



MEMORANDUM

Date: November 18, 2009

To: Houghton Community Council

From: Dawn Nelson, Planning Supervisor
Dorian Collins, Senior Planner

Subject: **ZONING CODE AMENDMENTS FOR AFFORDABLE HOUSING (File ZON09-00005)**

I. RECOMMENDATION

Staff recommends that the Houghton Community Council hear a brief presentation of the Planning Commission discussion of issue areas at the Public Hearing for this project. We also recommend that you consider the Planning Commission's recommendation, identify any areas of concern and make a recommendation to the City Council for their December 1st meeting.

II. PLANNING COMMISSION HEARING

A. Hearing Process and Public Comments

The public hearing for the Development Incentives for Affordable Housing was opened at the November 5, 2009 Planning Commission meeting. Staff gave a presentation, public comments were received, and the Planning Commission began deliberation. The hearing was continued to Monday, November 16, 2009 at 7:00 p.m. The Planning Commission concluded their deliberations and made a final recommendation on the code amendments. The specific issue areas discussed by the Planning Commission and their recommendation are outlined later in this memo.

The majority of the public comments received at the hearing supported the proposed amendments. Representative from Habitat for Humanity of East King County and the Housing Development Consortium (HDC), both non-profits, testified. The HDC representative raised concerns about retaining or expanding a voluntary program, stating that national case studies have shown that voluntary programs do not work to create affordable housing units. She also noted that broader allowance for a payment-in-lieu program would lead to more concentration of affordable units rather than dispersion. Three Kirkland property owners spoke. One questioned the reduction of the public review process required when requests for additional incentives are made. One stated that she supported a mandatory approach. The third was supportive of a mandatory approach if it was structured to provide true economic incentives to make the developer "more than whole" in order to not dissuade development. He also

commented that increasing the areas where multifamily housing is allowed would help ensure that sufficient land supply for housing is available.

Separate from the Planning Commission hearing, staff has reviewed the economic analysis comparing the cost of providing affordable housing units with the value of incentives that could be given in return with five multifamily and mixed use developers and land owners. All agreed that the approach is sound and that the assumptions are supportable, assuming a return to some level of economic normalcy. A summary of their comments can be found in Attachment 1.

B. Summary of Houghton Community Council Issues

The following text summarizing the September 26th Houghton Community Council meeting was included in the staff memo to the Planning Commission:

Planning staff briefed the Houghton Community Council on the proposed Zoning Code amendments at their October 26, 2009 meeting. The HCC was generally not supportive of a mandatory program. While some agreed with the concept of integrating affordable housing units in developments throughout the City, others thought that having just a few units in a development would lead to inefficiencies for the developer and/or property owner. Based on this, they were supportive of allowing broader use of a payment-in-lieu program that would make funds available to larger affordable housing projects. They also indicated a strong preference for increasing the existing density incentives to further encourage development of affordable units through a voluntary program.

C. Planning Commission Recommendation and Discussion

The Planning Commission will be recommending that the amendments to Chapter 112 of the Kirkland Zoning Code outlined in Attachment 2 be adopted by the City Council. These amendments create requirements for the inclusion of affordable housing units in multifamily and mixed use developments in density limited zones, as well as the Totem Lake and Rose Hill Business District zones. Areas where the proposed regulations have changed since the HCC saw them in October are shaded in grey. Both a strike through and underline version (Attachment 2.a.) and a final format version (Attachment 2.b.) are included.

The following list identifies the issue areas that were discussed and resolutions reached by the Planning Commission during the public hearing.

1. Does the Planning Commission recommend a mandatory affordable housing program, a payment-in-lieu option or the current incentive-based approach within the Houghton jurisdiction?

Background

The HCC stated a preference for retaining or expanding the current voluntary incentive program for affordable housing units. Alternatively, a broader allowance for payment-in-lieu of providing affordable units seemed to be of interest to the Community Council particularly

since many projects would be small. Staff asked the Planning Commission to weigh in on this issue.

PC Discussion

The Planning Commission acknowledged that the HCC has the authority to disapprove the proposed amendments. However, they did not think it was in the best interest of the City for the PC to make a recommendation that would allow different regulations to be in place in Houghton. The payment-in-lieu option is discussed further in item 3, below.

Resolution

The PC recommended that the requirements for providing affordable housing units be applied consistently in the affected zoning districts throughout the City with a payment-in-lieu option for smaller projects.

2. What is the best option for ensuring that the value of incentives provided offsets the cost of providing affordable housing when a payment-in-lieu is used for fractional affordable units?

Background

If a payment-in-lieu of providing affordable housing is used for fractional affordable housing units and no on-site affordable housing is provided, then the Multifamily Tax Exemption (MFTE) as currently adopted cannot be used. The MFTE provides a significant incentive to offset the cost of providing affordable housing. How will the value of the incentives offset the cost of providing affordable housing in those instances where it cannot be used?

PC Discussion

This is an issue for developments where the base density is less than 6 units and, therefore, a fractional affordable unit less than 0.66 would be required. It is also an issue for fractions of units in larger developments. The three alternatives that the PC discussed to address this issue were:

- Modify the MFTE to allow it to be used in situations where a payment-in-lieu is provided for fractional affordable housing units.
- Utilize the allowance for additional density bonus in KZC 112.25 to allow more density to ensure that sufficient economic incentive is provided to offset the affordable housing cost.
- Modify the minimum threshold for requiring affordable housing from four units to ten and don't require fractional affordable units. The negative effect of this is that smaller developments would not participate in creating affordable housing units and larger developments would provide less affordable housing.

Resolution

The PC thought that the first option above, modifying the MFTE, was the simplest and most supportive of the creation of affordable housing. They recommended that the MFTE regulations in the Municipal Code be amended.

3. Should the payment-in-lieu of providing on-site affordable units program be expanded beyond the proposed allowance that applies only to fractional affordable units on properties with a base density of six or fewer units?

Background

The Planning Commission's initial recommendation for payment-in-lieu of constructing affordable housing was to establish a program that would strongly encourage construction of affordable units where feasible. Based on this, the proposed code language allows payment-in-lieu only for fractional affordable units that are less than 0.66 units. Rounding up to the next whole number of units is required if the calculated number of required affordable units results in a fraction of 0.66 or more.

The Houghton Community Council supported allowing broader use of a payment-in-lieu program that would make funds available to larger affordable housing projects through the ARCH Housing Trust Fund. Reasons the Community Council gave for this included that you believed this would eliminate potential inefficiencies that would result from having just a few units in many developments and that it is appropriate to give developers a variety of options to comply with the requirements.

PC Discussion

Whether to allow a payment for only fractional units or to expand it to whole units generated significant debate during the PC deliberation. Restricting payment would ensure that actual affordable units are included in developments and ensure dispersion of affordable units in projects throughout the City. Allowing a broader use of a payment would provide flexibility to developers and could increase the leveraging of those payments, which would be dispersed through the ARCH Housing Trust Fund process.

Resolution

The compromise that was reached was to allow a payment-in-lieu for up to one whole affordable housing unit and partial affordable housing units up to 0.66 units, but limit the time that payment-in-lieu is allowed for a whole unit to five years. Similar to the phasing in of affordability in the TL and RH zones, this will soften the impact on the pioneer, or first, developments that are subject to the regulations. It will also allow the City to evaluate its use over time. The modified code language is shown in section 112.30.4 in Attachment 2.

4. Are the proposed approval processes for requests to use the Additional Affordable Housing Incentives in KZC 112.25 appropriate?

