



CITY OF KIRKLAND

Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Dorian Collins, Senior Planner
Dawn Nelson, Planning Supervisor
Arthur Sullivan, ARCH Program Manager
Eric Shields, Planning Director

Date: March 6, 2008

Subject: Council Retreat Discussion: Affordable Housing
File ZON07-00037

RECOMMENDATION

Staff recommends that the City Council hear presentations and give staff direction on the questions identified in sections 1.G, 2 and 3 of this memorandum. The questions focus on the next steps for affordable housing regulations, public involvement in this process, priorities for housing preservation and housing goals for transit-oriented-development at the South Kirkland Park and Ride.

BACKGROUND DISCUSSION

The purpose of this memo is to provide a status report to the City Council on staff work on the top priority affordable housing strategies identified at last year's Council retreat discussion on this topic, and to receive input on the next steps as staff moves forward in the implementation of these strategies.

At the first meeting of the Council's committee on affordable housing, the group suggested that the materials for the Council's retreat discussion be preceded by a summary of the City's targets for affordable housing, as context for the discussion to follow on specific affordable housing approaches the Council may choose to consider. Kirkland's Housing Element (See Attachment 19) adopts the targets established in the Countywide Planning Policies for low and moderate income housing. These goals are summarized in the table below:

Affordable Housing Goals City of Kirkland										
	Annual Countywide Targets		1993-2005 Creation of Affordable Housing							
	Low Income: (<50% of Median Income: \$38,950 for family of 4)	Mod Income (50-80% of Median Income: \$38,950- \$62,320 for family of 4)	Low Income				Moderate Income			
			Ann. Avg.	Ann. Target	Total Units Created	Total Target	Ann. Avg.	Ann. Target	Total Units Created	Total Target
Kirkland	24%	17%	12	60	159	780	20	42	264	546

1. Affordable Housing Regulations

A. Current Affordable Housing Incentives

The City of Kirkland adopted a package of incentives, including generous density bonuses, site development flexibility, tax exemptions, and fee waivers in May 2004 to encourage development of affordable housing as part of market rate housing developments in multifamily zones (see Attachment 1). The program is entirely voluntary and was set up so that the value of the available incentives would exceed the cost to the developer of providing the affordable housing units. The affordability requirements are stringent, with rental units required to be affordable to households earning no more than 50% of King County median income and for-sale units required to be affordable to households earning no more than 70% of King County median income.

The density bonus and development flexibility incentives contained in these regulations apply only in zones that have an established maximum density, such as the RM and PR zones (see Attachment 2). For example, in the RM 3.6 zone, 3,600 square feet of land area is required for every residential unit and a property that is 36,000 square feet in size could be developed with 10 units. For a 10 unit project, one affordable unit would be required, and two additional market rate units would be allowed as a bonus, resulting in a 12 unit project. These incentives have not yet been used.

As major rezoning has occurred in the Totem Lake and Rose Hill business districts, the City has offered the option of significant height increases in some areas in exchange for 10% of residential units being affordable. Attachment 3 is a chart showing the incentives available in the TL and RH zones. For example, in the TL6A zone, the basic height limit is 35 feet but residential development is allowed to build to 65 feet if at least 10% of the units are affordable housing units. An

Administrative Design Review application is currently being reviewed for a 170 unit apartment development that would take advantage of the height increase. They are also relying on a potential tax exemption to make the project economically viable.

Why haven't the incentives been used? The majority of residential development since mid-2004 has been in the Central (CBD) and North Rose Hill business districts where land use incentives have not been developed. Permits for a total of 574 multifamily residential units have been issued by the City since the affordable housing incentives were adopted three and a half years ago. Of those, only seven projects and a total of 45 units (8% of the total number of permitted multifamily units) are in zones where the land use incentives are available. In addition, only one of those projects was larger than eight units. This is significant because the density bonus is two additional market rate units for every affordable unit, but the maximum increase in density allowed without going through a zoning permit process is 25%. A minimum project size of eight units is needed in order to effectively use the bonus.

B. Affordable Housing Incentives in Mixed Use Zones

Preliminary discussions were begun in late 2004 with the Planning Commission about a second phase of the program to apply in zones that do not have established density limits expressed in units per acre, such as the CBD and the Juanita Business District. During that process, staff analyzed the possibility of developing maximum Floor Area Ratios (FARs) in order to have a base to which a bonus could be added. However, a review of a variety of projects in different mixed use zones showed that there are too many variables, such as property size, shape and location and land values to develop FAR limitations that would be straight forward and easy to administer.

The difficulty with developing a program in these zones is determining meaningful incentives to offer in exchange for affordable housing. Development in these zones is limited by height, setbacks, impervious coverage and design standards and fairly intense development is already allowed by these regulations. This is significant because legislation adopted by the state in 2006 requires that affordable housing incentive programs provide an increase in residential capacity, as is discussed in the next section.

C. New State Legislation for Affordable Housing

The State Legislature adopted Engrossed Substitute House Bill 2984 in 2006, creating RCW 36.70A.540 (see 4) which specifically allows cities planning under the Growth Management Act to enact or expand affordable housing incentive programs. Incentive programs must provide an increase in residential capacity and the legislation identifies the following elements that may, but are not required to, be included.

- Zoning Changes
- Density bonuses
- Height and bulk bonuses

- Fee waivers or exemptions
- Parking reductions
- Expedited permitting
- Mixed use projects
- Other regulatory changes

While this statute removes some of the legal uncertainty that previously surrounded mandatory affordable housing regulations, Kirkland's City Attorney's office remains cautious about the extent to which Kirkland can adopt mandatory affordable housing regulations. Guidance from the City Attorney's office is provided in Section F on page 7 of this memorandum.

Subsection 3 of the recently-adopted statute authorizes cities to adopt mandatory affordable housing requirements to address the need for increased residential development when certain requirements have been met. It reads as follows:

- (3) Affordable housing incentive programs enacted or expanded under this section may be applied within the jurisdiction to address the need for increased residential development, consistent with local growth management and housing policies, as follows:
 - (a) The jurisdiction shall identify certain land use designations within a geographic area where increased residential development will assist in achieving local growth management and housing policies;
 - (b) The jurisdiction shall provide increased residential development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions, or other regulatory changes or other incentives;
 - (c) The jurisdiction shall determine that increased residential development capacity or other incentives can be achieved within the identified area, subject to consideration of other regulatory controls on development; and
 - (d) The jurisdiction may establish a minimum amount of affordable housing that must be provided by all residential developments being built under the revised regulations, consistent with the requirements of this section.

Under the framework of this legislation, cities have the authority to take the following approaches with the goal that affordable housing will be incorporated into market-rate housing developments:

- Provide a purely voluntary incentive based program, as the City of Kirkland has done in the RM and other zones that have a specific density limit where extra density and other incentives are available in exchange for affordable housing;
- Provide a voluntary incentive based program associated with rezones, as the City of Kirkland has done in the Totem Lake and Rose Hill business districts where significant extra height and other incentives are available in exchange for affordable housing;

- Provide a mandatory inclusionary housing program associated with rezones where increased development potential is provided and affordable housing is required regardless of whether the developer chooses to take advantage of the added development potential, which the City of Kirkland has not done.

The legislation does not address mandatory inclusionary housing where affordable housing would be required without the City providing an option to increase residential development capacity. Such an approach would raise legal issues (see discussion in Section F).

The Housing Partnership paper “The Ins and Outs – A Policy Guide to Inclusionary and Bonus Housing Programs in Washington” is included as Attachment 5. It provides a good summary of the legal, economic and practical issues that surround inclusionary and incentive programs.

D. Inclusionary and Incentive Programs in Washington State

Federal Way and Redmond are the only two cities in Washington State that currently have inclusionary housing requirements in place. Federal Way has a mandatory affordable housing requirement in multifamily and mixed use developments of 25 or more units. It requires a minimum of two affordable units or five percent of the unit total (whichever is greater). One bonus unit may be constructed for each affordable unit, with a maximum 10% increase above the underlying density. (For example, if 40 units could be built on a property based on zoning regulations, the developer would be required to provide two affordable units. They could build an additional two units of market rate housing for a total of 42 units. If they provided four affordable units, they could build a maximum of 44 units on the property.)

Only one project has been large enough to be required to provide affordable units since the program was adopted in 1997, although an 800 unit multifamily project is currently under review. Federal Way also has a voluntary incentive program in single-family zones, where the minimum lot size can be reduced by a maximum of 20% if affordable housing is provided. The maximum income threshold for affordable ownership units is 80% of King County median income and the maximum income threshold for affordable rental units is 50% of King County median income.

Redmond adopted an inclusionary housing requirement in its City Center neighborhood when the neighborhood plan was updated in 1993. During that process, the maximum residential density limitations were removed and development capacity was increased. The program has phased in over time. It was voluntary for the first 250 units built in the neighborhood. The next 250 units were required to provide 10% of the units affordable to those earning no more than 90% of King County median income. They are now in the third phase of the program and all developments over 10 units are required to provide 10% of the units affordable to those earning no more than 80% of King County median income. Approximately 100 affordable housing units have been developed in the City Center neighborhood through this program.

Redmond has also adopted inclusionary housing requirements in four of its single-family neighborhoods. The Willows/North Rose Hill, Grasslawn, North Redmond and Education Hill neighborhoods have all been updated since 2002 and now require that developments of 10 or more units provide at least 10% of the units as affordable housing. At least one bonus unit is allowed for each affordable unit provided, with a maximum density increase of 15% allowed. A variety of housing types such as cottages and duplexes are allowed to accommodate the affordable units. A few affordable units have resulted from this program.

Sixteen other jurisdictions in Washington State have voluntary incentive programs for affordable housing. Most of these programs provide somewhere between 0.75 and 1.5 bonus units for each unit of affordable housing provided. The definition of affordable varies from 50% to 80% of median income. The City of Seattle currently has a voluntary incentive program in several of its downtown zones. The City Council will be reviewing a proposal to expand the voluntary incentive program throughout the City when development regulations are changed to provide significant additional development capacity.

