



CITY OF KIRKLAND
Department of Planning and Community Development
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www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Dawn Nelson, Planning Supervisor
Eric Shields, Planning Director
Arthur Sullivan, ARCH Program Manager

Date: December 29, 2009

Subject: **DESIGNATION OF RESIDENTIAL TARGETED AREAS FOR MULTIFAMILY TAX EXEMPTIONS (FILE ZON09-00005)**

RECOMMENDATION

Staff recommends that the City Council hold a public hearing to receive citizen input on the designation of residential targeted areas pursuant to Chapter 84.14 RCW. This will establish the areas where new or rehabilitated multifamily residential units may qualify for an eight or twelve year property tax exemption if affordable housing is provided. Following the hearing, staff recommends that the Council adopt the enclosed ordinance amending Section 5.88.030 of the Kirkland Municipal Code to show the revised residential targeted areas.

BACKGROUND

Chapter 84.14 RCW requires that the City hold a hearing to establish residential targeted areas within which the Multifamily Housing Property Tax Exemption will be available. The existing residential targeted areas identified in Section 5.88.030 of the KMC do not include all of the areas of the City where affordable housing requirements were established with the adoption of O-4222 on December 15, 2009. The tax exemption is critical in filling the gap between the cost of providing an affordable housing unit and the value of the land use and fee incentives provided in the Zoning regulations. The attached ordinance establishes residential targeted areas that cover all properties where affordable housing is required as part of new multifamily or mixed use development, as shown in the attached maps.

The criteria for designating residential targeted areas are identified in Section 5.88.030(a) of the KMC as:

5.88.030 Residential targeted areas—Criteria—Designation—Rescission.

(a) Following notice and public hearing as prescribed in RCW 84.14.040, the city council may designate one or more residential targeted areas, in addition to the areas stated in subsection (d) of this section, upon a finding by the city council in its sole discretion that the residential targeted area meets the following criteria:

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- (1) The residential targeted area is within an urban center as defined by Chapter 84.14 RCW;
- (2) The residential targeted area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if the affordable, desirable, attractive and livable residences were available; and
- (3) Providing additional housing opportunity in the residential targeted area will assist in achieving one or more of the following purposes:
 - (A) Encourage increased residential opportunities within the city; or
 - (B) Stimulate the construction of new affordable multifamily housing; or
 - (C) Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

Urban centers are defined in Chapter 84.14 RCW as compact identifiable districts where urban residents may obtain a variety of products and services. Each of the proposed residential targeted areas contains a mix of housing, commercial and office uses.

ORDINANCE NO. 4232

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO RESIDENTIAL TARGETED AREAS AND AMENDING SECTION 5.88.030 OF THE KIRKLAND MUNICIPAL CODE.

WHEREAS, Washington state law, Chapter 84.14 RCW, provides for the exemption from ad valorem property taxation for the value of eligible improvements associated with qualifying multi-unit housing located in residential targeted areas and authorizes the City to designate said residential targeted areas; and

WHEREAS, the stated purpose of Chapter 84.14 RCW is to increase residential opportunities by stimulating construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in areas where the City finds there are insufficient residential opportunities; and

WHEREAS, the City Council solicited public comment regarding the residential targeted areas and this Ordinance at a public hearing on January 5, 2010 and gave notice of hearing in accordance with RCW 84.14.040; and

WHEREAS, the City finds that the areas designated as residential targeted areas in this Ordinance are each located within an urban center as defined in RCW 84.14.010, that each area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in such areas if the affordable, desirable, attractive and livable residences were available; and that the residential targeted areas implemented by this Ordinance will encourage increased residential opportunities within the City and stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Section 5.88.030 of the Kirkland Municipal Code is hereby amended to read as follows:

As set forth in Attachment A attached to this ordinance and incorporated by reference.

Section 2. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary

form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2010.