Background

The Planning Commission did not discuss this item at its meeting in September, so no specific direction was given. Staff's proposed code amendment was intended to simplify the

approval process in response to the comments received from the PC last spring. Staff requested that the PC determine whether the proposed approval processes provide an appropriate level of public notice and opportunity for public input. The proposal is that a Planning Director approval be used to decide on requests for increased density, up to a 50% density increase over the base density allowed, and that a Process I be used to decide on requests for further flexibility to site development standards. The current regulations require a Process IIA approval for both types of request.

One of the following criteria must be met for approval of either an increase in density bonus (Section 112.25.2) or further modification to site development standards (Section 112.25.3):

- 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-requirements~~ 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.

Because they would be developing more units on their property, anyone requesting approval of an increase in density bonus (Section 112.25.2) will likely take greater advantage of the allowed modifications to lot coverage, parking, height, required yards and common recreational open space allowed in KZC 112.20 than someone who is only using the standard density bonus. However, they would not be able to go beyond the limits established in KZC 112.20 without going through a Process I review (Section 112.25.3).

PC Discussion

The PC discussion revolved around two questions:

- What is the benchmark for determining sufficient economic incentive identified in criterion a, above? ; and
- What is an example of a scenario where a request to use this code section would be made?

Staff's response to the first question was that the benchmark is the economic analysis that the City prepared to compare the cost of providing affordable housing and the value of incentives provided (see Attachment 7 to the staff memo for your October 26th meeting). A developer would need to go back to that analysis and make a case that specific site conditions made the basic affordable housing incentives insufficient to provide the value identified in the gap analysis.

In response to the second question, an example of where this code section would be used is if a small development of six or fewer units wanted to provide an affordable unit on site. The resulting density bonus of two additional market rate units would be an increase greater than 25%, so they would request approval under criterion c, above. They would be providing a whole affordable unit where the code would only require a fraction of an affordable unit.

The one project that has taken advantage of the incentives is an example of this. The base density allowed was four units, they provided one affordable unit, and gained two additional market rate units for a total of six units (a 50% density bonus). They were able to accomplish this density on a 7,500 square foot lot without significant changes to the site development standards. The site is a corner lot with two required 20 foot front setbacks and two required side setbacks. One front yard was reduced to 17.25 feet, the parking is located under the building and only one stall is provided for the affordable unit, and the common recreational open space was reduced by 50 square feet. No height increase was proposed.

Resolution

The Planning Commission concluded that the proposed approval processes were appropriate.

III. RESPONSES TO OTHER HCC COMMENTS FROM OCTOBER 26, 2009 MEETING

This part of the memo is intended to respond to several of the other questions and comments raised by the HCC at your October 26th.

A. Why Have Incentives Not Been Used?

The current incentives in density limited zones were adopted by the City in May 2004. Relatively little multifamily development has occurred in those zones where the incentives are in place. 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 because it would require significant increases to allowed building heights to do so.

Permits for a total of 976 multifamily residential units have been issued by the City since the affordable housing incentives were adopted four and a half years ago. Of those, only eight projects and a total of 56 units (less than 6% of the total number of permitted multifamily units) are in zones where the land use incentives are available. In addition, only two of those projects were 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 under the current incentives to use the bonus without having to go through a Process IIA zoning permit. Developers see this permit process requirement as a disincentive because it takes an additional four to six months to get a permit and adds to the uncertainty of the permit process.

A related question raised by the HCC was how many units would have resulted if the proposed requirements for affordable housing had been in place. The table in Attachment 3 shows the multifamily projects with four or more units in density limited zones where building permits have been received and issued since the voluntary incentives were adopted in 2004. The shaded columns on the right side of the chart show what the effect of the proposed regulations would have been. A total of 50 units were permitted and 5.3 units of affordable housing would have resulted (the additional 0.3 units are a result of rounding up from 0.7 units to 1 whole unit). Of those 5.3 units, three units would actually have been constructed and the remaining 2.3 units would have been allowed to make a payment-in-lieu of construction. Ten additional bonus units would have been allowed.

B. What Are Other Local Cities Doing?

The table in Attachment 4 shows the approaches currently being taken by other ARCH member cities to encourage the private market to include affordable housing units in multifamily and mixed use developments. Of the 15 ARCH cities, Redmond, Newcastle and Kenmore currently have mandatory programs in limited portions of their cities. These programs are located in their downtown and/or business district areas. Redmond has also adopted requirements that apply to both single-family and multifamily developments of 10 or more units as new neighborhood plans have been developed.

C. Is the City Looking at Preservation of Existing Affordable Housing?

The short answer to this is, yes, the City is looking at preservation of existing affordable housing as one strategy to address the affordable housing problem. The City's Housing Task Force worked in 2000 and 2001 to develop a list of recommended housing strategies for the City to pursue. Those strategies included:

- **Market provision of affordable housing** (pricing targeted to specific income levels and potentially guaranteed to remain affordable over time, through regulatory incentives or requirements);
- **Innovative housing types** to increase housing affordability or meet housing needs of different populations (including allowing cottages, multiplex structures designed to look like single-family homes, and small lot single-family in all single-family residential zones);
- **Preservation** of existing affordable housing;
- **Subsidization** of low-income housing; and
- **Transit-oriented development** at Kirkland Park & Ride lots (including the possibility of adding commercial, office, or housing development at the Park and Ride locations within Kirkland).

The City has pursued all of these strategies and continues to expand and fine tune them to try to achieve the maximum effect. The proposed amendments to the affordable housing incentives are intended to take a program that has proven to be ineffective in the creation of affordable housing units and develop one that is effective.

D. On-Line Resources Related to Mandatory Affordable Housing

You expressed an interest in being directed to on-line resources that would allow you to do some research on how mandatory affordable housing programs have worked elsewhere in the United States. The National Inclusionary Housing Conference [website](#) includes a [list](#) of resources and publications that address the question of inclusionary zoning. It also includes a [US map](#) showing jurisdictions throughout the country that have zoning requirements for affordable housing. California has the highest number of inclusionary housing programs of any state in the US.

The California Coalition for Rural Housing and the Non-Profit Housing Association of Northern California co-authored a report in 2003 entitled [Inclusionary Housing in California: 30 Years of Innovation](#). The report summarizes the findings of their survey of the affordable housing programs in 107 California cities and counties. It provides a good summary of the elements that have made inclusionary housing programs successful in that state.

The California Coalition for Rural Housing has also compiled a [searchable database](#) that includes the affordable housing requirements of 146 California jurisdictions. The search tool allows the user to find and view a summary of the affordable housing requirements based on combinations of up to 30 different criteria. Searchable criteria include voluntary or mandatory programs, percentage of affordable units required, alternatives to construction, incentives provided, income targeted, and length of affordability, among others. The results returned for a search include a list of jurisdictions with programs that meet the selected criteria. Individual jurisdictions can then be selected from the results list to view a summary of their particular program.

More locally, the Housing Partnership produced [The Ins and Outs - A Policy Guide to Inclusionary and Bonus Housing Programs in Washington](#) in August 2007. It provides a good summary of the legal, economic and practical issues that surround inclusionary and incentive based affordable housing programs under Washington State law.

