



## CITY OF KIRKLAND

Planning and Community Development Department

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### MEMORANDUM

**Date:** May 13, 2007

**To:** Planning Commission

**From:** Dorian Collins, Project Planner 

**Subject:** **Innovative Housing Regulations – Key Issues (File ZON07-00005)**

### RECOMMENDATION

Provide direction to staff on the following topics:

- Proposed approach to FAR, and to allowing projects with mixed unit types
- Proposed approach to review processes for innovative housing projects
  - Concept of affordable carriage houses included in simplified review
- Incentives for affordability
- Requirement for administrative design review based on standards
- Level of detail in design standards
- Role of low impact development (LID) requirements or incentives in regulations
- Requirement for private open space – all project types to include?
- Standards for parking – should projects be encouraged to cluster parking areas?

### INTRODUCTION

The City's Innovative Housing Demonstration Project ordinance, passed in 2002, resulted in the development of two innovative housing projects, the Kirkland Bungalows and Danielson Grove (see Attachment 1). These projects were evaluated through a formal evaluation process, which was presented to the Planning Commission in November of 2006 (note: Evaluation remains available for viewing on the City's Innovative Housing webpage, at:

[http://www.ci.kirkland.wa.us/\\_shared/assets/Final\\_Evaluation\\_Report5947.pdf](http://www.ci.kirkland.wa.us/_shared/assets/Final_Evaluation_Report5947.pdf)). The evaluation indicated that the program was generally quite successful. Four key conclusions of the report were:

- Projects were well-received
- Similar projects would work in other neighborhoods
- More work may be needed on development standards
- Some citizens had expected greater affordability

The evaluation was subsequently presented to the Houghton Community Council, and finally to the City Council, in January of this year. At that time, the Council concluded that the interim ordinance had been successful, and directed staff to proceed with the development of permanent regulations to allow innovative housing throughout the city. Council also asked that an advisory group of builders and architects be formed to review the regulations used in the demonstration program, and to provide suggestions for any changes that might be made to ensure the requirements were workable for the development community.

## **BACKGROUND**

### **I. Direction and Discussion from Meetings on Innovative Housing Program**

#### Comments from City Council, Planning Commission and Houghton Community Council

As staff moves forward with the preparation of permanent regulations for innovative housing, comments made by the Planning Commission, Houghton Community Council and the City Council at their recent study sessions have been and will continue to be considered:

- Planning Commission comments:
  - Design quality should be addressed in regulations
  - Public benefits that should be provided include:
    - Community orientation
    - Open space
    - Environmental sensitivity
    - Affordability
- Houghton Community Council comments:
  - Design quality is important
  - Some affordability component is desirable
- City Council comments:
  - Good design is very important; need design guidelines/regulations
  - Incentives may not be enough to support affordability; explore with advisory group
  - Innovative/housing choice is a valid objective
  - Concern about acceptance of multiple developments in a single neighborhood
  - Functional front porches are important

### Summary of Builder Report

An advisory committee of builders and architects was convened in February to provide input on the City's interim innovative housing regulations, and suggestions for changes that might be included in the permanent regulations that would encourage builders to undertake these projects. Michael Luis of Michael Luis and Associates facilitated two meetings with the group, and prepared a report of the discussion and conclusions (see Attachment 2).

Mike Luis will attend the Planning Commission meeting on May 24<sup>th</sup> to review the input from the group participants. In summary, the following conclusions were made:

- Types of housing and development standards:
  - Land cost is high
  - Compact single family (max 1500 square feet, including garage) is a bit too small
  - Distinction between compact single family and cottage is artificial
  - Allow carriage houses and duplex/triplex units to be mixed in
  - Consider allowing blended development based on FAR (chart)
- Review Process
  - Established development models should use abbreviated process
  - Continue a "demonstration" program for innovative projects beyond current scope
  - Administrative design review for all projects
  - Maintain some flexibility at staff level
  - Expedited review process as incentive
- Affordability
  - High land costs make providing affordability in small projects difficult, particularly if units must serve low or moderate income populations – market-rate units end up subsidizing
  - FAR bonus to offset cost of subsidizing unit may be workable
  - Providing a smaller unit with lower-end finishes, to be sold at close to market rate may work
  - Carriage units (allowed through a bonus) may be workable as an affordable component

At the meeting, Mr. Luis will discuss the builder's comments regarding the choice between innovative and conventional development, and present recommendations that flow from this discussion. Summarized, these conclusions include:

- Builders would be more likely to opt for innovative projects with an increased bonus
- Allowing a mix in housing types will enable builders to appeal to a broader market
- A simplified review process should be used for tested models, with an option for new concepts through more public review
- Administrative design review should be required

- Flexibility in review at staff level is desired
- Affordability requirements that result in an internal subsidy will be a disincentive to builders

Through the work with the Builder/Architect group, Mr. Luis developed a method that could be used to allow a mix of housing types within a single project. The chart shown below illustrates that a maximum FAR and unit count could be maintained, while allowing considerable flexibility for a builder in designing the unit mix in a project. Under this approach, a maximum FAR of .35 is suggested for innovative development, which is in line with the discussions the Planning Commission has had recently with regard to small lot development in the Market/Norkirk areas.

The chart uses as an example a 28,800 square foot parcel. The chart provides maximum unit sizes for each type of housing, and combines them in various ways to create several hypothetical mixed-type developments. On this site, four conventional single family homes could be built, with an overall FAR of about .44. Alternatively, any one of the listed alternative innovative developments could be built on the same site without exceeding an FAR of .35.

**Figure 1** **Development of a 28,800 square foot parcel**  
**Maximum FAR in innovative development: .35**

Type	Single Family	Compact SF large	Compact SF small	Duplex/triplex	Carriage	Cottage	Living footage	FAR	Total footage w/garage
square feet	3,200	1,500	1,300	1,300	800	1,000			
4 unit conventional	4						12,800	0.44	14,400
7 unit compact SF		5	2				10,100	0.35	11,300
8 unit mixed		3		2		3	10,100	0.35	11,500
7 unit mixed		5		2			10,100	0.35	11,500
8 unit compact/carriage		4	2		2		10,200	0.35	11,600
8 unit duplex/triplex/cottage				7		1	10,100	0.35	11,700

Public Input from Community Workshop

A public workshop for the general community was held on April 30<sup>th</sup>. Notices for the meeting were sent to over 800 citizens and members of the real estate/building community. Information about the event was also posted on the City's website. Approximately 30 citizens attended the workshop. About two-thirds of those at the meeting appeared to be Kirkland residents, while the other third worked in real estate or development. The attendees were told that the City had already decided to move forward with permanent regulations and that their input on the specific components of the regulations was desired. Their comments are noted in Attachment 3.

Those who spoke at the meeting were generally supportive of the program, and echoed the comments from the Planning Commission, Community Council and City Council in emphasizing the need for design requirements. Some of the notable comments included the following:

- Proximity to transit should be considered
- Innovative design should be emphasized (common open space, etc. Small lot development itself may not be “innovative”)
- City could consider a rating system, giving bonuses for elements such as LID, open space, or “flexible” (allowing future division to two smaller units, etc.) space
- May need more density to compete with conventional development for building community

## **II. Key Issues to be Addressed in Regulations**

As staff proceeds with drafting permanent regulations, direction from the Planning Commission on key issues will be helpful. Staff suggests that the City’s interim ordinance be used as the foundation for the new regulations, since the demonstration projects were generally successful. Changes to the interim ordinance will be based on a number of factors, including the evaluation of the demonstration projects, input from all groups received to date, and finally, variations on the program that may be desirable, based on a review of programs in place in other cities.

Staff sees the key issues to be resolved as:

- Unit Type
- Review Process
- Standards/Design Elements
- Affordability

Staff’s recommendations at this time are summarized in the chart on page 8 of this memo. In some cases, options are provided, or elements that could be included in the ordinance are listed without a recommendation, pending direction from the Planning Commission.

### Unit Type

To date, two types of innovative housing have been built in the city: compact single family and cottage. At a minimum, these housing types should continue to be allowed. In addition, the permanent regulations could continue to include the duplex/triplex housing types allowed under the demonstration program, and even provide an opportunity for proposals involving new concepts beyond these housing types.

Once additional types of projects are built through the IIA Process (discussed in next section) and are shown to be successful, the City could consider allowing those housing types to be included within the simpler review process. The City could also choose to limit these if desired, either through implementing another “demonstration program” approach, through restricting the total number that could be approved each year, or by limiting the number of projects per neighborhood that could be approved each year.

One variation on this approach that staff supports would be to allow carriage houses (units above garages) to be considered through a simpler review, if they are affordable units, and are included in a compact single family/cottage project. An example of this type of project is the Conover Commons development in Redmond, which includes an affordable carriage unit in a compact single family development.

#### Review Process

The review process the City chooses to use for innovative housing projects is a critical piece of the program, since a balance must be struck between a lengthy process that may provide more opportunity for scrutiny and predictability, but may discourage the building community from undertaking these projects, and a process which may be simplified but may not provide sufficient assurance about the compatibility of a project within a single family neighborhood.

***Staff recommends that the types of projects that were built under the interim ordinance – cottages and compact single family – be allowed to be considered through an administrative review.*** This would be a "Process I", which includes an opportunity for written public comment, with approval by the Planning Director. ***Other projects that were included in the demonstration ordinance but not built, would be reviewed through Process IIA (hearing before, and decision by, the Hearing Examiner.***

In the case of either administrative or discretionary review, staff recommends that design standards be established that would apply to all innovative housing projects.

#### Standards/Design Elements

The existing demonstration ordinance provided standards regarding the types of units to be allowed, and a number of other parameters (see Attachment 4). In the case of "cottage housing", more specific standards were included, that specified requirements for open space, porches, etc. Additional requirements related to design were not part of that ordinance.

The importance of both site and building design were emphasized by all three bodies who heard the evaluation of the demonstration projects, as well as by both the Builder/Architect Advisory Group and citizens in attendance at the community workshop. Many other communities with programs allowing for some form of smaller lot development or cottage housing also include design standards or guidelines in their requirements. Staff at the City of Shoreline, which had mixed success with its innovative housing program, cites the lack of design review as a significant factor in the problems encountered in some of the projects built there.

- Site Design

Many of the important elements of an innovative project have to do with the design of the site. The demonstration ordinance provides standards for many of these.

Examples of site design elements that can be addressed include:

- Public open space (amount and placement)
- Private open space (amount and placement)
- Street system (street widths, block lengths, etc.)
- Sidewalks, pathways, pedestrian connections
- Impervious surface restrictions
- Lot size
- Building setbacks
- Garage & parking locations
- Parking requirements
- Accessory structures
- Landscape elements (including fences, hedges)
- Low impact development (LID)

Although low impact development techniques were not specifically required under the ordinance, both the Kirkland Bungalows and Danielson Grove included techniques intended to minimize the project's impact on the site and environment. The clustered development styles are well suited to 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.

A number of communities in the region include low impact development (LID) incentives or regulations within their small lot design standards. Pierce County, for example, provides standards for storm ponds, reduced topographic disturbance and bioswales within its regulations. Port Townsend's cottage housing design standards also encourage the use of LID techniques.

Staff would appreciate direction from the Commission as to the role of LID techniques in the innovative housing regulations. The City Council has recently discussed the importance of addressing these techniques for development throughout the City, so this element of the regulations could be either incorporated independently, or deferred to the City-wide approach.

- Building Design

Design Guidelines or standards are used by many cities to ensure that the projects are compatible with the single family neighborhoods where they are developed. Examples of design elements that can be addressed by standards include:

- Orientation of main entry (to public open space, to outside neighborhood, etc.)
- Roof pitch, overhangs

- Variation within floor plans in development (results in variation in massing on site)
- Porches
- Doors (location and design)
- Windows (location and design)
- Colors
- Modulation

### Affordability

The interim ordinance for innovative housing did not require that the housing approved through the program be affordable. While the goals included an objective to “promote housing affordability by encouraging smaller homes”, strict affordability was not required. The ordinance was also intended to increase housing choices, especially for smaller households to help the overall housing supply meet the needs of an increasingly diverse population.

Of the communities studied, staff did not find any cities with a requirement for affordable housing in their innovative housing provisions. Federal Way has a bonus provision, allowing for up to four additional units beyond the maximum project size of 12 units (in single family zones), if half of the additional units are affordable at 80% of median income (for a period of 15 years). Redmond has a City-wide requirement for affordable housing (in applicable zones), which also applies to innovative housing projects in those zones.

Staff suggests that a density or FAR bonus may be appropriate in the permanent regulations, if a financially viable formula can be devised. A bonus structure similar to that used in Federal Way may be feasible for larger projects, for example. At the Planning Commission meeting on May 24<sup>th</sup>, staff will present an analysis of the bonus necessary to achieve affordability. The Commission may want to discuss the balance between the increased development intensity and the affordability benefit to be achieved, and provide direction to staff regarding incentives for affordability.

### **III. Proposed Approach to Standards**

The chart on the next page summarizes Staff’s recommendations for many standards and amenities. At the bottom of the chart, amenities are listed. Some include a staff recommendation that they be included within the standards. For others, staff suggests that discussion and direction from the Planning Commission would be helpful.

<b>Standards</b>			
<b>Project size:</b> 4-24 units; maximum cluster: 12 units			
<b>Review Process:</b> Cottage, Compact SF, and (affordable) Carriage House: Process I; Other: Process IIA			
<b>Unit Types:</b> Same as under demonstration ord. <b>Option:</b> Allow for ADUs (staff recommendation – No); other types?			
<b>Mix of Unit Types:</b> Per table from Builder/Architect report			
<b>Zones:</b> Allow in all single family zones except RS 5.0			
<b>Separation:</b> 1,500' between projects; no neighborhood limit			
<b>FAR:</b> .35, per table from Builder/Architect report			
<b>Unit size:</b> Per Kirkland demonstration ordinance, with compact SF increased to 1,500 sq.ft. (Total of 1,700 sq.ft. with garage)			
<b>Design Review:</b> Required. Administrative, unless deviations requested, then DRB			
<b>Amenities</b>	<b>Required</b>	<b>Required or Incentive?</b>	<b>Incentive</b>
Public Open Space	X		
Private Open Space		X	
Front Porches	X		
Pitched Roofs	X		
LID Techniques		X	
Parking located in separate areas		X	
Detailed design elements (trim, colors, etc.)		X	
Affordability		X	

Next Steps

Following direction from the Commission at the meeting, staff will return with draft regulations at a Planning Commission meeting in June. Subsequent meetings are noted in the revised work program (see Attachment 5). The work program has been revised slightly to reflect more realistic dates for future meetings. Based on the proposed schedule, Council adoption of permanent regulations will occur by mid-fall.

Attachments

1. Site Plans and Project Summaries – Danielson Grove and Kirkland Bungalows
2. Builder/Architect Task Force Report (March 2007)
3. Comments from Community Workshop, April 30, 2007
4. Kirkland Interim Ordinance for Innovative Housing, Ord. 3856
5. Revised Draft Work Program (May 2007)
6. Comment letters received to date

cc: File ZON07-00005  
Agenda to Mailing List  
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