Signed in authentication thereof this _____ day of _____, 2010.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

5.88.030 Residential targeted areas—Criteria—Designation—Rescission.

(a) Following notice and public hearing as prescribed in RCW 84.14.040, the city council may designate one or more residential targeted areas, in addition to the areas stated in subsection (d) of this section, upon a finding by the city council in its sole discretion that the residential targeted area meets the following criteria:

(1) The residential targeted area is within an urban center as defined by Chapter 84.14 RCW;

(2) The residential targeted area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if the affordable, desirable, attractive and livable residences were available; and

(3) Providing additional housing opportunity in the residential targeted area will assist in achieving one or more of the following purposes:

(A) Encourage increased residential opportunities within the city; or

(B) Stimulate the construction of new affordable multifamily housing; or

(C) Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

(b) In designating a residential targeted area, the city council may also consider other factors, including:

(1) Whether additional housing in the residential targeted area will attract and maintain an increase in the number of permanent residents;

(2) Whether providing additional housing opportunities for low and moderate income households would meet the needs of citizens likely to live in the area if affordable residences were available;

(3) Whether an increased permanent residential population in the residential targeted area will help to achieve the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the city's comprehensive plan; or

(4) Whether encouraging additional housing in the residential targeted area supports plans for significant public investment in public transit or a better jobs and housing balance.

(c) At any time, the city council may, by ordinance, in its sole discretion, amend or rescind the designation of a residential targeted area pursuant to the same procedural requirements as set forth in this chapter for original designation.

(d) The following areas, as shown in Maps 1 through 4-8 in this section, meet the criteria of this chapter for residential targeted areas and are designated as such:

(1) Central Kirkland/~~Houghton~~;

(2) Totem Lake and North Rose Hill;

(3) Juanita; ~~and~~

(4) NE 85th Street; ~~and~~

(5) Houghton/Everest;

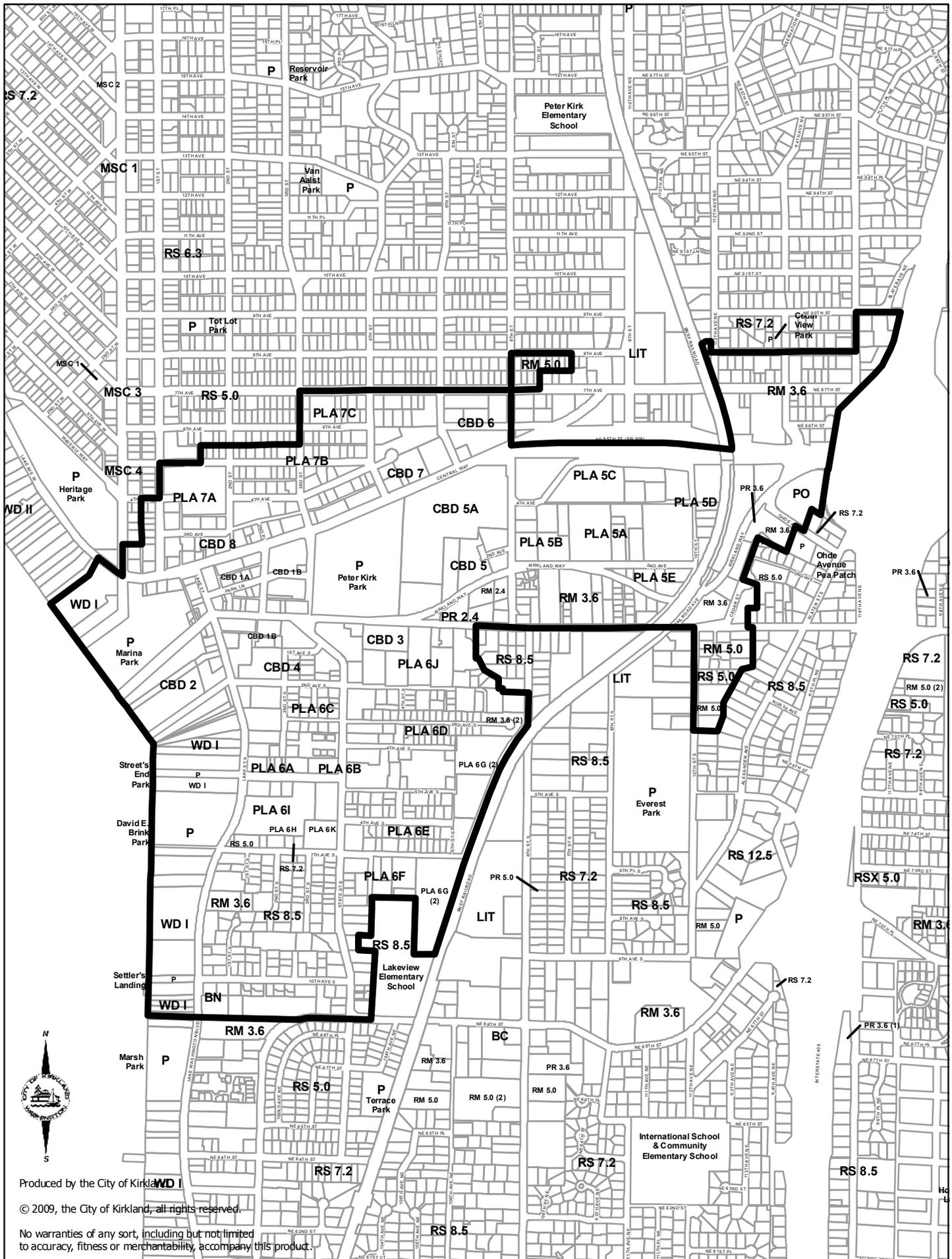
(6) Bridle Trails;