ATTACHMENTS

1. Summary of Developer Interview Comments
- 2.a. Proposed Amendments to KZC Chapter 112 – strike through and underline version
- 2.b. Proposed Amendments to KZC Chapter 112 – final format version
3. Table of Multifamily Projects Submitted and Issued in Density Limited Zones
4. Table of Affordable Housing Regulations in ARCH jurisdictions

Summary Comments from Developer Interviews Economic Analysis of Affordable Housing Incentives

- Economic analysis approach is generally sound and assumptions are supportable, assuming return to some level of economic normalcy. Some suggested potential modifications/tweaks, but nothing major.
- There is enough uncertainty in the financing of development that future reality could be very different from past reality, on which analysis is based.
- Mandatory affordable housing may be reasonable, especially if:
 - It is paired with increases in development potential that, to some degree, more than offset costs.
 - Developments can economically achieve the incentives (e.g. can take full advantage of height increase without having to shift from wood frame construction to more expensive construction).
 - A sliding scale for affordability is available to be mindful of concerns of restricting too much of the potential upside of a development (percentage of affordable units), and image issue if serving lower income.
 - There is some opportunity for alternative compliance, even if skewed toward actual construction.
 - It addresses transition period issues (e.g. lower affordability requirements for pioneer projects).
- Deep affordability for rental units (50-60% of median) carries with it at least a perception that there would be a tangible affect on the development that includes those units.
- Options for alternative compliance are important, and the more options the better. Understand if options are weighted toward actual construction of units.
- Phasing in of affordability requirement would help pioneer developments in TL.
- MFTE could potentially work as a stand-alone incentive for affordable rental housing at right income level (likely at 80% median).
- City should consider increasing densities around the perimeter of the CBD in exchange for provision of affordable housing.
- City should strip away unnecessary costs to developers, including:
 - Parking studies to reduce parking on an individual project basis
 - Impact fees
 - Permit review times
 - Ground floor retail in low pedestrian traffic areas if TL (in exchange for more affordable?)

Chapter 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY

Sections:

[112.05](#) User Guide

~~[112.10](#) Voluntary Provisions Purpose~~

~~[112.15](#) Applicable Use Zones Affordable Housing Requirement~~

~~[112.20](#) Defined-Basic 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~~four or more residential 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 such a project ~~including affordable housing units~~, you should read this chapter.

112.10 ~~Voluntary Provisions Purpose~~

~~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 Affordable Housing Requirement~~

~~The affordable housing incentives described in this chapter may be used~~

1. Minimum Requirement - All developments creating four or more new detached, attached or stacked dwelling units in commercial, high density residential, medium density and office zones that allow dwelling units shall provide at least 10 percent of the units as affordable housing units and comply with the provisions of this chapter as established in the General Regulations for the Use Zone or the Special Regulations in the Use Zone Chart for the specific use.

2. Calculation in Density Limited Zones - For developments in density limited zones, the required amount of affordable housing shall be calculated based on the number of dwelling units proposed prior to the addition of any bonus units allowed pursuant to KZC 112.20.

3. Calculation in RH and TL Zones – For developments in the RH and TL Zones, the required amount of affordable housing shall be calculated based on the total number of dwelling units proposed.

37 4. Rounding – In all zones, the number of affordable housing units required is determined by rounding
38 up to the next whole number of units if the fraction of the whole number is at least 0.66.

39 5. Alternative Compliance - KZC Section 112.30 establishes methods for alternative compliance,
40 including payment in lieu of construction for portions of required affordable housing units that are less
41 than 0.66 units.

42 **112.20 Defined-Basic Affordable Housing Incentives**

43 1. Approval Process – The City will use the underlying permit process to review and decide upon an
44 application for utilizing the affordable housing incentives identified in this section, through the same
45 required review process as if no affordable housing units were provided.

46 2. Density Bonus

47 a. Height Bonus. In RH and TL use zones where there is no minimum lot size per dwelling unit,
48 additional building height will be granted in exchange for affordable housing, as specified in each
49 Use Zone Chart.

50 b. Bonus Units. In use zones where the number of dwelling units allowed on the subject property is
51 determined by dividing the lot size by the required minimum lot area per unit, two additional units
52 (‘bonus units’) may be constructed for each affordable housing unit provided. (See Plate 32 for
53 example of bonus unit calculations.)

54 ~~b. Bonus FAR. In use zones where the density allowed on the subject property is expressed as a~~
55 ~~maximum floor area ratio (FAR), two additional square feet of floor area (‘bonus FAR’) may be~~
56 ~~constructed for each square foot of floor area constructed in affordable housing units. (See Plate~~
57 ~~32 for example of bonus FAR calculations.)~~

58 ~~c. Alternative Calculation of Density Bonus. Except in those zones that have an established~~
59 ~~affordable housing requirement, an applicant may propose alternative affordability levels for the~~
60 ~~affordable housing units. The ratio of bonus units or bonus floor area per affordable housing unit~~
61 ~~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

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

65 ~~dc.~~ Maximum Unit Bonuses. The maximum number of bonus units ~~or amount of bonus FAR~~ achieved
66 through a ~~defined basic~~ affordable housing incentive shall be 25 percent of the number of units ~~or~~
67 ~~floor area~~ allowed based on the underlying zone of the subject property.

68 ~~ed.~~ Density Bonus for Assisted Living Facilities. The affordable housing density bonus may be used
69 for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25
70 percent of the base density of the underlying zone of the subject property.

71
72 ~~3. Alternative Affordability Levels. Alternative Calculation of Density Bonus. - Except in those zones that~~
73 ~~have an established affordable housing requirement, a~~ An applicant may propose alternative
74 ~~affordability levels different from those defined in KZC Chapter 5 for the affordable housing units.~~

75 ~~a.~~ In use zones where a density bonus is provided in exchange for affordable housing units, ~~the~~
76 ~~ratio of bonus units or bonus floor area per affordable housing unit for alternative affordability~~
77 ~~levels will be as follows:~~

78

<u>Affordability Level</u>	<u>Density-Bonus Unit to Affordable Unit Ratio</u>
<u>Renter Occupied Housing</u>	
60% 60% of median income	1.33 to 1 1.9 to 1
70% of median income	1 to 1 1.8 to 1
<u>Owner Occupied Housing</u>	
80% 90% of median income	1.6 to 1 2.1 to 1
60% 80% of median income	2.67 to 1 2.2 to 1

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

81 ~~b.~~ In use zones where additional height is provided in exchange for affordable housing units, the
82 percent of affordable units required for alternative affordability levels will be as follows:

<u>Affordability Level</u>	<u>% of Project Units Required to be Affordable</u>
<u>Renter Occupied Housing</u>	
60% of median income	13%

<u>70% of median income</u>	<u>17%</u>
<u>Owner Occupied Housing</u>	
<u>70% of median income</u>	<u>8%</u>
<u>90% of median income</u>	<u>13%</u>
<u>100% of median income</u>	<u>21%</u>

83 c. To encourage “pioneer developments” in the Rose Hill and Totem Lake business districts, the
 84 definition of affordable housing for projects in the RH and TL zones shall be as provided in the
 85 following table. This subsection shall apply only to those projects which meet the affordability
 86 requirements on-site or off-site. This subsection shall not apply to those projects which elect to
 87 use a payment in lieu of constructing affordable units as authorized in KZC 112.30.4.

88 The affordable housing requirements for projects vested on or after the effective date of the
 89 ordinance codified in this section must be targeted for households whose incomes do not exceed
 90 the following:

<u>Number of Total Units</u>		<u>Affordability Level</u>	
<u>RH Zones</u>	<u>TL Zones</u>	<u>Renter Occupied</u>	<u>Owner Occupied</u>
<u>First 50 units</u>	<u>First 150 units</u>	<u>70% of median income</u>	<u>100% of median income</u>
<u>Second 50 units</u>	<u>Second 150 units</u>	<u>60% of median income</u>	<u>90% of median income</u>
<u>All subsequent units</u>	<u>All subsequent units</u>	<u>50% of median income</u>	<u>80% of median income</u>

91 “Number of Total Units” shall mean the total number of housing units (affordable and otherwise)
 92 permitted to be constructed within the RH and TL zones where affordable housing units are
 93 required and which have not received funding from public sources.

