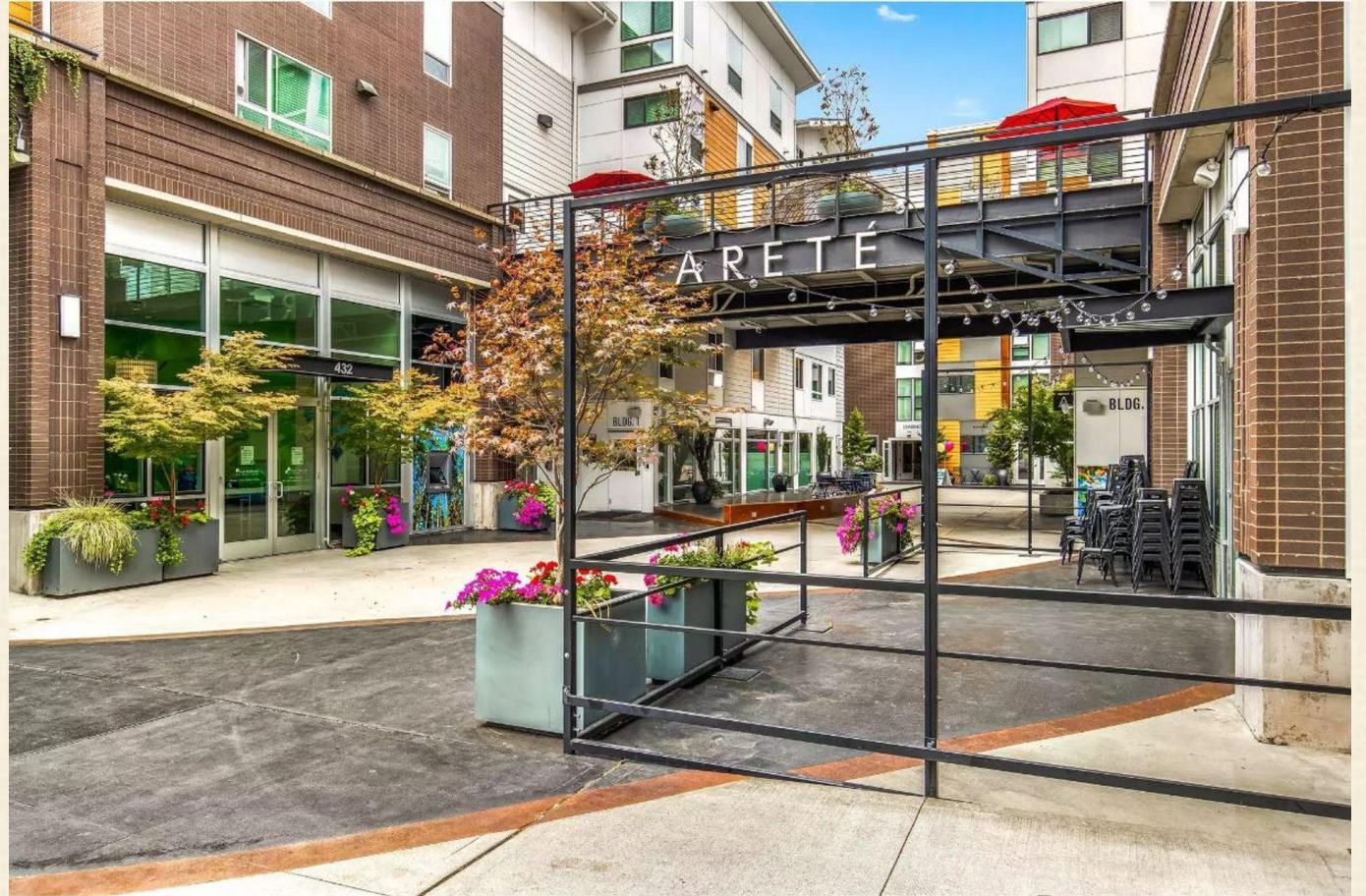
# Is there actually demand for co-living housing?

Single-person households  
fastest growing

Higher occupancy  
(97%-99%)

Same/longer stays

Access housing right away  
– no 2-year waitlist





# The human value of co-living

More time (no commute)

A bigger budget (no car payment)

