



CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Adam Weinstein, AICP, Planning & Building Director
Allison Zike, AICP, Deputy Planning & Building Director
Scott Guter, AICP, Senior Planner

Date: July 6, 2023

Subject: NE 85TH ST STATION AREA PLAN – PHASE 2 – FILE NO. CAM20-00153

STAFF RECOMMENDATION

Review the public testimony on Phase 2 of the NE 85th St. Station Area Plan from the February 23, 2023 and June 8, 2023 Planning Commission (PC) public hearings and the Commission's recommendations, and consider adoption of the following:

- Ordinance O-4855: Phase 2 Kirkland Zoning Code (KZC) Amendments
- Ordinance O-4856: Phase 2 Zoning Map Amendments
- Ordinance O-4825: Station Area Planned Action Ordinance

BACKGROUND

Overview

At a June 28, 2022 special meeting¹, following a planning process extended to allow for more community input and project analysis, City Council (Council) adopted a plan for the NE 85th St Station Area. The adoption of the plan created a new subarea chapter in the City's Comprehensive Plan, and paves the way for a thriving, transit-oriented, new walkable district with high tech and family wage jobs, plentiful affordable housing, sustainable buildings, park amenities, and commercial and retail services. At that time, Council also adopted the first phase (Phase 1) of Station Area Zoning Code amendments, which implemented a Form-based Code (FBC) for the Commercial Mixed-use District, and the NE 85th St Station Area Plan Design Guidelines for the full subarea.

Since adoption of Phase 1, staff has focused work on Phase 2 of Station Area Plan implementation. The PC held three study sessions, on October 13², October 27³, and November 10, 2022⁴, to specifically discuss the development standards for Phase 2 of the Station Area

¹ https://www.kirklandwa.gov/files/sharedassets/public/city-council/agenda-documents/2022/june-28-2022/3_business.pdf

² https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/ne-85th-st-station-area-plan-phase-2-10_13_22-pc-meeting-packet-cam20-00153.pdf

³ https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/ne-85th-st-station-area-plan-phase-2-10_27_2022-pc-meeting-packet.pdf

⁴ https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/ne-85th-st-station-area-plan-phase-2-11.10.2022-pc-packet_reduced.pdf

Plan. The PC held two study sessions on April 27, 2023⁵ and May 31, 2023⁶ specifically to discuss draft affordable housing requirements to be included in the broader package of Phase 2 KZC amendments. Phase 2 of the Station Area is guided by the goals and policies adopted for the subarea in Phase 1. The Phase 2 adoption process includes:

- Specific parcel rezones;
- Kirkland Zoning Code (KZC) amendments to implement the FBC for the Neighborhood Mixed-use (NMU), Civic Mixed-use (CVU), and Urban Flex (UF) districts;
- Affordable housing requirements for new residential development in the subarea; and
- Miscellaneous KZC amendments to integrate the Station Area FBC with other KZC chapters and remove obsolete references to Rose Hill Business District (RHBD) zones being replaced by Station Area zones.

Phase 2 will also include adoption of the final Planned Action Ordinance (PAO) for the full Station Area.

The Council last discussed the Station Area Plan at their March 7, 2023⁷ study session, where they received the Planning Commission recommendation on the majority of Phase 2 KZC (absent the draft requirements for affordable housing in the subarea, discussed later in this memo) and Zoning Map amendments, and provided staff feedback to continue development of affordable housing requirements for the subarea.

PROPOSED LEGISLATIVE AMENDMENTS – SUMMARY

The ordinances proposed to be adopted by Council are summarized below. Where applicable, background discussion on the development of the proposed amendments are included.

Proposed KZC Amendments (Ordinance O-4855)

The proposed KZC amendments primarily amend the chapter containing the Station Area Form-based Code (KZC Chapter 57) to add development standards for Phase 2 zoning districts.

In several Fall 2022 study sessions, Planning Commissioners discussed the development regulations for each Station Area district (or zone) and how the districtwide standards adopted in Phase 1 (e.g., height transitions, landscaping, parking rates) apply to Phase 2 districts. The PC received updates on the 120th Ave NE Corridor Study and provided feedback for each district, and reviewed topics such as active street-level uses, maximum building heights, frontage and transition standards, and parking requirements. Staff incorporated the direction received from the PC study sessions into the draft amendments to KZC 57 (adopted Station Area Plan chapter) to add the standards for Phase 2 districts and make adjustments to standards adopted in Phase 1 (e.g., height transitions, 120th Ave NE “Main Street” standards, etc.).

Below is an outline of FBC sections added to KZC Chapter 57 to implement Station Area standards for the Phase 2 districts, and a brief summary of amendments to adopted districtwide standards (adopted in Phase 1) to improve clarity or per direction from the PC and/or Council.

⁵ https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/new-folder/station-area-plan-affordable-housing-requirements_pc-packet_cam20-00153_4.27.2023_web.pdf

⁶ <https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/station-area-plan-pc-packet-cam20-00153-web.pdf>

⁷ https://www.kirklandwa.gov/files/sharedassets/public/city-council/agenda-documents/2023/march-7-2023/3b_study-session.pdf

Regulating Plan Amendments

The regulating plan amendments show the application of the NMU, UF, and CVU zones to specific parcels, and the allowed base height and maximum height that can be achieved by providing community benefits or meeting affordable housing requirements.

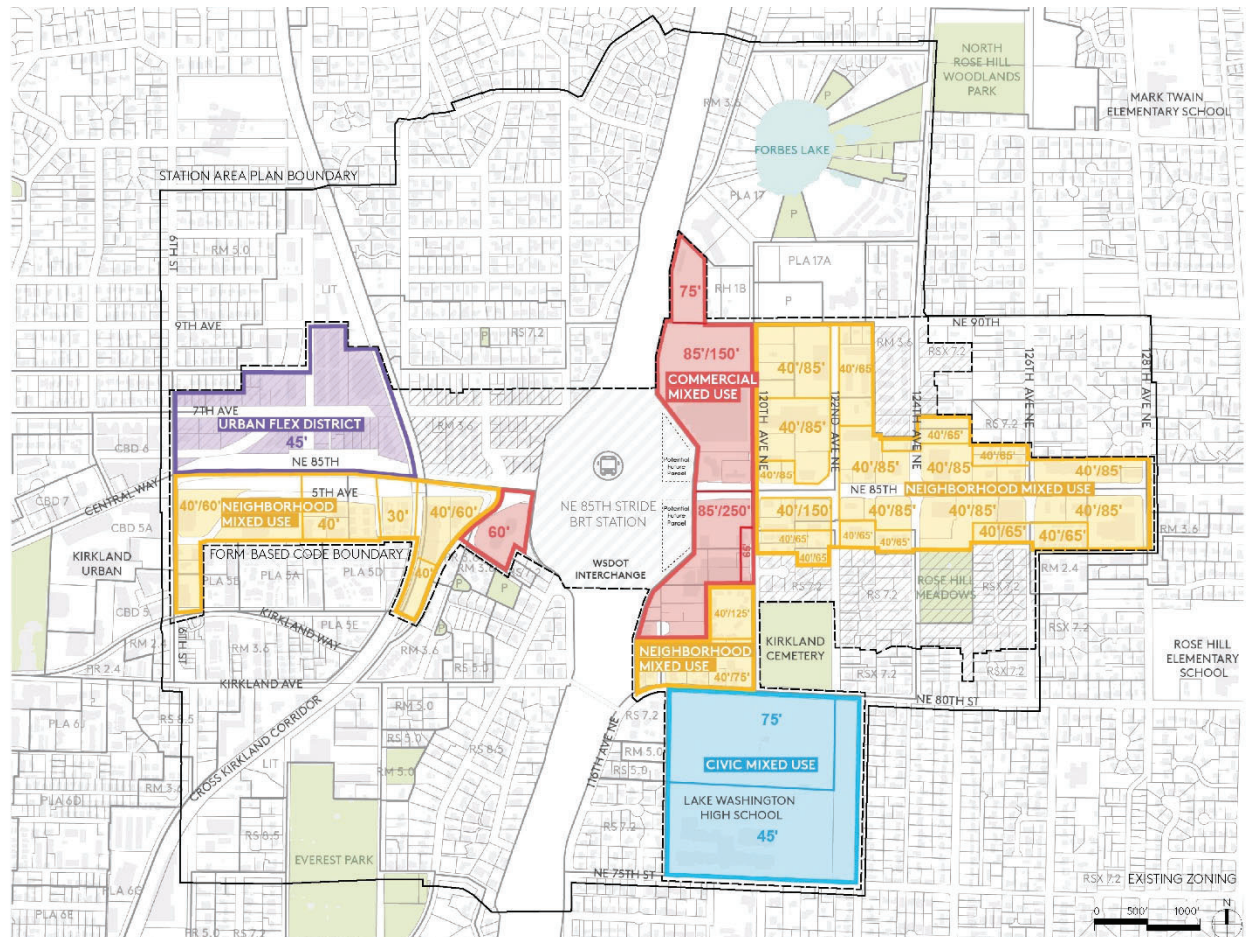


Figure 1: Regulating District Map, prepared by Mithun

Permitted Uses

The Form-based Code employs general use categories to regulate permitted uses in the district. These use categories are intended to be more flexible than in conventional zoning districts.

Regulating District Standards

The specific regulating district sections of KZC 57 (i.e., Station Area zones, see Figure 1) will add standards for the following, unique to each Phase 2 district:

- Lot coverage
- Required yards
- Base maximum allowed height
- Bonus maximum allowed height
- Maximum floor plate(s) per building
- Upper story street setbacks
- Tower separation
- Maximum façade widths and modulation minimums



Figure 2: FBC exhibit, prepared by Mithun

Frontage Types and Standards

The frontage types establish a foundation for how the Form-based Code regulates how building types interact with the public realm (i.e., streets, pedestrian ways, plazas, and other public spaces). For each frontage type, the Form-based Code sets forth standards for the following:

- Ground floor design (minimum height, façade transparency, façade widths and entry standards)
- Minimum and maximum front setbacks
- Amenity zone allowances
- Corner design requirements
- Ground floor parking setbacks

The proposed amendments to Frontage Standards include clarifying edits and added definitions to improve ease-of-use.

Street Types and Standards

Street types in the Form-based Code are informed by the specific transportation network improvement concepts developed through the transportation analysis for the district. The Form-based Code establishes typical minimum (unless noted) widths for the following components of the street:

- Pedestrian clear zone
- Bikeway
- Furnishing zone (i.e., area for street furniture)
- Maximum travel lane width
- Number of travel lanes (typical)

The proposed amendments to Street Standards include designating a street-type for rights-of-way omitted in Phase 1, amending the standards for the 120th Ave. NE “Main Street” per Council direction, and clarifying edits.

Transitions

The Form-based Code establishes required transitions of development intensity, height, and bulk across zones of varying height that are intended to ensure that new development is consistent with the vision of the NE 85th Street Station Area Plan. The transition standards adopted in Phase 1 include both a landscape buffer and a sky exposure plane, which establishes a diagonal plane relative to adjacent properties that results in upper massing of a subject building to be located further away from shared property lines, as the building increases in height. The PC held extended discussions at their Phase 2 study sessions on transition standards, specifically the sky exposure plane requirements. The PC's feedback focused on the effectiveness of the draft sky exposure plane angle at mitigating bulk and mass impacts between neighboring properties with the most significant differences between maximum building heights. Staff responded to the PC's input in the draft FBC by including amendments to this subsection that will:

- Address sloped parcels (where there is a difference in the grade elevation between properties) by establishing a maximum height of the vertical plane based on the average elevation of the common property line between zoning districts.
- Increase the angle of the sky exposure plane if the height between zoning districts is 50 feet or higher.

The final proposed standards include a 25 degree sky exposure plane for transition areas where the maximum allowed height difference is between 30 and 50 feet; and a 30 degree sky exposure plane for transition areas where the maximum allowed height difference is greater than 50 feet (see Attachment 1 and Exhibit A to Ordinance O-4855).

Parking Requirements

Phase 1 of the Station Area Plan only adopted parking standards for Commercial and Institutional uses, as these are the only uses allowed in the Commercial Mixed-use zone. Phase 2 amendments will add parking standards for the uses allowed in the NMU, UF, and CVU district not included in Phase 1 as well as add Transportation Demand Management (TDM) requirements for the full subarea.

The parking standards shown below are the parking requirements for the full subarea as recommended by staff. Note that the PC recommendation, discussed in the following subsection of this memo, would allow further parking reductions for housing units that are affordable in perpetuity. The proposed KZC amendments in Attachment 1 and Exhibit A to O-4855 reflect the PC recommended parking rates.

Draft Districtwide Parking Standards Recommended by Staff

Land Use	Minimum Required Parking (spaces)
Residential: Detached Dwelling Unit	2/unit
Residential: Residential Suites, Attached or Stacked Dwelling Units	0.5/affordable studio unit or residential suite* 0.75/affordable one-bedroom unit* 0.75/studio unit or residential suite 1/one-bedroom unit 1.25/two-bedroom unit 1.5/three- or more bedroom unit
Residential: Assisted Living Facility	0.5/unit
Residential: Convalescent Center	0.5/bed
Commercial	2/1,000 SF GFA
Industrial	1/1,000 SF GFA Breweries, wineries or distilleries shall apply the minimum required industrial parking rate only for the portion of the building engaged in industrial uses. Tasting rooms for breweries, wineries, or distilleries shall provide parking at 2/1000 SF GFA.
Institutional	Set by the City Transportation Engineer under KZC 105.25

Notes: "SF" = square feet; "GF" = gross floor area

*PC recommendation is 0 parking spaces for affordable residential suites, studios, and one-bedroom units.

Planning and Transportation staff completed significant background research on contemporary parking demand to draft the proposed parking rates for Residential and Institutional uses, including proposing that certain specific uses warrant rates that are different from the general rate. Staff recommended the draft parking standards as minimums that should be considered and included in the KZC 57 amendments, as they reflect the planned multi-modal, transit-oriented approach of future development.

Incentive Zoning Program for Commercial (non-residential) Uses

The regulating district establishes allowed base heights (allowed by-right) and required performance standards for all development at or below the base height. The new base heights reflect an adjustment above pre-Station Area zoning as a way to offset the cost of new base requirements (i.e., high performance buildings, green factor, and transportation and other infrastructure improvements). For commercial development, the incentive zoning program will allow additional development capacity above the new base height, up to the maximum allowed bonus heights identified for the regulating district, if development provides additional community benefits. The benefits required to utilize the incentivized development

capacity will be beyond the established baseline development requirements in the Zoning Code.

The incentive zoning section in the Form-based Code includes a table of the available amenity categories an applicant may choose to provide to access incentive commercial capacity, organized by key community benefit topics. The section also sets forth an “exchange rate” for each amenity that will regulate how much incentive capacity may be awarded to the applicant for each unit of community benefit amenity provided.

The proposed amendments to the incentive zoning subsection clarify the program is for commercial (non-residential) uses, provides a reference to the KZC section on affordable housing requirements that will enable residential development to reach the maximum bonus height, and adds an incentive category for provision of large-scale grocery stores in the Station Area as recommended by the PC.

Miscellaneous KZC Amendments

Below is a summary of the miscellaneous code amendments from various KZC chapters (outside of the Station Area chapter, KZC 57) necessary to fully implement the Station Area standards and complete clean-up of code sections that are made obsolete by that implementation. The full text of miscellaneous code amendments is included as Exhibit B to Ordinance O-4855.