(7) Lakeview; and

(8) Market Street Corridor.

(e) If a part of any legal lot is within a residential targeted area as shown in Maps 1 through 4 in this section, then the entire lot shall be deemed to lie within such residential targeted area.

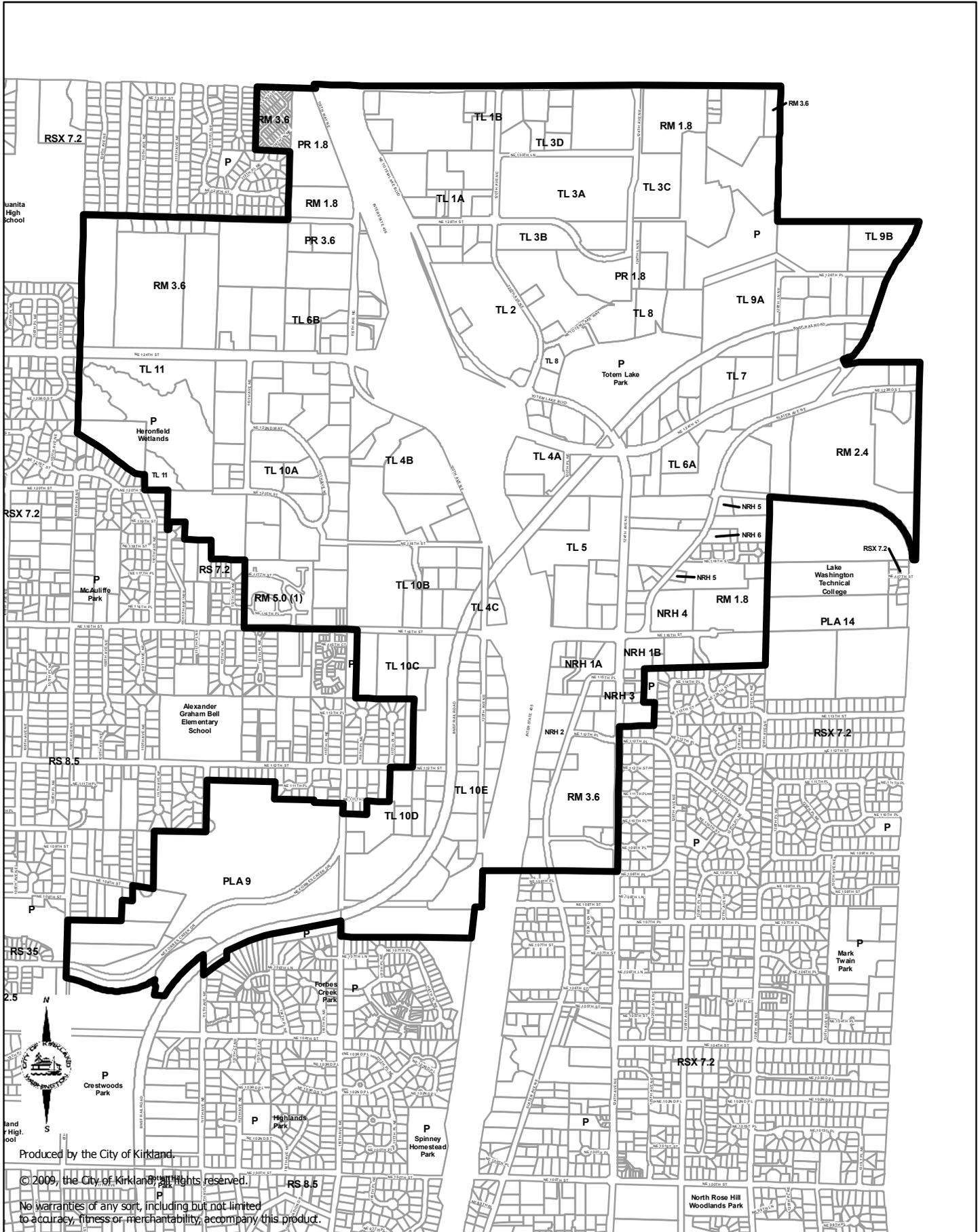
Central Kirkland Residential Targeted Areas