E. Inclusionary and Incentive Programs across the United States

Arthur Sullivan and Dawn Nelson attended the second National Inclusionary Housing Conference in San Francisco at the end of October. The conference provided a great overview of inclusionary programs across the country. There are currently over 200 jurisdictions nationwide that have inclusionary housing programs. Several cities that have recently adopted their programs, such as Chicago, New York and Baltimore, shared their experiences in getting programs approved, along with the details of their programs. There is a long history of inclusionary housing in California, where 170 out of 475 cities have adopted inclusionary programs which have resulted in 70,000 affordable units in the last 20 years. Many representatives from California jurisdictions and housing providers shared their knowledge in break-out sessions. Some of the primary messages from the conference were:

- Few incentive based affordable housing programs have proven to be successful and they are being replaced by mandatory programs.
- Inclusionary housing is not a panacea for the lack of affordable housing; it needs to be used as one tool in the range of options available to jurisdictions. Public funding of affordable housing is the most effective way to ensure that it is created.
- Inclusionary housing programs are more legally defensible if they have:
 - Broad applicability
 - Options for compliance
 - Tightly drafted appeal or waiver provisions
 - Wide array of offsets and incentives
 - Supporting findings and justifications

- Inclusionary housing campaigns can be politically charged and divisive. It is important to work closely with the development community and other core partners in developing an inclusionary program, have a strong public advocacy and education strategy, and use data to make the case for the overall program and its specific elements.
- Jurisdictions need to have reasonable goals for inclusionary programs and be willing to review and modify them over time to ensure that they are providing real value to the community and to the developers that are subject to the regulations.

F. Washington Legal Framework

It also must be remembered that the Washington court rulings on affordable housing impose constraints on Washington cities that cities in other states do not have to face. From a legal standpoint, the City Attorney's Office has recommended that inclusionary programs should comply with the recently adopted state legislation (RCW 36.70A.540).

The Washington Supreme Court invalidated a number of City of Seattle ordinances relating to housing preservation and affordable housing in the 1980s and the early 1990s. The Court relied on both statutory and constitutional grounds to do so. With respect to statutes, the Court ruled that Seattle's housing preservation ordinance violated RCW 82.02.020. *See R/L Associates, Inc. v. City of Seattle, 113 Wn.2d 402, 780 P.2d 838 (1989); San Telmo Associates v. City of Seattle, 108 Wn.2d 20, 735 P.2d 673 (1987)*. RCW 82.02.020 provides that a municipality may not impose taxes, fees or charges on construction activity unless expressly authorized by statute. For example, transportation or park impact fees are authorized by statute, and are therefore permissible under RCW 82.02.020. On the other hand, there is not a similar provision for affordable housing under state law (except for RCW 36.70A.540).

From a constitutional standpoint, the Washington Supreme Court has found that aspects of the Seattle housing preservation ordinance violated an applicant's substantive due process rights and constituted a potential taking of private property. *See Robinson v. City of Seattle, 119 Wn.2d 34, 830 P.2d 318 (1992) (substantive due process violation established); Sintra v City of Seattle, 119 Wn.2d 1, 829 P.2d 765 (1992) (possible takings violation)*.

Although the constitutional and statutory analysis in the Seattle cases is lengthy and complex, there is one theme that runs through all of the cases. It is the idea that housing preservation or affordable housing regulations are intended to serve broad social goals, the costs of which should be borne by society as a whole instead of being placed on individual property owners. Put another way, the courts have observed that there is typically not a nexus between a particular development and the overall need for affordable housing. For example, in the *San Telmo* case, the Court observed that:

[T]he City may not constitutionally pass on the social costs of the development of the downtown Seattle area to current owners of low income housing. The problem

must be shared by the entire city, and those who plan to develop their property from low income housing to other uses cannot be penalized by being required to provide more housing.

San Telmo, 108 Wash.2d at, 25. It should be noted that the Seattle cases addressed situations in which affordable housing was being converted to other uses, resulting in a reduction in the amount of available affordable housing. The Court's concern about who bears the cost of providing affordable housing would be even more applicable to a situation in which no affordable housing is lost as a result of a proposed development.

The Seattle cases impact the current legal framework in another important respect. As various aspects of Seattle's housing preservation ordinance were struck down in the 1980s, the City of Seattle continued to apply the ordinance to developers. The City, for example, claimed that the court rulings were erroneous or that the rulings were binding only on the parties to the particular lawsuit. The result was a second phase of lawsuits which alleged that City officials violated the civil rights of applicants by continuing to enforce ordinances that had been struck down by the Court. The Washington Supreme Court ruled that continued enforcement of the housing preservation ordinance by City of Seattle officials, in light of court decisions to the contrary, constituted contempt of court and a civil rights violation. *Robinson, 119 Wn.2d at 60-63.* Furthermore, the Court ruled that the City officials who continued to enforce the ordinance were individually liable and not protected by qualified immunity. *Robinson, 119 Wn.2d at 63-70.*

The Seattle cases are relevant to current consideration of affordable housing regulations because they present an unusually stark reminder of the limits of a city's authority to *require* a developer to provide (or pay a fee in lieu of providing) affordable housing. In the aftermath of the Seattle cases, most cities that have affordable housing regulations have used incentives instead of imposing requirements. Incentives are far less problematic than mandatory affordable housing requirements because a developer is given the option of developing to the base zoning without providing affordable housing or utilizing incentives and providing affordable housing. Nexus issues do not come into play because the developer retains the choice of whether to provide affordable housing.

The legislature provided welcome clarification in adopting RCW 36.70A.540. That statute provides that an affordable housing program that complies with its provisions will not violate RCW 82.02.020. In addition to authorizing incentive programs, RCW 36.70A.540(3) allows for mandatory affordable housing requirements in situations where residential density is increased in connection with a rezone. The City Attorney's Office is of the opinion that the City's current affordable housing regulations comply with the provisions of RCW 36.70A.540. Because of the troubled history of Seattle's housing preservation program, the City Attorney's Office recommends that any future affordable housing regulations adopted by the City comply with the provisions of RCW 36.70A.540.

Therefore, the City Attorney's Office advises against making the incentives already provided by the City in the Totem Lake and Rose Hill Business District zones mandatory, since the affordable housing incentives for these areas have already been provided. Similarly, the City Attorney's Office advises against converting the voluntary affordable housing incentives provided for in Chapter 112 of the Kirkland Zoning Code into mandatory requirements. Finally, the City Attorney's Office recommends that mandatory requirements for affordable housing only be established when they are associated with concurrent increases in density or building height, or any of the other elements specifically set forth in RCW 36.70A.540 (fee waivers or exemptions, parking reductions, expedited permitting, mixed use projects, or other regulatory changes).

G. Next Steps for Affordable Housing Regulations

Prior to moving forward with specific development regulations that include mandatory affordable housing elements, consultation with the City Attorney's office to confirm the City's legal position on each of the strategies will be necessary. The City may also choose to solicit input and assistance from other cities in Washington State where inclusionary programs are in place. Also the City could retain additional professional services (e.g. economic, legal, development) to assist the city in looking at all options and developing an approach that is acceptable within the legal and statutory framework.

If the Council concludes that it is interested in pursuing mandatory regulations, this could be accomplished by providing for increased building height where density limits are not in place, or in areas where density maximums exist, through allowing for increased residential density. RCW 36.70.540 also identifies other mechanisms that may be appropriate (fee waivers, parking reductions or other regulatory changes). Prior to recent conversations with the City Attorney's office, staff had explored various housing regulations that could be considered due to recent State legislation that included some mandatory affordable housing elements to be added to existing regulations. A list of these potential programs is included in Attachment 6. Questions for the Council are posed for each of the programs. ***Staff recommends that following additional conversations regarding the City's ability to move forward with some of these, staff could begin to work through these ideas and options with the Council's Affordable Housing Committee.***

Other programs that could be considered at this time include the expansion of existing incentives to include other zones, provisions for increased building height in zones that do not have a maximum residential density (such as the CBD and Juanita Business District), as well as possible rezones in multifamily areas to allow for greater density, accompanied by a mandatory requirement for some percentage of affordable housing to be provided.

Question: Should the incentives currently in place for multifamily zones be expanded to other zones where no incentives are currently available?

Identification of appropriate development capacity increases in commercial and office zones that allow housing but do not currently have affordable housing incentives. Attachment 7 is a summary of options available for many of these zones that staff developed in the fall of 2004 for discussion with the Planning Commission. Because intense development is already allowed in many of these zones, additional height may be the only feasible increase in development capacity that is available to offset affordable housing requirements to a similar degree as provided in the affordable housing incentives. This raises several questions:

Question: Is the City willing to allow an extra story of height in the CBD and other business districts? Existing height limits range from 2 to 5 stories depending on the subarea.

The chart in Attachment 7 identifies multifamily, office and commercial zones that allow residential development but do not currently have affordable housing incentives in place. It describes the basic development allowances in each zone and notes unique characteristics and opportunities to create affordable housing incentives. These zones do not have density limitations, so one of the primary ways to increase development capacity or provide incentives for development of affordable housing is by allowing more height, as noted above. In some instances, such as the CBD and NRHBD, height is limited by the number of stories allowed. In others, height is limited by the number of feet allowed above a fixed point. Heights are specifically identified in the neighborhood plan in almost all of these zones, meaning that Comprehensive Plan amendments would be required to revise the height allowances.

Where height is limited by the number of stories allowed, the following standard story heights are established in the Zoning Code:

- Ground floor retail – 13 feet minimum and 15 feet maximum;
- Office and retail above the ground floor – no minimum and 13 feet maximum;
- Residential – no minimum and 10 feet maximum.

All of the CBD zones allow office, retail and residential uses. Some of the zones restrict office and residential uses on the street level or ground floor of a building to ensure that there is a vibrant streetscape that provides visual interest for pedestrians. Limiting the number of stories in a development rather than the absolute height in feet, with standard story heights, creates an opportunity to increase the number of stories allowed for residential use without necessarily resulting in significantly taller buildings. This logic was used several years ago when the CBD 1A and CBD 1B subareas were amended to allow an extra story of residential development with specific design considerations.

- ***Staff recommends that this allowance be considered for the remaining CBD zones in order to provide incentive or additional capacity for affordable housing.***
- ***In zones that currently allow 3 stories of height, an additional story of residential development could be achieved in a mixed use building that is four feet taller than a retail or mixed retail and office building.***
- ***In zones that currently allow 4 stories of height, an additional story of residential development could be achieved in a mixed use building that is one foot taller than a retail or mixed retail and office building.***

Other zoning districts identified in the chart have height limits established for specific reasons, such as encouraging mixed use development or keeping business district development in scale with surrounding zones that allow less intensive development.

- In these areas, Staff recommends that one of the following two approaches be pursued:
- ***Increase height by approximately 10 feet to allow an extra story of residential development in exchange for affordable housing.***
- ***Where intensity of development is of particular concern, allow access to the development standards flexibility in Chapter 112, including:***
 - Increase in maximum lot coverage by 5%
 - Reduction in parking requirement to 1 stall per affordable unit
 - Increase in structure height by 6 feet, except within 100 feet of a low density zone
 - Encroachment up to 5 feet into required setbacks, resulting in no less than a 5 foot setback
 - Reduction in common recreational open space by 50 square feet per affordable unit.

Question: Is the City willing to rezone multifamily areas to allow for greater density, to enable mandatory affordable housing programs in these zones? For example the RM 3.6 zone could be changed to an RM 3.0 zone, (to allow one unit for every 3,000 square feet rather than 3,600 square feet – specific minimum area to be determined), with accompanying mandatory affordable housing requirements?