- KZC 5.10.023: Amend Affordable Housing Unit definition to include new SAP Zones
- KZC 5.10.145: Amend Commercial Zones definition removing RH zones
- KZC 5.10.595: Amend Industrial Zones definition to remove RH 4 zone
- KZC 5.10.930.6: Amend Transit-Oriented Development (TOD) Zones definition to include SAP Zones
- KZC 10.25 Amend Zoning Categories Adopted section to include SAP Zones
- KZC 20.10.020.4: Amend Medium Density Residential Zones section removing Rose Hill Business District (RHBD) standards
- KZC 25.10.020.4: Amend High Density Residential Zones section removing RHBD standards
- KZC 30.20: Amend Office Zones, Permitted Uses (PU) Special Regulations removing PU-1, PU-12, and PU-21 related to RHBD standards
- KZC 40.10.010.1: Amend Industrial Zones, PU Special Regulation removing PU-7 related to RHBD standards
- KZC 53: Repeal RH 1B, RH 3, RH 4, RH 5A and 5B, RH 5C, and RH 7 zones
- KZC 92: Amend Design Regulations to include SAP zones and remove RHBD zones except for RH 8
- KZC 95.45.3.a: Amend Perimeter Landscape Buffering for Driving and Parking Areas removing RHBD standard
- KZC 105.58.3: Amend Location of Parking Areas Specific to Design Districts removing RHBD standards
- KZC 110.52.5: Amend NE 85th Street Sidewalk Standards removing all RH zones except RH 8 zone
- KZC 112: Amend Affordable Housing Incentives – Multifamily Chapter by adding Station Area requirements
- KZC 115.120: Amend Rooftop Appurtenances subsection to increase allowances for elevator overruns to exceed the maximum structure height for structures over 85 feet
- KZC 142: Amend Design Review Chapter removing RHBD requirements
- Plate 34K: Repeal Through-Block Pathways Concept for RHBD Plate

Proposed Legislative Rezones (Ordinance O-4856)

The proposal includes legislative rezones of 1 parcel from RSX 7.2 to Civic Mixed Use (CVU), 36 parcels from RM 5.0 and LIT to Urban Flex (UF) and 75 parcels from PLA 5B, PLA 5C, PLA 5D, LIT, PR 3.6, RM 1.8, RM 3.6, RH 1B, RH 3, RH 4, RH 5A, RH 5B, RH 5C, and RH 7 to Neighborhood Mixed Use (NMU). Attachment 2 includes parcel maps illustrating the proposed amendments to the Zoning Map.

Station Area Planned Action Ordinance (PAO)

A Planned Action, which is authorized under the State Environmental Policy Act (SEPA), streamlines environmental review of development projects that were analyzed comprehensively in an earlier Environmental Impact Statement (EIS). A Planned Action effectively shifts environmental review of a project from the time a permit application is made to an earlier phase in the planning process (i.e., when an EIS is prepared), ensuring a more holistic evaluation of environmental impacts.

The subject PAO shown in enclosed Ordinance O-4825 is the culmination of the environmental review process under SEPA for the full Station Area Plan. A detailed description of the PAO and review mechanisms are included in the meeting materials prepared for the November 15, 2022 Council public hearing on the item⁸.

The PAO includes and establishes the following:

- That procedural requirements of the Growth Management Act, SEPA, and the City's SEPA policies in the Municipal Code have been complied with;
- Designation of the Planned Action Area (see O-4825, Exhibit A);
- Types of land uses that qualify as Planned Actions;
- Maximum levels of new land uses (housing units and jobs capacity) that are covered as a Planned Action;
- Trip ranges and limits covered by the Planned Action, and concurrency and monitoring requirements;
- Required mitigation measures for the likely significant impacts identified in the NE 85th St Station Area Plan FSEIS;
- Planned Action project review criteria and process; and
- Provisions for monitoring and review of development in the Planned Action Area.

Other Proposals Not Included in Station Area Plan

It should be noted that the City's legislative and environmental review process is not able to influence the design of the construction project proposed by the Washington State Department of Transportation and Sound Transit. For example, comments about the location of the pick-up and drop-off lot and placement of noise walls are outside the purview of the Planning Commission's review and not within the scope of the Supplemental Environmental Impact

⁸ https://www.kirklandwa.gov/files/sharedassets/public/city-council/agenda-documents/2022/november-15-2022/6b_public-hearing.pdf

Statement prepared for the Station Area Plan. Rather, the focus of the City's legislative process is to consider how the City's land use and transportation policies can leverage the interchange improvements to create a complete, transit-oriented community that helps achieve broader City-wide goals.

PROPOSED STATION AREA AFFORDABLE HOUSING REQUIREMENTS

Background

Since the early phases of the Station Area planning process, obtaining the community benefit of affordable housing with new development was identified as a fundamental priority of the community and Council. With adoption of the Station Area Plan in June 2022, the City established land use policies that substantially increase the value of properties in the Station Area, including, but not limited to, policies that accomplish the following:

- Establish significant increases in development capacity;
- Lower minimum parking requirements;
- Establish a form-based Code to streamline project design;
- Planned Action Ordinance that eliminates the need for individual developments to go through the SEPA process; and
- Encouraging development agreements for catalyst projects.

Providing new incentives, such as those listed above, is a requirement to increase any affordable housing requirements (i.e., the City must "give" some type of value to properties to "get" additional affordable housing). The community benefits framework for the Station Area emphasizes that the City should leverage the opportunity provided by increasing development capacity to capture value for the community- with affordable housing being a priority value.

The staff recommendations for Station Area affordable housing requirements were developed in collaboration with staff from A Regional Coalition for Housing (ARCH). The PC discussed the draft affordable housing requirements extensively at two study sessions in Spring 2023. A detailed background discussion of the analysis informing recommendations for the requirements was performed by ARCH and their consultants, BAE Urban Economics and Street Level Advisors, and included in the April 27, 2023 meeting materials⁹. This analysis evaluated an approach that could conceptually maximize affordable housing production in the Station Area, based on assumptions about economic and real estate conditions in the future. Additional information was provided during the joint City staff and ARCH presentation at the April 27 meeting¹⁰. Planning Commission requested additional information at the April 27 meeting such as case studies of affordable housing requirements in other jurisdictions, options for adjusting affordability levels for units as they age, and how inclusionary zoning could be combined with housing subsidies. City staff and ARCH responded to the PC's request for additional information, and provided additional options for the affordable housing recommendations, in the May 31, 2023 PC meeting materials¹¹. ARCH has provided a memorandum with additional information in response to questions staff received from individual Councilmembers prior to the July 18 meeting related to the administration of affordable units and comparing Kirkland and Redmond's affordable housing production (see Attachment 3).

PC-Recommended Draft Affordable Housing Requirements

⁹ https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/new-folder/station-area-plan-affordable-housing-requirements_pc-packet_cam20-00153_4.27.2023_web.pdf

¹⁰ https://kirkland.granicus.com/player/clip/4767?view_id=12&redirect=true&h=8cf9e1bca1ee28f594af5bb24029eb4e

¹¹ <https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/station-area-plan-pc-packet-cam20-00153-web.pdf>

The proposed KZC amendments to adopt affordable housing requirements, as recommended by the PC, are included in the miscellaneous KZC amendments (KZC Chapter 112) shown in Exhibit B to enclosed Ordinance O-4855, and described below.

- The base, or fixed, requirements for any developments creating new dwelling units in the NMU, UF, or CVU zones are the following affordable housing set-asides:

Maximum Allowed Zone Height	Renter-Occupied: Minimum Percent of Affordable Housing Units and Area Median Income (AMI) Requirements	Owner-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements
Less than 65'	10% at 50% AMI	10% at 80% AMI
65' and Above	10% at 50% AMI	10% at 80% AMI

- The proposed amendments also include options for units to be provided at alternative affordability levels. The PC recommends that the first 5% of total units set-aside for rental affordable units be provided at the 50% AMI level (or 80% AMI for owner-occupied units) per the base requirement above, with the remaining percent of required affordable units allowed to be provided at alternate levels of affordability using the exchange rates below:

Affordability Level	Renter-Occupied Exchange Ratio (50% AMI unit : Equivalent AMI unit)
60% of median income	1 : 1.3
70% of median income	1 : 1.7
80% of median income	1 : 2.0
Affordability Level	Owner-Occupied Exchange Ratio (80% AMI unit : Equivalent AMI unit)
90% of median income	1 : 1.3
100% of median income	1 : 2.1

Example Alternative Affordability Level Compliance Calculation

- Calculate how many total affordable units are required under fixed base requirement.
 - Example: A 100-unit rental development requires 10 units at 50% AMI (base requirement).
- At least 5% of (total) units must be provided at 50% AMI = 5 units at 50% AMI
- Remainder of units may be provided at the equivalency of a 50% AMI unit. For each 50% AMI unit not provided, developer uses the exchange ratio to determine how many equivalent units (based on chosen affordability level) must be provided.
 - Example: Developer could choose to provide any of the below options to fulfill remainder of requirement.
 - 5 units at 50% AMI = 7 units at 60% AMI (rounded up from 6.5 units); or
 - 5 units at 50% AMI = 9 units at 70% AMI (rounded up from 8.5 units); or
 - 5 units at 50% AMI = 10 units at 80% AMI

- *Note: Any fraction of a unit (0.1 – 0.9) must be rounded up to the next whole number.*

The PC recommendation for affordable housing requirements emphasizes enabling housing production to the maximum extent possible in the near term to help meet housing goals, in addition to providing developers with flexibility and choices that could result in a diversity of housing choices (at different levels of affordability) with new development in the subarea.

History of Draft Requirements Development & Alternative Affordable Housing Requirement Options

In Spring 2023, staff presented the below initial recommendations for affordable housing requirements to the PC. The initial recommendation was based on staff's interpretation of the adopted Station Area Comprehensive Plan goals and policies for housing and Council direction. The recommendation was based on the premise that affordable housing requirements in the Station Area should be established at a higher rate than exists today in order to ensure that the community receives benefits from the increases in development capacity and new growth anticipated in the Station Area over the next 20 years. Coupled with the added capacity with Station Area rezones, staff's recommendation built on the existing affordable housing requirements and was intended to help advance the following Comprehensive Plan Goals and Policy adopted for the Station Area:

- Goal SA-11: Plan for and achieve housing production to achieve regional planning objectives and maximize opportunities for affordable housing provision in the Subarea.
- Goal SA-13: Increase affordable housing by developing strategies and incentives to increase the amount of affordable housing within the Station Area at various income levels, especially at lower income levels.
- Policy SA-16: Create density bonuses that prioritize affordable housing, particularly units available at deeper levels of affordability.

Initial Staff Recommendation for Affordable Housing Requirements

	Renter-occupancy		Owner-occupancy	
	Set-aside	Affordability Level	Set-aside	Affordability Level
<i>Draft Requirements for Station Area Urban Flex and Neighborhood Mixed-use zones with maximum heights <u>below</u> 65 feet</i>				
Mandatory (eligible for 8-year MFTE)	10%	50% of median income	10%	80% of median income
Optional (eligible for 12-year MFTE):	10% plus 10%	50% of median income 80% of median income	10% plus 10%	80% of median income 110% of median income
<i>Draft Requirements for Station Area Neighborhood Mixed-Use zones with maximum heights <u>65 feet or greater</u></i>				
Mandatory (eligible for 8-year MFTE)	15%	50% of median income	15%	80% of median income
Optional (eligible for 12-year MFTE):	10% plus 10%	50% of median income 60% of median income	10% plus 10%	80% of median income 100% of median income

Staff's initial recommendations for the affordable housing requirement were based on the background analysis provided in the aforementioned April 27, 2023 and May 31, 2023 PC meeting materials, and considered strong residential development trends that continue to be

observed in Kirkland, inclusive of the City's existing affordable housing requirement (10% at 50% AMI applied in most areas of the City). Evidence of this trend persists under current market conditions; approximately 5,800 multi-family units are currently in the development pipeline, the vast majority of which are subject to the existing affordable housing requirement. Furthermore, development interest in the Station Area has continued even in the context of existing (and potentially expanded) inclusionary housing requirements.

Staff worked to draft options for the PC to consider for affordable housing requirements after development of the initial recommendation, particularly in consideration of several salient points discussed by the PC during formation of this option, including:

- Affirmation of shared goals to maximize affordable housing in the Station Area;
- Concern that setting a new requirement significantly higher than existing requirements will stall development of new housing (both the in short- and long-term);
- Preference for an inclusionary requirement structure that provides options for developers to provide housing at different levels of affordability;
- Emphasis that achieving a meaningful number of units affordable to households making no more than 50% of AMI is very important; and
- Desire for the City to explore providing policies and programs in the future that could support rental subsidies for lower-income households.

Staff acknowledges the merit of establishing realistic affordable housing set-asides that reflect market conditions, but it is important to note that any increases to affordable housing requirements in the future would require *additional* value to be offered to property owners/developers, such as additional development capacity increases or further parking requirement reductions. With the development incentives set to be adopted with the Phase 2 code amendments, significant value is being added to properties in the subarea that present the City with a rare opportunity to increase affordable housing requirements in the subarea if the Council desires. Conversely, it would be relatively simple to decrease any affordable housing requirements in the future. While development feasibility is challenging today (as discussed in the Spring 2023 PC meeting materials previously referenced), ARCH's consultant BAE summary concluded, in short:

"... in the long term, the City should consider approving higher affordability requirements in order to capture the value that is created by upzoning, reducing parking requirements, constructing City-funded improvements, and supporting the future BRT line. If the City does not approve higher affordability requirements and merely sets the policy to make development feasible in today's down market, the benefit of these City actions will flow to existing land owners and will only make it more expensive to build market-rate housing in the future." -excerpted from May 31, 2023 PC meeting materials.

Should Council wish to consider adopting affordable housing requirements above existing requirements in the subarea, staff has drafted a suggested structure for such requirements (see Attachment 4). These requirements establish a base/fixed requirement that matches the initial staff recommendation above, but utilizes the PC-recommended requirements as a catalyst/pioneer provision in the interim (when market conditions may not be optimal for multi-family development). This structure could allow initial residential development in the Station Area to utilize the flexible options developed by the PC, at equivalents to the requirements in the subarea today (pre-Station Area upzones). With this option, Council would need to establish what total number of units in the Station Area are appropriate to consider as "catalyst/pioneer units" subject to the lower affordable housing requirement. The draft code amendments in

Attachment 4 suggest up to 10% of the total new units in the Station Area (624 units) as an initial catalyst, with an option to extend catalyst provisions to the second 10% of total units in the subarea. This percent could be adjusted by Council initially, and/or can be extended in the future through additional code amendments. The critical objective of this option is that it would leverage the value of the Station Area incentives (e.g., significant increases to development capacity) on the table with the current proposed code amendments to increase the base affordable housing requirements. At the same time, it recognizes the near-term constraints of the market by catalyzing initial development (with reduced affordable housing set-asides) and leaving options to adjust requirements in the future.

It is important to note that any phase-in of new, more robust inclusionary zoning requirements comes with opportunities and downsides and is not a guarantee that development will be able to overcome *current* market challenges. It is possible that the incremental impact on feasibility of new initial requirements would enable projects to move forward in the short-term (potentially encouraging future development in the Station Area); however, it is also possible that projects will nonetheless be stalled, and the City would lose an opportunity to maximize development of additional units of affordable housing units, and meet our City's affordable housing needs, when conditions improve.

PHASE 2 PUBLIC HEARINGS AND PC RECOMMENDATIONS

February 23, 2023 PC Public Hearing: Phase 2 FBC and Legislative Rezones

On February 23, 2023, Planning Commission held a public hearing to collect public testimony, deliberate, and make recommendations to Council on the Phase 2 implementing amendments summarized in a previous subsection of this memo. The full text of the proposed amendments, and a more expansive staff summary are included in the Planning Commission meeting materials prepared for the public hearing¹².

Outside of the PC recommendation on parking described below, the PC deliberated and unanimously voted to forward the KZC and Zoning Map to City Council as recommended by staff.

PC Recommendation on Parking

At the conclusion of extensive deliberations on February 23, 2023, the PC recommended the parking rates drafted by staff as minimum parking requirements for new development, with one amendment to the staff recommendation for affordable housing parking requirements. On that item, the PC recommends there is *no* minimum parking requirement for affordable housing units that are reserved as affordable in perpetuity (note: this would not prevent development from providing parking spaces at their discretion for affordable housing units) The draft code shown in Attachment 1 and as Exhibit A to O-4855 includes the PC-recommended parking ratios, but could include the staff recommendation if Council chooses to amend Ordinance O-4855.

June 8, 2023 PC Public Hearing: Affordable Housing Requirements and Rooftop Appurtenance Amendments

On June 8, 2023, Planning Commission held a public hearing to collect public testimony, deliberate, and make recommendations to Council on the affordable housing requirements and

¹² https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/ne-85th-st-station-area-plan-phase-2-02.23.23-pc-packet_web.pdf

rooftop appurtenance amendments summarized in the previous subsection of this memo. A staff summary of the staff analysis that informed affordable housing requirement recommendations are included in the Planning Commission meeting materials prepared for the public hearing¹³.

At the conclusion of the public hearing, the PC deliberated and reached a recommendation on the affordable housing requirements (described in the Affordable Housing Requirement subsection of this memo, above) and rooftop appurtenance amendments that are both shown in the Miscellaneous KZC Amendments to Chapters 112 and 115, respectively (see Ordinance O-4855, Exhibit B).