94 d. Depending on the level of affordability provided, the affordable housing units may not be eligible
 95 for the impact fee waivers described in subsections (5)(a) and (5)(b) of this section.

96 34. Dimensional Standards Modification – To the extent necessary to accommodate the bonus units
 97 allowed under KZC 112.20.2.a on-site, the following requirements of the Kirkland Zoning Code may
 98 be modified through the procedures outlined in this subsection, to the extent necessary to
 99 accommodate the bonus units on-site. These modifications may not be used to accommodate the
 100 units resulting from the base density or FAR calculation.

101 a. Maximum Lot Coverage. The maximum lot coverage may be increased by up to five percentage
 102 points over the maximum lot coverage permitted by the underlying use zone. Maximum lot
 103 coverage may not be modified through this provision on properties with streams, wetlands, minor
 104 lakes or their buffers.

105 b. Parking Requirement. The required parking may be reduced to 1.0 space per affordable housing
 106 unit. No additional guest parking is required for affordable housing units. If parking is reduced

107 through this provision, the owner of the affordable housing unit shall sign a covenant, in a form
108 acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a
109 maximum of one automobile.

110 c. Structure Height. Maximum height for structures containing affordable housing units may be
111 increased by up to six feet for those portions of the structure(s) that are at least 20 feet from all
112 property lines. Maximum structure height may not be modified through this provision for any
113 portion of a structure that is adjoining a low density zone.

114 d. Required Yards. Structures containing affordable housing units may encroach up to five feet into
115 any required yard except that in no case shall a remaining required yard be less than five feet.

116 e. Common Recreational Space. Common recreational open space per unit, when required, may be
117 reduced by 50 square feet per affordable housing unit.

118 **45. Impact and Permit Fee Calculation**

119 a. Applicants ~~proposing providing~~ affordable housing units may request an exemption from payment
120 of road impact fees for the affordable housing units as established by KMC 27.04.050.

121 b. Applicants ~~proposing providing~~ affordable housing units may request an exemption from payment
122 of park impact fees for the affordable housing units as established by KMC 27.06.050.

123 c. Applicants ~~proposing providing~~ affordable housing units are eligible for exemption from various
124 planning, building, plumbing, mechanical and electrical permit fees ~~and sewer capital facility~~
125 ~~charges~~ for the bonus units allowed under KZC 112.20.2.a as established in KMC 5.74.070 ~~and~~
126 ~~45.12.063~~ and KMC Title 21.

127 **56. Property Tax Exemption** – A property providing affordable housing units may be eligible for a property
128 tax exemption as established in Chapter 5.88 KMC.

129 **112.25 Additional Affordable Housing Incentives (Non-Defined)**

130 1. Approval Process for Additional Affordable Housing Incentives (Non-Defined) – An applicant may
131 request that the City grant affordable housing incentives in addition to or in place of the ~~defined basic~~
132 affordable housing incentives allowed in KZC 112.20 due to specific site conditions. Such a request
133 shall be reviewed and decided upon as outlined below. ~~Such a request shall be reviewed and decided~~
134 ~~upon using Process IIA, described in Chapter 150 KZC. If the development, use, or activity requires~~
135 ~~approval through Process IIB or Process III, the entire proposal will be decided upon using that other~~
136 ~~process.~~

137 2. Density Bonus – An applicant may propose more than two bonus units ~~or two additional square feet~~
138 ~~of floor area~~ for every affordable housing unit ~~or square foot of affordable housing unit, as applicable.~~
139 However, in no event may a project receive a bonus that would result in a ~~total~~ number of bonus units
140 ~~or floor area~~ that exceeds 50 percent of the number of units ~~or floor area~~ allowed based on the
141 underlying zone of the subject property. Such a request shall be reviewed and decided upon by the
142 Planning Director. The decision of the Planning Director in approving or denying a modification under
143 this subsection may be appealed using the appeal provision, as applicable, of Process I, KZC 145.60
144 through 145.110.

145 3. Dimensional Standards Modification – An applicant may request further modification from the
146 dimensional standards listed in KZC 112.20.4(3). Approval of any further modification of the
147 dimensional standards will be based on the applicant’s demonstration that the subject property
148 cannot reasonably achieve the permitted density, including the bonus units. Such a request shall be
149 reviewed and decided upon using Process IIA, described in Chapter 150145 KZC. If the
150 development, use, or activity requires approval through Process IIA, IIB or Process III, the entire
151 proposal will be decided upon using that other process.

152 4. Criteria for Approving Additional Affordable Housing Incentives ~~(Non-defined)~~ – The City may approve
153 one or more of the additional affordable housing incentives listed in KZC 112.25(2) or 112.25(3), in
154 addition to or in place of the ~~defined-basic~~ affordable housing incentives, if one or more of the
155 following requirements are met:

156 a. The additional incentive is necessary to provide sufficient economic incentive to the applicant to
157 offset the cost of providing the affordable housing units.

158 b. The additional incentive is necessary to reasonably achieve the permitted density, including the
159 bonus units.

160 c. The additional incentive is necessary to achieve a greater number of affordable housing units
161 than the ~~defined-affordable housing incentives-requirements~~ would prescribe or a greater level of
162 affordability than is defined by the term affordable housing unit.

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

166 **112.30 Alternative Compliance**

167 1. Approval Process for Alternative Compliance – As an alternative to providing some or all of the
168 required affordable housing units on the subject property, the Planning Director may approve a
169 request for alternative compliance. Alternative compliance may include providing affordable housing
170 units at another location within the City of Kirkland, payment to the City in lieu of constructing partial
171 affordable housing units to be used to create affordable housing units, or such other means proposed
172 by the applicant and approved at the discretion of the Planning Director, consistent with the following
173 criteria for alternative compliance.

174 2. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if
175 both of the following requirements are met:

176 a. The applicant demonstrates that the proposed alternative compliance method achieves an
177 affordable housing benefit to the City equal to or better than providing the affordable housing
178 units on-site.

179 b. The affordable housing units provided through the alternative compliance will be based on
180 providing the same type of ownership of units as would have been provided on-site.

181 3. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to
182 the following requirements:

183 a. The off-site location chosen for the affordable housing units shall not lead to an undue
184 concentration of affordable housing either at the off-site location or in any particular area of the
185 City.

186 b. Any building permits required for off-site affordable housing units shall be submitted prior to
187 submittal of building permits for the subject property. Certificates of occupancy for off-site
188 affordable housing units shall be issued prior to issuance of the final certificate of occupancy for
189 the subject property.
190

191 4. Requirements for Payment in Lieu Alternative Compliance - Payments in lieu of constructing
192 affordable housing units are subject to the following requirements:

193 a. To encourage "pioneer developments" subject to these regulations, payments in lieu are allowed
194 for one whole required affordable housing unit and portions of required affordable housing units
195 that are less than 0.66 units during the five years immediately following the effective date of this
196 Ordinance (until DATE). After that time period, payments in lieu are allowed only for portions of
197 required affordable housing units that are less than 0.66 units. Rounding up to the next whole
198 number of units and actual construction of the affordable units is required when the calculated
199 number of required affordable units results in a fraction of 0.66 or more.