More connection with neighbors

More connection with the community





# Mixed Income Communities





# Co-living (and all dense housing) is climate policy



Protect our forests



Keep cars off the road



Smaller utility bills



Protect our farmlands



Build smaller parking garages



Smaller per person ROW demand



The Traditional Choice:  
Drive until you can afford housing



The Co-Living Choice:  
Fully live in the community where you work

I LIVE HERE



I WORK HERE

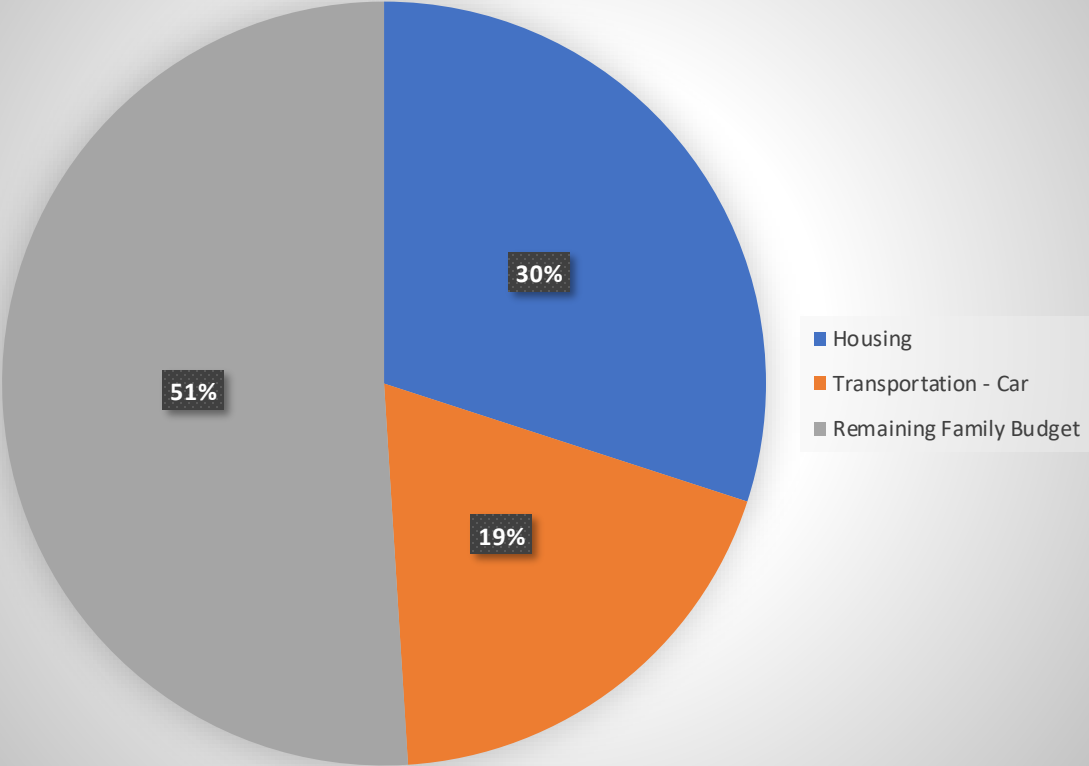


I PLAY HERE



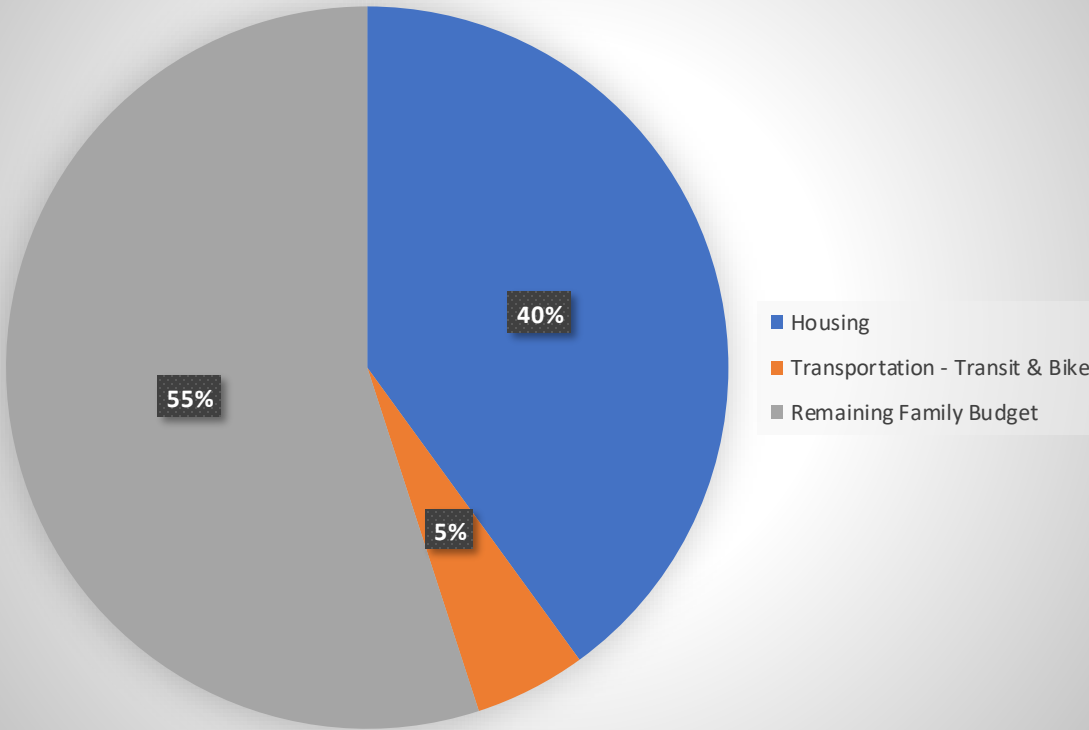
# TRADITIONAL FAMILY BUDGET

H&T Index (49% of Budget) - 80% AMI



# 10 MINUTE COMMUNITY FAMILY BUDGET

H&T Index (49% of Budget) - 80% AMI







“Areté is an unsubsidized, affordable, high-quality living experience that is walking distance to many employers and neighborhood services.