H. Public Involvement in Development of Mandatory Affordable Housing Program

If the City Council chooses to pursue mandatory affordable housing regulations, then it must be acknowledged that adoption of mandatory affordable housing requirements can be very

controversial. Housing developers may be concerned with the imposition of additional requirements and citizens may be concerned with the idea that additional development will be allowed to accommodate affordable housing. Therefore, a critical question at the outset of the process is what level of public participation is desired? Should the City inform various groups about the changes, or should the process be more collaborative? Would a consultative process similar to the one used in creating the current affordable housing incentives, which included developer and neighborhood focus groups, be appropriate?

The International Association for Public Process has developed the IAP2 Spectrum of Public Participation included as Attachment 8. Staff would like the Council to discuss this spectrum and provide direction on the appropriate level of participation for this project.

Question: What approach to public participation on this topic does the Council support?

2. Preservation and Land Acquisition

A Background – Data Collection to Date

Preservation of Existing Affordable Rental Housing

Preservation of affordable housing in Kirkland was identified as a high priority strategy at last year's Council retreat. As a first step in identifying properties that may be good candidates for preservation, staff has compiled a database of all existing rental properties. The following information has been collected:

- Address
- Number of units
- Year built
- Average size of units
- Elevator present
- Site size (square feet)
- Zoning Designation
- Number of units allowed per zoning.
- Land value
- Improvement value
- Total value
- Date of last sale
- Amount of sale
- Taxpayer name
- Taxpayer address

The database includes 5,600 units in 190 rental properties, all with more than four units. The following table shows the distribution of units based on the number of units in a property:

# of Units in Property	# Properties
4- 10 Units	130 Properties
11- 20 Units	17 Properties
21- 50 Units	14 Properties
51 – 100 Units	12 Properties
101+ Units	17 Properties
TOTAL: 5600 Units	190 Properties

Staff analyzed the data to determine if there are ways to sort the data to help identify properties that are good candidates for preservation. Two initial sorts have been done and field tested as described below.

Ratio of land value to improvement value. A sort by the ratio of land value to improvement value resulted in a very wide range of ratios. (A ratio greater than 1 means that land value is greater than the value of improvement and a ratio less than 1 means that land value is less than improvement value). There are roughly equal number of properties with a ratio greater than 1 and those with a ratio less than 1. Properties with a high ratio may give some indication of properties which are potentially ripe for redevelopment because their land value is significantly greater than the value of improvement. These properties may also currently provide relatively affordable housing.

A field survey was done on about a dozen properties, revealing some potential trends. For example, several properties with ratios of 1 or 2, did not appear to be prime for redevelopment although they did show signs of needing some form of rehabilitation. Several properties with ratios over 4 showed signs of inattention. However, there were also enough exceptions to these trends to imply that universal conclusions are difficult to make. For example one property with a ratio over 4 was being well maintained by a long term owner.

A map included in Attachment 9 indicates where the properties are located within identified ranges of land to improvement ratios.

Ratio of actual units built to units allowed by current zoning. A second sort was done on the ratio of actual units built to the number that would be permitted under current zoning. This would be another way to assess potential properties for redevelopment. One factor complicating this analysis is that a number of zones that allow housing do not have any explicit density cap. Most of the 'underdeveloped' properties (ratio less than 1), would only allow one or two additional units. There were a handful of developments (not in zones with no density cap), which would allow increases of 1/3 or more additional units. These ranged in size from 6 units to 248 units (see Attachment 10, map).

Two additional maps displaying the locations of multifamily developments in the City by age and size of project are included in Attachments 11 and 12.

Land Acquisition for Affordable Housing

ARCH staff has compiled a database of tax exempt properties, including properties that are in public ownership (city, county, housing authority, schools), churches and properties owned by non-profit agencies. This database contains the following information:

- Parcel number
- Owner
- Address
- Land value
- Improvement value
- Lot size (square feet)
- Zoning designation
- Name of school (school properties only)

There are almost 350 parcels in this database (some sites have several contiguous parcels), of which approximately one half are owned by the City. Other public land owners include the State of Washington, Lake Washington School District, Lake Washington Technical College, Evergreen Hospital, Seattle City Light, and King County. No explicit field testing has been done at this point with this data base. The intent would be to see if any of these properties are under-used or underdeveloped, whereby some portion of the property could be used for housing development. Attachment 13 displays the tax exempt parcels by ownership type.

Next Steps for Preservation and Land Acquisition Strategies

The ultimate objective of these two strategies is to secure property or buildings and make them available for affordable housing. To achieve the ultimate goal of creating or preserving housing, tasks can be broken down into three areas:

- Identifying potential priority sites or properties.
- Working with owners to secure properties.
- Creating financing strategy(ies) to purchase land and/or existing properties.

i. Identifying potential priority sites or properties

- a) Evaluation of Data. The evaluation of the data collected indicates that using the data may not be as simple as picking one or two factors for identifying priority properties. Instead it may be more of an iterative process involving the following:

- Sorting and mapping by several factors. This would lead to developing lists of potential priority buildings or properties. The background section above described some initial sorting of data that has already been done. Based on the evaluation done to date, staff believes that some promising factors to sort by include:
 - Building age
 - Number of units (or size of project)
 - Ratio of actual to permitted number of units
 - Ratio of land to improvement value
 - Date of last sale
 - Residence of property owner

While this may not lead to a clear priority list of properties or land sites, it does appear this could be a helpful step toward better understanding of potential opportunities, and help to narrow down searches.

- Field testing priority lists. This would include visual inspections of properties to assess neighborhood, property and building conditions.
- Reassessing/modifying priority. Based on the results of field testing and potentially additional sorting of data, the priority lists could be refined.

Direction from the City Council would be helpful in the process of undertaking this work.

Question: Should the City prioritize certain types of housing? Examples could include:

- **Housing that serves homeless or other special needs populations**
- **Permanent housing with larger units for families**
- **No priority. Select best opportunity that arises.**

Factors to be considered in this discussion are the priorities of potential public funders, and the objective to not eliminate any potential opportunity that is available at a reasonable price. Furthermore, if the City prioritizes certain types of housing, then there are certain groups that are more logical partners.

Question: To what extent should the City coordinate its efforts with these potential housing partners? Options could include:

- **Seek one or two housing partners to coordinate local effort, or**
- **Coordinate with a larger number of housing partners, or**
- **Choose not to have explicit coordination with housing partners, but to inform housing groups of the City's efforts.**

While it may be advantageous to pursue all efforts simultaneously, the City should also be aware that there are limited financing resources available for affordable housing and presumably, any

properties identified by a City would to some extent be an immediate priority for ARCH and potentially other funders. Another consideration that might argue for less coordination is that by working with certain groups, the opportunities may be narrowed to those most consistent with their missions. At a minimum, it would be advisable that the City let other potential community partners be aware of the City's efforts and to invite those partners to provide some level of input to the City as it moves forward.

Staff recommends that the City make potential community partners aware of the City's efforts and invite those partners to provide some level of input to the City as it plans its efforts.

ii. Working with owners to secure the right to create affordable housing

A primary constraint to this strategy is that it requires the cooperation of private property owners or another public agency to work with the City to secure either land and/or existing properties. Such relationships will be voluntary and must be forged in the realities of the open real estate market. In the current market environment, two primary constraints are being able to act in a timely manner and the value of real estate. In addition, private owners may need to be convinced that doing affordable housing does not mean that they have to sell their property below market value. Therefore, the City needs to establish a process for contacting and developing a working relationship with property owners.

Staff recommends that the Council Affordable Housing Committee convene a meeting to discuss strategies for approaching owners once properties are identified. This meeting should include persons from the private sector (realtors and owners) as well as church and other public land owners and potential housing partners. It may be appropriate to divide this into two separate meetings: one for existing rental property and one for land opportunities. The discussion should specifically discuss the best ways to approach owners, such as who should contact the owners (City, housing partner, realtor), whether a realtor should be hired to assist with contacting owners, etc.).

iii. Creating financing strategies to purchase land and/or existing properties

Assuming success with the first two steps, financing will be needed to secure properties. It takes time to apply for and receive public funding for affordable housing. The City experienced this with DASH's acquisition of Plum Court, where interim financing was needed prior to securing all the long term public financing. This issue isn't unique to East King County, and there has been some discussion about trying to have financing strategies to secure properties. There are some limited sources now, and there may be some additional funds in the future, but they are unlikely to be sufficient, and therefore will still need local and/or private dollars as part of a financing package to secure a property. ARCH has on several occasions in the past, made early commitments to projects prior to other funds being available. The point is that there is increasing discussion

around this topic, and therefore there may be other resources that could partially help if needed. The recommended first step is to invite experts with experience with acquiring existing properties (e.g. housing authority, not for profit groups, public and private lenders) to meet with City officials to discuss potential strategies to finance local properties. This would include getting a better understanding what financing tools already exist and exploring how those tools may need to be augmented to deal with market conditions in Kirkland. Based on the outcome of these discussions, the City may want to explore facilitating development of additional financing tools to secure local properties.

Staff recommends that the Council Affordable Housing Committee work to develop financing strategies. This should include a series of meetings with various parties (other public funders including the Housing Finance Commission, housing providers and private lenders) to develop a financing strategy for securing properties. This will also require thinking through how the City will identify a housing provider for specific properties.

3. South Kirkland Park and Ride

At the City Council meeting on February 19, staff from Kirkland and King County provided a brief presentation to the Council on the concept for transit-oriented-development at the South Kirkland Park & Ride. The development of a considerable level of affordable housing at the site could be incorporated into the expansion of the site planned due to grant funding available for this expansion and other transportation improvements (see Attachments 14 and 15).

The property, owned by King County Metro, is approximately 7 acres in size and is divided between the City of Kirkland and the City of Bellevue. The property is currently not zoned for residential use within either city and would require zoning and Comprehensive Plan amendments. Both cities would need to work cooperatively to make this a feasible affordable housing/transit oriented development project. Preliminary concepts for development of the site include between 1,000 and 1,500 parking stalls, a transit facility, up to 500 housing units and a small amount of retail development, likely oriented to the users of the Park & Ride and residents of the site.

Staff from Kirkland, Bellevue and King County Metro have been meeting to explore the potential for this type of project. As discussed with the City Council, it is on Kirkland's Planning Work Program and staff is poised to move forward. King County has submitted an application for a Comprehensive Plan Amendment to the City of Bellevue, which will likely be evaluated for a threshold determination by the Bellevue City Council in March or April. If the City of Bellevue chooses to move forward with study of the amendment, one of the first steps would be to develop some "principles of agreement" for all parties involved (Bellevue, Kirkland, King County and ARCH).