200 b. Payments in lieu shall be based on the difference between the cost of construction for a prototype
201 affordable housing unit on the subject property, including land costs and development fees, and
202 the revenue generated by an affordable housing unit. The formula for payments shall be
203 established by the Planning Director.

204 c. The payment obligation shall be established prior to issuance of any building permits for the
205 project and shall be due prior to issuance of any certificate of occupancy for the project.
206 Collected payments shall be deposited in the City's Housing Trust Fund account.

207

208 **112.35 Affordability Provisions**

209 1. Approval of Affordable Housing Units – Prior to the issuance of any permit(s), the City shall review
210 and approve the location and unit mix of the affordable housing units consistent with the following
211 standards:

212 a. The affordable housing units shall be intermingled with all other dwelling units in the
213 development.

214 b. The type of ownership of the affordable housing units shall be the same as the type of ownership
215 for the rest of the housing units in the development.

216 c. The affordable housing units shall consist of a range of number of bedrooms that are comparable
217 to units in the overall development.

218 d. The size of the affordable housing units, if smaller than the other units with the same number of
219 bedrooms in the development, must be approved by the Planning Director. In no case shall the

220 affordable housing units be more than 10 percent smaller than the comparable dwelling units in
221 the development, based on number of bedrooms, or less than ~~600-500~~ square feet for a one
222 bedroom unit, ~~800-700~~ square feet for a two bedroom unit, or ~~1,000-900~~ square feet for a three
223 bedroom unit, whichever is less.

224 e. The affordable housing units shall be available for occupancy in a time frame comparable to the
225 availability of the rest of the dwelling units in the development.

226 f. The exterior design of the affordable housing units must be compatible and comparable with the
227 rest of the dwelling units in the development.

228 g. The interior finish and quality of construction of the affordable housing units shall at a minimum
229 be comparable to entry level rental or ownership housing in the City of Kirkland.

230 2. Affordability Agreement – Prior to issuing a certificate of occupancy, an agreement in a form
231 acceptable to the City Attorney that addresses price restrictions, homebuyer or tenant qualifications,
232 long-term affordability, and any other applicable topics of the affordable housing units shall be
233 recorded with King County Department of Records and Elections. This agreement shall be a
234 covenant running with the land and shall be binding on the assigns, heirs and successors of the
235 applicant.

236 Affordable housing units that are provided under this section shall remain as affordable housing for a
237 minimum of ~~3~~50 years from the date of initial owner occupancy for ownership affordable housing units
238 and for the life of the project for rental affordable housing units.

239 **112.40 Regulatory Review and Evaluation**

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

1 **Chapter 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY**

2 Sections:

3 [112.05](#) User Guide

4 [112.10](#) Purpose

5 [112.15](#) Affordable Housing Requirement

6 [112.20](#) Basic Affordable Housing Incentives

7 [112.25](#) Additional Affordable Housing Incentives

8 [112.30](#) Alternative Compliance

9 [112.35](#) Affordability Provisions

10 [112.40](#) Regulatory Review and Evaluation

11 **112.05 User Guide**

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

15 If you are interested in proposing four or more residential units in commercial zones, high density
16 residential zones, medium density zones or office zones, or you wish to participate in the City's decision
17 on such a project, you should read this chapter.

18 **112.10 Purpose**

19 There is a limited stock of land within the City zoned and available for residential development and there
20 is a demonstrated need in the City for housing which is affordable to persons of low and moderate
21 income. Therefore, this chapter provides development incentives in exchange for the public benefit of
22 providing affordable housing units in commercial zones, high density residential zones, medium density
23 zones and office zones.

24 **112.15 Affordable Housing Requirement**

25

26 1. Minimum Requirement - All developments creating four or more new detached, attached or stacked
27 dwelling units in commercial, high density residential, medium density and office zones shall provide
28 at least 10 percent of the units as affordable housing units and comply with the provisions of this
29 chapter as established in the General Regulations for the Use Zone or the Special Regulations in the
30 Use Zone Chart for the specific use.

31 2. Calculation in Density Limited Zones - For developments in density limited zones, the required
32 amount of affordable housing shall be calculated based on the number of dwelling units proposed
33 prior to the addition of any bonus units allowed pursuant to KZC 112.20.

34 3. Calculation in RH and TL Zones – For developments in the RH and TL Zones, the required amount of
35 affordable housing shall be calculated based on the total number of dwelling units proposed.

36 4. Rounding – In all zones, the number of affordable housing units required is determined by rounding
37 up to the next whole number of units if the fraction of the whole number is at least 0.66.

38 5. Alternative Compliance - KZC Section 112.30 establishes methods for alternative compliance,
39 including payment in lieu of construction for portions of required affordable housing units that are less
40 than 0.66 units.

41 **112.20 Basic Affordable Housing Incentives**

42 1. Approval Process – The City will use the underlying permit process to review and decide upon an
43 application utilizing the affordable housing incentives identified in this section.

44 2. Bonus

45 a. Height Bonus. In RH and TL use zones where there is no minimum lot size per dwelling unit,
46 additional building height will be granted in exchange for affordable housing, as specified in each
47 Use Zone Chart.

48 b. Bonus Units. In use zones where the number of dwelling units allowed on the subject property is
49 determined by dividing the lot size by the required minimum lot area per unit, two additional units
50 ('bonus units') may be constructed for each affordable housing unit provided. (See Plate 32 for
51 example of bonus unit calculations.)
52

53 c. Maximum Unit Bonuses. The maximum number of bonus units achieved through a basic
54 affordable housing incentive shall be 25 percent of the number of units allowed based on the
55 underlying zone of the subject property.

56 d. Density Bonus for Assisted Living Facilities. The affordable housing density bonus may be used
57 for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25
58 percent of the base density of the underlying zone of the subject property.

59 3. Alternative Affordability Levels - An applicant may propose affordability levels different from those
60 defined in KZC Chapter 5 for the affordable housing units.

61 a. In use zones where a density bonus is provided in exchange for affordable housing units, the
62 ratio of bonus units per affordable housing unit for alternative affordability levels will be as follows:

63

Affordability Level	Bonus Unit to Affordable Unit Ratio
<i>Renter Occupied Housing</i>	
60% of median income	1.9 to 1
70% of median income	1.8 to 1
<i>Owner Occupied Housing</i>	
90% of median income	2.1 to 1
80% of median income	2.2 to 1

64 b. In use zones where additional height is provided in exchange for affordable housing units, the
65 percent of affordable units required for alternative affordability levels will be as follows:

Affordability Level	% of Project Units Required to be Affordable
<i>Renter Occupied Housing</i>	
60% of median income	13%
70% of median income	17%
<i>Owner Occupied Housing</i>	
70% of median income	8%
90% of median income	13%
100% of median income	21%

66 c. To encourage “pioneer developments” in the Rose Hill and Totem Lake business districts, the
 67 definition of affordable housing for projects in the RH and TL zones shall be as provided in the
 68 following table. This subsection shall apply only to those projects which meet the affordability
 69 requirements on-site or off-site. This subsection shall not apply to those projects which elect to
 70 use a payment in lieu of constructing affordable units as authorized in KZC 112.30.4.