**If every city built projects like Areté there would be no affordable housing crisis in this country.”**

-- Fannie Mae Representative

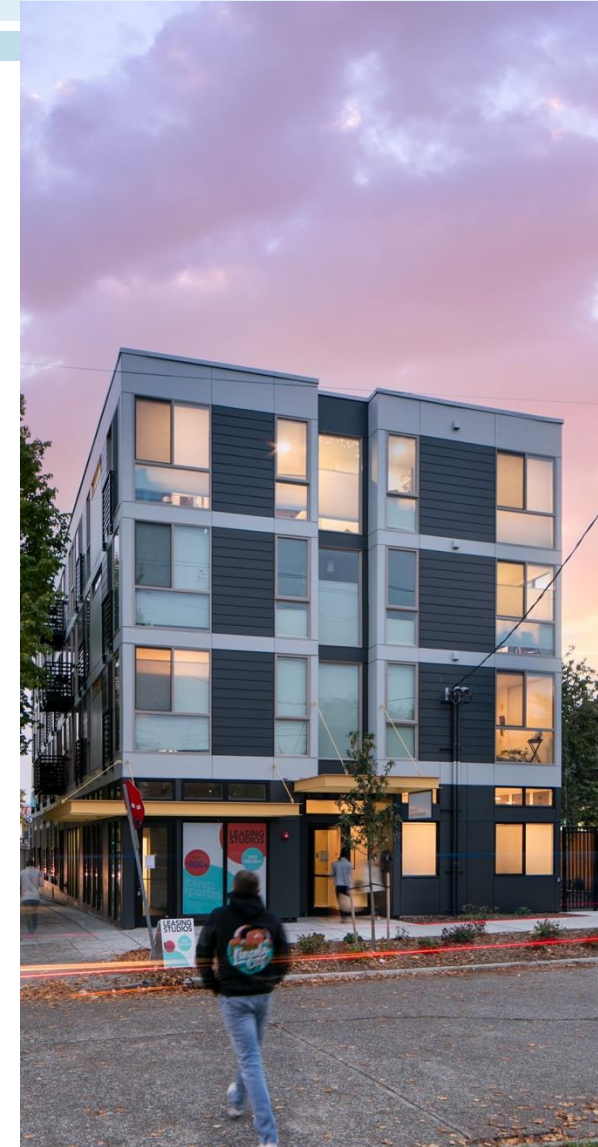
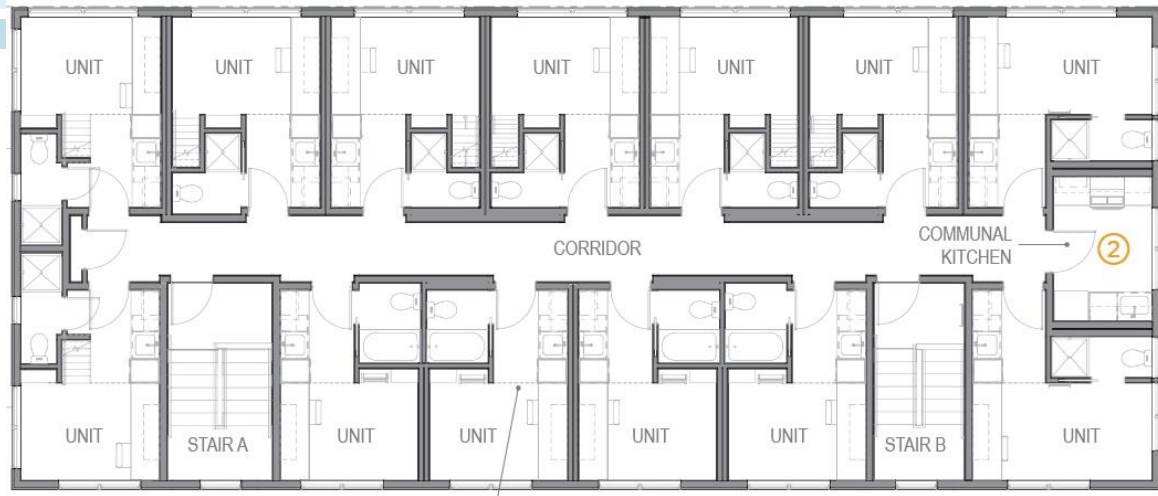