PUBLIC TESTIMONY AND COMMENTS

Specific to the Planning Commission public hearing, oral testimony was provided live (virtually and in person) to the Commission on February 23 and June 8, 2023, and via written comment to the Commission prior to hearing. Oral testimony can be viewed by watching the February 23¹⁴ or June 8¹⁵ PC meeting recordings. Compiled Phase 2 written public testimony is included as Attachment 5 to this memo.

CRITERIA FOR AMENDING THE COMPREHENSIVE PLAN AND ZONING CODE

The KZC includes criteria to consider in approving amendments to the Comprehensive Plan, Zoning Code, and Zoning Map. This section includes the specific criteria for amending each document, and the staff analysis of the applicable criteria.

KZC 135.24 Criteria for Amending the Text of the Zoning Code

Pursuant to KZC 135.25, the City may amend the text of the KZC only if it finds that:

1. The proposed amendment is consistent with the applicable provisions of the Comprehensive Plan; and
2. The proposed amendment bears a substantial relation to public health, safety, or welfare; and
3. The proposed amendment is in the best interest of the residents of Kirkland.

Staff Analysis: The Zoning Code amendments for the Station Area plan meet the criteria above because they are consistent with applicable Comprehensive Plan policies for a Station Area around the NE 85th St interchange (Chapter XV.G). The proposed amendments bear a substantial relation to public welfare and are in the best interest of the residents of Kirkland because they proactively plan for housing and jobs growth in an area of the City with access to high-capacity regional transit, maximize opportunities for affordable housing, implement the Sustainability Master Plan, and enable other community benefits to be provided with planned future growth.

KZC 130.20 Criteria for Legislative Rezones (Related Zoning Map Amendments)

Pursuant to KZC 130.20, the City may decide to approve a legislative rezone only if it finds that:

¹³ https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/new-folder/station-area-plan-affordable-housing-requirements-public-hearing_pc-packet_re_w.pdf

¹⁴ https://kirkland.granicus.com/player/clip/4741?view_id=12&redirect=true&h=5c54af7c49a53f514d8d346a305bc963

¹⁵

https://kirkland.granicus.com/player/clip/4783?view_id=12&redirect=true&h=38c913cd2e585b571698667bf1ae3c91

1. Conditions have substantially changed since the property was given its present zoning or the proposal implements the policies of the [Comprehensive Plan](#); and
2. The proposal bears a substantial relationship to the public health, safety, or welfare; and
3. The proposal is in the best interest of the community of Kirkland.

Staff Analysis: Conditions have substantially changed since the area was given its present zoning. Most significantly, a significant regional investment has been planned for the area as part of the voter approved ST 3 package to establish a new BRT station at the intersection of I-405 and NE 85th Street. This new station will connect surrounding land uses - and current and planned transit routes - to a new high capacity BRT line providing regional connections for transit riders. The proposed rezone is also necessary to implement established Comprehensive Plan goals and policies, as well as the new Subarea Plan proposed for the Station Area. The City's land use concept adopted in the Land Use Element of the Comprehensive Plan envisions a land use pattern that supports a multimodal transportation system and results in a more efficient transportation system. It further anticipates placing urban neighborhoods around commercial areas, allowing residents to walk or bicycle to corner stores or neighborhood centers, and then connect by transit to other commercial areas, and supports high-capacity transit connecting larger commercial areas inside and outside of the community.

The proposed rezone bears a substantial relation to public welfare and is in the best interest of the residents of Kirkland because it proactively enables housing and job growth concentration in an area of the City with access to high-capacity regional transit, maximizes opportunities for affordable housing and economic development, implements the Sustainability Master Plan, and enables other community benefits to be provided with planned future growth.

STATION AREA NAME

At their regular meeting on April 4, 2023, Council discussed a potential name for the station area. At that meeting, Council narrowed down the options for the area to two options: Rose Hill District or the Cedar District. Several councilmembers expressed a preference for the Cedar District name. Council's comments from that meeting emphasized that the ultimate name should be reflected in the environment of the area (e.g., abundant Cedar trees if the Cedar District) and the name should contribute to the sense of place in the district. An additional option for the name is to consult with local tribes to identify a name informed by Native cultural heritage, which is still of interest to Council. Council did discuss gathering additional community feedback around a name, but also expressed caution that the community has already been asked to participate in numerous surveys this year and there may be "survey fatigue" in the community, along with questions about the validity and/or utility of an additional survey about the name for the station area (a previous Station Area Name survey was conducted in Spring 2022).

The final Council direction to staff was to collect additional input on the two name options, and to continue consultation with local tribes. As of the publication date for this packet, those tasks are ongoing. Staff suggests returning to Council at a future date to complete the naming of the district after the requested input has been collected. A new name for the Station Area should be selected in time for the name to be included as part of the final Comprehensive Plan adoption.

ENVIRONMENTAL REVIEW

The Final Supplemental Environmental Impact Analysis (FSEIS) for the Station Area Plan was published on December 30, 2021 and is available on the [project webpage](#). The FSEIS analyzed the preferred plan direction for the Station Area, disclosed potential significant impacts with the studied households and job growth, and identified mitigation measures for those impacts that will be implemented through the Station Area Form-based Code, required infrastructure improvement projects with new development, and the PAO. The City has issued two addenda to the FSEIS on June 24, 2022 and April 21, 2023 that included supplemental analyses completed after the FSEIS was issued, and that referenced the draft code amendments and legislative rezones being considered for adoption.

NEXT STEPS

Council will consider adoption of the enclosed ordinances at their July 18 meeting. One remaining item for Station Area Plan implementation will be to hold a public hearing to incorporate the Urban Flex district into the Central Business District Multi-family Tax Exemption (MFTE) target area to enable future residential development to apply for that incentive.

ATTACHMENTS

1. Proposed KZC Chapter 57 with Amendments (clean version)
2. Parcel Rezone Map
3. ARCH Memorandum re: Affordable Housing Administration and Kirkland Affordable Housing Production, dated July 5, 2023
4. Alternative KZC 112 Amendments (Affordable Housing Requirements)
5. Phase 2 Public Comments

ENCLOSURES

1. Ordinance O-4855
Summary Ordinance
Exhibit A: Kirkland Zoning Code Text Amendments- Chapter 57, Station Area Form-based Code Amendments
Exhibit B: Kirkland Zoning Code Text Amendments- Chapter 5, 10, 20, 25, 30, 40, 53, 92, 95, 105, 110, 112, 115, and 142 Miscellaneous Amendments
2. Ordinance O-4856
Summary Ordinance
Exhibit A: Zoning Map Amendments
3. Ordinance O-4825
Summary Ordinance
Exhibit A: Planned Action Area
Exhibit B: Mitigation Measures
Exhibit C: Supplemental Checklist

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.05 Introduction	2
57.05.01 Background	2
57.05.02 Purpose	2
57.05.03 Development Agreements – Catalyst Projects	2
57.05.04 How to Use this Chapter	3
57.05.05 Review Process	5
57.05.06 Definitions	5
57.05.07 Relationship to Other Regulations	5
57.10 Regulating Districts	7
57.10.01 Purpose	7
57.10.02 Applicability	7
57.10.03 Regulating Plan	8
57.10.04 Regulating District Standards	10
57.15 Street Types	22
57.15.01 Purpose	22
57.15.02 Applicability	22
57.15.03 Street Types Map	23
57.15.04 Using Street Types	24
57.15.05 Street Types Standards	26
57.20 Frontage Types	32
57.20.01 Purpose	32
57.20.02 Applicability	32
57.20.03 Frontage Types Components	33
57.20.04 Frontage Types Standards	35
57.25 Districtwide Standards	49
57.25.01 Purpose	49
57.25.02 Applicability	49
57.25.03 Rooftop Appurtenances, Amenities, and Structures	49
57.25.04 Landscaping, Green Infrastructure, And Environmental Features	49
57.25.05 Transitions	51
57.25.06 Parking	53
57.25.07 Transportation Demand Management	57
57.25.08 Sustainability Standards	58
57.30 Incentive Zoning Program	64
57.30.01 Purpose	64
57.30.02 General Provisions	64
57.30.03 Required Review	64
57.30.04 Incentive Amenities and Exchange Rates for Incentive Capacity	64

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.05 INTRODUCTION

57.05.01 Background

The City's NE 85th Street Station Subarea Plan was adopted in 2022 to support a thriving, new walkable district with high tech and family wage jobs, plentiful affordable housing, sustainable buildings, park amenities, and commercial and retail services linked by transit.

57.05.02 Purpose

Implementation of the vision established in the NE 85th Street Station Subarea Plan requires a comprehensive set of regulations and the supporting Design Guidelines for the NE 85th St. Station Subarea Plan adopted by reference in Chapter 3.30 of the KMC. This Form-Based Code is intended to ensure that development in the Station Area is facilitated by clear and predictable standards that achieve transit-supportive development intensities in a high quality, pedestrian-oriented built environment.

57.05.03 Development Agreements – Catalyst Projects

As a means of encouraging early catalyst transit-oriented development projects within the Station Area (see Figure 2), projects on sites greater than four acres are encouraged to apply for and negotiate a development agreement with the City pursuant to Chapter 36.70B RCW.

The purpose of such a development agreement is to provide a process for tailoring the regulations and incentives of this chapter as they apply to specific facts and circumstances. A Development Agreement approved by the City Council pursuant to chapter 36.70B RCW may approve specific variations or exceptions from the District Regulations if the Council finds and concludes in the Development Agreement that the variations or exceptions result in a project that provides overall greater benefit or overall better mitigation than would a project that strictly complies with the District Regulations, except that a Development Agreement may not authorize (1) additional height above the bonus maximum height; or (2) a use that is not otherwise permitted in the District.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.05.04 How To Use This Code

This code is organized into four sections:

- **Regulating Districts** define primary features of overall building form, including lot parameters, massing, height, and permitted uses. A Regulating Plan (Figure 2) defines the regulating district designation and allowed height for each parcel. These regulating districts are established on the Kirkland Zoning Map and in this chapter.
- **Street Types** set the design intent for specific segments of public ROW, including prioritized transportation modes, sidewalk and bikeway facility dimensions, and expected streetscape amenities like trees, planting, hardscape, and street furnishings.
- **Frontage Types** establish design regulations for private property frontages, including the required front setback and building base. Eligible frontage types are determined based on the adjacent street type for a subject property.
- **Districtwide Standards** apply across the subarea, and include overall transitions, parking, plazas and public spaces, and landscaping and open space.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 1: Form-Based Code Element



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.05.05 Review Process

This chapter shall be administered by the Planning and Public Works Officials through the related development permit process. Design Board Review is required for projects that meet the criteria established in KZC Ch 142.15, and which are located in the following zones: Commercial Mixed Use, Neighborhood Mixed Use, Civic Mixed Use. In cases where a development project is subject to Design Board Review and this chapter establishes design departures and variation from the requirements in this chapter, the final standard shall be determined by the Design Review Board as established in KZC Ch 142.37, unless otherwise noted. Standards that may be granted design departures and variations by the Design Review Board are:

1. Maximum Street Level Façade Width
2. Minimum Façade Break Width and Depth
3. Required Setbacks
4. Minimum Upper Story Street Setbacks
5. Maximum Floor Plate
6. Minimum Ground Floor Parking Setbacks
7. Plaza/Public Space Dimensions
8. Overhead Weather Protection

57.05.06 Definitions

For definitions, refer to KZC Ch 5.

57.05.07 Relationship to Other Regulations

Development in regulating districts contained in this chapter is subject to the below common code regulations. Unless otherwise stated below, where a provision in a referenced section below conflicts with a specific district or districtwide regulation contained in this chapter, the regulation of that specific district, or districtwide regulation shall govern.

Common Code Regulations. Refer to:

1. KZC Ch 1 to determine what other provisions of this code may apply to the subject property.
2. KZC Ch 45.50 for Public park development standards.
3. KZC Ch 90 for regulations regarding development near streams, minor lakes (e.g. Forbes Lake), wetlands, fish and wildlife habitat conservation areas and frequently flooded areas.
4. KZC Ch 85 for regulations regarding development on property containing geologically hazardous areas.
5. KZC Ch 92 for design regulations.
6. KZC Ch 95 for regulations regarding tree retention and landscape standards for development on private property.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

7. KZC Ch 105 for parking areas, vehicle and pedestrian access, and related improvements.
8. KZC Ch 112 for regulations regarding affordable housing standards.
9. KZC Ch 113 for regulations regarding cottage, carriage, and two/three-unit homes housing types.
10. KZC Ch 115 for applicable miscellaneous use development and performance standards.
11. KZC Ch 115.24 for development standards adjoining the Cross Kirkland Corridor. Regulating standards of KZC 115.24 govern where provisions in district or districtwide standards conflict.
12. KZC Ch 142 for regulations regarding the design review process.
13. KZC Ch 162 for regulations regarding nonconformances.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10 REGULATING DISTRICTS

57.10.01 Purpose

Regulating districts are intended to translate the vision and goals documented in the NE 85th St. Station Area Plan adopted by Resolution R-5547 into standards that define allowed uses, lot parameters, building massing, and height controls. Regulating districts consist of two elements: a Regulating Plan that maps these districts to specific parcels and Regulating District Standards that specify development standards for each district.

57.10.02 Applicability

Regulating districts apply to areas shown on the Kirkland Zoning Map and in the Regulating Plan (Figure 2). They consist of the following zones:

- **Commercial Mixed Use (CMU):** This zone is intended to encourage uses consistent with large scale commercial and office development. It allows for office, commercial, retail, and civic/institutional uses. Maximum heights are established in the Regulating Plan and range from 60' west of I-405 to 250' east of I-405.
- **Neighborhood Mixed Use (NMU):** This zone is intended to encourage uses consistent with a mixed-use neighborhood that includes commercial development and a range of residential development types. It allows for commercial, civic/institutional, and residential uses. Maximum heights are established in the Regulating Plan and range from 60 ft west of I-405 to 150 ft east of I-405.
- **Urban Flex (UF):** This zone is intended to encourage uses consistent with a mixed-use neighborhood that supports light industrial uses consistent with an urban, walkable character. It allows for commercial, retail, civic/institutional, and residential uses. Maximum heights are established in the Regulating Plan and allow heights up to 45 ft west of I-405.
- **Civic Mixed Use (CVU):** This zone is intended to encourage uses consistent with a mixed-use environment anchored by civic/institutional uses. It allows for commercial and civic/institutional uses. Maximum heights are established in the Regulating Plan and allow heights up to 75 ft east of I-405.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.03 Regulating Plan

The Regulating Plan maps the applicable areas of the Form-Based Code area with the appropriate regulating district designation. Each designation includes two parts: a district designation followed by the height subdistrict for that zone. Heights are stated in terms of maximum base and bonus heights. For instance, CMU 85/150 would reflect a base maximum height allowance of 85' and bonus maximum height of 150'. Refer to the Incentive Zoning section of this chapter KZC Ch 57.30 for details on utilizing the bonus allowances for commercial uses. Residential uses are allowed up to the bonus height allowances by complying with Chapter 112 KZC, Affordable Housing requirements for Station Area districts. Where heights are stated as a single number, that number reflects the maximum height and there are no incentive allowances for additional height.

The map displays the Station Area Plan Boundary, which includes the following zones and features:

- Urban Flex District (Purple):** Located in the northwest, bounded by NE 85th and NE 7th Avenues.
- Neighborhood Mixed Use (Orange):** Located in the central and east-central areas, bounded by NE 85th and NE 80th Streets.
- Commercial Mixed Use (Red):** Located in the northeast, bounded by NE 85th and NE 80th Streets.
- Neighborhood Mixed Use (Yellow):** Located in the southeast, bounded by NE 85th and NE 80th Streets.
- Civic Mixed Use (Blue):** Located in the south, bounded by NE 85th and NE 80th Streets.

Key features and landmarks include:

- Forbes Lake:** A large body of water in the northeast.
- Kirkland Avenue:** A major thoroughfare running north-south.
- NE 85th Street:** A major thoroughfare running east-west.
- WSDOT Interchange:** A major transportation hub in the center.
- North Rose Hill Woodlands Park:** A large park area in the northeast.
- Mark Twain Elementary School:** A school located in the northeast.
- Rose Hill Meadows:** A park area in the southeast.
- Kirkland Cemetery:** A cemetery located in the southeast.
- Lake Washington High School:** A school located in the south.

The map also shows existing zoning (RSK 7.2) and a scale bar (0 to 1000 feet).