71 The affordable housing requirements for projects vested on or after the effective date of the
 72 ordinance codified in this section must be targeted for households whose incomes do not exceed
 73 the following:

Number of Total Units		Affordability Level	
<i>RH Zones</i>	<i>TL Zones</i>	<i>Renter Occupied</i>	<i>Owner Occupied</i>
First 50 units	First 150 units	70% of median income	100% of median income
Second 50 units	Second 150 units	60% of median income	90% of median income
All subsequent units	All subsequent units	50% of median income	80% of median income

74 “Number of Total Units” shall mean the total number of housing units (affordable and otherwise)
 75 permitted to be constructed within the RH and TL zones where affordable housing units are
 76 required and which have not received funding from public sources.

77 d. Depending on the level of affordability provided, the affordable housing units may not be eligible
 78 for the impact fee waivers described in subsections (5)(a) and (5)(b) of this section.

79 4. Dimensional Standards Modification – To the extent necessary to accommodate the bonus units
 80 allowed under KZC 112.20.2.a on-site, the following requirements of the Kirkland Zoning Code may
 81 be modified through the procedures outlined in this subsection. These modifications may not be used
 82 to accommodate the units resulting from the base density calculation.

83 a. Maximum Lot Coverage. The maximum lot coverage may be increased by up to five percentage
 84 points over the maximum lot coverage permitted by the underlying use zone. Maximum lot

85 coverage may not be modified through this provision on properties with streams, wetlands, minor
86 lakes or their buffers.

87 b. Parking Requirement. The required parking may be reduced to 1.0 space per affordable housing
88 unit. No additional guest parking is required for affordable housing units. If parking is reduced
89 through this provision, the owner of the affordable housing unit shall sign a covenant, in a form
90 acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a
91 maximum of one automobile.

92 c. Structure Height. Maximum height for structures containing affordable housing units may be
93 increased by up to six feet for those portions of the structure(s) that are at least 20 feet from all
94 property lines. Maximum structure height may not be modified through this provision for any
95 portion of a structure that is adjoining a low density zone.

96 d. Required Yards. Structures containing affordable housing units may encroach up to five feet into
97 any required yard except that in no case shall a remaining required yard be less than five feet.

98 e. Common Recreational Space. Common recreational open space per unit, when required, may be
99 reduced by 50 square feet per affordable housing unit.

100 5. Impact and Permit Fee Calculation

101 a. Applicants providing affordable housing units may request an exemption from payment of road
102 impact fees for the affordable housing units as established by KMC 27.04.050.

103 b. Applicants providing affordable housing units may request an exemption from payment of park
104 impact fees for the affordable housing units as established by KMC 27.06.050.

105 c. Applicants providing affordable housing units are eligible for exemption from various planning,
106 building, plumbing, mechanical and electrical permit fees for the bonus units allowed under KZC
107 112.20.2.a as established in KMC 5.74.070 and KMC Title 21.

108 6. Property Tax Exemption – A property providing affordable housing units may be eligible for a property
109 tax exemption as established in Chapter 5.88 KMC.

110 **112.25 Additional Affordable Housing Incentives**

111 1. Approval Process for Additional Affordable Housing Incentives – An applicant may request that the
112 City grant affordable housing incentives in addition to or in place of the basic affordable housing
113 incentives allowed in KZC [112.20](#) due to specific site conditions. Such a request shall be reviewed
114 and decided upon as outlined below.

115 2. Density Bonus – An applicant may propose more than two bonus units for every affordable housing
116 unit. However, in no event may a project receive a bonus that would result in a number of bonus units
117 that exceeds 50 percent of the number of units allowed based on the underlying zone of the subject
118 property. Such a request shall be reviewed and decided upon by the Planning Director. The decision
119 of the Planning Director in approving or denying a modification under this subsection may be
120 appealed using the appeal provision, as applicable, of Process I, KZC [145.60](#) through [145.110](#).

121 3. Dimensional Standards Modification – An applicant may request further modification from the
122 dimensional standards listed in KZC [112.20.4](#). Approval of any further modification of the
123 dimensional standards will be based on the applicant’s demonstration that the subject property
124 cannot reasonably achieve the permitted density, including the bonus units. Such a request shall be
125 reviewed and decided upon using Process I, described in Chapter [145](#) KZC. If the development, use,
126 or activity requires approval through Process IIA, IIB or Process III, the entire proposal will be decided
127 upon using that other process.

128 4. Criteria for Approving Additional Affordable Housing Incentives – The City may approve one or more
129 of the additional affordable housing incentives listed in KZC [112.25\(2\)](#) or [112.25\(3\)](#), in addition to or in
130 place of the basic affordable housing incentives, if one or more of the following requirements are met:

131 a. The additional incentive is necessary to provide sufficient economic incentive to the applicant to
132 offset the cost of providing the affordable housing units.

133 b. The additional incentive is necessary to reasonably achieve the permitted density, including the
134 bonus units.

135 c. The additional incentive is necessary to achieve a greater number of affordable housing units
136 than the affordable housing requirements would prescribe or a greater level of affordability than is
137 defined by the term affordable housing unit.

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

141 **112.30 Alternative Compliance**

142 1. Approval Process for Alternative Compliance – As an alternative to providing some or all of the
143 required affordable housing units on the subject property, the Planning Director may approve a
144 request for alternative compliance. Alternative compliance may include providing affordable housing
145 units at another location within the City of Kirkland, payment to the City in lieu of constructing partial
146 affordable housing units to be used to create affordable housing units, or such other means proposed
147 by the applicant and approved at the discretion of the Planning Director, consistent with the following
148 criteria for alternative compliance.

149 2. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if
150 both of the following requirements are met:

151 a. The applicant demonstrates that the proposed alternative compliance method achieves an
152 affordable housing benefit to the City equal to or better than providing the affordable housing
153 units on-site.

154 b. The affordable housing units provided through the alternative compliance will be based on
155 providing the same type of ownership of units as would have been provided on-site.

156 3. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to
157 the following requirements:

- 158 a. The off-site location chosen for the affordable housing units shall not lead to an undue
159 concentration of affordable housing either at the off-site location or in any particular area of the
160 City.
- 161 b. Any building permits required for off-site affordable housing units shall be submitted prior to
162 submittal of building permits for the subject property. Certificates of occupancy for off-site
163 affordable housing units shall be issued prior to issuance of the final certificate of occupancy for
164 the subject property.
165
- 166 4. Requirements for Payment in Lieu Alternative Compliance - Payments in lieu of constructing
167 affordable housing units are subject to the following requirements:
- 168 a. To encourage “pioneer developments” subject to these regulations, payments in lieu are allowed
169 for one whole required affordable housing unit and portions of required affordable housing units
170 that are less than 0.66 units during the five years immediately following the effective date of this
171 Ordinance (until DATE). After that time period, payments in lieu are allowed only for portions of
172 required affordable housing units that are less than 0.66 units. Rounding up to the next whole
173 number of units and actual construction of the affordable units is required when the calculated
174 number of required affordable units results in a fraction of 0.66 or more.
- 175 b. Payments in lieu shall be based on the difference between the cost of construction for a prototype
176 affordable housing unit on the subject property, including land costs and development fees, and
177 the revenue generated by an affordable housing unit. The formula for payments shall be
178 established by the Planning Director.
- 179 c. The payment obligation shall be established prior to issuance of any building permits for the
180 project and shall be due prior to issuance of any certificate of occupancy for the project.
181 Collected payments shall be deposited in the City’s Housing Trust Fund account.