## HB 1998 Co-Living – Implementation Details

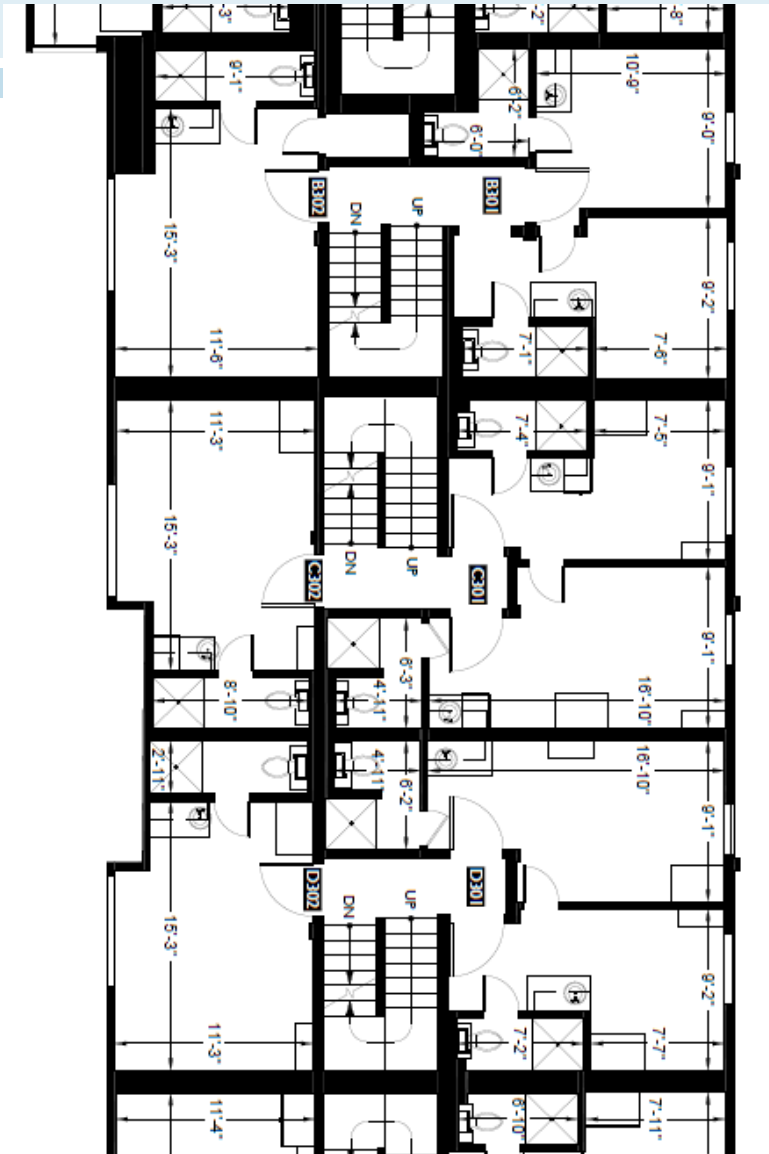
WA APA 2025 CONFERENCE - OCTOBER 8 2025

# Co-Living Formats - Apartments



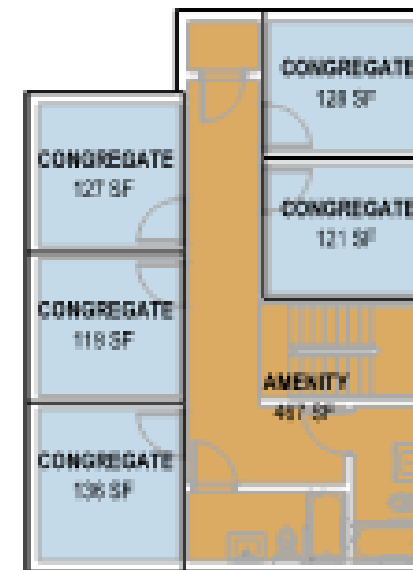
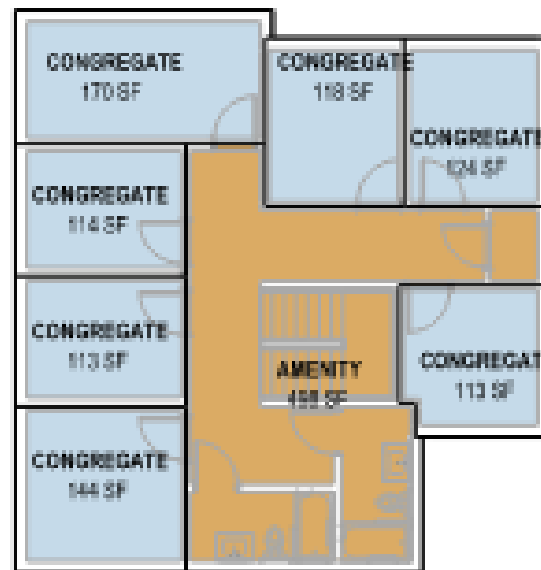