75'

85'/150'

COMMERCIAL MIXED USE

120TH AVE NE

85'/250'

60'

WSDOT INTERCHANGE

MAXIMUM ALLOWED HEIGHT

BASE MAXIMUM ALLOWED HEIGHT

BONUS MAXIMUM ALLOWED HEIGHT

REGULATING DISTRICT

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.04 REGULATING DISTRICT STANDARDS

57.10.04.01 General Provisions

Illustrations and graphics are included in this section to assist users in understanding the purpose and requirements of the regulations. In the event a conflict occurs between the text of this section and any illustration or graphic, the text supersedes.

57.10.04.02 Regulating District Components

The following terms and concepts are used in regulating districts to address lot development parameters and building massing. This section is intended to clarify intent. For other definitions, refer to KZC Ch 5.10.

1. **Base Maximum Allowed Height** is the maximum allowed height of all buildings within a given regulating subdistrict by right, based on the Average Building Elevation as defined in KZC Ch 5.10, unless an alternate height calculation is identified in this chapter.
2. **Bonus Maximum Allowed Height** is the maximum allowed height of all buildings within a given regulating subdistrict with applicable bonus height, based on the Average Building Elevation as defined in KZC Ch 5.10, unless an alternate height calculation is identified in this chapter. For details on the incentive zoning allowances, see the Incentive Zoning section of this chapter KZC Ch 57.30.
3. **Building Height Maximums** are measured above Average Building Elevation unless a different benchmark is specified.
4. **Lot Coverage** refers to the area of the Maximum Lot Coverage as defined in KZC Ch 5.10. The shaded area on graphics for lot coverage does not represent the required placement or location of buildable area.
5. **Maximum Façade Width and Minimum Façade Break Width** refer to the horizontal length of a façade parallel to the parcel frontage. Maximum façade width is the maximum allowed distance of a continuous façade wall. Once that maximum façade width is reached, a façade break that modulates the façade and meets a minimum width is required.
6. **Maximum Floor Plate** is the maximum square footage allowed for each floor of a structure based on floor height. Reductions shall be utilized at the exterior of the building. Maximum floor plate requirements are regulated at increments of floor height above the Average Building Elevation as defined in KZC Ch 5.10 unless an alternate height calculation is identified in this chapter. See Design Guidelines for additional guidance on achieving floor plate reductions.
7. **Minimum Tower Separation** refers to the horizontal distance between the closest exterior walls of adjacent towers, excluding skybridges, decks, and balconies. "Tower" refers to any portions of buildings greater than 75' in height above the Average Building Elevation as defined in KZC Ch 5.10 unless an alternate height calculation is identified in this chapter.
8. **Minimum Upper Story Street Setbacks** are height-based triggers specified along streets for the building façade to be set back from the back of the required pedestrian clear zone or shared path by a certain horizontal distance.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

This dimension may be averaged along the full street frontage, so long as no portion of the floor to be set back is less than 50% of the required setback distance. These setbacks apply to street-facing exterior walls only.

9. **Primary Use** refers to the predominant and main land use activity on a site and is the highest and most readily identifiable use that characterizes a property.

10. **Vertical Articulation** refers to a required articulation of street-facing facades at 45' in height across the full width of the façade. For design guidance in achieving vertical articulation, refer to Design Guidelines for the NE 85th St. Station Subarea Plan.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.04.03 Continued Uses

1. Applicability

Primary and accessory uses in existence in the Station Area, as defined by the Regulating Plan (Figure 2), at the time of adoption of this chapter, that become non-conforming uses as a result of the provisions of this chapter, may continue as legal nonconforming uses.

2. Continued Uses and Minor Expansions

Structures in existence at the time of adoption of this chapter KZC Ch 57 that became nonconforming structures solely as a result of the provisions in this chapter shall be deemed legally conforming structures for purposes of maintenance, repair, and replacement, and may be enlarged by up to ten percent of the existing footprint or existing gross floor area without complying with the provisions of this chapter. Enlargement of such structures or addition of new structures that exceed existing gross floor area or existing footprint by more than ten percent shall comply with the provisions of this chapter, except that an applicant may request an exception to allow enlargement by more than ten percent without complying with all provisions of this chapter if they can demonstrate to the satisfaction of the Planning and Building Director that it is not reasonable and practicable for such enlargement to comply with this chapter; or that such enlargement will not materially increase the nonconformity of the subject property in a manner contrary to the stated purpose of this chapter. Any enlargement of more than fifty percent of the footprint in existence at the time of adoption of this chapter shall conform to this chapter, except as provided in the next section.

3. Special Provisions for Continued Uses with Development Agreements

Subject properties greater than ten (10) acres in size with large-format retail sales uses in existence at the time of adoption of this chapter may redevelop or expand the structures associated with such uses by more than 10% of the existing gross floor area or existing footprint by means of a development agreement adopted pursuant to RCW 36.70B.170 et seq (“development agreement”).

In the Development Agreement, the City Council may approve administrative modifications and adjustments to the Station Area Regulations as reasonably required to facilitate the following:

(A) Expansion of retail buildings, modification of the existing parking layouts, expansion, or development of existing or new accessory uses, modifications to surface parking or the addition of structured parking, and enlargement of allowed floor plates.

(B) Redevelopment of a subject property with a large-format retail sales use by more than fifty percent of the existing gross floor area or existing footprint shall comply with the Station Area Regulations and intent of the Form-Based Code to the extent reasonably practicable subject to operational requirements for such uses.

(C) The continued sale of gasoline and diesel fuel shall be permitted as an accessory use to an existing large-format retail sales use. A car wash is also authorized as an accessory use to a large-format retail sales use.

57.10.04.04 Commercial Mixed Use

PERMITTED USES

Table 1 specifies permitted uses for this zone.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Table 1: Commercial Mixed Use District Use Table

General Use	Commercial Mixed Use (CMU) Permitted (P)/Not Permitted (NP)
Commercial	P
Institutional	P
Residential	NP
Industrial	NP

Uses Specifically Prohibited as Primary Use
Automotive Service Station
Vehicle Service Station
Sale, service, storage, and/or rental of motor vehicles, sailboats, motor boats, and recreational trailers
Drive-through facilities

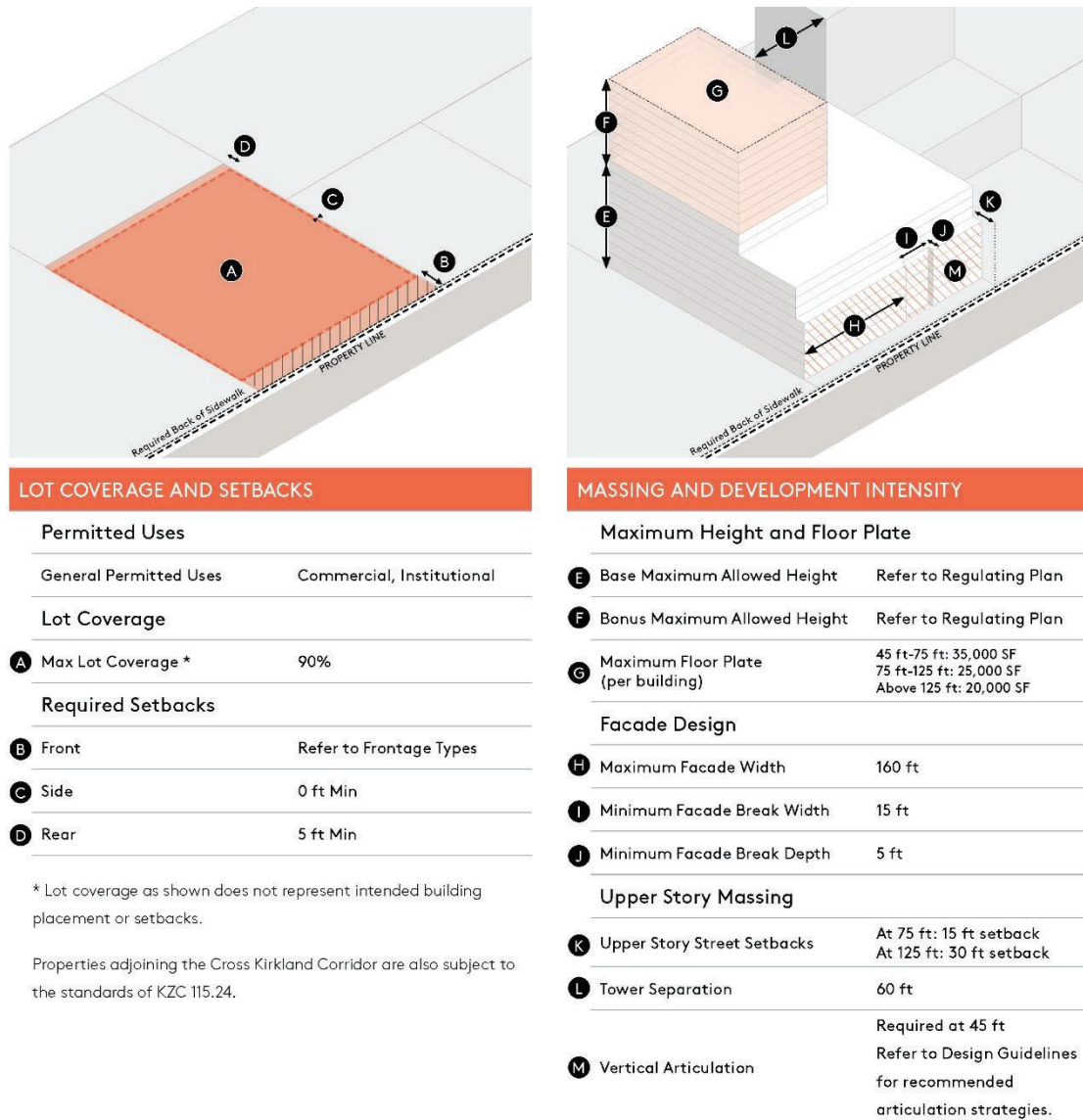
SIGN CATEGORY (KZC CHAPTER 100)

All permitted uses within the Commercial Mixed Use District shall comply with Sign Category E unless otherwise specified in a development agreement or if a development receives bonus height. Developments that receive bonus height must have their signs proposed and approved as part of a master sign plan pursuant to KZC 100.80 and follow the guidelines described in the Design Guidelines for the NE 85th St. Station Subarea Plan.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 3: Commercial Mixed Use District Standards



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.04.05 Neighborhood Mixed Use

PERMITTED USES

Table 2 specifies permitted uses for this zone.

Table 2: Neighborhood Mixed Use District Use Table

General Use	Neighborhood Mixed Use (NMU) Permitted (P)/Not Permitted (NP)
Commercial	P
Institutional	P
Residential	P
Industrial	NP

Uses Specifically Prohibited as Primary Use
Automotive Service Station
Vehicle Service Station
Sale, service, storage, and/or rental of motor vehicles, sailboats, motor boats, and recreational trailers
Drive-through facilities

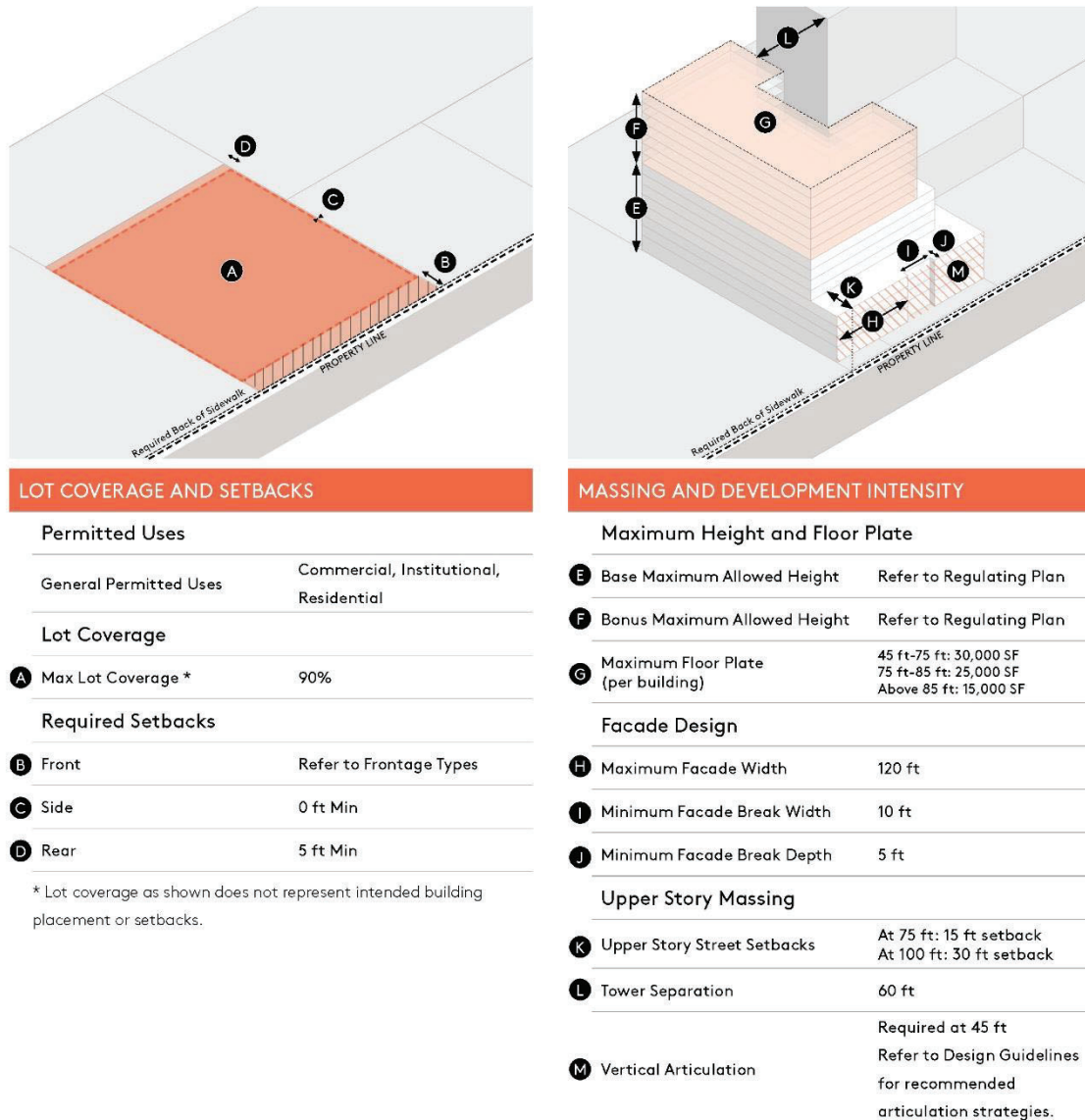
SIGN CATEGORY (KZC CHAPTER 100)

All permitted uses within the Neighborhood Mixed Use District shall comply with Sign Category E unless otherwise specified in a development agreement or if a development receives bonus height. Developments that receive bonus height must have their signs proposed and approved as part of a master sign plan pursuant to KZC 100.80 and follow the guidelines described in the Design Guidelines for the NE 85th St. Station Subarea Plan.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 4: Neighborhood Mixed Use District Standards



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.04.06 Neighborhood Residential

Reserved.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.04.07 Urban Flex

PERMITTED USES

Table 3 specifies permitted uses for this zone.

Table 3: Urban Flex District Use Table

General Use	Urban Flex (UF) Permitted (P)/Not Permitted (NP)
Commercial	P
Institutional	P
Residential	P *
Industrial	P

* See section below on Residential Uses

Uses Specifically Prohibited as Primary Use
Automotive Service Station
Vehicle Service Station
Sale, service, storage, and/or rental of motor vehicles, sailboats, motor boats, and recreational trailers
Drive-through facilities

RESIDENTIAL USES

Residential use are not permitted on the street level floor, except for residential lobbies.