Based on direction provided by the Council at the February meeting, staff will initially work with the Affordable Housing Committee to develop Kirkland's objectives for the TOD project. Guidance

from the committee will also be critical in developing an approach for involving the Houghton Community Council throughout these discussions.

At the retreat, however, direction from the general Council would be helpful for both the Affordable Housing Committee and staff on the following question:

Questions: What percentage of the housing units at the TOD, if it is to be developed, should be affordable? What level of affordability should be required?

As the City proceeds with discussions with Bellevue and King County regarding objectives for development at the Park and Ride, it would be helpful to have a sense of the general parameters the City would like to see in terms of the share of affordable housing to be included in a mixed use development, and the optimal target population the housing would serve. The Council may wish to discuss the factors that may influence these parameters, such as the requirement for a greater share of affordability as building heights and densities increase.

The City could consider following some of the following approaches in establishing general principles or expectations for affordable housing at the site:

- ◆ Application of existing countywide goals for affordable housing (as shown in the table on page 2 of this memorandum):
 - 24% to be affordable to low income households (up to 50% or median income) and
 - 17% to be affordable to moderate income households (between 50% and 80% of median income) or
- ◆ Application of eligibility requirements consistent with those provided under the City's property tax exemption provisions for 12 year exemption (KMC, Section 5.88):
 - 20% affordable to households whose income does not exceed 80% of median income (rental units) or
 - 10% affordable to households whose income does not exceed 70% of median income, and 10% affordable to households at 100% of median income (ownership units)
- ◆ Application of similar affordable housing requirements to those required in other TOD projects in the region. Attachment 16 provides some comparative information, and more complete information as well as additional examples should be available at the retreat. Attachment 17 contains more detailed information about the projects from the King County website.

City Council Affordable Housing Committee

The City Council's newly formed committee on affordable housing issues met for the first time on February 27th. From this point forward, the committee will meet on the first Tuesday of each

month. While the group has just begun to consider the affordable issues facing the city, they have discussed a value shared among the committee members and possibly by the greater Council, which is that *“everyone who works here should be able to live here”*.

The Affordable Housing Committee will hold a special meeting on March 24th. At that time, the committee may develop recommendations for the Council to consider on the issues addressed in this memo at the Council retreat.

Attachments

1. Zoning Code, Chapter 112 Regulations
2. Map: Affordable Housing Incentives in Multifamily, Office and Commercial Zones
3. Affordable Housing in TL and RH Zones
4. RCW 36.70A.540
5. “The Ins and Outs – A Policy Guide to Inclusionary and Bonus Housing Programs in Washington” prepared by The Housing Partnership
6. List of Potential Mandatory Affordable Housing Programs for Kirkland
7. Mixed Use Subarea Comparison
8. International Association for Public Participation, Spectrum of Public Participation
9. Map: Land to Improvement Ratio
10. Map: Actual Units to Permitted Units
11. Map: Multifamily Projects by Year Built (Age)
12. Map: Multifamily Projects by Size
13. Map: Tax Exempt Parcels by Ownership Type
14. Letter from King County: South Kirkland Park & Ride
15. Aerial Map of South Kirkland Park & Ride Property
16. Transit-Oriented-Development in King County – Summary Chart
17. TOD Summaries from King County website
18. Background Reading on Inclusionary Zoning
19. Housing Element – Kirkland Comprehensive Plan

The following attachments to the memorandum on Affordable Housing are not available electronically, but may be reviewed with the entire packet of materials on this topic at City Hall or the Kirkland Public Library:

- Attachment 2: Map: Affordable Housing Incentives in Multifamily, Office and Commercial Zones
- Attachment 5: “The Ins and Outs – a Policy Guide to Inclusionary and Bonus Housing Programs in Washington” prepared by The Housing Partnership
- Attachment 7: Mixed Use Subarea Comparison
- Attachment 8: International Association for Public Participation, Spectrum of Public Participation
- Attachment 9: Map: Land to Improvement Ratio
- Attachment 10: Map: Actual Units to Permitted Units
- Attachment 11: Map: Multifamily Projects by Year Built (Age)
- Attachment 12: Map: Multifamily Projects by Size
- Attachment 13: Map: Tax Exempt Parcels by Ownership Type
- Attachment 17: TOD Summaries from King County Website
- Attachment 18: Background Reading on Inclusionary Zoning

Chapter 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY

Sections:

[112.05](#) User Guide

[112.10](#) Voluntary Provisions

[112.15](#) Applicable Use Zones

[112.20](#) Defined Affordable Housing Incentives

[112.25](#) Additional Affordable Housing Incentives (Non-Defined)

[112.30](#) Alternative Compliance

[112.35](#) Affordability Provisions

[112.40](#) Regulatory Review and Evaluation

112.05 User Guide

This chapter offers dimensional standard flexibility and density and economic incentives to encourage construction of affordable housing units in commercial zones, high density residential zones, medium density zones and office zones.

If you are interested in proposing affordable housing units in commercial zones, high density residential zones, medium density zones or office zones, or you wish to participate in the City's decision on a project including affordable housing units, you should read this chapter.

112.10 Voluntary Provisions

The provisions of this chapter are available, at the sole discretion of the property owner as incentives to encourage the construction of multifamily affordable housing units. There is a limited stock of land within the City zoned and available for residential development and there is a demonstrated need in the City for housing which is affordable to persons of low and moderate income. Therefore, this chapter provides development incentives in exchange for the public benefit of providing affordable housing units in commercial zones, high density residential zones, medium density zones and office zones.

112.15 Applicable Use Zones

The affordable housing incentives described in this chapter may be used in commercial, high density residential, medium density and office zones that allow dwelling units.

112.20 Defined Affordable Housing Incentives

1. Approval Process – The City will process an application for the affordable housing incentives identified in this section through the same required review process as if no affordable housing units were provided.
2. Density Bonus

- a. Bonus Units. In use zones where the number of dwelling units allowed on the subject property is determined by dividing the lot size by the required minimum lot area per unit, two additional units ('bonus units') may be constructed for each affordable housing unit provided. (See Plate 32 for example of bonus unit calculations.)
- b. Bonus FAR. In use zones where the density allowed on the subject property is expressed as a maximum floor area ratio (FAR), two additional square feet of floor area ('bonus FAR') may be constructed for each square foot of floor area constructed in affordable housing units. (See Plate 32 for example of bonus FAR calculations.)
- c. Alternative Calculation of Density Bonus. Except in those zones that have an established affordable housing requirement, an applicant may propose alternative affordability levels for the affordable housing units. The ratio of bonus units or bonus floor area per affordable housing unit for alternative affordability levels will be as follows:

Affordability Level	Density Bonus to Affordable Ratio
Renter Occupied Housing	
60% of median income	1.33 to 1
70% of median income	1 to 1
Owner Occupied Housing	
80% of median income	1.6 to 1
60% of median income	2.67 to 1

Depending on the level of affordability provided, the affordable housing units may not be eligible for the impact fee waivers described in subsections (4)(a) and (4)(b) of this section.

- d. Maximum Bonuses. The maximum number of bonus units or amount of bonus FAR achieved through a defined affordable housing incentive shall be 25 percent of the number of units or floor area allowed based on the underlying zone of the subject property.
 - e. Density Bonus for Assisted Living Facilities. The affordable housing density bonus may be used for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25 percent of the base density of the underlying zone of the subject property.
3. Dimensional Standards Modification – The following requirements of the Kirkland Zoning Code may be modified through the procedures outlined in this subsection, to the extent necessary to accommodate the bonus units on-site. These modifications may not be used to accommodate the units resulting from the base density or FAR calculation.
- a. Maximum Lot Coverage. The maximum lot coverage may be increased by up to five percentage points over the maximum lot coverage permitted by the underlying use zone. Maximum lot coverage may not be modified through this provision on properties with streams, wetlands, minor lakes or their buffers.

- b. **Parking Requirement.** The required parking may be reduced to 1.0 space per affordable housing unit. No additional guest parking is required for affordable housing units. If parking is reduced through this provision, the owner of the affordable housing unit shall sign a covenant, in a form acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a maximum of one automobile.
 - c. **Structure Height.** Maximum height for structures containing affordable housing units may be increased by up to six feet for those portions of the structure(s) that are at least 20 feet from all property lines. Maximum structure height may not be modified through this provision for any portion of a structure that is adjoining a low density zone.
 - d. **Required Yards.** Structures containing affordable housing units may encroach up to five feet into any required yard except that in no case shall a remaining required yard be less than five feet.
 - e. **Common Recreational Space.** Common recreational open space per unit, when required, may be reduced by 50 square feet per affordable housing unit.
4. Permit Fee Calculation
- a. Applicants proposing affordable housing units may request an exemption from payment of road impact fees for the affordable housing units as established by KMC 27.04.050.
 - b. Applicants proposing affordable housing units may request an exemption from payment of park impact fees for the affordable housing units as established by KMC 27.06.050.
 - c. Applicants proposing affordable housing units are eligible for exemption from various planning, building, plumbing, mechanical and electrical permit fees and sewer capital facility charges for the bonus units as established in KMC 5.74.070 and 15.12.063 and KMC Title 21.
5. Property Tax Exemption – A property providing affordable housing units may be eligible for a property tax exemption as established in Chapter 5.88 KMC.

112.25 Additional Affordable Housing Incentives (Non-Defined)

- 1. Approval Process for Additional Affordable Housing Incentives (Non-Defined) – An applicant may request that the City grant affordable housing incentives in addition to or in place of the defined affordable housing incentives allowed in KZC [112.20](#) due to specific site conditions. Such a request shall be reviewed and decided upon using Process IIA, described in Chapter [150](#) KZC. If the development, use, or activity requires approval through Process IIB or Process III, the entire proposal will be decided upon using that other process.
- 2. Density Bonus – An applicant may propose more than two bonus units or two additional square feet of floor area for every affordable housing unit or square foot of affordable housing unit, as applicable. However, in no event may a project receive a bonus that would result in a total number of units or floor area that

exceeds 50 percent of the number of units or floor area allowed based on the underlying zone of the subject property.

3. Dimensional Standards Modification – An applicant may request further modification from the dimensional standards listed in KZC [112.20\(3\)](#). Approval of any further modification of the dimensional standards will be based on the applicant's demonstration that the subject property cannot reasonably achieve the permitted density, including the bonus units.
4. Criteria for Approving Additional Affordable Housing Incentives (Non-defined) – The City may approve one or more of the additional affordable housing incentives listed in KZC [112.25\(2\)](#) or [112.25\(3\)](#), in addition to or in place of the defined affordable housing incentives, if one or more of the following requirements are met:
 - a. The additional incentive is necessary to provide sufficient economic incentive to the applicant to offset the cost of providing the affordable housing units.
 - b. The additional incentive is necessary to reasonably achieve the permitted density, including the bonus units.
 - c. The additional incentive is necessary to achieve a greater number of affordable housing units than the defined affordable housing incentives would prescribe or a greater level of affordability than is defined by the term affordable housing unit.