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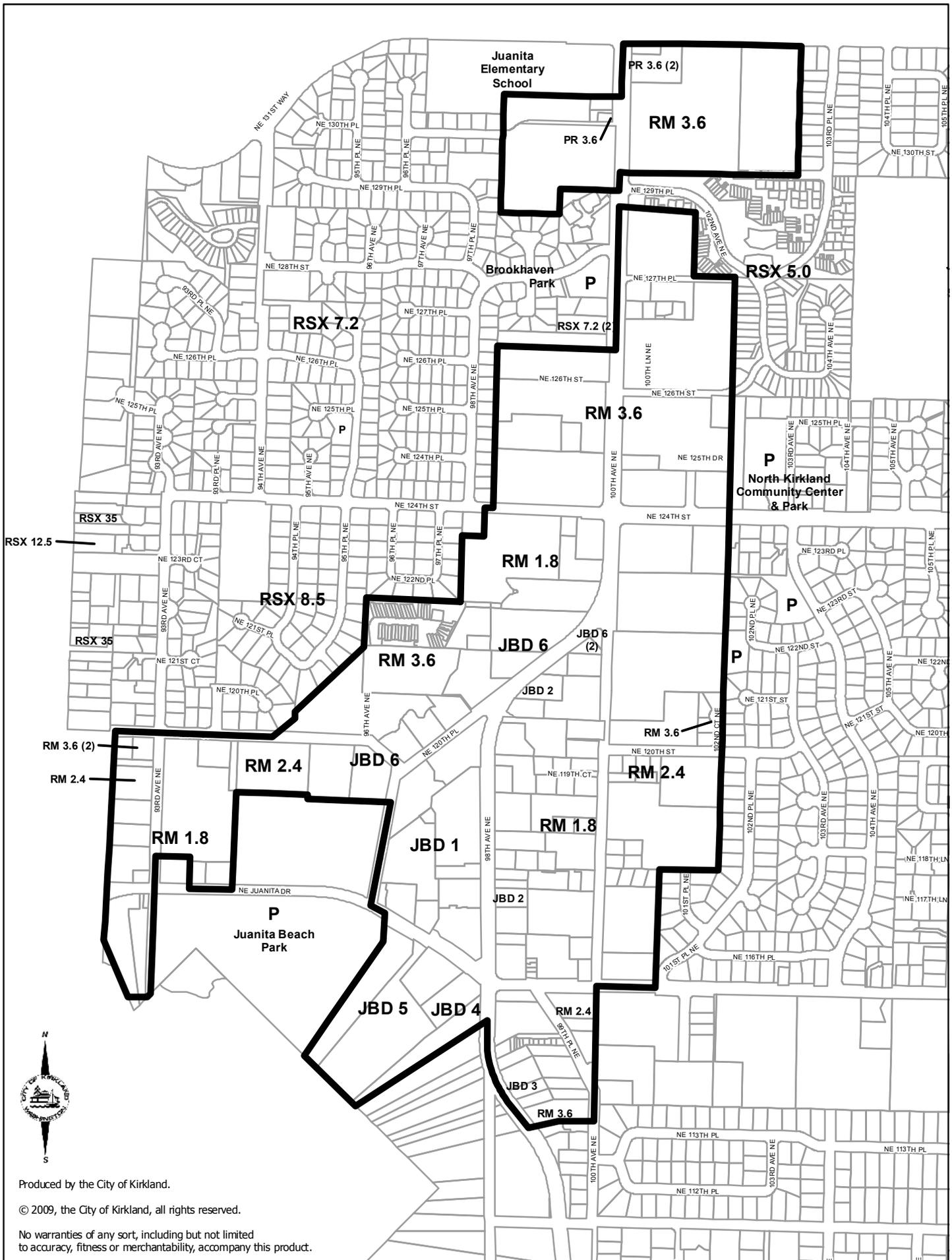
Totem Lake/ North Rose Hill Residential Targeted Areas