# Co-Living Formats – Pods / Shared Units





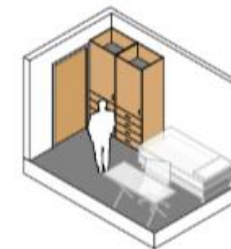
# Rooming Houses



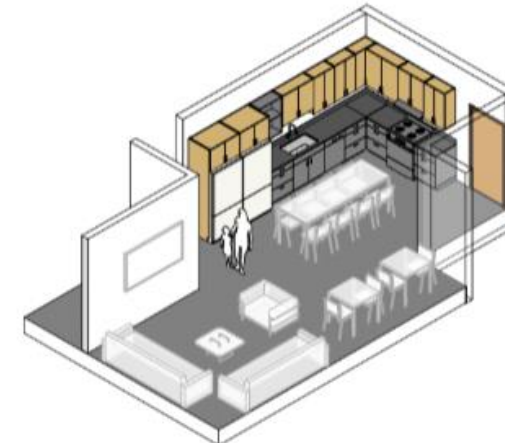
# Co-Living Formats - SROs



② SLEEPING ROOM W/ LOFT



① SLEEPING ROOM



# Potential Obstacles

## **Parking**

- 1:4 parking ratio. Zero is a lot better

## **Density limits**

- SROs = 500-600 units/acre
- Congregate apartments = 300-400 units/acre
- Rooming house = works anywhere

## **Quasi Density Limits**

- Per Unit Open Space
- Children's Playground requirements
- Landscaping requirements



# Potential Obstacles

## **Accessibility**

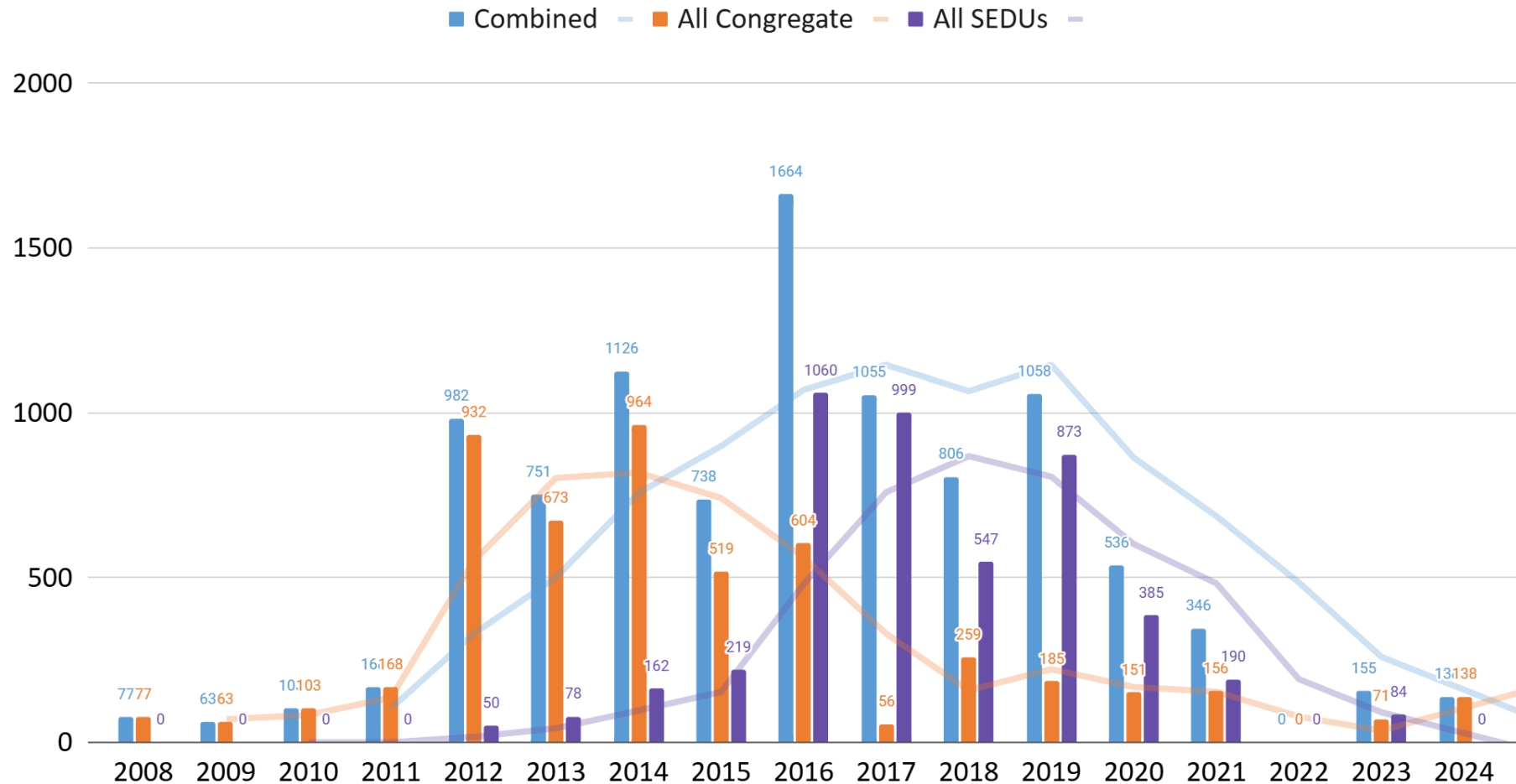
- Typical congregate unit ~150-170sf
- Accessible unit = min 250sf
- Elevator = 100% accessible units
- No elevator = ground floor accessible units

## **Viable Business Model**

- The renter base for micros is economically vulnerable.
- In Seattle strong tenant protections have broken affordable housing economics.
- Developers can't be both housing providers and the de-facto social safety net.