182 **112.35 Affordability Provisions**

- 183 1. Approval of Affordable Housing Units – Prior to the issuance of any permit(s), the City shall review
184 and approve the location and unit mix of the affordable housing units consistent with the following
185 standards:
- 186 a. The affordable housing units shall be intermingled with all other dwelling units in the
187 development.
- 188 b. The type of ownership of the affordable housing units shall be the same as the type of ownership
189 for the rest of the housing units in the development.
- 190 c. The affordable housing units shall consist of a range of number of bedrooms that are comparable
191 to units in the overall development.
- 192 d. The size of the affordable housing units, if smaller than the other units with the same number of
193 bedrooms in the development, must be approved by the Planning Director. In no case shall the
194 affordable housing units be more than 10 percent smaller than the comparable dwelling units in
195 the development, based on number of bedrooms, or less than 500 square feet for a one bedroom

196 unit, 700 square feet for a two bedroom unit, or 900 square feet for a three bedroom unit,
197 whichever is less.

198 e. The affordable housing units shall be available for occupancy in a time frame comparable to the
199 availability of the rest of the dwelling units in the development.

200 f. The exterior design of the affordable housing units must be compatible and comparable with the
201 rest of the dwelling units in the development.

202 g. The interior finish and quality of construction of the affordable housing units shall at a minimum
203 be comparable to entry level rental or ownership housing in the City of Kirkland.

204 2. Affordability Agreement – Prior to issuing a certificate of occupancy, an agreement in a form
205 acceptable to the City Attorney that addresses price restrictions, homebuyer or tenant qualifications,
206 long-term affordability, and any other applicable topics of the affordable housing units shall be
207 recorded with King County Department of Records and Elections. This agreement shall be a
208 covenant running with the land and shall be binding on the assigns, heirs and successors of the
209 applicant.

210 Affordable housing units that are provided under this section shall remain as affordable housing for a
211 minimum of 50 years from the date of initial owner occupancy for ownership affordable housing units
212 and for the life of the project for rental affordable housing units.

213 **112.40 Regulatory Review and Evaluation**

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

Multifamily Projects in Density Limited Zones

Project Name	Neighborhood	Project Type	# Units Permitted	# of Affordable Units Required Under Current Proposed Regulations	Fee In Lieu Allowed Under Current Proposed Regulations?	Bonus Units Allowed Under Current Proposed Regulations?
Cedar Street Townhomes	Everest	Redevelopment 3 previous units	5	0.5	Yes	1
5 th Avenue Townhomes	Moss Bay	Redevelopment 1 previous unit	4	0.4	Yes	1 (rounded up from 0.8)
Bridle Trails Apartments	Bridle Trails	Addition to existing 92 unit apartment development	16	1.6	Partial – for 0.6 unit	3 (rounded down from 3.2)
Lakeview Condominiums	Lakeview	Redevelopment 11 previous units	6	0.6	Yes	1 (rounded down from 1.2)
Acacia on 5 th	Norkirk	Redevelopment 3 previous units	7	1 (rounded up from 0.7)	No	2
Cedar Heights Apartments	North Rose Hill	Development of Vacant Parcel adjacent to 145 unit apartment development	12	1.2	Partial – for 0.2 unit	2 (rounded down from 2.4)
Totals			50	5.3		10

Building Permits Submitted and Issued Since May 2004

AFFORDABLE HOUSING PROGRAM COMPARISON

	BELLEVUE	KIRKLAND	REDMOND
Code Section	Section 20.20.128 Affordable Housing 22.18.060 School Impact Fee exemption (Issaquah School District area only) 22.16.070 Transportation impact fees exemption	Affordable Housing Incentives KZC chapter 112; MFTE KMC chapter 5.88; Permit Fee exemptions KMC sections (see below) Impact fee exemptions KMC 27.04.050 and KMC 27.06.050	Affordable Housing Section 20D.30.10-30; Exemptions to impact fees 20D.60.10.10-50
Development Incentives/ Incentive Zoning	<p>Location. Applies to Multifamily Residential Districts</p> <p>Affordability: Rental housing that is affordable to 80% Area Median Income(AMI), and ownership housing affordable to 100% AMI</p> <p>Voluntary incentives. Applicant has the choice whether or not to use increased development capacity beyond the base allowance.</p> <p>Guidelines: One bonus market rate unit is permitted for each affordable unit provided. Increase allowed up to 15% above the maximum density (or FAR) permitted by the underlying zoning. Bellevue requires all affordable housing to be built on-site.</p> <p>Dimensional standards/ parking: Affordable housing units and bonus units may receive limited modifications regarding lot coverage, parking requirements, building heights, lot area, and open space to the extent required to accommodate affordable housing units and bonus units on-site.</p> <p>Attached affordable housing within SF subdivisions: For new subdivision proposals, affordable attached units are permitted without PUD approval. No more than 15% of the approved lots may include attached duplex units and only one lot may contain 3 dwelling units.</p> <p>Impact Fees Exempts housing units affordable to low or moderate-income households from impact fees to Issaquah School District. Exempts housing units affordable to low or moderate-income households from payment of transportation impact fees.</p> <p>Property Tax Exemption. City has no provisions for property tax exemptions.</p>	<p>Location: in commercial zones, high and medium density residential zones and office zones. Totem Lake and Rose Hill Business Districts allow height bonus for affordable units (see next page)</p> <p>Affordability: Rental households with incomes at or below 50% AMI. Ownership households with incomes at or below 70% AMI</p> <p>Voluntary incentives. Applicant has the choice whether or not to use increased development capacity beyond the base allowance.</p> <p>Guidelines: 2 bonus units allowed for each unit of affordable housing, or comparable FAR bonus where FAR used.. Additional bonus may be provided for greater affordability. Maximum bonus 25% of the allowed base density. Kirkland allows affordable housing to be built off-site if they meet the city's intent and achieves a result equal to or better than providing affordable housing on-site.</p> <p>Dimensional Standards Modification: May be used when necessary to fit bonus units onsite: 5% increase in lot coverage; reduction in parking for affordable units to 1 space per unit (instead of 2.2) with covenant limiting unit to one car; 6' increase in height for portions of structure at least 20' from property line; 5' reduction in setbacks up to min. 5'; 50 sq. ft. reduction in common recreational open space for affordable units.</p> <p>Duration: 30 years for ownership affordable units and for the life of the project for rental affordable units.</p> <p>Impact Fees. Per unit application fees and building permit plan check and inspection fees exempted for bonus housing units.</p> <p>Property Tax Exemption. Allow 8 Year exemption if provide 10% affordable at levels required for land use incentives, and 12 years if add additional 10% affordable (rental:80% median / ownership – 100% median income)</p>	<p>Location: Has been adopted through subarea plans in the City Center and some other subareas.</p> <p>Affordability: Rental and Ownership households with incomes at or below 80% AMI. (units affordable at 50% AMI = 2 affordable units)</p> <p>Mandatory incentives in some areas. In City Center and some other subareas.</p> <p>Guidelines: In applicable neighborhoods, at least 10 percent of the units in all new residential development of 10 units (lots) or greater must be affordable units. Other than downtown, one bonus market rate unit is permitted for each affordable unit provided, up to 15 percent above the maximum density permitted on the site.</p> <p>Alternate compliance: The Technical Committee may approve a request for alternative compliance methods including off-site units and in-lieu payments, if they meet the city's intent and achieves a result equal to or better than providing affordable housing on-site.</p> <p>Duration: Affordable housing units will remain as affordable housing for the life of the project for rental or 30 years for ownership.</p> <p>Impact Fees. Transportation, fire and park impact fees may be waived by Council up to the following percentages: 100% fee if ownership or rental unit is affordable to households with incomes at or below 60% KC MI; 50% fee if ownership unit is affordable to households with incomes between 61% and 80% of KC MI.</p> <p>Property Tax Exemption. City has no provisions for property tax exemptions.</p>