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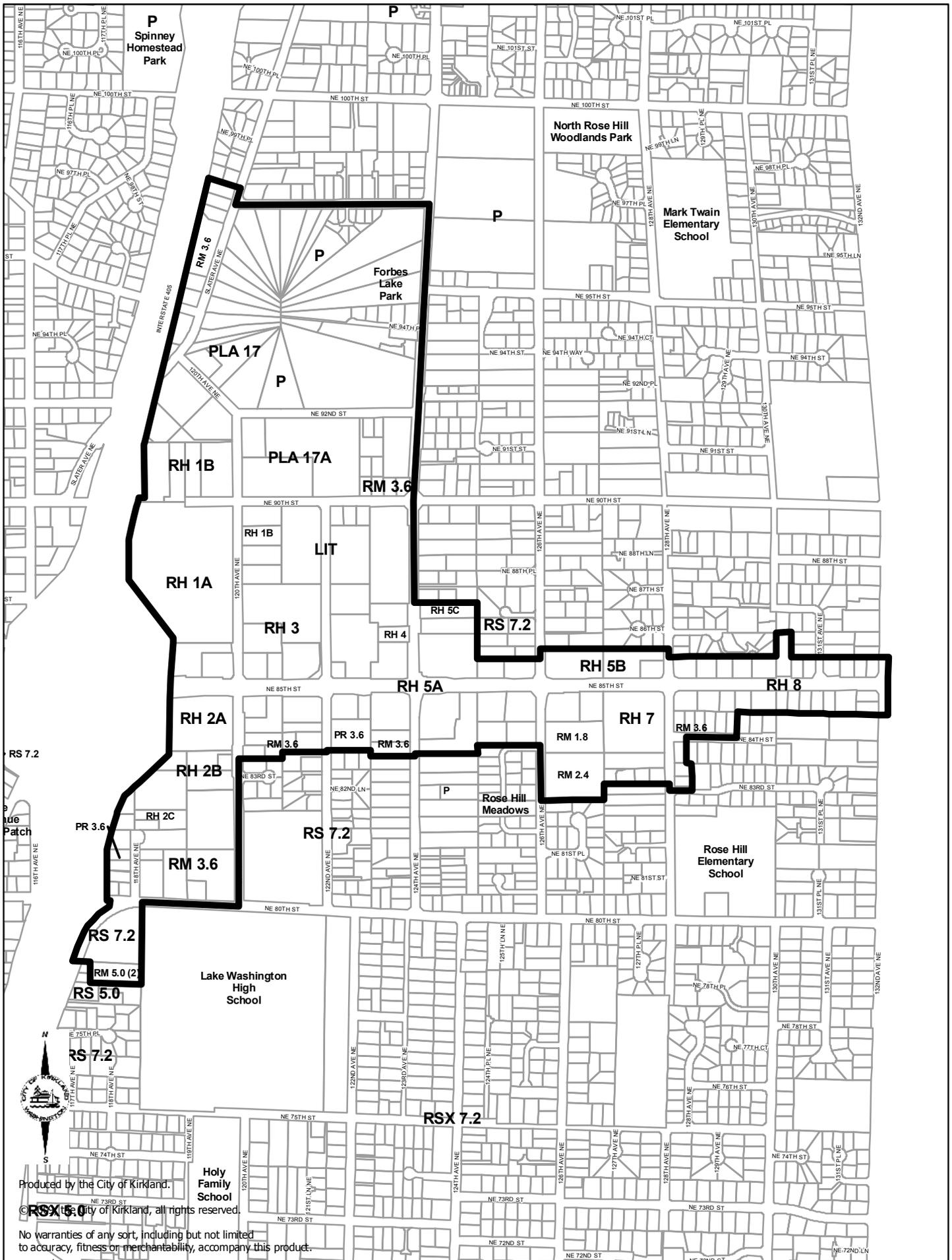
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Juanita Residential Targeted Areas