In making its decision on additional incentives, the City will consider the value of any property tax exemptions available to the project from the City as established in Chapter 5.88 KMC, as well as other fee waivers or reductions as established in the Kirkland Municipal Code.

112.30 Alternative Compliance

1. Approval Process for Alternative Compliance – As an alternative to providing some or all of the affordable housing units on the subject property, the Planning Director may approve a request for alternative compliance. Alternative compliance may include providing affordable housing units at another location within the City of Kirkland or such other means proposed by the applicant and approved at the discretion of the Planning Director, consistent with the following criteria for alternative compliance.
2. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if both of the following requirements are met:
 - a. The applicant demonstrates that the proposed alternative compliance method achieves an affordable housing benefit to the City equal to or better than providing the affordable housing units on-site.

- b. The affordable housing units provided through the alternative compliance will be based on providing the same type of ownership of units as would have been provided on-site.
3. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to the following requirements:
- a. The off-site location chosen for the affordable housing units shall not lead to an undue concentration of affordable housing either at the off-site location or in any particular area of the City.
 - b. Any building permits required for off-site affordable housing units shall be submitted prior to submittal of building permits for the subject property. Certificates of occupancy for off-site affordable housing units shall be issued prior to issuance of the final certificate of occupancy for the subject property.

112.35 Affordability Provisions

1. Approval of Affordable Housing Units – Prior to the issuance of any permit(s), the City shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:
- a. The affordable housing units shall be intermingled with all other dwelling units in the development.
 - b. The type of ownership of the affordable housing units shall be the same as the type of ownership for the rest of the housing units in the development.
 - c. The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall development.
 - d. The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the development, must be approved by the Planning Director. In no case shall the affordable housing units be more than 10 percent smaller than the comparable dwelling units in the development, based on number of bedrooms, or less than 600 square feet for a one bedroom unit, 800 square feet for a two bedroom unit, or 1,000 square feet for a three bedroom unit, whichever is less.
 - e. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.
 - f. The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development.
 - g. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the City of Kirkland.
2. Affordability Agreement – Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the City Attorney that addresses price restrictions, homebuyer or tenant qualifications, long-term affordability, and any other

applicable topics of the affordable housing units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.

Affordable housing units that are provided under this section shall remain as affordable housing for a minimum of 30 years from the date of initial owner occupancy for ownership affordable housing units and for the life of the project for rental affordable housing units.

112.40 Regulatory Review and Evaluation

At least every two years, the Planning Department shall submit a report that tracks the use of these regulations to the Houghton Community Council, Planning Commission and City Council.



Code Publishing Company

[Code Publishing's website](#)

Voice: (206) 527-6831

Fax: (206) 527-8411

[E-mail Code Publishing](#)

Existing Affordable Housing Incentives¹

I. Totem Lake and Rose Hill Business District Zones			
Zone	Zone Type	Base Height Limit²	Incentive
TL 1A	Office	30'	Height increase from 30' to 80' with 10% affordable housing (when new right-of-way dedication and improvement are not required)
TL 1B	Multifamily	30'	Height increase from 30' to 80' with 10% affordable housing (when new right-of-way dedication and improvement are not required)
TL 5	Commercial	35'	Height increase from 35' to 45' with two stories of residential and 10% affordable housing
TL 6A & 6B	Commercial	35'	Height increase from 35' to 65' with 10% affordable housing
TL 10B	Office	40'	Height increase from 35' to 60' with 10% affordable housing
TL 10C	Office	40'	Height increase from 40' to 55' and freestanding residential development allowed in some areas with 10% affordable housing
TL 10D	Office	80'	Height increase from 45' to 65' with 10% affordable housing
RH 1A	Commercial	67'	Height increase from 35' to 67' with 10% affordable housing
RH 2A	Commercial	67'	Height increase from 35' to 67' with 10% affordable housing
RH 2B	Commercial	55'	Height increase from 35' to 55' with 10% affordable housing
RH 3	Commercial	45'	Height increase from 45' to 67' with mixed use development and 10% affordable housing
RH 7	Commercial	30'	Height increase from 30' to 45' with mixed use development and 10% affordable housing
II. RM Zones			
Zone	Bonus	Incentive	
Defined Applicable Zones with Density Limit ³	Additional Units	Two additional market-rate units are allowed for each affordable housing unit provided.	
Defined Applicable Zones with FAR Limit ⁴	Bonus FAR	Two additional square feet of floor area are allowed for each square foot of floor area constructed in affordable housing units.	
Additional flexibility is provided for development incorporating affordable housing. Modifications to dimensional standards such as maximum lot coverage, parking requirements and structure height are available to the extent necessary to accommodate the bonus units on site.			

¹ A property providing affordable housing units in any area of the city may be eligible for a property tax exemption (KMC 5.88).

² The Base Height Limit is the listed height limit for the primary use allowed in the zone. Some zones limit residential development to a lower height unless affordable housing is provided.

³ Applicable zones include all medium and high density residential zones, as well as office and commercial zones that allow dwelling units.

⁴ Applicable zones include all medium and high density residential zones, as well as office and commercial zones that allow dwelling units.

RCW 36.70A.540
Affordable housing incentive programs — Low-income housing units.

(1)(a) Any city or county planning under RCW [36.70A.040](#) may enact or expand affordable housing incentive programs providing for the development of low-income housing units through development regulations. An affordable housing incentive program may include, but is not limited to:

- (i) Density bonuses within the urban growth area;
- (ii) Height and bulk bonuses;
- (iii) Fee waivers or exemptions;
- (iv) Parking reductions;
- (v) Expedited permitting, conditioned on provision of low-income housing units; or
- (vi) Mixed use projects.

(b) The city or county may enact or expand such programs whether or not the programs may impose a tax, fee, or charge on the development or construction of property.

(c) If a developer chooses not to participate in an optional affordable housing incentive program adopted and authorized under this section, a city, county, or town may not condition, deny, or delay the issuance of a permit or development approval that is consistent with zoning and development standards on the subject property absent incentive provisions of this program.

(2) Affordable housing incentive programs enacted or expanded under this section shall comply with the following:

(a) The incentives or bonuses shall provide for the construction of low-income housing units;

(b) Jurisdictions shall establish standards for low-income renter or owner occupancy housing, including income guidelines consistent with local housing needs, to assist low-income households that cannot afford market-rate housing. Low-income households are defined for renter and owner occupancy program purposes as follows:

(i) Rental housing units to be developed shall be affordable to and occupied by households with an income of fifty percent or less of the county median family income, adjusted for family size; and

(ii) Owner occupancy housing units shall be affordable to and occupied by households with an income of eighty percent or less of the county median family income, adjusted for family size. The legislative authority of a jurisdiction, after holding a public hearing, may establish lower income levels. The legislative authority of a jurisdiction, after holding a public hearing, may also establish higher income levels for rental housing or for owner occupancy housing upon finding that higher income levels are needed to address local housing market conditions. The higher income level for rental housing may not exceed eighty percent of the county area median family income. The higher income level for owner occupancy housing may not exceed one hundred percent of the county area median family income. These established higher income levels must be considered "low-income" for the purposes of this section;

(c) The jurisdiction shall establish a maximum rent level or sales price for each low-income housing unit developed under the terms of a program and may adjust these levels or prices based on the average size of the household expected to occupy the unit. For renter-occupied housing units, the total housing costs, including basic utilities as determined by the jurisdiction, may not exceed thirty percent of the income limit for the low-income housing unit;

(d) Low-income housing units shall be provided in a range of sizes comparable to those units that are available to other residents. To the extent practicable, the number of bedrooms in low-income units must be in the same proportion as the number of bedrooms in units within the entire building. The low-income units shall generally be distributed throughout the building, except that units may be provided in an adjacent building. The low-income units shall have substantially the same functionality as the other units in the building or buildings;

(e) Low-income housing units developed under an affordable housing incentive program shall be committed to continuing affordability for at least fifty years. A local government, however, may accept payments in lieu of continuing affordability. The program shall include measures to enforce continuing affordability and income standards applicable to low-income units constructed under this section that may include, but are not limited to, covenants, options, or other agreements to be executed and recorded by owners and developers;

(f) Programs authorized under subsection (1) of this section may apply to part or all of a jurisdiction and different standards may be applied to different areas within a jurisdiction. Programs authorized under this section may be modified to meet local needs and may include provisions not expressly provided in this section or RCW [82.02.020](#); and

(g) Low-income housing units developed under an affordable housing incentive program are encouraged to be provided within market-rate housing developments for which a bonus or incentive is provided. However, programs may allow units to be provided in an adjacent building and may allow payments of money or property in lieu of low-income housing units if the payment equals the approximate cost of developing the same number and quality of housing units that would otherwise be developed. Any city or county shall use these funds or property to support the development of low-income housing, including support provided through loans or grants to public or private owners or developers of housing.

(3) Affordable housing incentive programs enacted or expanded under this section may be applied within the jurisdiction to address the need for increased residential development, consistent with local growth management and housing policies, as follows:

(a) The jurisdiction shall identify certain land use designations within a geographic area where increased residential development will assist in achieving local growth management and housing policies;

(b) The jurisdiction shall provide increased residential development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions, or other regulatory changes or other incentives;

(c) The jurisdiction shall determine that increased residential development capacity or other incentives can be achieved within the identified area, subject to consideration of other regulatory controls on development; and

(d) The jurisdiction may establish a minimum amount of affordable housing that must be provided by all residential developments being built under the revised regulations, consistent with the requirements of this section.

[2006 c 149 § 2.]

Notes:

Findings -- 2006 c 149: "The legislature finds that as new market-rate housing developments are constructed and housing costs rise, there is a significant and growing number of low-income households that cannot afford market-rate housing in Washington state. The legislature finds that assistance to low-income households that cannot afford market-rate housing requires a broad variety of tools to address this serious, statewide problem. The legislature further finds that absent any incentives to provide low-income housing, market conditions will result in housing developments in many areas that lack units

affordable to low-income households, circumstances that can cause adverse socioeconomic effects.

The legislature encourages cities, towns, and counties to enact or expand affordable housing incentive programs, including density bonuses and other incentives, to increase the availability of low-income housing for renter and owner occupancy that is located in largely market-rate housing developments throughout the community, consistent with local needs and adopted comprehensive plans. While this act establishes minimum standards for those cities, towns, and counties choosing to implement or expand upon an affordable housing incentive program, cities, towns, and counties are encouraged to enact programs that address local circumstances and conditions while simultaneously contributing to the statewide need for additional low-income housing." [2006 c 149 § 1.]