AFFORDABLE HOUSING PROGRAM COMPARISON

	BELLEVUE BEL-RED CORRIDOR	KIRKLAND – TOTEM LAKE /ROSE HILL	REDMOND OVERLAKE NEIGHBORHOOD
Code Section	Section 20.25D.090	KZC chapters 53 and 55	Affordable Housing Section 20D.30.10-30;
Development Incentives/ Incentive Zoning	<p>Location: Bel-Red Neighborhood in Bellevue.</p> <p>Affordable Unit Defined as rental housing that is affordable to 80% Area Median Income, and ownership housing affordable to 100% AMI</p> <p>Voluntary incentives. Applicant has the choice whether or not to use increased development capacity beyond the base allowance</p> <p>Guidelines: Voluntary Incentives to develop above base 1.0 FAR. ~22% of FAR bonus for affordable rental at 80% median, and ~14% of FAR bonus for affordable ownership at 100% median income. Option to make in-lieu fee payment.</p> <p>Dimensional standards/ parking. No explicit dimensional standard revision other than additional FAR (general development guidelines designed to accommodate higher FAR)</p> <p>Impact Fees. See Citywide provisions. No provisions for waiver or reduction of permit fees.</p> <p>Property Tax Exemption. Currently does not exist. May consider in the future.</p>	<p>Affordable Unit Rental Housing: affordable at 50% AMI. Ownership Affordable at 70% AMI</p> <p>Voluntary incentives. Applicant has the choice whether or not to use increased development capacity beyond the base allowance.</p> <p>Guidelines: Building heights – Depending on subzone, height increases of 15’ to 50’ if 10% of building’s total units are affordable. No provisions for Alternative compliance.</p> <p>Dimensional Standards Modification: No other explicit dimensional standard provisions other than increasing allowed height.</p> <p>Property Tax Exemption Allow 8 Year exemption if provide 10% affordable at levels required for land use incentives, and 12 years if add additional 10% affordable (rental:80% median / ownership – 100% median income)</p>	<p>Location: Overlake Neighborhood. Affordable Unit: Same as other neighborhoods.</p> <p>Mandatory Incentives. 10% affordable units required</p> <p>Guidelines In portions of Overlake where density limits are expressed as a Floor Area Ratio, the bonus above the maximum residential FAR expressed in RCDG 20C.45.40-020 is two times the equivalent floor area for each affordable unit provided. Affordability requirements are phased in. Requirements optional for the first 100 affordable housing units (max of 25 per projects).</p> <p>Dimensional standards/ parking. The bonus residential floor area may be used to increase building height by up to one story above the base standard</p> <p>Impact Fee. See citywide provisions.</p> <p>Property Tax Exemption. City has no provisions for property tax exemptions.</p>

AFFORDABLE HOUSING PROGRAM COMPARISON

	MERCER ISLAND TOWN CENTER	NEWCASTLE CBC	KENMORE: DOWNTOWN
Code Section	Section 19.11	NMC 18.15.030 Affordable housing plan	Affordable Housing City Center site : KMC 18.77 General Incentives: KMC 18.80
Development Incentives/ Incentive Zoning	<p>Location: Mercer Island Town Center.</p> <p>Affordable Unit: Rental – 60% of AMI, Ownership – 90% of AMI.</p> <p>Voluntary Incentives. Applicant has the choice whether or not to use increased development capacity beyond the base allowance</p> <p>Guidelines: Additional floor if area equal to 20% of additional floor is affordable. No forms of alternative compliance.</p> <p>Dimensional standards/ parking. No other explicit dimensional standard provisions other than increasing allowed height.</p> <p>Impact Fee/Permit Fees. No waiver of impact fees, Permit fees based on per unit or square footage are not charged for the additional floor.</p> <p>Property Tax Exemption. Not available at this time but city may consider.</p>	<p>Location: Newcastle Community Business Center.</p> <p>Affordable Unit: 50% of AMI and 80% of median income.</p> <p>Mandatory Incentives. Applicant has to negotiate agreement with Director of Planning to provide some amount of affordable housing.</p> <p>Guidelines: No explicit level of affordability levels required. Each developer negotiates level of affordability to be provided. Can also propose off-site affordable housing or in-lieu fee.</p> <p>Dimensional standards/ parking. No other explicit dimensional standard provisions other than those allowed through new plan.</p> <p>Impact Fee/Permit Fees. No provisions for waiver of impact fees or permit fees.</p> <p>Property Tax Exemption. Approved for one site, based on use and not affordability.</p>	<p>Location: Western portion of Kenmore Town Center</p> <p>Affordable Unit: Rental 50% AMI Ownership: Can request different level of affordability.</p> <p>Mandatory Incentives. Mandatory in the NW quadrant of the Downtown Planning areas as part of adopting plan which increased density to 72 units per acre. Other areas of downtown covered by citywide voluntary incentives.</p> <p>Guidelines: 25% of total units must be affordable units. Applicant has the choice whether or not to use increased development capacity beyond the base allowance. Additional floor if area equal to 20% of additional floor is affordable. No forms of alternative compliance.</p> <p>Dimensional standards/ parking. No other explicit dimensional standard provisions other than those included in new downtown regulations.</p> <p>Impact Fee/Permit Fees. If eligible for citywide impact fee waivers.</p> <p>Property Tax Exemption. Council approved property tax exemption of this specific area.</p>

AFFORDABLE HOUSING PROGRAM COMPARISON

	SAMMAMISH TOWN CENTER		KENMORE CITYWIDE
Code Section	Sammamish Town Center Affordable Housing regulations are in review and have not been adopted.		General Incentives: KMC 18.80
Development Incentives/ Incentive Zoning	<p>Location: Sammamish Town Center.</p> <p>Affordability: Has not been specifically defined at this point. Looking at 80% of median income.</p> <p>Mandatory and Voluntary Incentives. All residential development must include affordable units. Additional development allowed in exchange for additional affordability.</p> <p>Guidelines: Requires all residential development to provide 10% affordable units. Draft regulations include provision for a 3:1 bonus for providing additional affordable housing. Affordable units could be provided off-site within Town Center. Can provide fewer affordable units if more affordable.</p> <p>Dimensional standards/ parking. Flexibility on various dimensional standards to accommodate bonus units.</p> <p>Impact Fee/Permit Fees. City has citywide provisions for partial exemption of impact fees. Available in town center if meet requirements. Permit fees based on per unit or square footage are not charged for bonus units.</p> <p>Property Tax Exemption. Not available at this time.</p>		<p>Location: Applies to sites served by public sewers zones R-4 through R-24, all Downtown residential zones; and DC, NB, CB and RB zones (other than NW Quadrant).</p> <p>Voluntary Incentives. Applicant has the choice whether or not to use increased development capacity beyond the base.</p> <p>Guidelines: 2 bonus units allowed for each unit of low income affordable own or rent housing affordable to households at or below 50% KC MI. 1 bonus unit allowed for each unit affordable to renter households at or below 70% KC MI or owner households at or below 80% KC MI.</p> <p>The maximum permitted density is 150% of the base density of the underlying zone. (In eastern portion of town center can use to increase density from 48 to 72 units per acre.</p> <p>Dimensional standards/ parking. No other explicit dimensional standard provisions other than those included in new downtown regulations.</p> <p>Impact Fee/Permit Fees. If eligible for citywide impact fee waivers.</p> <p>Property Tax Exemption. Council approved only for NW Quadrant.</p>