# Seattle Microhousing 2008 -2024

Seattle Microhousing - Permitted Units 2008-2024







# Co-Living and HB 1998: Affordable Housing without Public Subsidy

HYPER-AFFORDABLE  
LUXURY HOMEOWNERSHIP

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[www.reSpace.co](http://www.reSpace.co)



reSpace<sup>®</sup>  
LIVE LARGE, PAY SMALL

OWNERSHIP AT RENTAL PRICES

*reSpace creates hyper-affordable luxury homeownership, in the areas everyone wants to live, but few can afford. We do this through an innovative Co-Homeownership model.*

[www.reSpace.co](http://www.reSpace.co)





## Millennials' Path to Homeownership is Blocked

- Millennials are tracking behind older generations in homeownership.
- Home prices in metro areas have risen by 50% in the last decade
- 70% of \$1.7 trillion in student loan debt is burdening Millennials
- Millennials believe homeownership is permanently out of reach

Own your space  
for the same cost as renting a one-bedroom  
apartment

*reSpace buyers own a private suite with an individual mortgage, share common areas, and build community.*

But...

reSpace®

LIVE LARGE, PAY SMALL

This is the alternative.  
\$850,000 buys this.





Or, co-homeownership for \$200,000.



THE GROVE

BY

reSpace®



# reSpace Solution

## Private Suite Includes:

- Ensuite Bath
- Walk-In Closet w/ Washer & Dryer hookups
- Wet Bar & Coffee Station
- Sitting Area / Work Station

## Shared Amenities:

- Gourmet Kitchen with Dining Area
- Designer Livingroom
- Outdoor Amenities and Community Features

## Monthly cost includes:

- Mortgage
- Taxes
- Insurance
- Reserves for Repairs
- Maintenance & Handyman
- Professional Landscaping
- Professional Cleaning of Common Areas



Own your space  
for the same cost as renting a studio apartment

*reSpace buyers own a private suite with an individual mortgage, share common areas, and build community.*

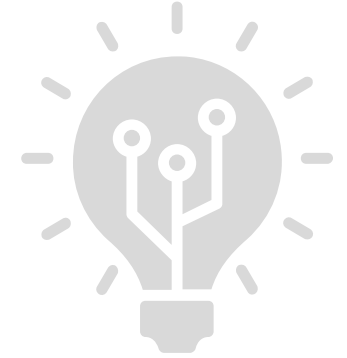
**reSpace**<sup>®</sup>

LIVE LARGE, PAY SMALL

# reSpace Implementation

## **PATENT PENDING**

reSpace has filed a utility patent application for a proprietary system enabling fractional real estate investment among unrelated parties. Our innovation streamlines property identification, buyer matching, and ownership structuring, redefining accessibility and sustainability in co-homeownership.



## **FIRST TO MARKET**

reSpace's innovative application of the co-homeownership model is the first of its kind, revolutionizing the way people access homeownership in high-demand urban markets.