Construction -- 2006 c 149: "The powers granted in this act are supplemental and additional to the powers otherwise held by local governments, and nothing in this act shall be construed as a limit on such powers. The authority granted in this act shall extend to any affordable housing incentive program enacted or expanded prior to June 7, 2006, if the extension is adopted by the applicable local government in an ordinance or resolution." [2006 c 149 § 4.]

Potential Mandatory Affordable Housing Programs

(note: These programs , as presented here, are not currently considered advisable by the City Attorney's office)

Question: Does the City Council want to pursue mandatory affordable housing regulations?

1. Conversion of the existing density and height incentives in the various zones where they exist into mandatory requirements (see Attachment 2, summary chart of existing regulations). This could be a fairly straight forward process building on the current incentives. However, a key consideration should be whether the package of incentives provided to encourage development of affordable housing is more generous than it needs to be in a mandatory situation. Other issues that should be addressed include:
 - The minimum development threshold for requiring affordable housing (e.g. 10 units)
 - The minimum affordable housing requirement (e.g. 10% of units)
 - The amount of density bonus provided to offset the affordable units (e.g. 2:1)
 - The maximum density bonus allowed (e.g. 25%)
 - Affordability requirements (e.g. 50% of median income for rental, 80% for ownership)
 - Options for alternative compliance, such as off-site construction of affordable units or fee-in-lieu allowances
 - Analysis of fiscal impact on City of permit and impact fee waivers for affordable units

Question: Does the Council want staff to move forward with regulations to change the existing affordable housing incentives in Totem Lake and the Rose Hill Business District to mandatory requirements that would apply in all cases, even when the bonus is not used in development?

Question: Does the Council want staff to prepare options for requirements that would mandate affordable housing in multifamily zones where incentives currently apply (Chapter 112)?

2. Expansion of development standard flexibility incentives to zones that do not currently have any affordable housing incentives as an interim step until mandatory requirements can be developed. Several owners of property that do not have incentives available have recently inquired about flexibility that might allow them to include affordable housing units in their proposed developments. The incentives currently include the following minor deviations from code requirements:
 - Increased lot coverage by five percentage points
 - Decreased setbacks by five feet (resulting in no setback less than five feet)
 - Reduced parking to one stall for affordable units

- Increased height by six feet (will not affect heights in CBD and other zones that limit the number of stories allowed)
- Reduced common recreational open space by 50 square feet per affordable unit

Question: What level of increase in development capacity does the City want or need to provide to comply with RCW 36.70A.540?



King County

Department of Transportation

Transit Oriented Development

201 South Jackson Street, M/S KSC-TR-0815

Seattle, WA 98104-3856

Fax: (206) 263-3187

February 4, 2008

Mr. Jim Lauinger
Mayor, City of Kirkland
123 5th Avenue
Kirkland, WA 98033

Dear Mayor Lauinger:

Redevelopment of the South Kirkland Park and Ride is a unique opportunity for a Transit Oriented Development (TOD) project at a major transit facility. Consolidating housing at major transit facilities is an effective strategy to increase transit ridership and reduce the harmful effects of congestion and greenhouse gas emissions. To this end, King County has submitted an application for a Comprehensive Plan Amendment and Concurrent Rezone for the South Kirkland Park and Ride with the City of Bellevue. King County is interested in pursuing a similar process in the City of Kirkland. We intend to work with both cities and ARCH to make a TOD with affordable housing a reality.

The South Kirkland Park and Ride is adjacent to SR520 and close to Interstate 405. The Park and Ride is bisected by the boundaries of Kirkland and Bellevue. Neither city's zoning currently allows high density housing on the parcel. King County Metro Transit requests that the cities of Kirkland and Bellevue consider amendments to their Comprehensive Plans and Zoning Codes that would enable redevelopment of the parcel for a TOD project with a housing component.

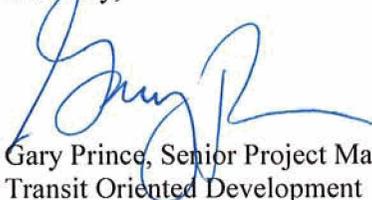
Expansion of the South Kirkland Park and Ride is also a key component of the Urban Partnership Grant award recently received by King County, PSRC, and WSDOT. This grant award including funding for the replacement of the SR520 bridge, increased transit service, expansion of park and ride capacity at South Kirkland, and other measures. The award is pending legislation action in Olympia and final federal approval.

We understand that TOD with a significant housing component at the South Kirkland Park and Ride has already been included on the City's adopted planning work program. We would very much appreciate assistance from the City of Kirkland in our efforts to coordinate this task with the City of Bellevue

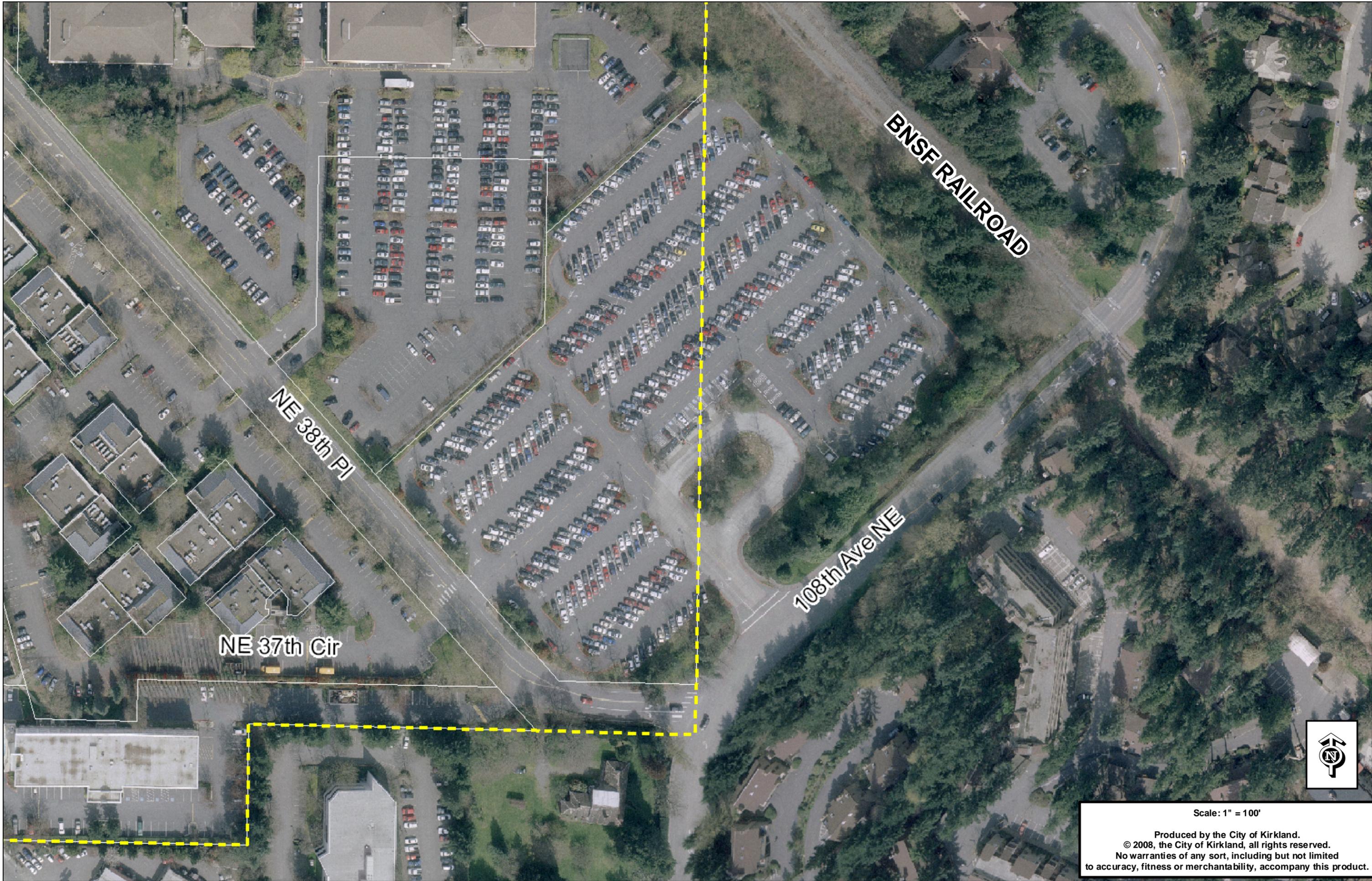
Amendments to both the City of Kirkland and the City of Bellevue Comprehensive Plans and related rezoning of this parcel is necessary for this project to proceed. Design details for the project have not been developed but the concept for the project includes a bus transit facility, park and ride, housing, incidental office and retail, and potentially rail facilities related to the adjacent BNSF right-of-way.

We look forward to working with the City of Kirkland.

Sincerely,



Gary Prince, Senior Project Manager
Transit Oriented Development



NE 38th Pl

NE 37th Cir

108th Ave NE

BNSF RAILROAD



Scale: 1" = 100'
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TOD Projects in King County *DRAFT*

	Overlake	Renton	Auburn	Burien	Kent	Northgate	Redmond	Kenmore
	Completed	Completed	Underway	Underway	Underway	Underway	Underway	Contemplated
Uses	P&R, moderate income housing, day care	P&R, affordable apartments, retail	P&R, housing and retail anticipated	Transit Center, retail, office and housing anticipated	Not decided	Shared use parking is mixed use project		
#Affordable Units	308	45	Not decided	Not decided	Not decided	20% of 266-286 units, depending on number of condos.	20% of total	20%
Affordability Level	60% of median	80% of median	Not decided	30% at 80% of median (rental or own) or 60% at 120% (of all own.)	Not decided	80% median income (rental)	80% median income (rental)	80% median income
Participants	K.C., Housing Authority, Private Developer	King County, Private Developer	Not decided	Not decided	Not decided	Lorig Associates	Trammel-Crow	Private (Kenmore partners) & Urban Partners (non-profit)
Financing	Tax-exempt financing and federal housing tax credits	Conventional financing	Not decided	Not known. City does provide prop. tax exemption program	Not decided	Conventional financing	Conventional financing	Conventional (for market rate) & public (affordable)

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CHARTING A FUTURE COURSE

◆ RELATIONSHIP TO THE FRAMEWORK GOALS ◆

The **Housing Element** highlights the following Framework Goals:

- ✓ **FG-1 Maintain and enhance Kirkland's unique character.**
- FG-2 Support a strong sense of community.
- ✓ **FG-3 Maintain vibrant and stable residential neighborhoods and mixed-use development, with housing for diverse incomes, ages, and lifestyles.**
- FG-4 Promote a strong and diverse economy.
- FG-5 Protect and preserve environmentally sensitive areas, and a healthy environment.
- FG-6 Identify, protect and preserve the City's historic resources, and enhance the identity of those areas and neighborhoods in which they exist.
- FG-7 Encourage low impact development and sustainable building practices.
- FG-8 Maintain and enhance Kirkland's strong physical, visual, and perceptual linkages to Lake Washington.
- FG-9 Provide accessibility to pedestrians, bicyclists, and alternative mode users within and between neighborhoods, public spaces, and business districts and to regional facilities.
- FG-10 Create a transportation system that allows the mobility of people and goods by providing a variety of transportation options.
- FG-11 Maintain existing park facilities, while seeking opportunities to expand and enhance the current range and quality of facilities.
- FG-12 Ensure public safety.
- FG-13 Maintain existing adopted levels of service for important public facilities.
- ✓ **FG-14 Plan for a fair share of regional growth, consistent with State and regional goals to minimize low-density sprawl and direct growth to urban areas.**
- ✓ **FG-15 Solve regional problems that affect Kirkland through regional coordination and partnerships.**
- FG-16 Promote active citizen involvement and outreach education in development decisions and planning for Kirkland's future.
- ✓ **FG-17 Establish development regulations that are fair and predictable.**

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A. INTRODUCTION

EXISTING CONDITIONS

Kirkland is a largely residential community, as housing remains the City's predominant land use. About 64 percent of the City's land area is devoted to residential uses. In the early 1990s, about half of the housing in Kirkland was single-family homes. That has dropped to just 45 percent of the City's housing over the past 10 years. We have also seen an increase in mixed-use developments that combine housing with other uses, such as office and retail. The City has a wide variety of other housing styles including zero lot line, townhomes, multifamily flats, and accessory dwelling units (also known as mother-in-law apartments). Neighborhoods are well established and are one of the City's most desirable assets. Numerous neighborhood associations and homeowners' associations contribute to the livability of the community.

Just as there are a variety of housing types in Kirkland, there are a range of housing densities – from large residential estates of close to one acre in size near Bridle Trails State Park to over 100 units per acre in some Downtown condominiums and apartments, where the number of units is limited only by the building envelope allowed on the site. The City's most dense neighborhoods are Totem Lake and Moss Bay, which includes Downtown, where a high proportion of the housing is multifamily units.

FUTURE NEEDS

Critical housing needs facing Kirkland from 2004 to 2022 include the preservation of neighborhood quality, the creation and retention of housing that is affordable, and the provision of housing for residents with special needs.

Kirkland's future will also include the need to accommodate additional growth. The challenge will be to find ways to develop additional housing that is compatible with existing neighborhoods and the environment. While much of the new housing will be located in existing areas of higher densities, other housing

will occur in predominantly low-density residential neighborhoods as infill. The Housing Element contains goals and policies designed to promote and protect neighborhood quality as growth occurs.

The City's role in ensuring neighborhood quality will be to provide a compatible mix of land uses in and around residential areas, and to ensure that the physical elements inherent in a well-designed neighborhood are maintained and established. The Land Use and Housing Elements work together to achieve these goals.

In addition to preserving the character of neighborhoods while providing for growth, Kirkland faces the weighty challenge of supplying housing affordable to all economic segments of the population. The issue of affordable housing reaches most people in a community, since the quality of life in a city is tied, to a large extent, to the ability of its residents to find the kind of housing they desire at a price they can afford.

Affordable housing is generally discussed in two contexts: that of "affordability" in general, or how well the general population can afford a home, and that of "affordable housing," which is defined as housing affordable to all economic segments of the community. Housing is affordable if a household spends no more than 30 percent of monthly income for total housing cost (including costs such as taxes, insurance, and utilities).

In 2000, about one third of the City's residents earned less than 80 percent of median income and faced considerable difficulty in affording housing. According to the 2003 Kirkland Housing Needs Analysis, prepared by A Regional Coalition for Housing (ARCH), Kirkland's current housing market is most lacking in providing rental housing units priced appropriately for low-income households (those earning zero to 50 percent of median income) and ownership housing priced appropriately for median-income households (earning 80 – 120 percent of median income). Therefore, the Housing Element promotes policies designed to:

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- ◆ Increase the supply of rental units affordable to low-income households; and
- ◆ Increase first-time homeowner opportunities for moderate-income households.

In comparison to Countywide averages, Kirkland in 2003 is home to relatively few persons with special needs. While this may be true for a number of reasons, one reason is likely to be the lack of appropriate housing. A range of strategies to address this problem is contained in the Housing Element.

In the spring of 2000, the City Council appointed a Housing Task Force to examine and make strategy recommendations in five issue areas: market provision of affordable housing, innovative housing styles to increase housing supply and affordability, transit-oriented development, preservation of existing affordable housing, and subsidization of affordable housing. The Task Force's recommendations on these issues are incorporated in the goals and policies contained in the Housing Element. The goals and policies are interrelated to, and must be balanced with, those included in the other Comprehensive Plan Elements. The location, density, and design of housing is intended to serve community objectives such as affordable housing, housing affordability, environmental quality, support for transit, and the effective use of existing public facilities and utilities. Overarching all of these objectives is a need to increase awareness of housing issues in our community.

B. THE HOUSING CONCEPT

The central goal of the Housing Element is to preserve neighborhood quality while improving housing opportunities for all residents. To accomplish this, the Element:

- ◆ Promotes neighborhood quality through the continuation of the existing residential land use pattern, and through the application of standards where infill development occurs to ensure compatibility;

- ◆ Provides for diversity in housing types and options to serve all economic segments and those with special housing needs; and
- ◆ Supports the creative use of land where greater residential capacity can be achieved, while protecting environmentally sensitive areas.

C. HOUSING GOALS

Goal H-1: Maintain and enhance the unique residential character of each City neighborhood.

Goal H-2: Promote the creation of affordable housing and provide for a range of housing types and opportunities to meet the needs of all segments of the population.

Goal H-3: Provide for greater housing capacity and home ownership opportunities.

NEIGHBORHOOD QUALITY



North Kirkland Community Center Park

As the Vision Statement and Framework Goals describe, Kirkland's citizens consider the preservation and enhancement of neighborhoods to be strong community values.

Kirkland encompasses many distinct neighborhoods that can be differentiated on the basis of density, age of structures, size of detached homes or multifamily structures, and a variety of visible features. The City's

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neighborhoods, with their own unique residential characters, offer a choice of living environments. This diversity adds to the community's ability to meet a wide variety of residential needs.

The following goals and policies are designed to ensure that new development meets the high standards for livability of Kirkland neighborhoods, and that the preferred community character is preserved.

Goal H-1: Maintain and enhance the unique residential character of each City neighborhood.

Policy H-1.1: Retain the character of existing neighborhoods by incorporating neighborhood character and design principles into standards for new development.

Because change will take place in all neighborhoods between 2004 and 2022, design standards for new development to be incorporated into existing neighborhoods will be important to the preservation of neighborhood quality. Standards should address how new development, particularly when sited on smaller lots or at greater densities than surrounding development, can occur in a manner compatible with existing neighborhood character.

These standards can encourage structures to integrate sensitively with the surrounding area by addressing issues such as scale and bulk, setbacks which reinforce those of surrounding residences, as well as landscape buffers where appropriate.

HOUSING DIVERSITY

This Element contains policies designed to address the housing needs of all Kirkland residents, who vary greatly in terms of income and personal need.

Housing Affordability

The policies strive to improve housing affordability at all income levels, and emphasize a combination of appropriately zoned land, regulatory incentives, finan-

cial subsidies, and innovative planning techniques, in order to ensure that the needs of moderate-income and low-income persons are adequately served. Housing for these groups is least likely to be provided by the private housing market.

Kirkland's population within each of the defined income groups (based on King County median income) in 2000 was as follows:

- ◆ Low-Income Households: Households making up to 50 percent of median income (\$26,500 or less annually)
 - Percent of Kirkland's population in 2000: 15 percent
- ◆ Moderate-Income Households: Households with incomes between 50 percent and 80 percent of median income (\$26,501 to \$42,500 annually)
 - Percent of Kirkland's population in 2000: 16 percent
- ◆ Median-Income Households: Households with incomes between 80 percent and 120 percent of median income (\$42,501 to \$63,800 annually)
 - Percent of Kirkland's population in 2000: 21 percent
- ◆ Above-Median-Income Households: Households with incomes above 120 percent of median income (above \$63,800 annually)
 - Percent of Kirkland's population in 2000: 48 percent

As these figures show, nearly one third of the City's residents fall within the low- and moderate-income categories. This is about the same proportion as in 1990, although there has been a shift in the upper-income categories. In 2000, about seven percent more households earned more than the median income and about five percent fewer households were in the median income category.

In 2000, 71 percent of Kirkland's lowest-income households, those earning \$20,000 per year or less, paid more than 35 percent of their income toward

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housing costs. It is known that as households overpay to this extent, they may be forced to forgo other necessities, or be unable to save to buy a home because their housing expenses consume such a large portion of their income.

Typically, the lower the household income, the greater percentage of income is paid to housing costs. The higher percentage of income paid toward housing, the more vulnerable a household is to actually losing their housing if someone in the household loses a job, suffers a medical emergency, or incurs some other major expense. As a result, these households may become homeless, displaced, or reside in overcrowded or substandard housing.

The vast majority of housing affordable to low- and moderate-income families in Kirkland, as in most communities, is rental housing. This housing is typically multifamily. In 2000, just over 60 percent of the City's rental housing was affordable to moderate-income families, including about 16 percent that was also affordable to low-income families.

While housing affordability does not appear to be as great a problem among Kirkland's higher-income residents, meeting the needs of the higher economic segments of the population with housing they can afford serves those at the lower levels as well.

For example, potential first-time home buyers earning incomes over 80 percent of median income but less than 100 percent of median find it difficult to purchase a home in Kirkland without some form of assistance. These groups may be forced to remain in rental housing and to delay home purchases. Increasing rents, in turn, make it even more difficult for them to save down payments, thus further delaying plans for home purchases.

These individuals or families may then displace the lower-income groups in the rental market, by paying higher rents than would otherwise be charged, if appropriate lower-cost housing were available for them in the ownership market. Consequently, the supply of rental housing is restricted and rents are inflated to a point out of reach for the lowest-income families.

The housing needs analysis identified moderate-income first-time home buyers as one of the groups least served by Kirkland's housing market. Greater housing choices and opportunities can be provided for this group.

Special Needs Housing

Policies aimed at meeting the demand for special needs housing of residents are also included. These approaches generally include providing funding, research, and coordination assistance to social service agencies providing housing to these populations, as well as adding flexibility to the City's land use policies and regulations to provide a greater range of housing options that may meet the demands for special needs housing.

Short-term special needs housing is needed to provide shelters for victims of domestic violence, or transitional housing for homeless families, for example. Long-term housing with appropriate supportive services, such as single-family homes shared by adults with developmental disabilities, apartments adapted to serve the frail elderly, or efficiency units for the mentally ill, are also needed to prevent the cycle of homelessness.