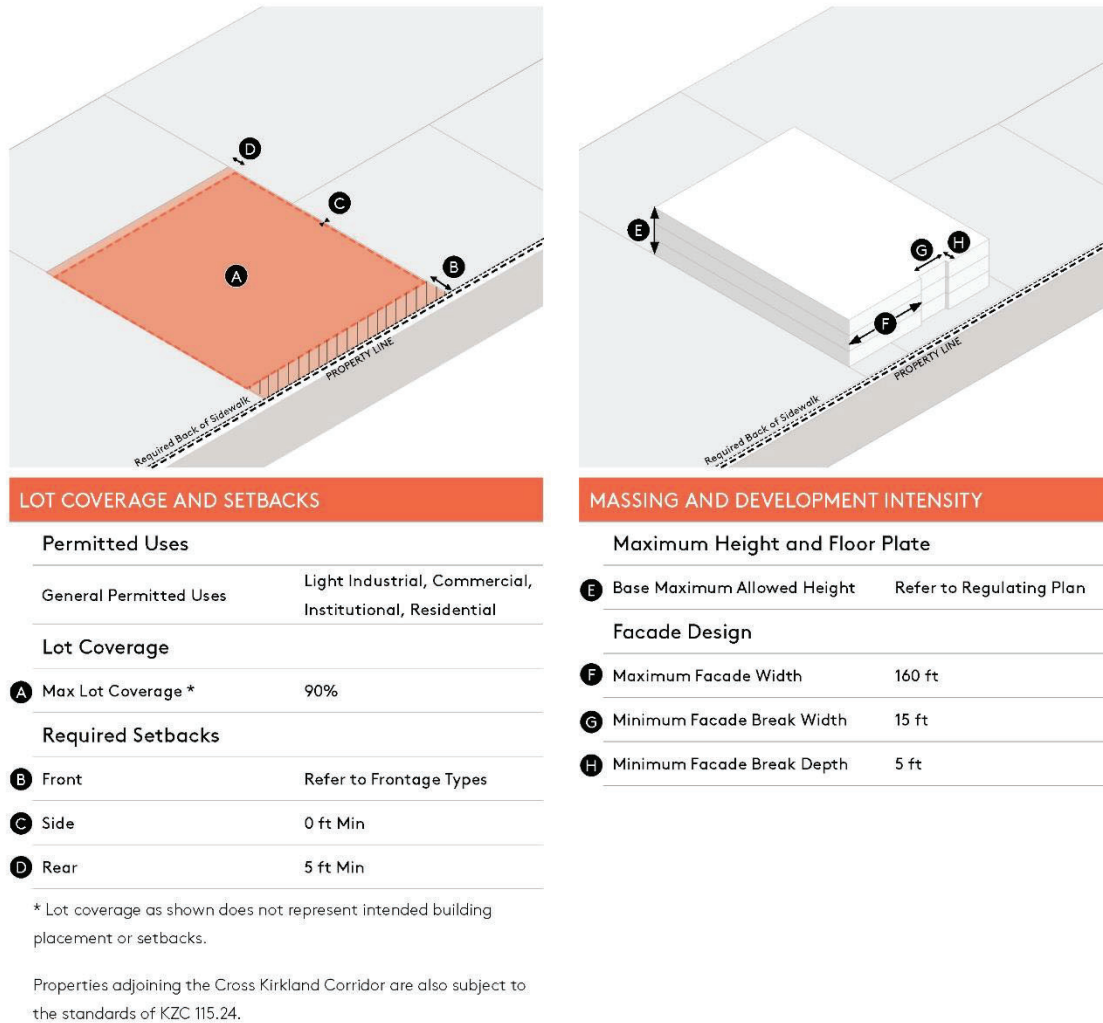
SIGN CATEGORY (KZC CHAPTER 100)

All residential uses shall comply with Sign Category A. Institutional uses shall comply with Sign Category B. Commercial uses shall comply with Sign Category E.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 5: Urban Flex District Standards



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.10.04.08 Civic Mixed Use

PERMITTED USES

Table 4 specifies permitted uses for this zone.

Table 4: Civic Mixed Use District Use Table

General Use	Civic Mixed Use (CVU) Permitted (P)/Not Permitted (NP)
Commercial	P
Institutional	P
Residential	P
Industrial	NP

Uses Specifically Prohibited as Primary Use
Automotive Service Station
Vehicle Service Station
Sale, service, storage, and/or rental of motor vehicles, sailboats, motor boats, and recreational trailers
Drive-through facilities

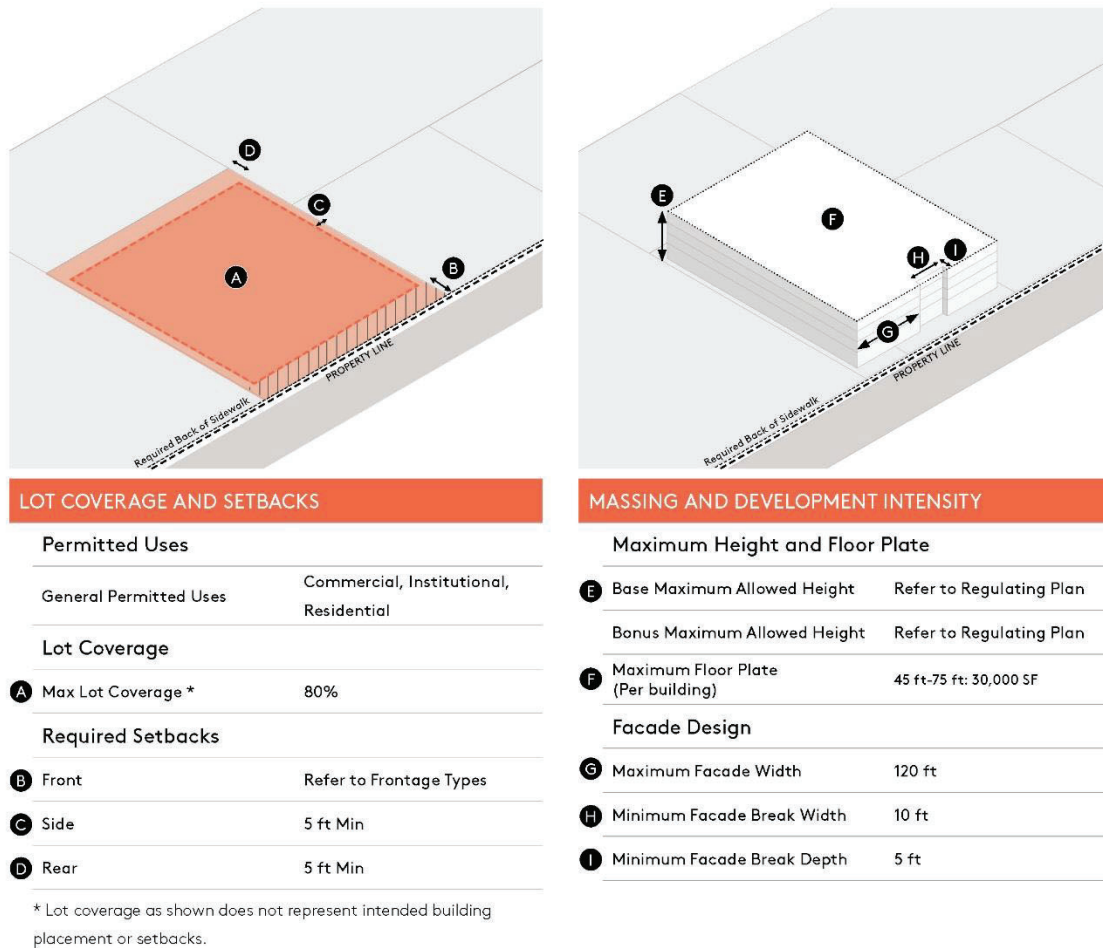
SIGN CATEGORY (KZC CHAPTER 100)

All residential uses shall comply with Sign Category A. Institutional uses shall comply with Sign Category B. Commercial uses shall comply with Sign Category E.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 6: Civic Mixed Use District Standards



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.15 STREET TYPES

57.15.01 Purpose

Street types are intended to translate the vision and goals documented in the NE 85th St. Station Area Plan into standards that provide direction for improvements to public and private right of way. These street types specify typical dimensions, transportation mode considerations for appropriate facilities, and guidance on how public rights of way and private and frontage improvements can work together to create a cohesive, pleasant public realm.

57.15.02 Applicability

Street Types apply to areas shown in the Street Types Map, in Figure 7. They consist of the following types:

- **Major Thoroughfares** connect regional centers or run through central commercial corridors. Many of these streets have significant traffic volumes at peak hours and are important places for high-capacity transit routes and protected bike facilities.
- **Main Streets** are special streets that concentrate ground-floor retail and active uses, often with generous public realm designed to prioritize pedestrian activity.
- **Neighborhood Mixed Use** streets are neighborhood streets serving low to mid-intensity commercial and midrise residential and occasional ground floor retail. They are generally lower vehicular traffic volume than major thoroughfares, and some may contain bike facilities and transit service.
- **Neighborhood Residential** streets are residentially focused with low vehicular traffic volumes, which may accommodate designated bikeways or Neighborhood Greenways depending on roadway speeds and volumes.
- **Green Mid-Block Connections** provide important network connections for cyclists and pedestrians through and across long blocks and are typically found within larger commercial or residential developments or between existing parcels. In addition to providing bike and pedestrian access, they can also include on-site green stormwater infrastructure as part of their design, or where accommodating vehicle access, provide delivery and back of house access to parcels.

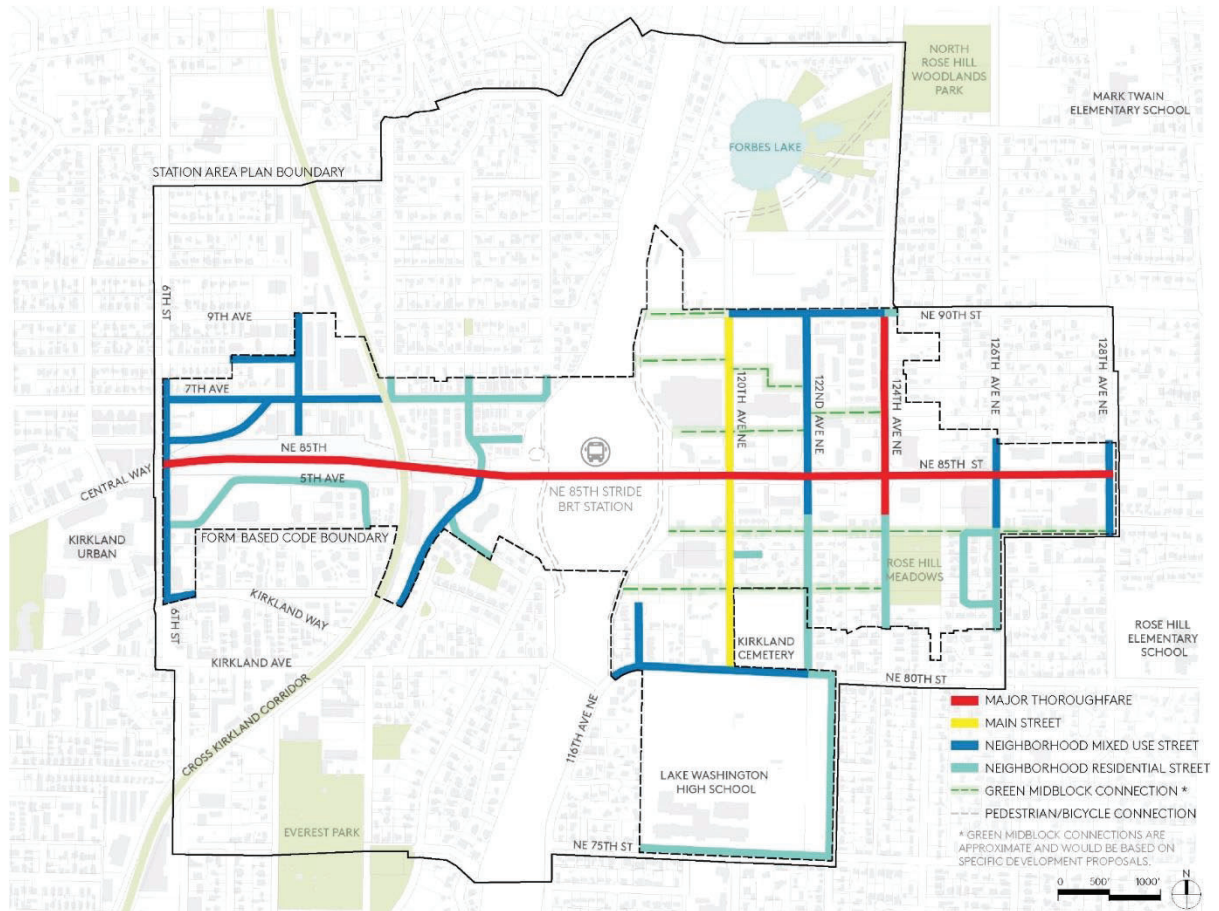
KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.15.03 Street Types Map

The Street Types Map shows the designated street type classification for each street segment within the Regulating Districts.

Figure 7: Street Types Map



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.15.04 USING STREET TYPES

Individual Treatments

These street types reflect the general intent for improvements of the public right of way, and guidance for development of private rights of way within private parcels. Specific designs for each street are subject to change based on site conditions or existing right-of-way conditions. In these cases, the Public Works Official shall determine how the proposed design meets the urban design and mobility intent of the designated street type.

Street Type Elements

Street types are comprised of the following elements:

- **Pedestrian Clear Zone:** the primary, accessible portion of the sidewalk that runs parallel to the street. This zone must be clear of obstructions and elements that could impede pedestrian travel.
- **Furnishing Zone:** the section of the sidewalk between the curb and the pedestrian clear zone in which street furniture and amenities, such as lighting, benches, utility poles, tree pits, and green infrastructure are provided.
- **Bikeway:** the portion of the right-of-way exclusively dedicated to bicycle travel. This can include a variety of facilities, including designated bike lanes, at-grade protected bike lanes or grade-separated (sidewalk level) protected bike lanes. Bicycle riders may also use other facility types that are not exclusive bikeways, but shared facilities such as Neighborhood Greenways, which are low volume, low speed streets, with signage, pavement markings, and traffic calming elements to prioritize pedestrian and bicycle travel; or shared use bicycle and pedestrian facilities such as temporary on-street paths or off-street shared use paths or trails.
- **Roadway:** the area between curbs, which can include travel lanes, on-street parking, and bikeways.

Preferred and Minimum Dimensions

The street types show dimensions that reflect the desired space allocation for each portion of the right of way. The table below shows preferred and minimum dimensions for street type elements for each street type. Preferred dimensions should be constructed, except where the Public Works Official determines allowed deviations from these dimensions pursuant to modification procedures in KZC 110.70.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Table 5: Preferred and Minimum Dimensions for Street Type Elements

	Pedestrian Clear Zone	Bikeway ***	Furnishing Zone	Travel Lane Width ***	Number of Travel Lanes (Typical)	On-Street Parking Permitted (Typical)
Major Thoroughfare	10'/8'	6'*	10'/8'	10'	5-6	No
Main Street ****	10'/6'	6'*	6'/5'	10'	2-3	Varies
Neighborhood Mixed Use	8'/6'	7' buffered bike lane/5' bike lane	6'/5'	10'	2	Varies
Neighborhood Residential	6'/5'	Varies by configuration, see examples	6'/5'	10'	2	Varies by configuration
Green Mid-Block ** Connection	6-12', varies by configuration	Varies by configuration, see examples	4-6', varies by configuration	10', if vehicle access allowed	2, if vehicle access allowed	Varies by configuration

* Includes 1' separation between pedestrian and bike zones

** See Figure 13, Green Mid-Block Connection section, for alternative configurations.

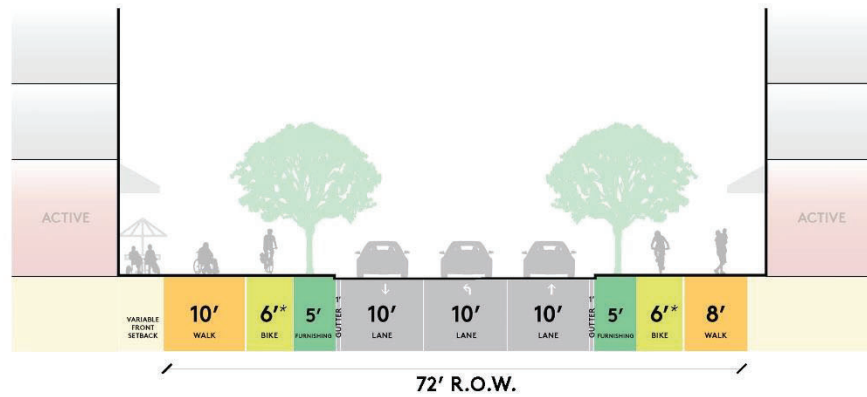
*** Exclusive of gutter pan

**** Refer to 120th Ave NE corridor study for conceptual design

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 9: Main Street



DESCRIPTION

Main Streets are primary pedestrian corridors with active uses and generous sidewalks. They feature high quality streetscapes with linear open space, decorative paving, and tree canopy. These are often important corridors for transit or supported with transit nearby. On-street parking may be accommodated where center turn lanes are not needed, or additional ROW dedication is provided.