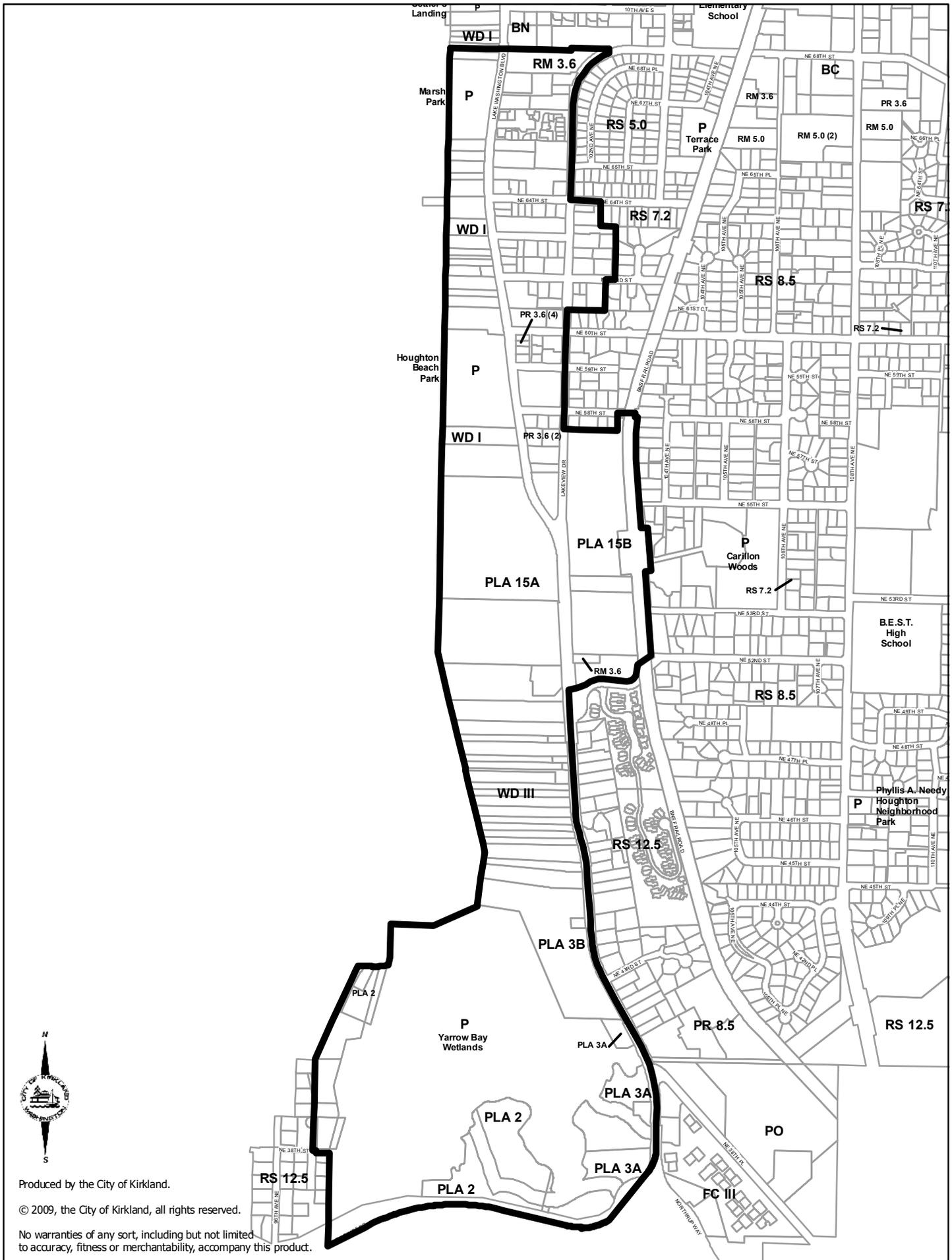
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85th Street Residential Targeted Areas