Goal H-2: Promote the creation of affordable housing and provide for a range of housing types and opportunities to meet the needs of all segments of the population.

Policy H-2.1: Strive to meet the targets established and defined in the Countywide policies for low- and moderate-income housing as a percentage of projected net household growth.

The targets established by the Countywide Planning Policies maintain that housing plans for Kirkland must be designed to provide for:

- ◆ Seventeen percent of growth in new households affordable to moderate-income households; and
- ◆ Twenty-four percent of growth in new households affordable to low-income households.

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These targets have proven to be a challenge to meet. While market conditions and existing plans have been fairly successful in providing rental housing for moderate-income households, low-income households have not been well served by either the rental or home ownership markets. Policies contained in this Element are designed to provide more and a broader range of housing opportunities for these groups. The City should track its progress toward meeting these goals and consider additional tools or strategies if appropriate progress is not being made.

Policy H-2.2: Allow the development of accessory dwelling units on single-family lots. Regulatory guidelines should minimize procedural requirements, but should address neighborhood compatibility.

Accessory units are promoted as a means to achieve affordable housing and increased density in existing neighborhoods by more efficiently using the existing housing stock. Accessory units can help to meet the need for low- and moderate-income housing by opening up surplus space on single-family lots.

Income from these units can help residents in a variety of situations, as well as help to preserve the City's existing housing through supplementing upkeep costs, thereby extending the livability of a dwelling.

In 1995, Kirkland adopted regulations to allow accessory dwelling units on all single-family properties. Since that time, over 80 accessory units have been approved. These have included units built within existing houses, units built over detached garages, and separate structures.

Policy H-2.3: Promote the provision of affordable housing by private sector residential developments.

Special incentives for the development of low- and moderate-income housing should be used as a means to promote the provision of these units by private or nonprofit developers. Kirkland's existing programs which provide density bonuses for affordable housing could be expanded, and other types of incentives also should be explored. Approaches such as expedited permit processing, permit and impact fee waivers,

flexible site and development standards, tax exemptions, the allocation of Community Development Block Grant and general funds to write down project costs, inclusionary zoning, and other techniques should be evaluated.

Policy H-2.4: Provide affordable housing units when increases to development capacity are considered.

Many rezones and height increases result in increased development capacity. This can result in additional value to property owners and an opportunity to create affordable housing at little or no cost to the owner. The economic value of the increased capacity should be compared to the economic cost of providing affordable units when evaluating if affordable housing should be required.

Policy H-2.5: Ensure that affordable housing opportunities are not concentrated, but rather are dispersed throughout the City.

The bulk of housing affordable to low- and moderate-income households is multifamily. Nevertheless, opportunities for affordable housing, and special-needs housing, may occur in single-family neighborhoods through infill, accessory units, or group homes. These housing options should be dispersed throughout the community and integrated into neighborhoods. This distribution will ensure a wider range of housing options for Kirkland residents.

Policy H-2.6: Streamline the City's development review and approval processes, while ensuring that the integrity of the planning process is not compromised.

Since time is a critical factor in financing development projects, a reduction in the time needed to receive City approval can result in savings to housing providers. Adding certainty to the development review process will also help to promote residential development.

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Policy H-2.7: Create flexible site and development standards which balance the goals of reduced housing development costs with other community goals.

Site and development standards affect many direct development costs, such as infrastructure, land, and building costs. Street widths, setbacks, curb and sidewalk requirements, and parking standards are some of the residential standards that may affect costs. Standards that allow alternative approaches to site and building design may provide cost savings. Some combination of a prescriptive standard that is permitted outright and an optional performance standard may be desirable to balance the desire to minimize costs and maintain quality.

Policy H-2.8: Preserve, maintain, and improve existing affordable housing through assistance to residents and housing providers.

The City's Housing Repair program supports the preservation of both the owner-occupied and rental housing stock through grants and loans for housing repair and rehabilitation. Community Development Block Grant (CDBG) funds and City funds are also allocated to housing providers to acquire and rehabilitate emergency and transitional housing facilities, as well as permanent low- and moderate-income housing development and homeownership programs.

Due to the high land values prevailing in the City, and the resulting difficulty developers face in producing new housing that meets the needs of low- and moderate-income residents, assistance to enable rehabilitation of existing housing may be one of the most effective strategies to maintain and produce affordable housing in Kirkland. Another benefit of rehabilitation is that it is less likely to change the appearance of neighborhoods.

Policy H-2.9: Continue to support the acquisition and creation of housing by private or nonprofit organizations, housing authorities, or other social and health service agencies for low- and moderate-income tenants.

Local resources can be a critical part of developing or preserving affordable housing. Efforts to identify po-

tential opportunities and resources, such as inventorying and possibly donating surplus public property, acquiring land, contributing Community Development Block Grant (CDBG) funds or City funds, and paying or waiving impact and permit fees and utility and infrastructure costs, can improve the feasibility of affordable housing projects.

This is especially true of housing for individuals and families who cannot afford housing created through the private market. Local resources are often required as a match for other public (County, State, federal) and private funding sources, and therefore work to leverage a significant amount of funding into Kirkland and the region that would otherwise not be available.

The City can also support affordable housing acquisition and development in indirect ways by working with local lenders to coordinate financing for projects, encouraging private and other public donation of resources, inventorying multifamily residential properties and encouraging preservation of those that are affordable, and working with the State Legislature to provide additional tax relief.

Policy H-2.10: Ensure that zoning does not unduly restrict group homes or other housing options for persons with special needs.

Special-needs housing can be provided in a variety of structures, such as single-family homes, group homes, multifamily dwellings, congregate care facilities, or other institutional settings. Flexibility in land use regulations to allow group homes and home-based care represents a significant opportunity available to the City to meet the demand for special needs housing. Barriers to creating these housing options, including extensive special review processes, should be avoided.

Policy H-2.11: Encourage and support the development of emergency, transitional, and permanent housing with appropriate on-site services for persons with special needs.

Sources of emergency and transitional housing include shelters, single-room occupancy hotels (SROs), group homes, congregate care facilities, and many of

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the other housing options discussed in the Housing Element. The City should continue to make funding available to social service agencies serving these special-needs populations, to facilitate their development and operation.

The City should work cooperatively with nonprofit agencies or the private sector to site special-needs housing while helping neighbors to understand the role of special-needs housing in the community and the requirements of the Federal Fair Housing Law.

Policy H-2.12: Cooperate at a regional level to increase the base of both public and private support necessary to address local housing needs.

Communities within King County should work together to address shared housing needs, since housing needs and solutions cross jurisdictional boundaries. They should work cooperatively on a regional housing finance strategy that allows sharing resources to support affordable and special needs housing throughout east King County.

Similarly, efforts to reduce housing costs through streamlining and flexibility in regulation should be coordinated with neighboring jurisdictions. Kirkland lies within a regional housing market, and cost reductions in Kirkland alone will not affect affordability significantly elsewhere in the region. Proactive leadership by Kirkland can encourage participation and action by other cities, thus promoting greater affordability throughout the Eastside. Reducing the percentage of income devoted to housing costs will improve the quality of life for low- and moderate-income families, and enable residents to contribute to other regional goals, such as schools and transit.

Policy H-2.13: Support efforts to achieve a geographic balance in siting special-needs housing throughout the City and region, including support of housing in jurisdictions that serve residents from elsewhere on the Eastside.

Generally, special-needs housing should be dispersed throughout the region. Funds set aside by Kirkland to provide this type of housing should be considered for projects both in Kirkland and elsewhere on the East-

side. Similarly, projects serving special-needs populations from Bellevue, Redmond, and other Eastside communities should be sited in Kirkland when appropriate.

Some clustering of special-needs housing may be appropriate when proximity to public transportation, medical facilities, or other basic services is necessary.

HOUSING CAPACITY

At an average density of 6.5 dwelling units per residential acre citywide, Kirkland's residential densities are relatively high for a suburban community. Nevertheless, the City contains many neighborhoods developed at lower densities (three to five dwelling units per acre). In 2003, Kirkland had 22,100 housing units, capacity for a total of 28,000 units, and a 2022 Growth Target of 26,800 units.

As noted in the Housing Diversity section of this Element, greater opportunities for home ownership may be created through smaller lots and more varied housing types. In addition, cost savings are generally associated with smaller lots and revised development standards. The savings obtained through reducing the amount of street, sidewalk, water, sewer, and other utilities needed for each home may be reflected in the initial purchase price as well as ongoing maintenance and services costs to both the home owner and the public.

Goal H-3: Provide for greater housing capacity and home ownership opportunities.

Policy H-3.1: Provide additional capacity for single-family development through allowing reductions in lot sizes where surplus land exists on underdeveloped parcels.

As Kirkland has become more fully developed in recent years, residential development trends have included a shift away from large subdivisions to "infilling" of vacant and underdeveloped lots within existing neighborhoods.

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The City already allows slight reductions in the required lot size as one method to accommodate more housing on existing residential land while helping to avoid suburban sprawl. Further lot size reductions would increase capacity in areas already served by transit and other public utilities and services. This should only be considered where compatibility with surrounding neighborhoods can be ensured through site and building design.

Policy H-3.2: Allow a broad range of housing and site planning concepts in single-family areas to increase housing supply and choice, to reduce cost, and to ensure design quality and neighborhood compatibility.

Clustering and innovative housing types may include cottages, compact single-family, zero lot line, clustered and common wall housing. These development styles can allow for more environmentally sensitive site planning by concentrating development on the most buildable portion of a site while preserving natural drainage, vegetation, and other natural features. Similarly, allowing zero lot line or other design innovations in these areas can further help to lower land and development costs.

In addition to environmentally sensitive areas, innovative housing types may be appropriate on sites throughout the City's single-family neighborhoods. The demographics of our population are changing, with the average number of people living in each housing unit decreasing and the average age increasing. Cottage, compact single-family and common-wall housing can provide more housing on the same land area, in smaller structures that better match the needs of our population. In addition, housing affordability can be improved through reduced construction costs resulting from smaller or common-wall development.

In all cases, design standards are important to ensure that new development is integrated sensitively with its neighbors. Greater attention to building and site design, such as building bulk, roofline variation, garage and parking location, and landscaped buffers can enhance aesthetic appeal and neighborhood compatibility.



The Park at Forbes Creek Apartments

Policy H-3.3: Allow for the maintenance and redevelopment of existing developments that do not conform to current density standards in planned multifamily areas.

A number of multifamily structures exist within the City that are built at densities above those planned for their sites. These structures provide a valuable source of close-in and often affordable housing to Kirkland residents. In order to retain the housing capacity and affordability provided by these units, property owners should be allowed to maintain, remodel, or rebuild these structures, while retaining their existing densities. Restrictions on unit size should be considered as a means to maintain affordability.