** Includes 1' separation between pedestrian and bike zones.*

PERMITTED FRONTAGE TYPES

URBAN STREET EDGE	RETAIL & ACTIVE USES	RESIDENTIAL STOOP/PORCH	PLAZA/PUBLIC SPACE	PRIVATE YARD
Permitted	Permitted	Not Permitted	Permitted	Not Permitted

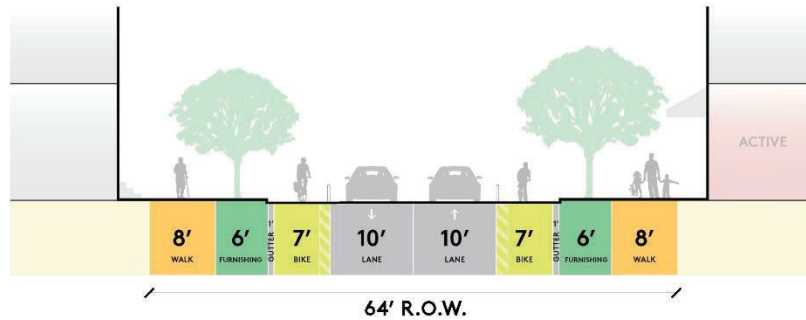
FUNCTIONAL CLASSES Minor Arterial, Collector

ADJACENT LAND USES Mid to high intensity commercial, residential, and ground-level retail uses

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 10: Neighborhood Mixed Use Street



DESCRIPTION

Neighborhood mixed use streets have low to mid-intensity commercial and residential, occasional active ground floors. With generally lower vehicular volume than major thoroughfares, these streets require careful balancing among modes and should include wider sidewalks, buffered bike facilities, transit routes, and narrower travel lanes. On-street parking considered on a contextual basis and is subject to approval by Public Works Official.

PERMITTED FRONTAGE TYPES

URBAN STREET EDGE	RETAIL & ACTIVE USES	RESIDENTIAL STOOP/PORCH	PLAZA/ PUBLIC SPACE	PRIVATE YARD
Permitted	Permitted	Permitted	Permitted	Permitted

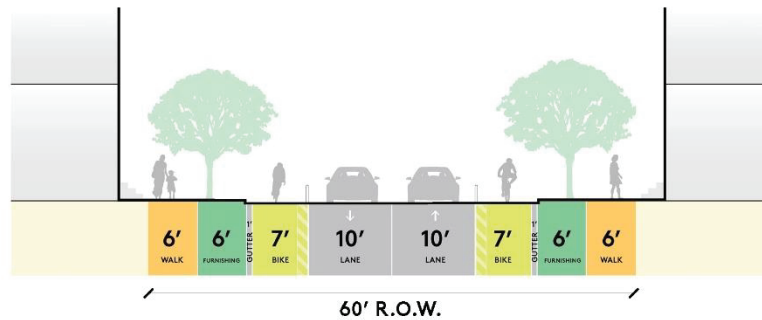
FUNCTIONAL CLASSES Minor Arterial, Collector, Neighborhood Access

ADJACENT LAND USES Low to mid-intensity commercial, residential, and occasional active ground-level uses, civic and urban flex uses

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 11: Neighborhood Residential Street Type 1



DESCRIPTION

Neighborhood residential streets are low vehicular traffic volume streets that have primarily residential frontages and dedicated bicycle facilities. On-Street parking may be considered in locations with wider ROW.

PERMITTED FRONTAGE TYPES *

URBAN STREET EDGE	RETAIL & ACTIVE USES	RESIDENTIAL STOOP/PORCH	PLAZA/ PUBLIC SPACE	PRIVATE YARD
Not Permitted	Not Permitted	Permitted	Permitted	Permitted

FUNCTIONAL CLASSES

Collector

ADJACENT LAND USES

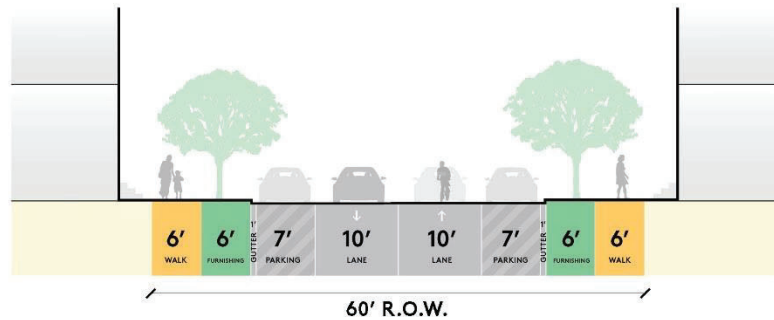
Predominantly low to medium intensity residential uses

* Permitted frontage types within the Urban Flex Regulating District include Urban Street Edge, Retail & Active Uses, and Plaza/Public Space. Residential Stoop/Porch and Private Yard frontage types are prohibited.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 12: Neighborhood Residential Street Type 2



DESCRIPTION

Residential-focused streets with low vehicular traffic volumes, which can accommodate shared bike facilities.

PERMITTED FRONTAGE TYPES *

URBAN STREET EDGE	RETAIL & ACTIVE USES	RESIDENTIAL STOOP/PORCH	PLAZA/ PUBLIC SPACE	PRIVATE YARD
Not Permitted	Not Permitted	Permitted	Permitted	Permitted

FUNCTIONAL CLASSES Neighborhood Access

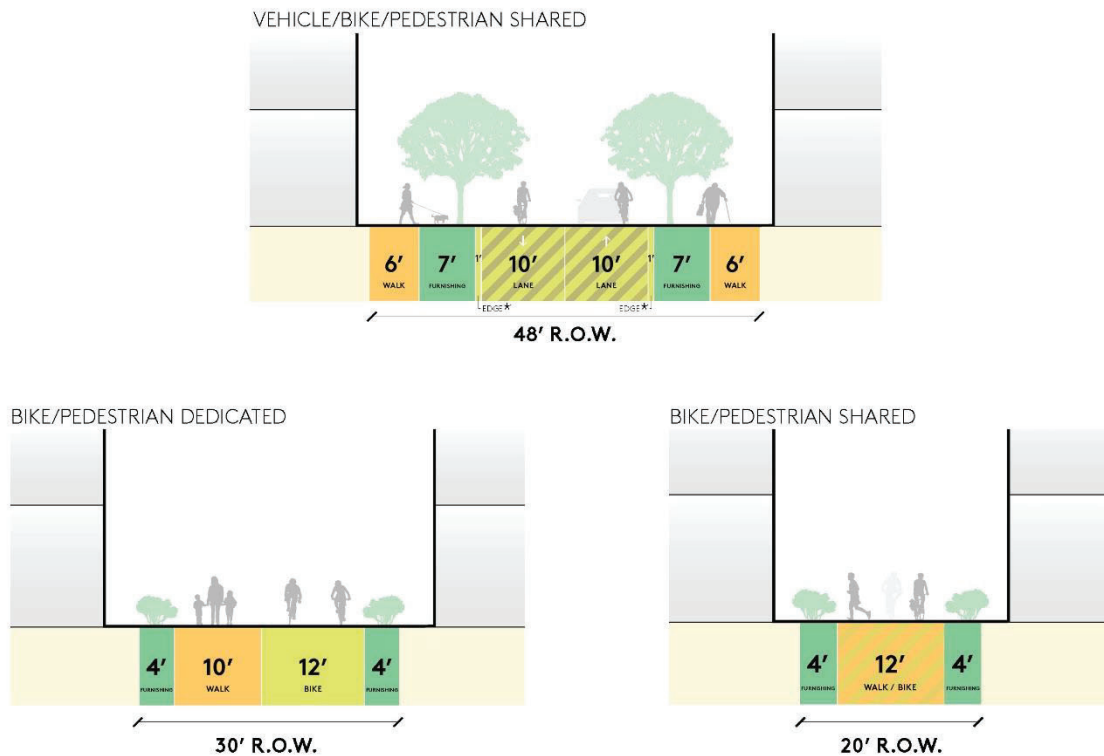
ADJACENT LAND USES Predominantly low to medium intensity residential uses

* Permitted frontage types within the Urban Flex Regulating District include Urban Street Edge, Retail & Active Uses, and Plaza/Public Space. Residential Stoop/Porch and Private Yard frontage types are prohibited.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 13: Green Mid-Block Connection



DESCRIPTION

These streets are generously landscaped mid-block connections typically as part of larger developments. May include required green infrastructure. Does not include public R.O.W. improvements to “green” an existing street. Mid-block connections may be used for emergency access, and may also be used for access to loading zones, parking entrances, or other “back of house” functions.

** Edge refers to a material change at the same grade that transitions from travel lane to furnishing zone.*

PERMITTED FRONTAGE TYPES

URBAN STREET EDGE	RETAIL & ACTIVE USES	RESIDENTIAL STOOP/PORCH	PLAZA/ PUBLIC SPACE	PRIVATE YARD
Permitted	Permitted	Permitted	Permitted	Permitted

FUNCTIONAL CLASSES Neighborhood Access, Trail

ADJACENT LAND USES

Low to high intensity commercial or residential uses, typically within larger developments. May have active ground-level uses, depending on site design

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20 FRONTAGE TYPES

57.20.01 Purpose

Frontage Types are intended to create a cohesive public realm by regulating the relationship between private development and the public right-of-way.

57.20.02 Applicability

Permitted frontage types are defined based on the street type designation of each street segment within the Regulating Districts as shown in Figure 7. A structure can apply more than one allowed frontage type along same street frontage. Application of a frontage type requires a minimum of 30' measured horizontally along the building façade, unless the building façade itself is less than 30'.

The following types of frontages are permitted within the regulating districts:

- **Urban Street Edge:** This frontage type is intended to establish a public realm consistent with a walkable mixed use environment. Characteristics include buildings set close to the public sidewalk, pedestrian-oriented facades, and landscaping that contributes to an urban environment.
- **Active Use/Retail:** This frontage type is intended to foster a dynamic public realm anchored by active uses on the street level floor, including retail, institutional, or other public-facing uses.
- **Residential Stoop / Porch:** This frontage type is intended to establish a consistent, walkable residential frontage defined by buildings that engage the public right of way by inclusion of elements that reflect individual residential units like direct entries, articulated facades, and elevated stoops and porches.
- **Plaza / Public Space:** This frontage type is intended to support the creation of publicly accessible public space within the district. It is characterized by high quality landscaping, pedestrian-oriented amenities like seating, fountains, and artwork, and buildings that engage the open space with elements like primary entries and storefronts.
- **Private Yard:** This frontage type is intended to establish a streetscape with landscaped front yards, a visual connection to primary buildings from the sidewalk, and street wall edges maintained with elements like low fences, low walls and low height vegetation.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.03 Frontage Types Components

The following terms and concepts are used to address the elements of frontage types. This section is intended to clarify intent; for full definitions, refer to KZC Ch 5.10.

1. **Building Frontage Amenity Zones** are portions of the frontage located between building façade and the back of the required sidewalk width that can be designed to support an active pedestrian scaled street experience. For amenities with seating for outdoor dining, minimum depths are required to ensure adequate space.
2. **Corner Design** refers to the treatment of building facades at the intersection of specific street types. Facades shall be buffered from the corner property lines at a 45-degree angle behind a specified area within the property line at corners where the intersecting streets are a major thoroughfare, main street, or neighborhood mixed use street type. Corner design regulations apply to the full height of the building façade within the applicable area. For design guidance on how to achieve the desired corner design, refer to Design Guidelines for the NE 85th Street Station Subarea Plan.
3. **Entrance Location** is intended to orient a primary building entrance along the frontage facing the street. Entrance locations shown in graphics depict one conforming design, but do not reflect specific location requirements
4. **Entrance Spacing** refers to the linear horizontal distance between the closest points of entrances along a frontage.
5. **Entrance Transparency** is the minimum total transparency percentage of the entrance, which includes the gross area of the outer edge of doors and transom.
6. **Frontage** refers to a street-facing portion of a lot to a maximum depth of 50' from the required back of sidewalk.
7. **Front Setback** is the area from the back of the required sidewalk width where the building exterior wall should be located. It is expressed as minimum and maximum distance.
8. **Façade Transparency** refers to the minimum total transparent area of the building façade between 2' and 10' above the street level floor elevation. Illustrations are not otherwise intended to reflect specific location requirements.
9. **Minimum Ground Floor Parking Setback** refers to a horizontal setback from the frontage building façade that is required for any parking uses. Building area within this setback must be designed for use as residential, commercial, or institutional use consistent with applicable permitted uses.
10. **Maximum Street-level Façade Width** refers to the division of the street level floor of a building façade into vertical sections that reduce perceived bulk, create visual interest, and reflect the vision and objectives of the NE 85th St Station Area Plan to create a pedestrian oriented district. For design guidance in achieving maximum street-level façade widths, refer to Design Guidelines for the NE 85th Street Station Subarea Plan.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

11. **Overhead Weather Protection** refers to building projections or structures that provide shelter from rain and other weather-related impacts to the pedestrian experience. For design guidance in providing overhead weather protection, refer to additional standards in section 57.20.04.06 and Design Guidelines for the NE 85th Street Station Subarea Plan.

12. **Street Level Floor** refers to the first floor accessible from sidewalk, consistent with the definition in KZC Ch 5.10. This is also referred to as Ground Floor.

13. **Street Level Floor Story Height** refers to the floor to floor height of this pedestrian-oriented story.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.04 FRONTAGE TYPE STANDARDS

57.20.04.01 Urban Street Edge

INTENT AND CHARACTER

The Urban Street Edge frontage type is intended to establish a public realm consistent with a walkable mixed use environment. Characteristics include buildings set close to the public right of way, pedestrian-oriented facades, and landscaping that contributes to an urban environment. Examples consistent with the intent of this frontage type are shown in Figure 14.

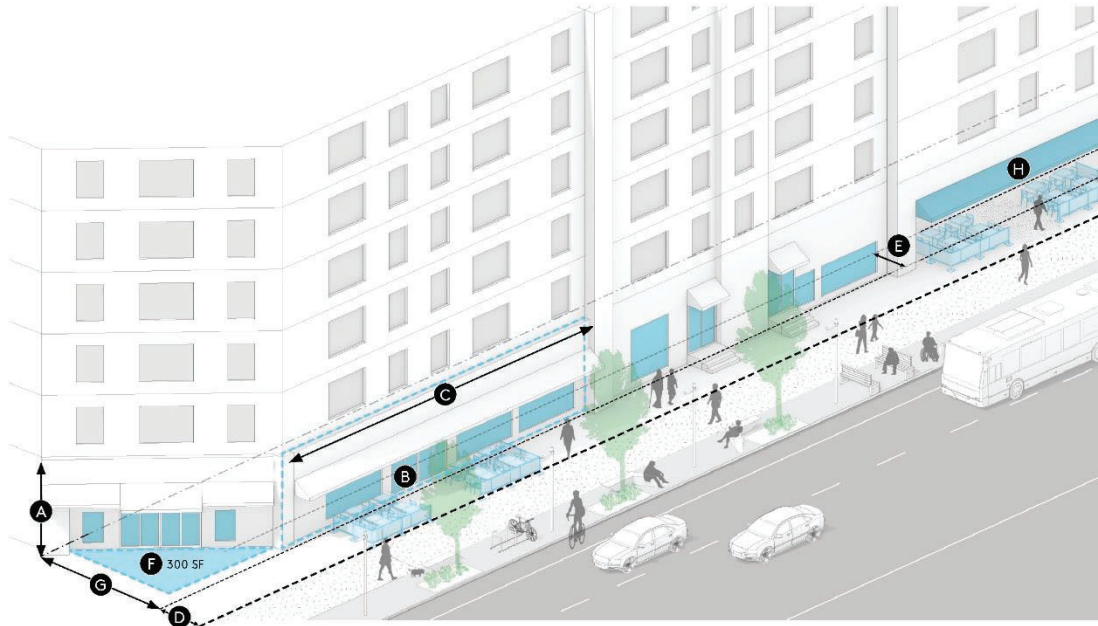
Figure 14: Character Examples for Urban Street Edge Frontage Type



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 15: Urban Street Edge Frontage Standards



GROUND FLOOR DESIGN AND ENTRY

Ground Floor Design

A Minimum Height	15'
B Facade Transparency	50%
C Max Street Level Facade Width	65'

Entrances

Location	Required on primary street-facing frontage
Entry Transparency	80%

PUBLIC REALM

Public Realm

D Front Setbacks (Min, Max)	0', 15'
E Sidewalk Cafes/ Amenity Zone	Min depth 7', up to 10' additional setback allowed
F Corner Design	Minimum 300 SF buffer required within property line at street corners
G Ground Floor Parking Setback	Average 30', Minimum 20'
H Overhead Weather Protection	Required for a minimum of 70% for all street-facing facades. See frontage type additional standards for specific requirements

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.04.02 Retail / Active Use

INTENT AND CHARACTER

The Retail/Active Use frontage type is intended to foster a dynamic public realm anchored by active uses on the ground floor, including retail, civic, or other public-facing uses. Examples consistent with the intent of this frontage type are shown in Figure 16.

Figure 16: Character Examples for Retail / Active Use Frontage Type

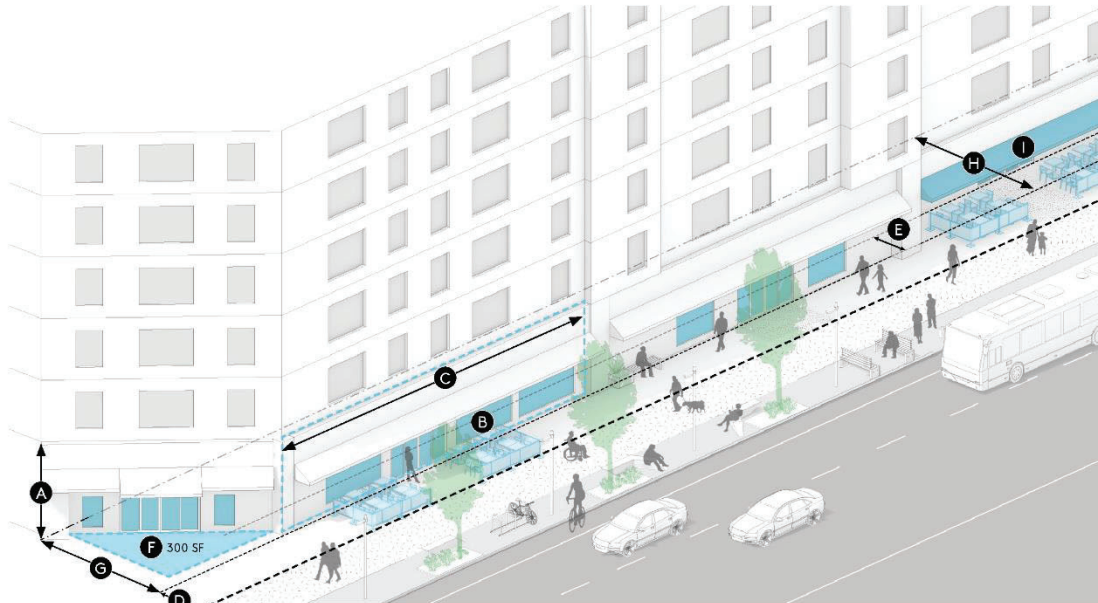


IMAGE CREDITS: CASCADE DESIGN COLLECTIVE, M. KENNEDY

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 17: Retail and Active Uses Frontage Standards



GROUND FLOOR DESIGN AND ENTRY

Ground Floor Design

A	Minimum Street Level Story Height	15'
B	Facade Transparency	75%
C	Max Street Level Facade Width	65'

Entrances

Location	Required on primary street-facing frontage
Entry Transparency	80%

PUBLIC REALM

Public Realm

D	Front Setbacks (Min, Max)	0', 15'
E	Sidewalk Cafes/ Amenity Zone	Min depth 7', up to 10' additional setback allowed
F	Corner Design	Minimum 300 SF buffer required within property line at street corners
G	Ground Floor Parking Setback	Average 30', Minimum 20'
H	Active Ground Floor Depth	Average 30'
I	Overhead Weather Protection	Required for a minimum of 90% for all street-facing facades. See frontage type additional standards for specific requirements

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.04.03 Residential Stoop / Porch

INTENT AND CHARACTER

This frontage type is intended to establish a consistent, walkable residential frontage defined by buildings that engage the public right of way, elements that reflect individual residential units like direct entries and articulated facades, and elevated stoops and porches.

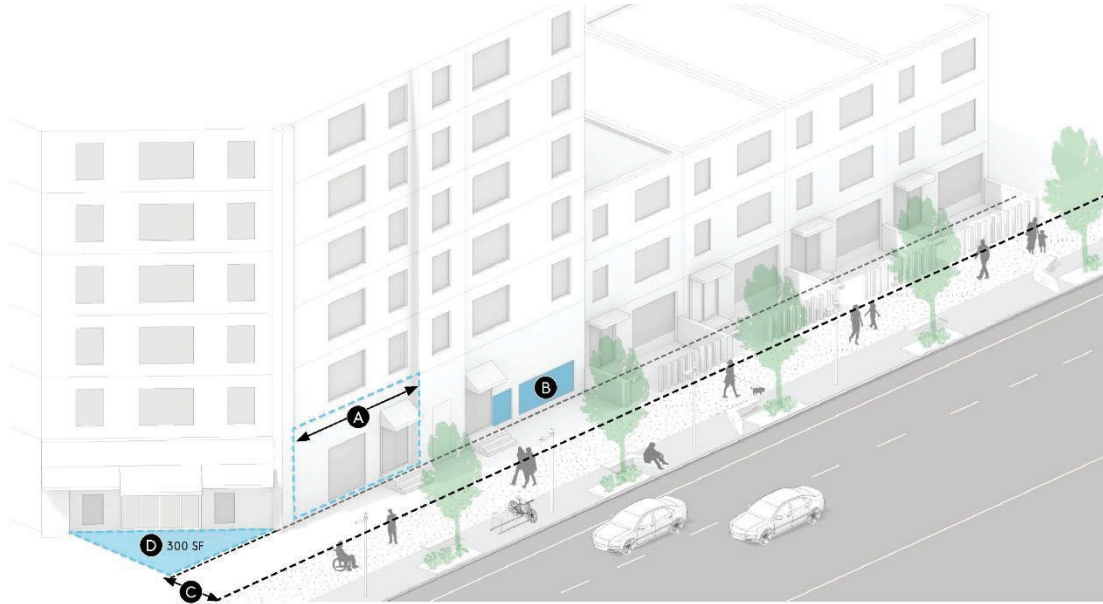
Figure 18: Character Examples for Residential Stoop / Porch Frontage Type



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 19: Residential Stoop / Porch Frontage Standards



GROUND FLOOR DESIGN AND ENTRY		PUBLIC REALM	
Ground Floor Design		Public Realm	
A	Max Street Level Facade Width	36'	
B	Facade Transparency	50%	
Entrances			
	Location	Required at frontage, otherwise entry path can be used	
C	Front Setbacks (Min, Max)	5',10'	
D	Corner Design	Minimum 300 SF buffer required within property line at street corners	

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Residential Stoop/Porch Additional Standards

ALLOWANCES WITHIN FRONT SETBACKS

- Porches and steps connected to building entrances are allowed to extend up to 5' into the front setback area. For structures less than 18" above finished grade, refer to KZC Ch 115.115.
- Porches must meet the following requirements:
 - The finished floor of the porch is no more than four (4) feet above finished grade
 - Three (3) sides of the porch are open
 - The porch roof form is architecturally compatible with the roof form of the dwelling unit to which it is attached;
 - If the porch is covered, is no higher than one (1) story
- Low walls are allowed within the front setback, provided they are no taller than 3'.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.04.04 Plaza/Public Space

INTENT AND CHARACTER

This frontage type is intended to support the creation of publicly accessible open space within the district. It is characterized by high quality landscape materials, pedestrian-oriented amenities like seating, fountains, and artwork, and buildings that engage the public space with elements like outdoor seating areas, primary building entrances, and transparent facades.

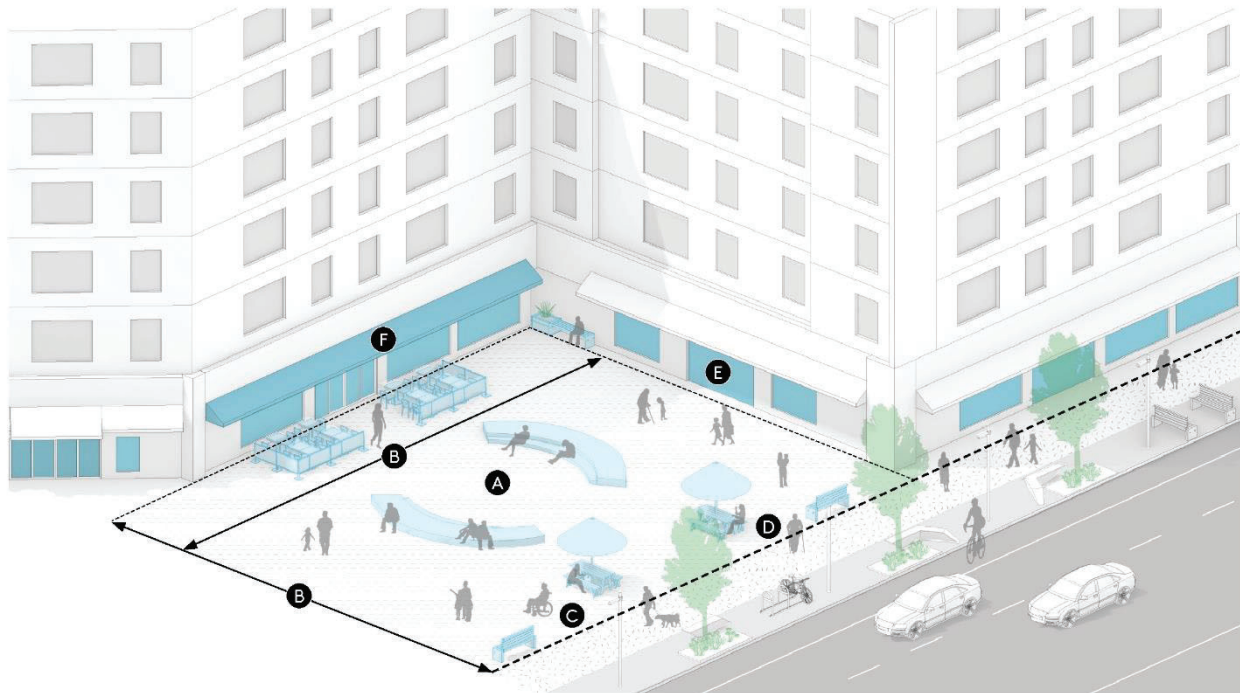
Figure 20: Character Examples for Plaza/Public Space Frontage Type



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 21: Plaza/Public Space Frontage Standards



PUBLIC SPACE SIZE

Dimensions

A Minimum Area	Min 2,000 SF, 75% occupiable by pedestrians
B Minimum Dimension	Average 30'

RELATIONSHIP TO SIDEWALKS AND BUILDINGS

Relationship to Sidewalks

C Access	ADA Accessible for pedestrians from adjacent sidewalk
D Visibility	Minimum 2,000 sq.ft of plaza must be visible from frontage sidewalk

Relationship to Buildings

E Building Frontage	Buildings should match standards for other allowed frontages and be oriented towards public space
F Overhead Weather Protection	Required for a minimum of 70% for all street-facing facades. See frontage type additional standards for specific requirements

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Plaza/Open Space Additional Standards

DIMENSIONS

- **Minimum Area:** Plazas must be a minimum area of 2,000 square feet. 75% of this must be occupiable by pedestrians.
- **Minimum Dimension:** Plazas must maintain either a 30' minimum average width measured along the property boundary or a 30' minimum average depth measured perpendicular to the property boundary.

RELATIONSHIP TO SIDEWALK

- **Access:** Plazas must be accessible to pedestrians from adjacent sidewalks, either by maintaining an at sidewalk grade transition to frontage grade or by providing a combination of steps, ramps, or other ADA Accessible means of moving easily from sidewalk to plaza. At least 30% of the plaza frontage must be free of barriers or other obstructions to pedestrian access.
- **Visibility:** At least 2,000 square feet of the plaza must be visible (e.g. free from obstructions such as walls, hedges or other dense vegetation, furniture, etc.) from the adjacent sidewalk to each plaza frontage.

RELATIONSHIP TO BUILDINGS

- **Orientation:** Building walls that are adjacent to plazas must orient windows, entrances, and other frontage elements towards the plaza.
- **Frontage Type:** Building facades with more than 20' of linear frontage along a plaza must identify a frontage type which is permitted for the relevant street type, and design to the standards of that frontage type. Examples of other frontages would include urban street, retail and active uses, or residential porch/stoop.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.04.05 Private Yard

INTENT AND CHARACTER

This frontage type is intended to establish a streetscape with landscaped front yards, a visual connection to primary buildings from the sidewalk, and street wall edges maintained with elements like low fences, low walls and low height vegetation.

Figure 22: Character Examples for Private Yard Frontage Type



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 23: Private Yard Frontage Standards



GROUND FLOOR DESIGN AND ENTRY

Ground Floor Design

- A** Max Street Level Facade Width 35'

Entrances

Location Required at frontage

- B** Porch Height Maximum 4'

PUBLIC REALM

Public Realm

- C** Front Setbacks (Min, Max) 10', 20'
- D** Allowed Encroachment Maximum 5'
- E** Low wall Maximum 3'

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Private Yard Additional Standards

ALLOWANCES WITHIN FRONT SETBACKS

- Porches and stairs connected to building entrances are allowed to extend up to 5' into the front setback area. For structures less than 18" above finished grade, refer to KZC Ch 115.115.
- Porches must meet the following requirements:
 - The finished floor of the porch is no more than four (4) feet above finished grade
 - Three (3) sides of the porch are open
 - The porch roof form is architecturally compatible with the roof form of the dwelling unit to which it is attached
 - If the porch is covered, is no higher than one (1) story
- Low walls are allowed within the front setback, provided they are no taller than 3'.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.20.04.06 Additional Standards for All Frontage Types

OVERHEAD WEATHER PROTECTION

Frontage types that require overhead weather protection shall meet the following standards:

- Overhead weather protection is required for all street-facing facades, with the following exceptions:
 - Where the building facade is more than 10 feet from the required back of sidewalk
- Overhead weather protection should cover a minimum of 5 feet of the pedestrian clear zone on the nearest sidewalk, measured horizontally from the required back of sidewalk.
- Where possible, overhead weather protection should be located and designed to avoid water runoff into the pedestrian clear zone.
- Overhead weather protection must be a minimum of 10 feet and a maximum of 15 feet above required back of sidewalk grade.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.25 DISTRICTWIDE STANDARDS

57.25.01 Purpose

The following standards are intended to support the vision and objectives of the NE 85th St Station Area Plan. They are comprised of standards that are consistent throughout the Regulating Districts as shown in Figure 2, including transitions, parking, landscaping requirements, and public space requirements.

57.25.02 Applicability

Districtwide Standards apply to all areas within the Regulating Districts as shown in Figure 2, regardless of regulating district, frontage type, or street type designation.

57.25.03 Rooftop Appurtenances, Amenities, and Structures

GENERAL PROVISIONS

1. Rooftop Amenities must be designed to be consistent with KZC 115.122, and green roof systems otherwise allowed by administrative review in the Sustainability Standards section of this chapter are considered rooftop amenities. Rooftop amenities are allowed in all regulating districts.
2. Rooftop appurtenances may exceed the maximum allowed height of the structure pursuant to KZC 115.120, and renewable energy generation systems otherwise allowed by administrative review in the Sustainability Standards section are considered Rooftop appurtenances and exemptions as defined in KZC 115.120.3.d.