## **SCALABILITY**

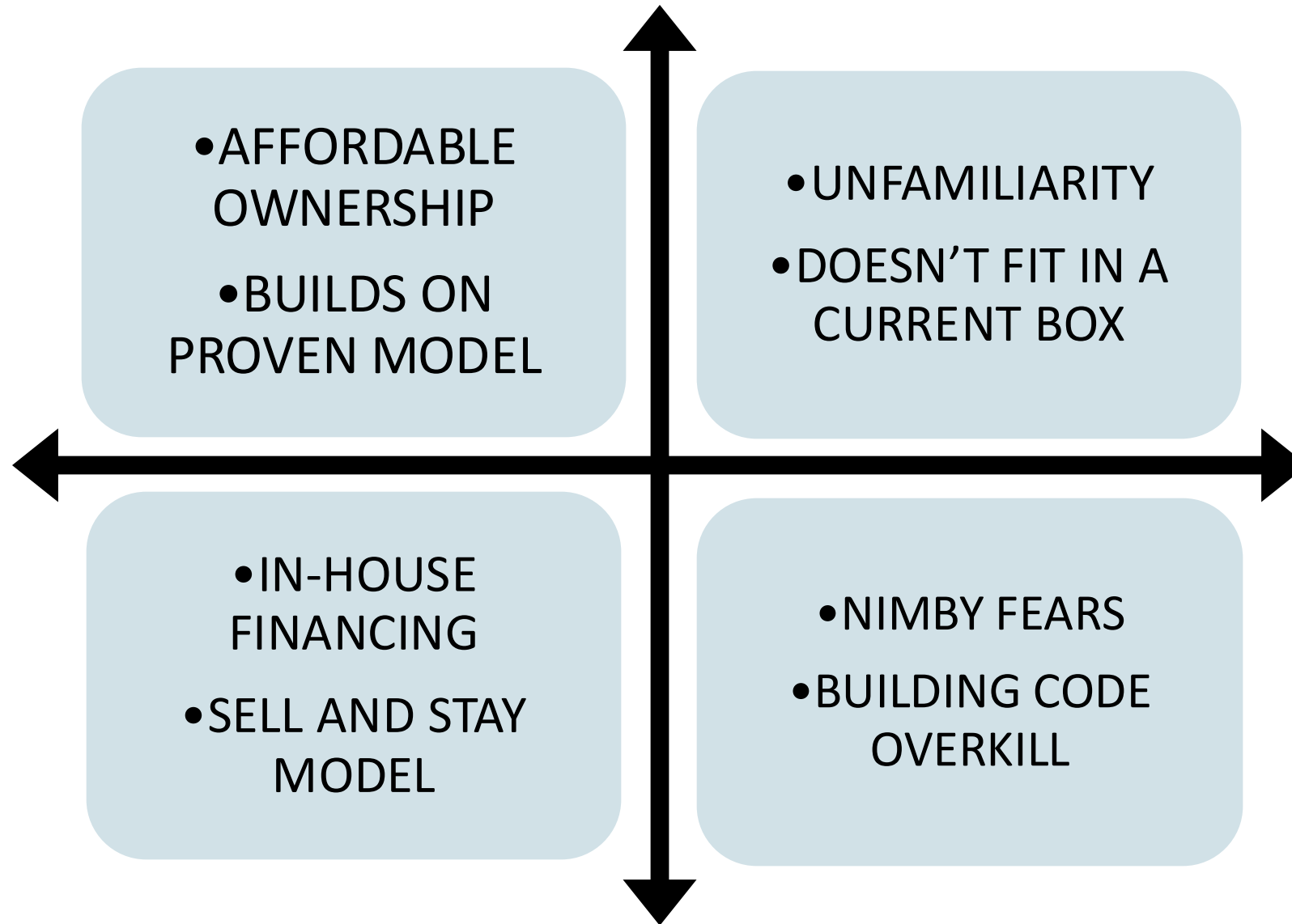
Our proprietary model is designed for scalability, eliminating barriers to affordable and accessible co-homeownership for everyone, and positioning reSpace as a leader in the growing co-living movement.



# SWOT ANALYSIS

reSpace<sup>®</sup>

LIVE LARGE, PAY SMALL



# SWOT Analysis

reSpace®

LIVE LARGE, PAY SMALL

## ***Strengths***

### *Affordable Ownership*

For the cost of a typical one-bedroom in our markets, reSpace offers owners to build equity through ownership

### *Builds on Proven Model*

Demand exists not only from an affordability standpoint, but for the type of community integrated housing provided.

## ***Weaknesses***

### *Unfamiliarity*

Being a relatively new product, people didn't grow up with co-homeownership. Humans tend to reject things they are unfamiliar with.

### *Doesn't Fit in a Current Box*

Regulatory authorities don't know how to evaluate. Is it multifamily? Is it single-family?

# SWOT Analysis

reSpace<sup>®</sup>

LIVE LARGE, PAY SMALL

## ***Opportunities***

### *In-House Financing*

reSpace offers 100% LTV for owners to provide the opportunity for as many people as possible

### *Sell and Stay Model*

Aging in place or empty nesters cash out equity, retain the rest of their equity, and stay in their home, neighborhood, and community

## ***Threats***

### NIMBY Fears

Unfamiliarity breeds fear of negative externalities, especially parking and noise.

### *Building Code Overkill*

Requiring firewalls, sprinklers, and more due to uncertainty on how to regulate this model



## ***SB 1998 Implementation (Snohomish County)***

Co-Living... units are  
independently rented...

Co-living housing dwellings  
are a multi-family dwelling  
type. Leasing of rooms in  
single family dwellings are  
permitted under the use  
boarding house

## ***Current Zoning (Snohomish County)***

"*Boarding house*" means  
a [building](#), other than a [hotel](#),  
where lodging or lodging  
and meals are provided for  
compensation to  
nontransient [persons](#). (Added  
by Amended Ord. 02-064,  
Dec. 9, 2002, Eff date Feb. 1,  
2003).

# Planning Environment

reSpace®

LIVE LARGE, PAY SMALL

TYPE OF USE	R- 9,60 0 <sup>88</sup>	R- 8,40 0 <sup>88</sup>	R- 7,20 0 <sup>88</sup>	T	LDM R	MR	N B	PC B	CB 128	GC 128	IP 76	BP	LI <sup>55</sup> , 76	HI 55	MH p <sup>114</sup>	UC 122	MU C <sup>122</sup>
<b>Boarding House</b>	p <sup>15</sup>	p <sup>15</sup>	p <sup>15</sup>		P	P	P		P	P					P	P	P
<b>Dwelling, Attached Single Family<sup>140</sup></b>	P	P	P	P	P	P						p <sup>5</sup> <sub>1</sub>					
<b><u>Dwelling, Co-Living<sup>140</sup></u></b>					<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>		<u>P</u> <sub>51</sub>				<u>P</u>	<u>P</u>
<b>Dwelling, Single Family<sup>140</sup></b>	P	P	P	P	P	P						p <sup>5</sup> <sub>1</sub>			p <sup>4</sup>		

# Building Code

reSpace®

LIVE LARGE, PAY SMALL

Type I or Type II?  
Occupancy Type?

