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Are cottages like this a fix for WA housing problems? How zoning change played out in South Park

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 **1 of 6** | Thien Ly Bui, 40, purchased a home in South Park, part of a Habit for Humanity project of 13 condo cottages. She moved into her home in October. “I... (Daniel Kim / The Seattle Times) **More** 



By [Daniel Beekman](#) 

Seattle Times staff reporter

In a roundabout way, Thien Ly Bui owns her home partly because of a zoning change.

Had Seattle not updated its land-use regulations for certain streets three years ago, Habitat for Humanity wouldn't have been able to replace a single-family house and a vacant lot near Highway 99 in the South Park neighborhood with 13 condo cottages, including the home that Bui now owns.

That's the argument that a local Habitat for Humanity chapter is making, at least, as state lawmakers [consider bills](#) that would allow somewhat denser housing to be built in communities throughout Washington that are currently reserved for single-family houses.

Proponents of the bills backed by Gov. Jay Inslee say cities large and small need more "middle housing" options — dwellings like duplexes, town homes and cottages that are neither single-family houses nor apartment complexes. Foes and skeptics are raising concerns about overdevelopment and making the case that cities should maintain local control.

The House bill in question cleared a key hurdle Monday, passing out of the Appropriations Committee by a narrow margin.

Not all middle housing is particularly affordable: There are high-end town homes selling for close to \$1 million in some Seattle neighborhoods.

But Habitat's local chapter, which creates housing to sell at below-market prices in King and Kittitas counties, has lobbied hard for the middle housing bills because, according to Ryan Donohue, the organization's policy and advocacy director, multifamily projects are the only projects the nonprofit can afford to build in a region where real estate costs have soared.

"Traditionally, when you thought about Habitat, you thought about single-family houses with yards and white picket fences," Donohue said. "Nowadays, that's not what we do at all."

Habitat points to its South Park cottages as a success story that should be replicated. The two-level, two-bedroom homes (some attached, some not) surround a courtyard with a towering evergreen tree. They were priced for families earning below 80% of the area's median income.

Bui, a 40-year-old insurance agent, moved in last October. She was desperate to buy a place, partly because she wanted to be able to pass down a home to her son, who has special needs.

"This was perfect for me," she said.

Especially in working-class communities like South Park, historically a Latino hub, zoning changes and development can contribute to gentrification and displacement. At the same time, locally controlled regulations are severely restricting where Habitat can build across the Seattle area, Donohue said.

"The status quo isn't working," he said, citing the state's housing shortage. "We need to open up more neighborhoods."

Without major changes, many working parents like Bui will continue to struggle to find stability, he said. For her, bidding for a single-family house — subsidized or not — was out of the question.

"I didn't want to live in an apartment anymore. I didn't want to rent anymore," she said. "I think there are a lot of people like me."

South Park project

The South Park project came together in an unusual way, via Blueprint Capital, a Seattle real estate company that's tangled with disgruntled neighbors several times in the past decade for using permitting loopholes to squeeze new homes into tight spaces.

Blueprint initially targeted the site for market-rate development, knowing that the city's [2019 zoning changes](#) and the site's multilot configuration [would accommodate](#) denser housing. But the company's math showed the project wouldn't make enough money, acquisitions manager Caleb Walters said. So Blueprint contacted Habitat, which didn't need to turn a profit and which was exempt from fees that the city started charging in 2019.

Habitat bought the site in 2020 for \$500,000, paid Blueprint to handle design and permitting and completed the construction last year (a departure for an organization that has traditionally relied on volunteers and donations).

The organization worked with the Duwamish Valley Affordable Housing Coalition (DVAHC) to select buyers for the cottages, which were permitted as a combination of single-family houses, town homes and accessory units.

Habitat required the buyers to contribute 250 hours of "sweat equity" through construction or other work and used a land trust model. The nonprofit has retained ownership of the ground under the homes and the buyers have agreed to restrictions when they sell that will limit their equity gains while keeping the homes affordable in the long term.

