



CITY OF KIRKLAND
Planning and Building Department
123 5th Avenue, Kirkland, WA 98033
425.587.3600- www.kirklandwa.gov

MEMORANDUM

To: Housing Strategy Advisory Group

From: Dawn Nelson, Planning Supervisor
Arthur Sullivan, ARCH Program Manager
Mike Stanger, ARCH Housing Planner

Date: February 15, 2018

Subject: Housing Strategy Plan Update Meeting on February 21, 2018 (File PLN17-00111)

Please note – this meeting will be taking place from 4:00 – 6:00 pm in the Peter Kirk Room on the lower floor of City Hall.

MEETING PURPOSE

The purpose of this Housing Strategy Advisory Group meeting is to finalize edits to the priority strategies table, provide input on the edits to the draft Housing Strategy Plan Report, and discuss the Advisory Group’s role in the presentation to the City Council on March 6th. City and ARCH staff will help guide the Advisory Group’s discussion.

MEETING OVERVIEW

1. Priority Strategies Table
2. Draft Housing Strategy Plan Report
3. City Council Study Session – March 6, 2018

Following is a very brief summary of the items to be discussed, including attachments.

1. Priority Strategies Table

The Advisory Group has spent significant time at the last two meetings discussing the top tier or priority strategies and potential actions to implement them. These strategies and actions are included in Attachment 1, which shows edits based on the Group’s conversation at the February 7th meeting. ***The goal at the February 21st meeting is for the Advisory Group to verify that the proposed edits in Attachment 1 are consistent with the Group’s intent.***

The strategies in the table are not meant to diminish the importance of other strategies and potential actions included in the full matrix that was included in your previous two meeting packets. (Note: no changes have been made yet to the full matrix based on the conversations at the last two meetings. Once the Advisory Group completes their review of the table in

Attachment 1, the matrix will be updated for consistency.) The priority strategies were selected from the full matrix, based on the work the Advisory Group has done, because:

- They seem to be most promising to address the most significant housing gaps, or
- They are able to be linked to other planned City initiatives or regional events such as neighborhood planning processes and transit area planning initiatives.

The Housing Strategy process is very iterative – action will be taken on the top strategies over the next several years and then a new process will be used to select the next set of strategies for the City to pursue, so the remaining items in the matrix will be the starting point for the next round.

2. Draft Housing Strategy Plan

The culmination of the Advisory Group process will be a final Housing Strategy Plan Report. Staff put together a draft Report for your review and comment. Several Advisory Group members provided comments and edits to the document and staff consolidated those into Attachment 2.

The goal at the February 21st meeting is for the Advisory Group to review the edits and comments in the report and identify any further changes that are needed. Of specific note are the highlighted sections on page 5. These represent alternative language, based on comments received, for your consideration. Staff did not feel comfortable making the proposed changes without further Advisory Group discussion. Additionally, there is a comment on page 7 that the Advisory Group should consider.

3. March 6th City Council Meeting

The Housing Strategy Plan Report will be presented to the City Council at their study session from 6:00 – 7:00 pm on March 6, 2018. Staff and Advisory Group members will collaborate on the presentation, which should be limited to 30 to 40 minutes to ensure that there is time for dialogue between the Council and Advisory Group. At the February 21st meeting, staff would like to know:

- ***Who from the Advisory Group would like to be part of the presentation group on March 6th? It would be great to have two to four members participate at the Council meeting.***
- ***What ideas does the Advisory Group have for the presentation style or content?***

Attachments

1. Edited Top Priority Strategies Table
2. Edited Draft Housing Strategy Plan Report

PROPOSED TOP PRIORITY STRATEGIES

Create neighborhoods with better access to more daily needs (i.e. 10 minute neighborhoods) AND Expanded Housing Choices	
Neighborhood Quality	
Strategy	Examples of Potential Actions
Public Infrastructure in Neighborhoods	<p>In cooperation with neighborhoods, identify areas targeted for walkability where amenities and infrastructure should be focused.</p> <p>Open Spaces: Incentivize neighborhood planning/pocket parks reducing need for large yards. Create open spaces, including trail network, that encourage social gathering.</p>
Support services in neighborhoods	<p>Zone or incentives for all-inclusive neighborhoods-- food, daycare, park, meet-up places, transit.</p> <p><u>Allow for [OR e]ncourage</u> strategic neighborhood commercial development to the extent that it improves neighborhood walkability.</p>
Expanded Housing Choices	
<p>Housing opportunities for a greater diversity of households in lower density residential and transitional neighborhoods</p> <p>Find ways to make some increased density acceptable to existing neighborhood residents such as: some corner lots to be triplexes that look compatible with neighborhood; ADUs; small SF lots with smaller home. Kirkland has relatively few one- and two-bedroom homes compared to the number of smaller households. Also, some empty nesters and aging residents will want affordable options to remain in Kirkland. The city should explore ways to promote ADUs, condominiums, co-housing, cottages, and other smaller forms of housing and allow the market to respond to contemporary housing demands, along with design standards to maintain or improve neighborhood vitality. Regulations allowing such housing must balance providing some level of flexibility with having sufficiently clear provisions to ensure that the intended outcomes (e.g.)of smaller and less expensive housing will be achieved. For example, some areas may allow greater heights where they do not have impacts on view corridors of others.</p>	<p>Review the zoning code and other regulations to increase opportunities for innovative or unconventional housing types that may fill housing needs not currently met in Kirkland, such as:</p> <ul style="list-style-type: none"> • Cottages (single level living choices) that are reasonably priced. • Multiplexes that look like single family homes • 'Tiny houses'. • <u>Smaller lots (4,000 sq ft) near areas targeted for walkability or with nearby (parks).</u> • <u>Modular, prefabricated and other alternative building techniques.</u> <p>Convert portions of older single-family housing neighborhoods (less efficient) located on edges of residential areas near [OR are located closer to transit, arterials or other amenities (e.g. park, trails, commercial <u>development</u>)] to mixed-density villages, of smaller homes or clustered housing with central open areas.</p> <ul style="list-style-type: none"> • <u>Consider adoption of form-based codes in transition areas to enable flexible and innovative residential development models.</u> <p><u>Enable "missing middle"Encourage multi-bedroom home styles (multi bedroom)affordable to middle-income families. and "pocket neighborhood"</u></p>

	<p>community models, especially in areas targeted for walkability</p> <p>Create a program to create and manage an inventory of smaller rentable plots for smaller/portable homes (<400 sq ft)</p> <p>Community education efforts to increase community awareness/dialogue for alternative forms of housing:</p> <ul style="list-style-type: none"> • ‘Density Fair’. Invite professionals and residents to workshops to explore alternative types of housing and how to integrate into specific neighborhoods. • ‘Sister neighborhood’ program. Identify and foster relationships with other cities that have neighborhoods that could act as models to Kirkland.
<p>Increase overall housing and choices in Transit Oriented Development and other Centers.</p> <p>Need more clarity of <u>Identify</u> specific location of ‘TOD’ areas <u>in City</u>. Considerations in identifying TOD opportunities <u>such areas</u> include: transit access, arterials, <u>and</u> opportunity <u>ies</u> for other non-motorized trips (e.g. walking, bicycle).</p> <p>A high proportion of working Kirkland residents commute to other cities, and a high proportion of people working in Kirkland commute from outside the city. It is timely to advance housing needs in tandem with regional planning and transit investments. Locally, this includes land use planning and leveraging transit investments to maximize co-locating housing and transit facilities, which in turn promotes the sustainability envisioned in the Comprehensive Plan.</p>	<p>Transit Oriented Development (TOD)</p> <p>Review the zoning code in areas targeted for walkability for barriers to innovative or unconventional housing types that may fill housing needs not currently met in Kirkland, such as:</p> <ul style="list-style-type: none"> • Small Efficiency Units • Boarding Homes • Single Room Occupancy / Student housing <p>Surplus and Underutilized Land</p> <p>Evaluate potential for Transit-Oriented Development (TOD) at park-and-ride lots, especially to partner with local affordable housing providers to provide affordable housing.</p> <p>Bonus in mixed-use for adding residential. <u>Mandate and incentivize the inclusion of residential uses in mixed-use developments. Examples of incentives include additional height, reduced setbacks, reduced parking and tax breaks.</u></p>
<p>Reduce Development Costs.</p> <p>Maintain efficient development and review systems that balance the goals of <u>housing affordability and availability through</u> reduced housing development costs <u>with while meeting</u> other community goals.</p>	<p>Reduce the cost & risk of development (especially for projects which provide residential units) by maximizing certainty of development regulations as early in process as possible. For example, ensure utility charges are known early in the permit process.</p> <p>Consider expediting permits that address priority needs <u>help achieve the housing goals identified in this report.</u></p> <p>Establish a graduated impact fee system that has higher fees for larger, more expensive homes, and lower fees for smaller, less expensive homes.</p>

	Building codes to allow prefabricated and new building technologies (e.g., cross-laminated timber). Modify height limits and codes to maximize wood frame construction.
Housing Affordability and Special Needs Housing	
Indirect Assistance	
Strategy	Examples of Potential Actions
Aging in Place. Support housing options, programs, and services that allow seniors to stay in their homes, neighborhood, or community. Evaluate why more people don't 'down-size' (e.g. cost of alternative housing; resource to fix up to sell; family circumstance; life style (memories, yard, pets, amenities, friends.) and what could create more interest in down-sizing.	Continue using CDBG funds for the single-family housing repair and weatherization program.
	Encourage forms of housing that support remaining (downsizing) in existing neighborhood or community, e.g. Clustering and/or "innovative" housing types / ADU.
	Evaluate and potentially revise standards for utility tax and property tax <u>relief, such as</u> exemptions, <u>deferrals, caps, pass through benefit to renters, and portability</u>
	Encourage universal design improvements that increase housing accessibility.
	Programs to assist people with aging in place (e.g. meals, maintenance).
Accessory Dwelling Units. Promote the greater development of accessory dwelling units (ADUs) on single-family lots.	Review regulations and permitting costs. Minimize procedural requirements and address neighborhood compatibility.
	Promote community education program for ADUs through outreach efforts, including fliers/technical assistance.
	Review if any type of incentives can be offered <u>Identify and implement strategies of other communities with high rates of ADU development, such as allowing more than one ADU per property.</u>
	<u>Adopt clemency program for existing ADUs</u>
	Prohibit ADUs for short-term rental. <u>Set goals for the number of ADUs to be developed in a specified period of time.</u>
Promote Opportunities for Homeownership	Removing <u>Remove</u> barriers to condominium development, including amendments to the state
City Incentives in exchange for providing affordable housing.	Review <u>Prioritize</u> requiring affordable housing when increases to development capacity for sites or neighborhoods are considered

	<p><u>Identify opportunities for linking with usage the use of Housing Choice Vouchers (administered by the KCHA) with required affordable housing.</u></p>
	<p>Consider linking affordable housing <u>requirements</u> (e.g. in-lieu payments) to increases in <u>development capacity for commercial development projects.</u></p>
<p>Housing Affordability: Direct Assistance</p>	
<p>Local Revenue. Establish a regular local source of funding for affordable housing programs.</p>	<p>Continue using City General and CDBG funds for affordable housing and special needs housing.</p>
	<p>Explore potential dedicated local revenue sources targeted toward affordable housing on a regular basis (dedicated portion of existing revenue, local housing levy, new dedicated fund source).</p>
	<p>Work with AWC [Association of Washington Cities], SCA [Sound Cities Association] and other housing groups for State Legislation to expand funding options for cities (e.g. REET, home demolition fees) for affordable housing.</p>
	<p>Review and potentially update <u>the</u> range of types and affordability of housing receiving direct assistance and whether resources should be used for direct assistance to residents (e.g. relocation assistance, down payment loan).</p>
<p>Provide other support for affordable housing</p>	<p>Evaluate incorporating affordable housing into eCity developments (e.g. fire station, parking).</p>
	<p>Encourage innovative partnerships between public/private institutions (e.g. LWIT, faith organizations). For example, lots for tiny houses.</p>
	<p>Analyze the potential eCity role in employer assisted housing. Work with local employers to study and implement model programs.</p>
	<p><u>Consider selling or leasing City owned land that is no longer needed for its original purpose or other public purposes at below-market value for affordable housing.</u></p>

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Housing Strategy Plan

Introduction

From media coverage, to data analysis, to comments from community residents, it is apparent that housing and especially housing affordability are significant issues that impact our community in many ways. In 2018, tThe City of Kirkland is updating its Housing Strategy Plan ~~in 2018~~ to address athe growing need for a wide range of housing types because of and the challenges of population growth and increases in housing costs ~~increases~~ for current and future residents and employees. Adopting an updated Housing Strategy Plan This implements the Comprehensive Plan policy calling for a Housing Strategy Plan to be adopted and updated periodically to address the City's housing needs and goals. The Council has adopted the following objective to guide this effort.

Strategy Plan Objective: *The city has a history of taking efforts to increase the diversity and range of housing affordability.*

City understands the importance of housing within the community. Kirkland is a largely residential community, as housing remains the city's predominant land use. Since 2005, the city has seen an increase in mixed-use developments. The city has a wide variety of other housing styles including zero lot line, townhomes, multi-family flats, and accessory dwelling units. Neighborhoods are well established and are one of the city's most desirable assets. Numerous neighborhood associations and homeowners' associations contribute to the livability of the community.

The City's mission is to provide additional housing that is compatible with existing neighborhoods and the environment. For the City's existing and new housing combined to provide a range of housing types and opportunities to meet the needs of all segments of the population including: housing affordable to a wide range of incomes that meets need of a growing employment

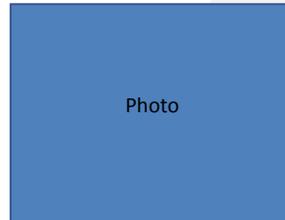
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base, and serves populations with special housing needs including seniors and homeless households.

Housing Strategy Plan Function

The purpose of the Housing Strategy Plan is to identify ~~what are~~ the most promising top issues and strategies for the city to explore in greater detail over the next three to five years ~~that seem to have the most promise to address the City's housing needs and policies~~. The Housing Strategy Plan is a work program ~~to focus on~~ of specific issues and strategies for the City ~~to focus on and specific actions to consider~~. It does not obligate the City to a certain course of action, but provides a framework for ongoing and future actions. The recommended individual strategies will require additional analysis ~~and definition~~ and, upon further consideration, some may require modification or may turn out to not be ~~in~~feasible. While the Housing Strategy is intended to be comprehensive, it does not preclude the future development and exploration of other strategies that emerge over time.



Development of Priority Strategies

The Housing Strategy Plan was last updated in 2007. This updated 2018 Plan builds upon the city's efforts over the past 20 years. These past efforts are summarized on page of the report and in more detail in Appendix C. In developing priority strategies consideration was given to both evaluating and potentially updating existing efforts, as well as adding new strategies.

The City Council appointed an Advisory Group to help develop recommendations for the Housing Strategy Plan. The Advisory Groupy includes members are people from the community, members of neighborhood association, and ~~or~~ local businesses. The names and profiles of the Advisory Group members are included in Appendix A).

The Council emphasized the importance of getting community input as part of developing the Housing Strategy Plan. The ways community input was sought include:

- Selection of The Advisory Group members to were selected specifically ~~to~~ bring different various community and/ neighborhood perspectives into developing the Housing Strategy.
- Conducting a An online survey which received over 1400 responses.

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- ~~Holding f~~ Focus group meetings for more in depth conversations. ~~These-with~~ groups including students, seniors, local businesses, homeless households, realtors, and immigrants.
- A panel discussion ~~withof~~ housing industry experts with the Advisory Group.
- ~~Holding a~~ Community Workshop to review the direction of recommendations from the Advisory Group.

Summaries of the ~~workshop, the~~ community survey, ~~and the~~ focus group and community workshop discussions are included in the Public Outreach section (page) and Appendices E - G. Once the council approves the final Housing Strategy Plan, the Ccouncil will ~~then~~ direct follow-up work on individual strategies, ~~and t~~ There will be opportunities iesy for additional input during work on each specific strategy.

Report Organization

The next section of this report identifies the top strategies recommended by the Advisory Group (Table 2). These ~~top~~ strategies are first introduced by a section (General Themes) that outlines some of the ~~main~~ themes identified by the Advisory Group and how theythat guided their overall work. This is followed by a section (Top Strategies) describing the three areas in which strategies are organized ~~withand~~ some observations regarding each of these areas of strategies, which include:

- Neighborhood Character
- Housing Supply and Diversity
- Housing Affordability

Following Table 2 are several sections summarizing ~~different parts~~ of the background work ~~that by~~ the Advisory Group used to review and understand local needs, including

- Kirkland Housing Element Goals and Policies;
- Past housing efforts by Kirkland
- Data describing local housing supply and needs;
- Input from community outreach

The main Housing Strategy report is supplemented by several appendices which ~~providego into~~ greater detail on the ~~various~~ topics listed above. Of particular note is Appendix I which is a complete list of the strategies considered that are, organized into the three areas described above.

LIST OF APPENDICES

Appendix A: Advisory Group Members

Appendix B: Kirkland Comprehensive Plan Housing Goals and Policies

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Appendix C: Summary of Existing Local Housing Strategies

Appendix D: Housing Needs

Appendix E: Stakeholders/Focus Group Summary

Appendix F: Community Survey

Appendix G: Community Workshop

Appendix H: Monitoring Matrix

Appendix I: Housing Strategy Plan Matrix

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General Themes

During the course of the Advisory Group's work, several themes/issues emerged that helped shape developing priority strategies, including:

- Using community and stakeholder input and evaluation of local data, the Advisory Group identified several 'housing gap' areas (i.e., unmet housing needs). These housing gaps are summarized in Table 1 below.
- Given the magnitude and implications of these gaps, there was a strong sense that the city needs to be bold in their efforts, particularly in the area of housing affordability. The existing distribution of housing by affordability in the city is mismatched to the ability to pay by the city's residents and employees.
- The city has seen growth in the past, and it is somewhat inevitable it will continue to occur. The question is how intentional we choose to be in how it occurs.
 - OR The city has seen increasing growth over the past decade, and projections of growth in the future make it inevitable that housing needs will continue to be a major driver. The question then is how intentional must policies be to assure a reasonable breadth of housing options.
- Wanting to create neighborhoods with better access to more daily needs (i.e. 10 minute neighborhoods).
 - OR The creation of neighborhoods with better access to services and mobility is being considered. These neighborhoods that can meet daily needs (i.e., 10-minute neighborhoods) must be considered for our future.
- Wanting there to be a fuller range of housing choices. It's not just a simple question of adding housing capacity in terms of number of units. Efforts to increase capacity should more intentionally add capacity in ways that will more explicitly result in a range of housing types in terms of type of housing and its affordability to address local needs (aging seniors, workforce, missing mid-priced housing etc). Housing choices that not only meet current residents needs today, but that meet our resident's and their children's needs in 5 to 20 years. In addition, And housing that meets the needs of the local workforce and others (e.g. students, persons with disabilities, homeless).
 - OR Meeting needs for a full range of housing choices is not just a simple question of adding more units of housing capacity. Efforts to increase units of capacity should intentionally add that capacity in ways that will explicitly result in a range of housing types. These housing types must consider affordability for local needs including needs of aging seniors, local and regional workforce, and those residents who work at middle income levels (the missing middle). Housing choices must not only meet current residents needs, but meet the needs of future residents and their childrens' needs in 5 to 20 years. To the best of our ability we need to plan for housing that meets the needs of both a local workforce and the needs of those working in other locations.
- Based on community and stakeholder input and evaluating local data, the Advisory Group identified several 'housing gap' areas; i.e., unmet housing needs. These housing gaps are summarized in Table 1 below.

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TABLE 1 'HOUSING GAP AREAS'

a) Types of Households

- Providing for lower income (up to \$45k) and moderate income (up to \$75,000) households, especially lower income seniors and individuals and more moderate income families including single parents.
- Addressing the needs of the homeless
- Assuring moderate income home ownership (entry level, younger couples)
- Addressing the needs of increasing population diversity (types of housing, or English language barriers for accessing information)
- A low proportion of workers in the city who live in the city, while many who live in the city go elsewhere to work.

b) Types of Housing

- Housing and programs that allow seniors to stay in their home or the community (e.g. cottages, ADUs, in-home services.)
- Accessory Dwelling Units (ADUs) and other types of small housing units
- Preserving existing relatively affordable housing
- Encouraging housing in Transit Oriented Development (TOD) where housing encourages trips other than in single car vehicles. This housing can have implications on transportation for households - types of trips and dependence on personal automobile (e.g. pedestrian, transit) and related costs.
- Maintaining opportunities for ownership housing for variety of income levels

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Top Strategies

The Advisory Group evaluated a wide range of strategies. The strategies ~~and the recommended top priority strategies~~ are organized into three basic categories.

- Neighborhood Character
- Housing Supply and Diversity
- Housing Affordability

~~A complete list of strategies considered included in Appendix I.~~ Following is a description of the three categories of strategies, followed by Table 2 which summarizes the top strategies recommended by the Advisory Group in each of the three categories. A complete list of strategies considered is included in Appendix I.

The strategies in Table 2 are not meant to diminish the potential importance of other strategies included in Appendix I. The strategies in Table 2 were selected either because they seemed to be most promising ~~into~~ addressing the most significant housing gaps, or the ability to link to other planned city initiatives ~~and/or~~ other timely events (neighborhood planning process, transit area planning initiatives). Therefore, these ~~appeared to be seem~~ most desirable to undertake sooner than others. Part of the ongoing process of the Housing Strategy Plan, will be to revisit the recommendations and their progress after a few years and reconsider and update strategies for the city to undertake.

It is also noted that some of the strategies in Table 2 are intertwined and may be most effectively addressed in tandem/partnership. In particular are the neighborhood quality and diversity of housing strategies. It is suggested that these strategies could be approached simultaneously to achieve the ~~complementary/complimentary~~ objectives of 10-minute neighborhoods, and allowing neighborhoods to better accommodate a wider range of households in our community- from allowing existing residents to age in place, to accommodating young singles and families just starting out. An opportunity for creating such diversity in housing may be best done/doing so would be through the neighborhood planning process.

A. "Neighborhood Character": 10-Minute Neighborhoods

It is hard to isolate housing from many other components of a community. How can we ~~can~~ look at housing as part of a larger community network to contribute to the overall livability within the city for a variety of household types? Part of the Advisory Group's discussion has been around the concept of focusing growth into areas intended to become/creating 10-minute neighborhoods ~~in as wide an area of the city as possible~~ (mixed use centers surrounded by, mid-density/transition neighborhoods and tapering out to single family neighborhoods). By 10

Neighborhood heat map?

Commented [1]: Having gone through a neighborhood planning process, I think they are good opportunities to engage residents but not effective in making the kind of impact we are proposing through strategies. I think our best opportunity for work getting done is to convince City Council to adopt our recommendations by making this document as compelling as possible. Wherever we can cite data or link to examples of the strategies being successfully implemented, we should do so.

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~~Minute Neighborhoods~~ we mean a community where residents can ~~walk or use other non-motorized means to travel short distances from home to destinations that~~ meet their more of their daily needs without driving.

B. Housing Supply and Diversity

Our community is already made up of a variety of different types and styles of housing – single-family homes, townhomes, small and large apartments and condominium buildings. There are also accessory dwelling units ('ADUs'—also referred to as mother in-law apartments), cottages and micro-units. But, there still are unmet needs. The challenge is to identify ~~probe if there are~~ ways we can expand such efforts while also having the units ~~in ways that~~ fit into the community, and ~~creating~~ the types of housing that might meet the needs of our current and future population. closely relates to some of the Neighborhood Character strategies. To be successful, this vision involves consciously and consistently understanding the neighborhood while planning for housing at the neighborhood level rather than at a citywide scale. A good starting point may be to find neighborhoods in other cities (regionally, nationally or internationally) that reflect the character expressed by the strategies.

Photo from workshop of lower density housing example

The overall objective is how can the city empower and encourage the private market to achieve an overall housing supply in Kirkland that:

- Enable housing providers to respond to meet the market demand.
- Enable a diversity of households for those who want to live in Kirkland and to meet their housing needs here.
- Accommodate more housing on existing developed residential footprint residential land while helping to avoid suburban sprawl.
- Increase housing capacity in areas that can be efficiently ~~already~~ served by transit and other public utilities and services, including areas currently not utilized for residential purposes.
- ~~Have~~ regulatory guidelines that should minimize procedural requirements, while promoting ~~but should address~~ neighborhood compatibility.
- Preserve the city's existing affordable housing while shaping it to meet future population needs.
- Promote opportunities for homeownership, including and beyond that of single family dwellings.

Photo from workshop of transitional neighborhood example

Following are types of housing that the Advisory Group feel have the potential to fit into the city and help address local housing needs for a wider range of households. ~~They understand~~ these ideas may not fit everywhere and/or may need guidelines that encourage in order to

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fitting into the community or particular neighborhoods with one consideration being the degree to which residents are likely to meet their needs without driving.

Lower Density neighborhoods

- o ADU's / Cottages / Duplexes and triplexes, including those designed to look like single family residences / Tiny homes

Transition neighborhoods

- o Townhouses or row houses / Duplexes and triplexes / Bungalow court / Boarding homes / Dorm type housing at locations such as colleges or church faith properties / Micro-housing / ADU's

Central/mixed use neighborhoods

- o Transit oriented development / 'Micro-housing' / Dorm type housing at locations such as colleges or faith properties churches / Boarding homes
- o Opportunity to target opportunities for affordable housing, especially related to joint development near transit facilities, and partnering with affordable housing organizations, like Hopelink and Imagine Housing.

Photo from workshop –
higher density example

C. Housing Affordability

Finally, explicit housing affordability are strategies that focus on explicit housing affordability, or affordable housing – that is housing intended to be affordable to a specified income level, generally anywhere from very low income, or (\$20,000 to \$28,000 – 30% median income) to moderate income (\$53,000- \$77,000 – 80% median income). Housing affordability does This is not specifically address the about general diversity of housing types, and relative affordability of housing, but focuses on efforts so that those with low or moderate income and how they might be able to livemanage in our community. The recommendations also, as well as how to build upon what the city has already been doing. The Advisory Group has been looking at a couple themes within this topic:

- Improve housing affordability at all income levels.
- Ensure that moderate-, low-, and very low-income households have adequate housing opportunities
- Relieve and prevent homelessness.
- Strive to meet the City's proportionate share of the countywide housing needs of very low-, low-, and moderate-income households.
- Support affordable housing across the Eastside as well as within the community.

Couple photos of
affordable housing

Direct Assistance. The City can First, are activities where the city provides direct assistance for housing that is targeted to specific housing for households at specific income levels or certain populations

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- Sources have included a portion of the City’s general funds. In addition, the city has waived development fees for affordable housing.
- ~~Direct assistance has~~ ~~Have~~ been used for households earning up to \$58000 (60% median, family of 4) and other lesser income.
- ~~Direct assistance has b~~ ~~been directed at for~~ families, seniors, homeless, and persons with special needs.
- Typically ~~direct assistance has been provided~~ ~~assist to~~ community based groups (non-profit or housing authority) ~~in~~ ~~developing or~~ ~~preserving~~ housing.



~~Other Types of Efforts.~~ Second, ~~city efforts other than direct financial assistance.~~ A primary area of effort by Kirkland has been to require new developments that have received increased development capacity to include housing affordable to ~~households~~ low and moderate income households (earning \$33 - \$77,000). Other city efforts include helping low income or homeless residents with housing costs and services to get into or stay in their housing (e.g. utility and property tax relief or deferrals for seniors, support to service agencies serving homeless individuals and families).

Monitoring Activities

~~In addition to identifying the top strategies for the City’s consideration,~~

One of the stated purposes of the Housing Strategy Plan is to assist the City ~~to in~~ preparation for the next Comprehensive Plan update. ~~Along these lines,~~ ~~There~~ are a number of “strategies” that do not directly result in the creation of housing. These strategies generally fall into the area of monitoring local efforts. They are an integral part of the city’s overall efforts to understand local needs and to help assess overall efforts and the effectiveness of overall efforts and specific strategies. Monitoring ~~and to also~~ helps inform future planning efforts. Monitoring ~~These~~ often requires some level of ongoing effort in order to identify changes in ~~monitor~~ local conditions and to assess the impact of different strategies that were implemented. ~~These~~ ~~monitoring~~ efforts have been listed separately from the other strategies and they are grouped into three categories:

- General monitoring: Includes efforts to ~~track~~ ~~monitor~~ general housing supply and costs (affordability).
- Specific issues ~~Monitoring specific housing issues:~~ ~~This~~ ~~includes~~ tracking monitoring items that are not currently ~~not~~ significant issues in the city, but may have been significant in other cities and could become more prominent (e.g. regulating micro-apartments or conversions of single-family homes to student rentals).

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- ~~Previous city efforts. Monitoring: previous city efforts. This involves monitoring items~~ where the city has policies or regulations in place, ~~but~~ they should be monitored to ~~assess whether see if~~ they are accomplishing their intended results (e.g. city's update to zoning code and permit process).

[SHOULD THE MONITORING TABLE GO IN THE BODY OF REPORT OR BE AN APPENDIX]

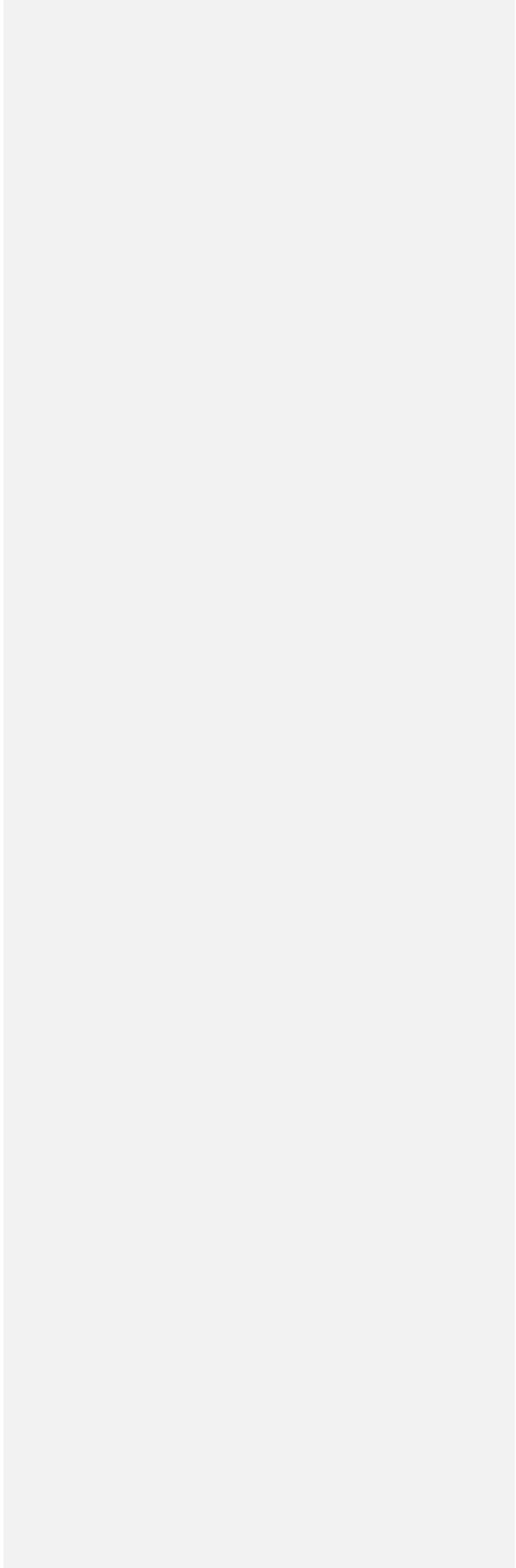
Appendix F [OR Table 3] lists specific monitoring ~~suggestions efforts~~ for each of these areas. An ~~more~~ explicit effort to predefine specific annual monitoring and data collection activities is recommended. ~~Assessment of these efforts is necessary in order~~ to ensure that adequate information is available to monitor the ~~effectiveness of the city's efforts range of these items~~.

IMPLEMENTATION

Placeholder depending upon what decide to do.

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INSERT: TABLE 2: PROPOSED TOP PRIORITY STRATEGIES



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Policy Direction

The ~~housing-related~~ Goals ~~and~~ ~~Policies~~ sections of the Comprehensive Plan Housing Element are included in **Appendix B**. They are condensed in the table below, in a way that the Advisory Group found relevant to identifying ~~some~~ key objectives for the Housing Strategy Plan.

GOALS	POLICIES
<p>1. Each Kirkland neighborhood maintains and enjoys a unique residential character (Goal H-1).</p> <p>2. Kirkland has a sufficient quantity and variety of housing to meet projected growth and needs of the community (Goal H-2).</p> <p>3. Kirkland has affordable and special needs housing throughout the city for all economic segments of the population (Goal H-3).</p>	<p>a. Maintain a compatible mix of land uses in and around all residential areas, that includes and adequate supplies of land zoned for growth and housing variety, including accessory dwelling units (Intro, H-2.1, H-2.2, H-2.5).</p> <p>b. Establish and maintain the physical elements important to well-designed neighborhoods and environments including aesthetic and architectural features <u>in neighborhoods</u>, as well as <u>consideration of</u> urban design and infrastructure (Intro, H-1.1, H-2.4).</p> <p>c. Promote housing supplies <u>that are</u> affordable to very low-, low-, and moderate-income households throughout Kirkland and in proportion to county-wide needs (Intro, H-3.1 through H-3.5).</p> <p>d. Support special needs housing throughout the city and region (Intro, H-3.6, 3.10).</p> <p>e. Support housing options, programs, and services that enable seniors to continue living in their current homes or neighborhoods (H-3.9).</p> <p>f. Support housing and services, including regional efforts, to help homeless families and individuals move to long-term <u>home</u> independence (H-3.7).</p> <p>g. Defend fair housing in Kirkland for all people (H-3.11).</p>

Process

To develop the Housing Strategy Plan, the Advisory Group spent several meetings evaluating input from a variety of sources. These included:

- Policy direction provided by the Housing Element of the Comprehensive Plan (**Appendix B**).
- Past and present housing-related efforts undertaken by the City. (See **Appendix C**.)
- ~~Variety of d~~Data related to local and regional housing needs. Key findings are presented in **Appendix D** and summarized in the box, "Key Data Points."
- Input from several public outreach efforts, including:
 - Housing-industry professionals panel at a regular Advisory Group meeting ~~;~~
 - Small focus groups (held outside regular meetings) ~~;~~
 - An online survey ~~;~~ ~~and~~
 - A community workshop.



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Details of the input gathered from public outreach are listed in **Appendix E**.

The Advisory Group used this information to develop ~~a variety of~~ criteria for evaluating strategy options and then, through several iterations of discussion, derived its recommendations.

Selected Examples of Existing Local Housing Strategies

The City has made progress on many of the objectives of its Comprehensive Plan Housing Element (combined with Human Services in 2015), including public investments for neighborhood vitality, land use code amendments to support housing construction and a variety of housing choices (including senior housing with services), and funding for affordable housing. A complete description is included as **Appendix B**. The matrix also includes a column that indicates ~~those~~ strategies that relate to previous city efforts.

Neighborhood Quality:

Every Kirkland neighborhood has an adopted plan that defines neighborhood character and design standards.

Low-Impact Development regulations offer site design flexibility and encourage more natural storm water control.

Housing Variety:

City has permitted innovative developments, such as Danielson Grove cottages [photo] and Arete residential suites [photo].

Housing Affordability:

Kirkland's affordable housing incentives have helped produce ~~—40~~ moderate-income and ~~—80~~ low-income homes in multi-family areas with good transit service in downtown Kirkland, Totem Lake, North Rose Hill, and Juanita.

~~In some cases, Some developers chose to pay~~ primarily small projects, ~~developers have been able to pay~~ fees in lieu of providing affordable housing, raising ~~\$~~ ~~—~~ ~~\$2,720,000~~ through 2017.

Together with other members of A Regional Coalition for Housing (ARCH), Kirkland contributed funding for over 1,900 units of low-income housing and close to 1,000 units of moderate-income housing. Almost 400 units of these are located within Kirkland for families, seniors, people with special needs, or people who are homeless.



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Kirkland partnered with state and other local funders, King County Metro, Imagine Housing, Polygon Northwest, and others to transform the South Kirkland Park and Ride from a surface parking lot and bus center into 240 housing units (61 affordable), retail, and additional parking for a complete, mixed-use, transit-oriented development.

Housing Needs

The Advisory Group considered Kirkland’s housing needs from several perspectives. Household types and incomes, jobs and wages, and housing types and prices ~~are asre a few of the~~ fundamental indicators of supply and demand. The financial burden of housing costs, and homelessness data, ~~were the~~ markers of housing problems. Key findings are presented in **Appendix D** and summarized here

1. A considerable number of Kirkland households pay more for housing than they can afford.

Only 16% of the low- and very low-income renters in Kirkland live in housing where they can pay less than 30% of their gross incomes. Almost two-thirds (62%) pay more than half their incomes for housing—known as “severe cost burden.” These figures are increasing for Kirkland, as they are in other cities.

2. Many jobs in Kirkland don’t pay enough to afford Kirkland housing, so many workers commute from farther away.

The median wage paid in Kirkland is comparable to other Eastside cities, but 54% of those jobs pay less than \$50,000 per year. More than half of all working households across King County have just one wage earner; ~~so, A substantial-a fair~~ number of those lower-paid workers can afford, at the most, \$1,250 a month for housing.

Traffic congestion in Kirkland ~~and the cost of vehicular infrastructure we build to accommodate it~~ can be attributed to

Map showing commuting in and out of Kirkland

Cost-burdened renters chart

EXISTING ASSISTED HOUSING - KIRKLAND: 2017

	Aff. Units	General	Senior	Homeless	Special Needs
Funding Assistance Through ARCH Trust Fund (1993 - 2016)	382	142	97	115	28
Other City Efforts (Land Use / MFTE / Land) **	176	83	23	31	6
Other Federally/ State Funded Housing ***	603	408	195		
OVERALL TOTAL	1,161	664	315	115	34

* Affordability: ~55% for 30% median income / 30% for 50% median income / 15% for 60% median income
 ** Affordability is typically 50% or 80% AMI for rental and 80%-100% AMI for Ownership
 *** Typically pre 1990, owned by King County Housing Authority and for very low income.
 *** Senior housing is privately owned affordable at 60% median income.

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workers commuting into and out of Kirkland for their jobs, as well as on auto-dependent residential growth in Kirkland. [add data or just map]

3. Homelessness is increasing in Kirkland.

In 2017, the annual one-night count ~~of unsheltered homelessness~~ found 284 people across the Eastside who were homeless and unsheltered, the highest figure yet. Lake Washington Schools reported 207 homeless students during the 2010–2011 school year, and that number has grown each year since, to 296 in 2015-2016.

4. Small households (1 or 2 people) predominate in Kirkland, but Kirkland has~~have~~ relatively few small homes to choose from (especially for homeownership).

Two-thirds (66%) of Kirkland households (and 62% of homeowners) have just one or two people, ~~but~~ Only 43% of the city's housing units (and just 24% of owner-occupied homes) have two or fewer bedrooms. These observations suggest that there are many unused bedrooms in the city. No one would suggest that people should live in a smaller home than they want, but the data indicate a demand for smaller, less expensive housing options than exist in Kirkland.

The city issued building permits for only 80-138 condominium units, the majority of which were townhome or duplex units and 28 ADUs from 2011 through 2015, out of a total growth of 1,100 housing units.

5. Housing costs are increasing faster than incomes.

Since 2000, the average rent in Kirkland has increased 55%, to more than \$1,800, while the King County Area Median Income changed only 12%. The median price of a Kirkland home more than doubled in just the last five years--\$833,000 for a detached, single-family home and \$369,000 for a condominium.

Kirkland has housing affordable to moderate-income households, but has significant deficits in housing affordable to low- very low-income households (30% of the area median income; earning \$26,000 for a family of 3).



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6. Kirkland's issues are like those of other East King County communities.

Data indicate that Kirkland residents, businesses, and workers, in their essence, differ very little from those of other communities that are also forming housing strategies, including Bellevue, Kenmore, Bothell, and Issaquah.

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Public Outreach

Details of the input gathered from public outreach are listed in **Appendices E - G**. First, staff posted an on-line survey to gauge the community's sense of housing needs and issues. Over 1,400 responses to the survey were received. Staff ~~also conducted~~arranged five small group discussions ("focus groups") of typically five to seven people that included—separate events for (a) seniors, (b) real estate agents, (c) downtown merchants, (d) college students, (e) English language learners, and (f) safe parking program residents.

In July, the Advisory Group met with six professionals from various parts of the housing industry (for-profit and non-profit developers ~~as well as the~~and King County Housing Authority). The group provided input on the pros and cons of the strategies the Advisory Group was considering.

Finally, the Advisory Group hosted a public workshop in December. Approximately 60 community members gathered for small group discussions on the three areas that the Advisory Group was studying – Neighborhood Character, Housing Supply and Diversity, and Affordable Housing. They also provided input on the strategy ideas that the Advisory Group was considering.

The discussion below outlines the major themes and ideas that emerged from the various public outreach conversations.

1. Kirkland needs more housing, especially in places where people can walk to shopping, employment, and transit.

More housing with walkable access to retailers, restaurants, grocers and other services~~ete.~~ would support Kirkland businesses with more customers and potentially produce a labor force that's closer to work. In conjunction with affordable housing incentives, lower-wage workers could save money on rent and transportation.

2. Kirkland needs a greater variety of housing types, especially housing units smaller than the single-family homes that have been added most recently.

More small housing units for homeownership (e.g., condos, duplexes, townhomes) could create opportunities for first-time buyers and down-sizers, create or preserve open space,~~and,~~ provide transitions between lower- and higher-density neighborhoods and vary the scale of housing within residential neighborhoods. Accessory dwelling units (ADUs) help homeowners earn money, provide entry-level rental housing, and offer options for older residents to age-in-place (e.g., to keep their

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homes and rent part of the dwelling, or live independently with adult children), but costs and code complexities have limited the number of ADUs. Kirkland could learn from policies and procedures in other cities with higher rates of ADUs, such as in Vancouver, B.C., where over 30% of homes have an ADU.

Condos could make ideal homeownership opportunities and avoid car trips for couples and small families if located in a walkable, mixed-use environment. However, but liability issues (which can be fixed by changing state law) have made condo development prohibitively expensive.

3. Kirkland needs to be less expensive to build and develop housing.

Developers would like the City to update regulations and make housing development less land consuming and less expensive; e.g., reduced less parking requirements, fewer restrictions on tree removal, be more flexible with ground-floor retail, simplify the code, and make fees known more in advance. In addition, reduce barriers to smaller housing types (e.g., townhomes and duplexes), including even in single-family neighborhoods.

Some developers and realtors would support Growth Management Act updates to enable more housing construction. (A statewide review project is underway and will deliver recommendations to the Legislature soon.)

4. Faith communities want to be part of the solution.

Many faith communities are mission-driven and have land to address housing problems. With appropriate zoning, some would be willing to provide affordable housing and/or emergency shelter.

5. King County cities can help each other by combining resources to address housing issues that cross city boundaries.

The major homelessness policies and programs in King County have turned to a “housing-first” orientation. This approach assumes ~~that is,~~ the most effective way to help people experiencing homelessness is to start by getting them into safe, stable housing followed by ~~and then~~ addressing income and employment, mental and physical health, and other needs ~~etc.~~ From that perspective, the city of Kirkland should continue to

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work aggressively to help fund and provide land for subsidized, low-income housing, including housing for people with special needs and/or who are homeless. The city also has powers to reduce barriers to affordable rental housing, such as credit and eviction histories and move-in costs.

6. Kirkland needs to prepare for changing demographics, including growing populations of senior citizens, immigrants, and college students.

As Lake Washington Institute of Technology and Northwest University grow, so does the demand for student housing. Students are currently unable to find some of the conventional types of student housing, such as campus residence halls and off-campus boarding houses. Zoning and other local regulatory changes may be needed to enable college students to walk to school.

Kirkland seniors, who are, growing in number ~~naturally~~, typically have fixed incomes but face increasing housing costs—especially difficult for renters, but also a problem for homeowners. They may need less housing, but either want to keep their homes or downsize in the community they know, where their friends, family, and services are. Rent restrictions, property tax limits, and relief on utility bills are common requests from seniors. The city can assist, directly or indirectly, to provide other supports to sustain independent living, ~~which the city can assist directly or indirectly~~, including more small-unit housing (especially in a small community environment), help with home and yard maintenance, improving transportation options, assisting with in-home accessibility improvements, and ensuring neighborhood walkability.

Immigrants come to Kirkland and East King County for many reasons, ~~and a~~ Not all have high-paying tech jobs. Some of these new residents reported that smaller housing types, help with security deposits (lacking a U.S. credit history), and easier-to-find services in their native language would help them get off to a good start, avoid homelessness, become productive, and support their families.

F. IMPLEMENTATION (and Oversight)		
1. MONITORING ACTIVITIES--GENERAL		
	Strategy Plan Outline	Housing Element
Routine, on-going data collection and reporting for planning purposes, program evaluation, etc.		
<p>Residential Growth. Track data such as total number of new units constructed, the types of units, affordability, the densities at which the units were developed, the remaining capacity for residential growth.</p> <p>MF Zoning Objectives Evaluate city efforts in achieving projected densities in multi-family zones and commercial areas. Review standards if densities are not achieved.</p> <p>Inventory existing income- and rent-restricted housing and affordable non-income- and rent-restricted stock.</p> <p>Housing Dispersal. Evaluate City efforts in achieving objective of dispersing affordable housing in the city.</p> <p>Regional Benchmarks. Work with other jurisdictions to develop regional benchmarks, and as needed, collect information for regional benchmarks</p> <p>Strategy Plan. Adopt and regularly update the Housing Strategy, that identifying specific housing strategies that will be considered in order to address the City's housing needs and goals.</p>		
2. MONITORING ACTIVITIES--PREVIOUS EFFORTS		
Gathering information to evaluate effectiveness of recently adopted regulations, recently funded programs, etc.		
<p>MFTE Program. Track amount, location and type of housing using property tax exemptions for housing under RCW 84.14 (KMC 5.88)</p> <p>Land Use Regulatory Programs. <u>Monitor results and effectiveness of land use affordability programs including impact on overall development.</u></p> <p>Accessory Dwelling Unit (ADU) Monitoring. Track production of ADUs and evaluate the effectiveness of land use regulations in encouraging the development of Accessory Dwelling Units (ADUs) by such means as streamlined permitting, education programs, and regular review of the effectiveness of ADU regulations. <u>Track utilization of ADUs for short term or long term rental.</u></p> <p>Cottage Housing /Duplex / Size limited</p> <p>Parking. In the Downtown and other activity centers, monitor parking of new housing and potential impacts in surrounding neighborhoods.</p> <p>Low Impact Development (LID) Standards. Evaluate effectiveness of LID standards.</p> <p>Evaluate design character issues as part of Community Character Element. Includes items such as: Incentives for pitched roofs -- S-F homes // "Mega-house" standards // horizontal façade regulations</p>		
3. MONITORING ACTIVITIES--POTENTIAL EMERGING ISSUES		
Tracking issues that city wants to watch for a while before deciding on a course of action.		
State/Federal Legislation. Monitor and, as appropriate, provide comment on county, state and federal legislation affecting housing in Kirkland.		