Is it multifamily? Single-family? Does it need fire suppression? Fire walls? How many dryer vents are permitted?

reSpace suites are individual living within a single-family home.

People are already living as roommates, reSpace's big disruptor is we're organizing shared ownership instead of rentals





# August 2025 - PERMITS ISSUED



## THE GROVE

BY

reSpace®





reSpace®

LIVE LARGE, PAY SMALL

Thank You!

CONTACT KATRINA ROMATOWSKI



**(206) 279-9944**



**KATRINA@RESPACE.CO**



**WWW.RESPACE.CO**

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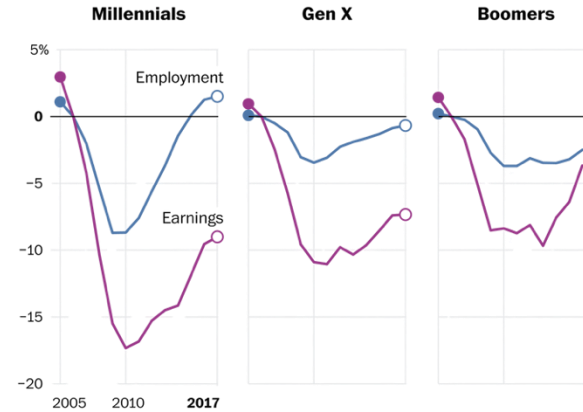
# The Affordable Housing Crisis

## Millennials' Path to Homeownership is Blocked

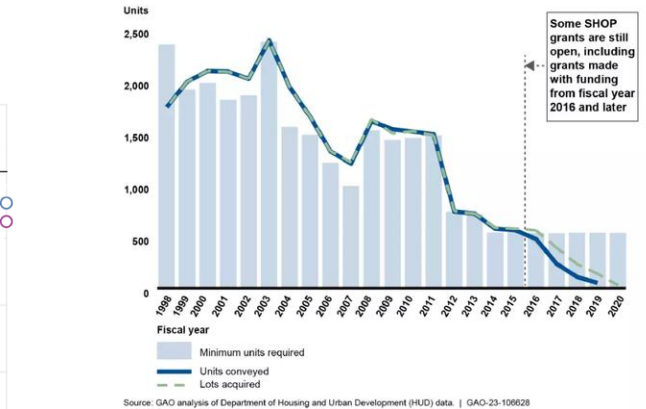
- Millennials are tracking behind older generations in homeownership.
- Home prices in metro areas have risen by 50% in the last decade
- 70% of \$1.7 trillion in student loan debt is burdening Millennials
- Millennials believe homeownership is permanently out of reach

### Millennial employment recovered. Earnings never did.

Great Recession's effect on employment and earnings, shown as a difference from their average level

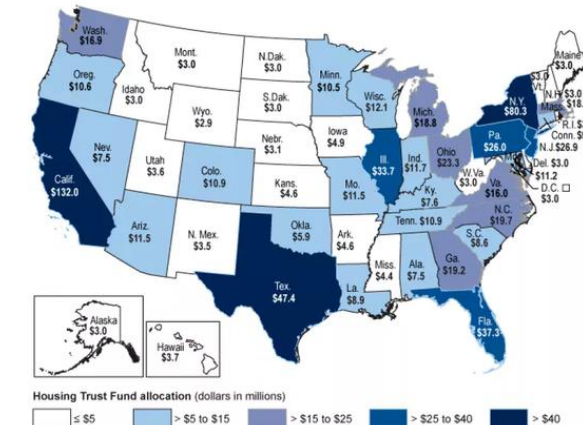


Source: Kevin Rinz  
THE WASHINGTON POST



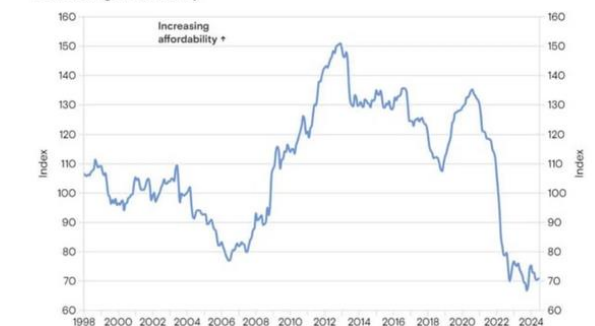
Source: GAO analysis of Department of Housing and Urban Development (HUD) data. | GAO-23-106028

### Demand Exceeds Supply



Source: GAO presentation of Department of Housing and Urban Development data. Mapinfo (map). | GAO-23-105370  
Note: Dollar amounts in the figure are rounded to one decimal place.

### US housing affordability remains at record lows



Source: Goldman Sachs Research

Goldman Sachs