DVAHC targeted would-be buyers with ties to South Park and nearby, said Maria Ramirez, who chairs the organization. The cottages sold for as low as \$210,000, whereas similar units that Blueprint helped develop in West Seattle recently sold on the open market for \$450,000 to \$675,000, Walters said.

"You would think [the South Park cottages] would have sold in a day," Ramirez said. In reality, the process lasted months, she said, because the buyers had to meet income

qualifications and obtain mortgages.

“There were a lot of hoops to jump through,” but the hassle was worthwhile, said Brandi Jackson, who was living in a subsidized apartment in Magnuson Park before she moved to South Park. Her cottage is large enough to accommodate her son when he visits during breaks from college, she said.

“My parents bought their house in the ’70s for \$50,000. Now it’s worth over \$1 million,” estimated Jackson, 47, a paraeducator who grew up on Beacon Hill. “I have too many friends in my age group who are still renting. They can only dream about owning a home.”

Zoning debate

Habitat’s project made sense for South Park, because the cottages fit in with the surrounding homes and were affordable, Ramirez said.

The buyers included Aurora Pacheco, an elementary school teacher who had been living in the neighborhood for more than a decade, squeezed into a one-bedroom apartment with her daughter.

Pacheco, 37, was determined to stay in South Park, where the library and panaderia workers know her name and have watched her daughter grow. But home prices have spiked in the neighborhood, and she couldn’t afford to buy until Habitat’s project came along. Now her daughter has her own bedroom and is doing better in school.

“This can be our starter home. This can be our forever home,” she said.

Not all development in South Park has been as welcome. Several low-slung apartment buildings with modest rents have been razed in recent years to make way for higher-end apartment buildings and town homes, said Robin Schwartz, a DVAHC member who’s seen the parents of some of her children’s classmates priced out of the neighborhood.

“Like they say, any additional housing removes some of the pressure” that Seattle’s growing population and economy have brought to bear on the market, said Schwartz,

who works for the Duwamish River Community Coalition. “But there need to be policies that make sure the density is directed at low-income people in some way, and not just the highest bidder.”

DVAHC would like to help existing renters buy some older apartment buildings in South Park and preserve them as affordable through arrangements like co-ops, Ramirez said. The middle housing bills under consideration in Olympia wouldn't address that aim directly.

Instead, the bills would open more blocks in large cities like Seattle and Spokane and smaller cities like Bothell and Bremerton to housing that could look like Habitat's South Park project and Blueprint's West Seattle project.

[House Bill 1782](#), sponsored by Rep. Jessica Bateman, D-Olympia, would require cities with at least 20,000 people to allow all middle housing options (defined as duplexes, triplexes, fourplexes, accessory units, cottages, stacked flats, town homes and courtyard apartments) within a half-mile of transit stops with frequent service.

The still-evolving bill would require such cities to allow duplexes and accessory units beyond a half-mile of such stops. Earlier in the session, amendments championed by Rep. Gerry Pollet, D-Seattle, [added language](#) that would time the zoning changes with land-use planning by cities and require cities to account for concerns like displacement, pollution and the loss of tree canopy.

Density proposals have met some pushback in Washington cities in recent years, including in Seattle. Habitat is worried about a Pollet amendment that would limit middle housing to lots of at least 4,500 square feet. But Donohue is mostly optimistic about the potential for statewide changes, he said.

With states like California and Oregon paving the way, “The conversation around

zoning ... has reached a fever pitch,” said Donohue, whose eyes were glued to his computer screen Monday for the House committee vote.

Janet Otieno wasn’t watching, but the certified nursing assistant has pondered the debate since moving to a South Park cottage with her toddler in November. Otieno, 34, can sympathize with people who, having chosen to live in areas zoned for single-family houses, are anxious about changes.

“I do respect that,” she said.

Were the roles reversed, however, Otieno thinks she would welcome new neighbors, she said, based on her own experience. Until she discovered Habitat, she had “shelved the idea” of homeownership, she said.

“It’s a beautiful feeling to have a home,” especially, she added, “when you’re trying to get your own wings.”

Seattle Times staff reporter Heidi Groover contributed to this report.

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