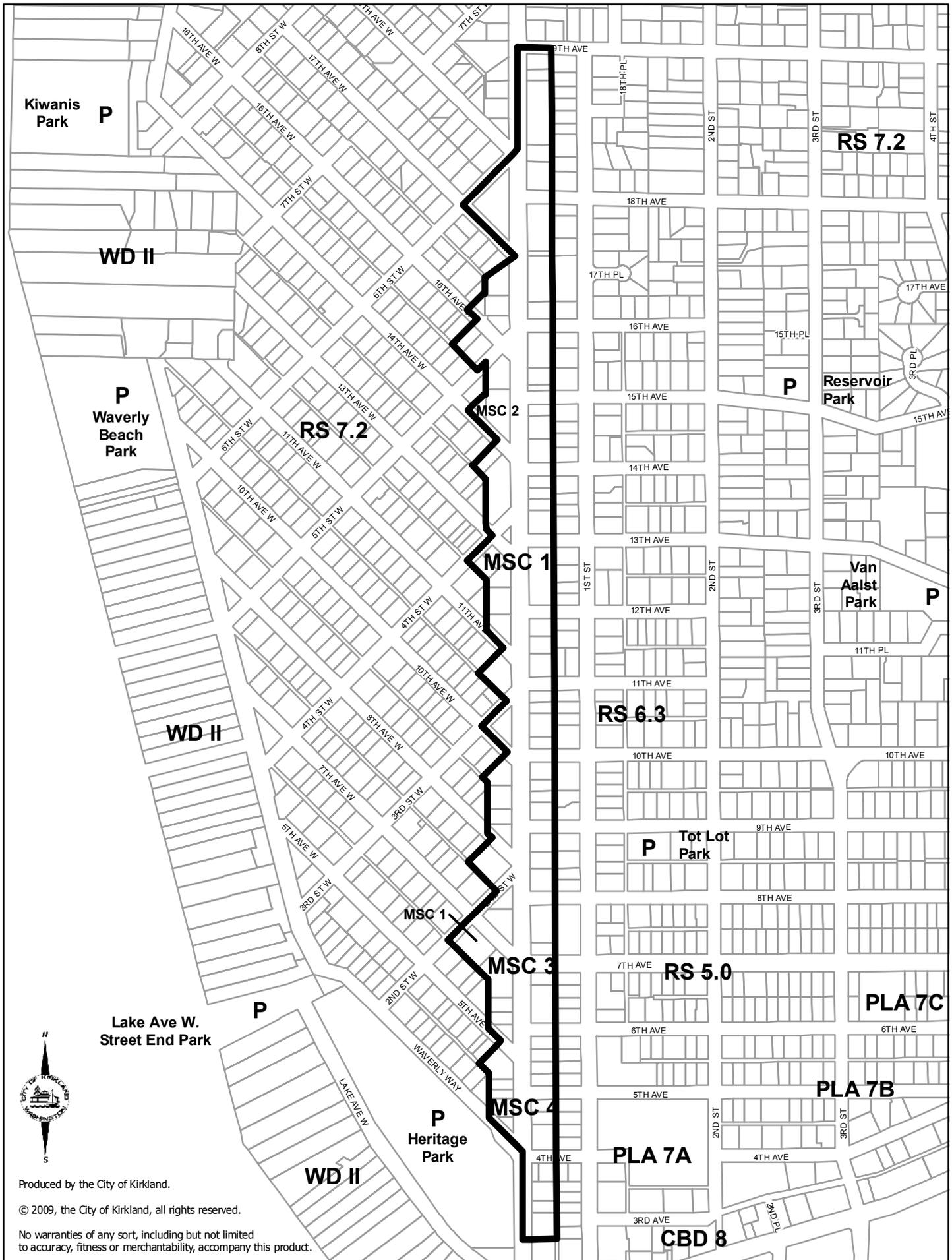
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Lakeview Residential Targeted Areas



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Market St. Corridor Residential Targeted Areas



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PUBLICATION SUMMARY
OF ORDINANCE NO. 4232

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO RESIDENTIAL TARGETED AREAS AND AMENDING SECTION 5.88.030 OF THE KIRKLAND MUNICIPAL CODE.

Section 1. Amends KMC Section 5.88.030 relating to residential targeted areas.

Section 2. Provides a severability clause for the ordinance.

Section 3. Authorizes publication of the ordinance by summaray, which summary is approved by the City Council pursuant to Section 1.08.017, Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2010.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk