



## MEMORANDUM

**Date:** September 3, 2014  
**To:** Planning Commission  
**From:** Teresa Swan, Project Manager  
Eric Shields, Director, AICP

This memo addresses the following Comprehensive Plan Update topics:

- EIS Growth Alternatives: Multi-family Densities, **File No. CAM13-00465, #5**

### **I. RECOMMENDATION**

Discuss whether to consider increasing multifamily densities as part of the EIS Growth Alternatives and in the Comprehensive Plan Update and if so, provide direction to staff.

### **II. BACKGROUND DISCUSSION**

On August 14, 2014, the Planning Commission discussed the concept of studying increased residential density in the multifamily zones as part of the EIS Growth Alternatives. One Commissioner suggested looking at no density cap. The discussion was based on the desire to encourage more housing stock that could make housing more affordable.

Staff has provided below information on factors to consider and options should the Planning Commission decide to pursue this concept.

### **III. FACTORS TO CONSIDER**

As part of the discussion, the Planning Commission should consider several factors, including:

- Clear statement and justification as to why this concept should be considered
- Community Acceptance
- Factors that dictate density and redevelopment
- Does increasing density = increase housing affordability
- Staff time to address the issue

A. Clear Direction and Justification

Staff has been thinking about the concept of increasing density since the Planning Commission raised the issue. We suggest a need to have a clear direction and justification in considering the study, particularly since we already have sufficient housing capacity to meet Kirkland's assigned housing targets and the issue will draw significant public concerns. We have indicated to the public at various public outreach forums over the past 18 months that the City would not be making any significant zoning changes because we can meet our targets. Increasing density citywide would be contrary to what the public has been told.

As discussed below, increasing density to increase housing stock may not result in more affordable housing. Other ideas for justifying increasing densities could be for:

- Better jobs/housing balance
- Walkable communities if pedestrian and bike improvements are made to support the density
- Better to justify transit service

B. Community Acceptance

The most common and repeated concerns heard at the Kirkland 2035 Vision program were traffic congestion and future growth. We have told the public through conversations about the Transportation Master Plan that traffic will continue to worsen in the future. We did hear support for affordable housing done with small scale projects, accessory dwelling units and other low key approaches. Staff believes that the community would be very opposed to extensive rezoning to increase multifamily density, except maybe in the Totem Lake area.

C. Factors that Dictate Density and Redevelopment

Following the Planning Commission's discussion about increasing density, staff asked Arthur Sullivan at A Regional Coalition for Housing (ARCH) whether increasing density would improve housing affordability. Mr. Sullivan indicated that increasing housing stock is much more complex than lifting density limits. He said that the following factors play key roles:

- Requirements for building setbacks, height, lot coverage and parking limit the overall development size
- Current market demand for the size of housing units (larger units equal less density)
- Community acceptability of dense development

Mr. Sullivan said that analysis has found that when unlimited density is allowed, we see only about a 10% increase in density over the prior density standard because of the factors noted above.

Kirkland has available land in its commercial centers with no density cap that remain undeveloped or underdeveloped. For example, Totem Lake Apartments along NE 132<sup>nd</sup> Street has no density cap and can go to 160 feet in height. The property owner is coming in with a minor expansion. The City made the property owner aware that the site has significant redevelopment potential. However, the owner says that the loss in rent and cost to redevelopment is not offset by the unlimited density and the extensive height allowance. Other factors such as land cost, land value to existing improvement value, market demand in the region play to major role.

A recent example of how community acceptability affects a developer's ability to build at a no density cap is seen with the Potala Village proposal on Lake Washington Blvd. The site is located in a Neighborhood Business zone, served by a major arterial and close to the downtown but surrounded by medium density multifamily and some single family. The zone has had no density cap since 1983. The original proposal was for 143 units at 116 units per acre which is greater than density developed in the downtown. Neighbors strongly opposed the density because of traffic, parking and being out of character with the surround area. The City Council placed a moratorium on development and lowered the density to 48 units per acre.

The community might be more accepting of greater density around the perimeters of the CBD, Juanita Village and Totem Lake, but staff believes that an unlimited density standard in multifamily zones outside of commercial areas would be very controversial and not acceptable to the community.

D. More Housing Stock = Affordable Housing: Unlikely

Increasing density will unlikely affect affordability. Kirkland's housing market is part of the greater regional housing market and not a closed market system. Mr. Sullivan from ARCH said that the issue of affordability is much more complex than just increasing density to maybe increase housing. Staff spoke with a local realtor who has worked in the area for a long time. He does not think that increasing housing stock will affect affordability.

Affordable housing is being achieved through requirements in Chapter 112 of the Zoning Code. However, the requirements apply to zones with density limits by providing density bonuses. If there is no density cap throughout the city, the affordable housing provisions would no longer apply. Thus, if we remove density limits, we lose the ability to get affordable housing through regulatory means.

E. Additional Staff Time and Resources to Address the Issue

Studying an increase in residential densities will require extensive staff time and resources for community outreach, public notice and the Environmental Impact Statement (EIS). We would need to do extensive public outreach to explain the reason for the proposed density changes. In addition, the City would be required to install public notice sign boards at each location and would do mailings to property owners, neighborhood associations and other stakeholders. All of this is very time intensive.

As it is, the scope of the Comprehensive Plan Update has been expanded to include work on the existing and new neighborhood plans, and preparing a Planned Action EIS for Totem Lake. Also, the number of Citizen Amendment Requests (CARs) to be studied is greater than anticipated. At this point, it is unlikely that we will make that State deadline of June 2015.

**IV. OPTIONS**

If the Planning Commission would like to study increasing density, several options are described below along with questions and challenges that each present.

**A. Existing Multifamily Density Categories**

There are five multifamily density levels: 9 units per acre (RM-5000), 12 units per acre (RM3600), 18 units per acre (RM2400), 24 units per acre (RM1800) and 48 units per acre (BN, MSC2). The professional/

residential (PR) zones have the same density hierarchy and also allow office. In most cases, other development standards are the same among these zones (height, setbacks, lot coverage, etc.). If we eliminate density in all of these zones, what would distinguish them? Would we need to consider changes to other development standards? Given these issues, we should be thoughtful about how extensive the density elimination idea is carried.

## **B. Options**

In considering the options below, keep in mind that staff has not done an analysis as to whether there is **vacant land or land likely to redevelop** for each location option. The options may or may not yield many developable or redevelopable properties.

The options described below are broken into two categories: change in density standards and by zones.

### **Options of change by density standard:**

1. No cap – as many units that can fit on the property given the development standards. No cap will mean that density will be more incompatible with the surrounding area than under the current zoning
2. Increase density up to next density category: 9 up to 12 units per acre, 12 up to 18 units per acre and so on
3. Double density: 9 up to 18 units per acre, 12 up to 24 units per acre, 18 up to 36 units per acre and so on
4. Increase by a %: increase by 5%, 10%, 15% and so on. Challenge with this approach is that we would need to create new zoning categories and could end up with odd zoning numbers (i.e. RM 1523 zoning). This approach would require extensive changes to the Zoning Code and to the neighborhood plans, and many maps in the Comprehensive Plan.

### **Options of change by location at various density categories:**

#### **1. Increase density in all multi-family zones**

This option would have wide ranging community impacts and likely raise significant citizen concerns.

##### **a. Make all MF zones have no density cap**

To model this for the EIS, we'd need to determine a likely density for each zone. Since the current zoning in most of the MF zones allows up to three stories, the question would be how many units would typically be developed with all other factors considered.

##### **b. Increase density to the next higher zone or double the zone**

For example, the RM 3.6 zone would be bumped up to a RM 2.4 zone. Although we don't have a density limited zone greater than RM 1.8 (24 units/ acre) in the multifamily zones, we could bump it up to the density in the BN and MRC zones at 48 units/acre or perhaps a more modest 36 units/acre (new category which would require extensive changes to the Zoning Code and maybe the Comprehensive Plan).

c. **Increase the density in all MF zones by a specific percentage – for example 25%**

This would be easier to calculate and model for the EIS, but would create some problems in implementation. Essentially, it would create new zones across the board. For example, what is now a RM 3.6 zone, allowing 12 units per acre, would become a RM 2.9 zone, allowing 15, with a 25% increase.

2. **Increase density only for the high density residential zones (24 and or 18 units/acre)**

This alternative would leave in place the densities in the “medium density” RM zones (which are typically those immediately next to single family zones) and focus on increasing densities only in the high density (RM2.4 and RM 1.8) zones. Again, the approach to density increases could use any one of the methods discussed in alternative 1 above.

- a. No density cap
- b. Increase density to the next higher zone or double the zone
- c. Increase density by a specific percentage

3. **Increase densities only proximate to certain business districts**

This alternative would select geographic areas where density increases fit with existing planning concepts – specifically close to commercial centers and transit lines. Areas for consideration would be:

- a. Next to the Totem Lake Business District
- b. Next to the Central Business District (e.g. PLA 5, 6 and 7)
- c. Zones consistent with the 10 minute neighborhood concept. These areas would need to be determined.

4. **Increase in office/multi-family zones**

Office multi-family zones allow both offices and multi-family, but only multi-family uses have a density limit. Offices are allowed to develop at whatever the other development standards (height, setbacks, lot coverage, etc.) allow. Removing or increasing the multifamily density limits would put residential and office uses on a more equitable footing. However, these office/multifamily zones are typically next to single family zones. Again, the same methods as discussed in alternative 1 could be used:

- a. No density cap
- b. Increase density to the next higher zone or double the density
- c. Increase density by a specific percentage

**V. STAFF RECOMMENDATION**

Staff recommendation is not to move forward with studying increases in multifamily density because of the significant community’s concerns, questionable results that density changes would improve affordability and that we already meet our targets for housing.

If the Planning Commission would like to pursue one of the options, staff would recommend looking at either or both of the following options (excluding properties within shoreline jurisdiction since any changes require Department of Ecology approval):

- Increase densities around the perimeters of CBD, JBD and Totem Lake at the next higher density category
- Increase in office/multi-family zones at the next higher density category

Staff would recommend only going to the next density category because these properties are next to single family zones.