57.25.04 Landscaping, Green Infrastructure, and Environmental Features

GENERAL PROVISIONS

1. **Landscape Standards:** Unless specified otherwise in this chapter, all landscaping must be consistent with KZC Ch 95.
2. **Green Infrastructure:** Development shall implement the Sustainability Standards section of this chapter.
3. **Bird-safe Standards:** All developments shall design, build, and maintain building façade and site design strategies to make the building and site structures visible as physical barriers to birds. The standards are applicable per façade when the façade has 30% or more glazing within the first 60 feet measured from the grade adjacent to the façade. For low density residential buildings less than 45 feet in height, standards apply per façade when the façade has 50% or more glazing.
 - a. At least 90% of the windows and glazing shall meet Bird Safe Glazing Standards.
 - i. Windows and glazing, including glazed balcony railing, located within the first 60 feet of the building measures from the grade adjacent to the façade;
 - ii. Windows and glazing located within the first 15 feet of building above an adjacent green roof, roof garden, or other vegetated or landscaped roof area; and
 - iii. The glazed portions of sky bridges or fences.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

b. Bird Safe Glazing Standards: Bird-safe glazing may include fritting, netting, permanent stencils, frosted glass, exterior screens, physical grids placed on the exterior of glazing, or UV patterns visible to birds. To qualify as Bird-Safe Glazing Treatment, vertical elements of window patterns shall be at least 1/ inch wide at a minimum spacing of 4 inches or horizontal elements at least 1/8 inch wide at a maximum spacing of 2 inches.

4. **Dark Sky Fixtures:** All developments shall meet uplight and light trespass requirements for all exterior luminaires located inside the development boundary to support a nighttime habitat friendly environment.

a. Lighting controls for all exterior lighting shall comply with section 9.4.1.3 of ANSI/ASHRAE/IESNA Standard 90.1- 2007, without amendments.

b. Design exterior lighting so that all site and building-mounted luminaires produce a maximum initial illuminance value no greater than 0.20 horizontal and vertical footcandles (2.0 horizontal and vertical lux) at the development boundary and no greater than 0.01 horizontal footcandles (0.1 horizontal lux) 15 feet (4.5 meters) beyond the development boundary. Document that no more than 5% of the total initial designed fixture lumens (sum total of all fixtures on site) are emitted at an angle of 90 degrees or higher from nadir (straight down).

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.25.05 Transitions

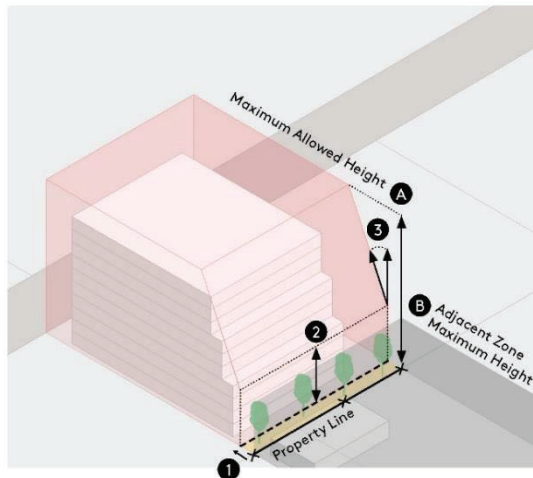
GENERAL PROVISIONS

1. **Intent:** Transitions are intended to ensure that new development is consistent with the vision of the NE 85th St. Station Area Plan to provide appropriate transitions of development intensity, height, and bulk between different zones.
2. **Applicability:** Transitions are required where the difference between the maximum allowed height of a zoning district is at least 30' higher than the maximum allowed height of an adjacent zoning district. These transitions may be applied to side or rear lot lines. Front parcel transitions are addressed through upper story setbacks requirements for each regulating district. No portion of the structure shall extend into this Sky Exposure Plane.
3. **Transition Requirements:** Where transitions are applicable, they shall consist of a required Landscape Buffer and a Sky Exposure Plane.
4. **Landscape Buffer:** A minimum 15-foot-wide landscaped strip with a 6-foot-high solid screening fence or wall planted consistent with Buffering Standard 1 of KZC Ch 95.
5. **Sky Exposure Plane:** Transitions are established using a sky exposure plane that sets the maximum envelope for massing within the subject property. The sky exposure plane is measured at an angle from a vertical line. To calculate the sky exposure plane, use the following steps:
 - i. Create a vertical plane 15' set back from and parallel to the common lot line.
 - ii. Establish a maximum height of the vertical plane by determining the average elevation of the common property line between zoning districts, plus the maximum allowed height of the adjacent zone (see Figure 23).
 - iii. From the top of this vertical plane, extend the required sky exposure plane angle 25 degrees to the maximum allowed height of the subject property. Where the maximum height between zoning districts is 50' or higher extend the required sky exposure plane at an angle 30 degrees to the maximum allowed height of the subject property.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 24: Transition Requirement



TRANSITIONS

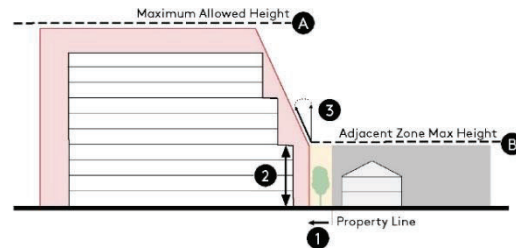
Applicability

- A Transitions are required if the allowed maximum height for the subject parcel is greater than 30' above the maximum allowed height for any adjacent parcel.
- B

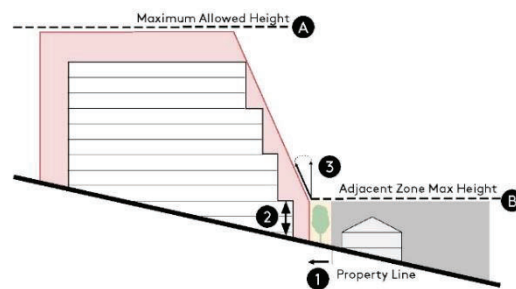
Requirement

- 1 Create a vertical plane 15' set back from and parallel to the common lot line.
- 2 Establish a maximum height of the vertical plane by determining the average elevation of the common property line between zoning districts, plus the maximum allowed height of the adjacent for the zone of the adjoining property.
- 3 From the top of this vertical plane, extend the required sky exposure plane at an angle of 25 degrees to the maximum allowed height of the subject property. Where the maximum height between zoning districts is 50' or higher extend the required sky exposure plane at an angle 30 degrees to the maximum allowed height of the subject property.

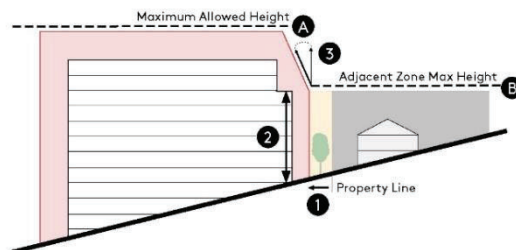
MINIMUM TOPOGRAPHY EXAMPLE



UPHILL DEVELOPMENT EXAMPLE



DOWNHILL DEVELOPMENT EXAMPLE



KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.25.06 Parking

GENERAL PROVISIONS

1. Off-Street Parking:

- a. **Required Parking:** The following off-street parking requirements apply to uses in the regulating districts as shown in Table 6.

Table 6: Off-Street Parking Requirements

Land Use	Minimum Required Parking Spaces
Residential: Detached Dwelling Unit	2/unit
Residential: Residential Suites, Attached or Stacked Dwelling Units	0/affordable studio unit or residential suite 0/affordable one-bedroom unit 0.75/studio unit or residential suite ⁱ 1/one-bedroom unit 1.25/two-bedroom unit 1.5/three- or more bedroom unit
Residential: Assisted Living Facility	0.5/unit
Residential: Convalescent Center	0.5/bed
Commercial	2/1000 SF GFA
Industrial	1/1000 SF GFA Breweries, wineries or distilleries shall apply the minimum required industrial parking rate only for the portion of the building engaged in industrial uses. Tasting rooms for breweries, wineries, or distilleries shall provide parking at 2/1000 SF GFA.
Institutional	Set by the City Transportation Engineer under KZC 105.25

- i. Market-rate residential suite parking may be reduced to 0.5/suite if the following transportation demand management strategies are implemented in addition to the required transportation demand management strategies identified in KZC 57.25.07:

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

- a. Provide a bus pass or equivalent alternative transportation mode subsidies for tenants who do not have cars.
- b. Include lease provisions and monitoring requirements for the property owner to ensure that tenants are not parking off site to avoid parking charges.

b. **Shared Parking Reduction:** Shared parking is allowed in accordance with the provisions in KZC 105.45.

c. **Modification to Minimum Required Parking:** For a modification to subsection 1.a, a decrease in the required number of spaces may be granted by the Planning Official if the number of spaces proposed is documented by an adequate and thorough parking demand and utilization study to be sufficient to fully serve the use. The study shall be prepared by a licensed transportation engineer or other qualified professional and shall analyze the operational characteristics of the proposed use which justify a parking reduction. The scope of the study shall be proposed by the applicant's licensed transportation engineer or other qualified professional and approved by the City Transportation Engineer. The study shall provide at least two (2) days of data for morning, afternoon and evening hours, or as otherwise approved or required by the City Transportation Engineer. Approval of a parking reduction shall be solely at the discretion of the City. A decrease in the minimum required number of spaces may be based in whole or part on the provision of nationally accepted TDM (Transportation Demand Management) measures. Data supporting the effectiveness of the TDM measures should be provided as part of the parking demand and utilization study and approved by the City Transportation Engineer.

d. **Parking Space Reductions Near Transit:** For senior citizen households or housing units specifically for people with disabilities that are located within one-quarter mile of a transit stop that receives transit service at least four (4) times per hour for 12 or more hours per day, minimum parking space requirements are eliminated for residents. Parking requirements for staff and visitors of such housing units will be established pursuant to KZC 105.25. The City will require an applicant to record a covenant that prohibits the rental or sale of a unit subject to this parking restriction for any purpose other than providing for senior citizen households or housing for people with disabilities.

e. **Guest Parking:** Refer to KZC Ch 105.

2. **Parking Location:** Refer to KZC Ch 105.

3. **Parking Area Design:** Refer to KZC Ch 105, as well as the Sustainability Standards section of this chapter for relevant requirements and incentives.

4. **Parking Dimensional Standards:** Refer to KZC Ch 105.

5. **Bike Parking:** Bicycle parking spaces shall be provided in all new development to encourage the use of bicycles as a form of transportation by providing safe and convenient places to park bicycles. Both short-term and long-term bicycle parking shall be provided. Short-term bicycle parking is intended to serve visitors or business patrons who visit the project site for a short time period, around 4 hours or less. Short-term bicycle parking is located near the site entrance in a visible location that makes it easy to find for visitors. Long-term bicycle parking is intended to serve residents or employees who may need to store bikes on site during a typical workday or overnight. Long-term bicycle parking is secured and weatherproof to provide a safe and comfortable storage place for longer periods.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

General bicycle parking standards:

- Short and long-term bicycle parking shall be provided based on the following rates:

Table 7: Bicycle Parking Rates

Use	Short-Term Bicycle Parking Rate(spaces per suite/unit/bed or per sq.ft. of gross floor area)	Long-Term Bicycle Parking Rate (spaces per suite/unit/bed or per sq.ft. of gross floor area)
Residential: Detached Dwelling Unit	Not required	Not required
Residential: Residential Suites, Attached or Stacked Dwelling Units	0.05/suite or unit	1/suite or unit
Residential: Assisted Living Facility	0.05/unit	0.08/unit
Residential: Convalescent Center	0.05/bed	0.08/bed
Commercial: General	0.50/1000 SF GFA	0.33/1000 SF GFA
Commercial: Office	0.07/1000 SF GFA	0.33/1000 SF GFA
Industrial	0.01/1000 SF GFA Breweries, wineries or distilleries shall apply the minimum required industrial parking rate only for the portion of the building engaged in industrial uses. Tasting rooms for breweries, wineries, or distilleries shall provide parking at 0.50/1000 SF GFA.	0.08/1000 SF GFA Breweries, wineries or distilleries shall apply the minimum required industrial parking rate only for the portion of the building engaged in industrial uses. Tasting rooms for breweries, wineries, or distilleries shall provide parking at 0.33/1000 SF GFA.
Institutional	As determined by City Transportation Engineer under KZC 105.25	As determined by City Transportation Engineer under KZC 105.25

- Commercial development, both general commercial and office uses, and institutional development required to provide 25 or more long-term bike parking spaces shall also provide at least 1 shower for commuters. Shower facilities shall be provided at a rate of 1 shower per 25 required long-term bike parking spaces. Showers should be

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

provided adjacent to bike parking although showers provided on-site as part of other facilities may satisfy this requirement provided that wayfinding signage is included.

- The required number of short-term bicycle parking spaces shall be rounded up to the nearest even number.
- The required number of long-term bicycle parking spaces shall be rounded up to the nearest whole number.
- The Planning Official may modify the required amount of bicycle parking according to size of development and anticipated pedestrian and bicycle activity as determined by the City Transportation Engineer. Lack of existing bicycle and pedestrian activity shall not be considered as sufficient criteria to provide less than the minimum required amount of bicycle parking.
- Design of bike parking is subject to approval by Public Works Official.

6. Loading and Driveways: Refer to KZC 115.47. Additionally, the following standards apply in the regulating districts:

- a. Wherever practical, vehicular access for loading or parking should not be provided along the following street types: Main Street, Major Thoroughfare.
- b. Refer to Public Works Policy R-4 for driveway location standards, subject to approval by the Public Works Official.

7. Special Regulations for Institutional Uses:

For school and/or childcare uses greater than 5,000 GSF, an on-site passenger loading area must be provided, unless otherwise approved by the Public Works Official. The Public Works Official shall determine the appropriate size of the loading areas on a case-by-case basis, depending on the number of attendees and the extent of the abutting right-of-way improvements. Carpooling, staggered loading/unloading time, right-of-way improvements or other means may be required to reduce traffic impacts on the network.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.25.07 Transportation Demand Management

GENERAL PROVISIONS

1. Required Transportation Management Plan: all new commercial development and all new residential development greater than 15 units within the station area shall prepare and implement a transportation management plan that identifies their proposed transportation demand management strategies.
2. Transportation Management Plan Administration:
 - a. Each Transportation Management Plan (TMP) shall be in a form approved by the City and recorded with King County. The TMP shall acknowledge that it is a violation of the KZC to deviate from the required transportation demand management strategies.
 - b. Each development shall designate a Transportation Coordinator to manage the TMP, provide commute information to residents or employees, and be a point of contact for the City.
 - c. Each development shall participate in a biannual survey of residents in a form approved by the City to document transportation mode share, parking utilization, and potential spillover parking.
3. Required Transportation Demand Management Strategies:
 - a. The costs to provide parking shall be unbundled from the rental costs.
 - b. New developments shall charge for off-street parking.
 - c. New developments shall monitor the demand for parking and manage the provided parking supply to reduce the risk of spillover parking.
 - d. New developments shall provide full transit pass subsidies for all employees.
 - e. New developments shall actively participate in City and development transportation demand management efforts by partnering on the development, distribution, and promotion of commuter marketing programs.
 - f. New developments shall provide an emergency ride home program for employees.
 - g. New developments shall provide bicycle parking and other facilities as required in KZC 57.25.06.05.
 - h. New developments shall support carpooling by developing a ridematch program for employees.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.25.08 SUSTAINABILITY STANDARDS

Relationship to other regulations

Reserved.

General Provisions

1. **Intent:** The Sustainability Standards code is intended to ensure that new development is consistent with the vision of the NE 85th Street Station Area Plan Sustainability Framework as well as aligned with the Sustainability Master Plan.

2. **Requirements:** As part of any development permit submittal, all projects shall complete a form provided by the City of Kirkland indicating their review of the NE 85th Street Station Area Plan Chapter 10.0, Sustainability Framework, and how the development is aligned with those goals and opportunities. All new developments and major renovations requiring Design Board Review per KZC 142.15 shall be designed, built, and certified to achieve or exceed requirements in three categories: High Performance Buildings; Energy and Decarbonization; and Ecosystems and Green Infrastructure.

i. High Performance Buildings:

All new developments and major renovations shall be designed, built, and certified to achieve or exceed the High Performance Building Standards described in KZC 115.62 to the extent those standards are consistent with State and Federal mandated requirements. For commercial developments that are building Core and Shell only, they may be designed, built, and certified to achieve LEED v4 Core and Shell Gold as an alternative certification to meet requirements of KZC 115.62.2.b. Some third-party protocol certifications may be eligible for the Incentive Program, refer to KZC Ch 57.30.

ii. Energy and Decarbonization

(a) All new developments larger than 5,000 sf shall include a renewable energy generation system with production at a rate of 0.60 W/sf of all conditioned area. Renewable energy shall be produced on-site, or off-site including the following compliance options in 2021 Washington State Energy Code section C411.2.1.

(b) All new developments and major renovations less than twenty stories shall include solar readiness, per 2021 Washington State Energy Code standards, Section C411.3.

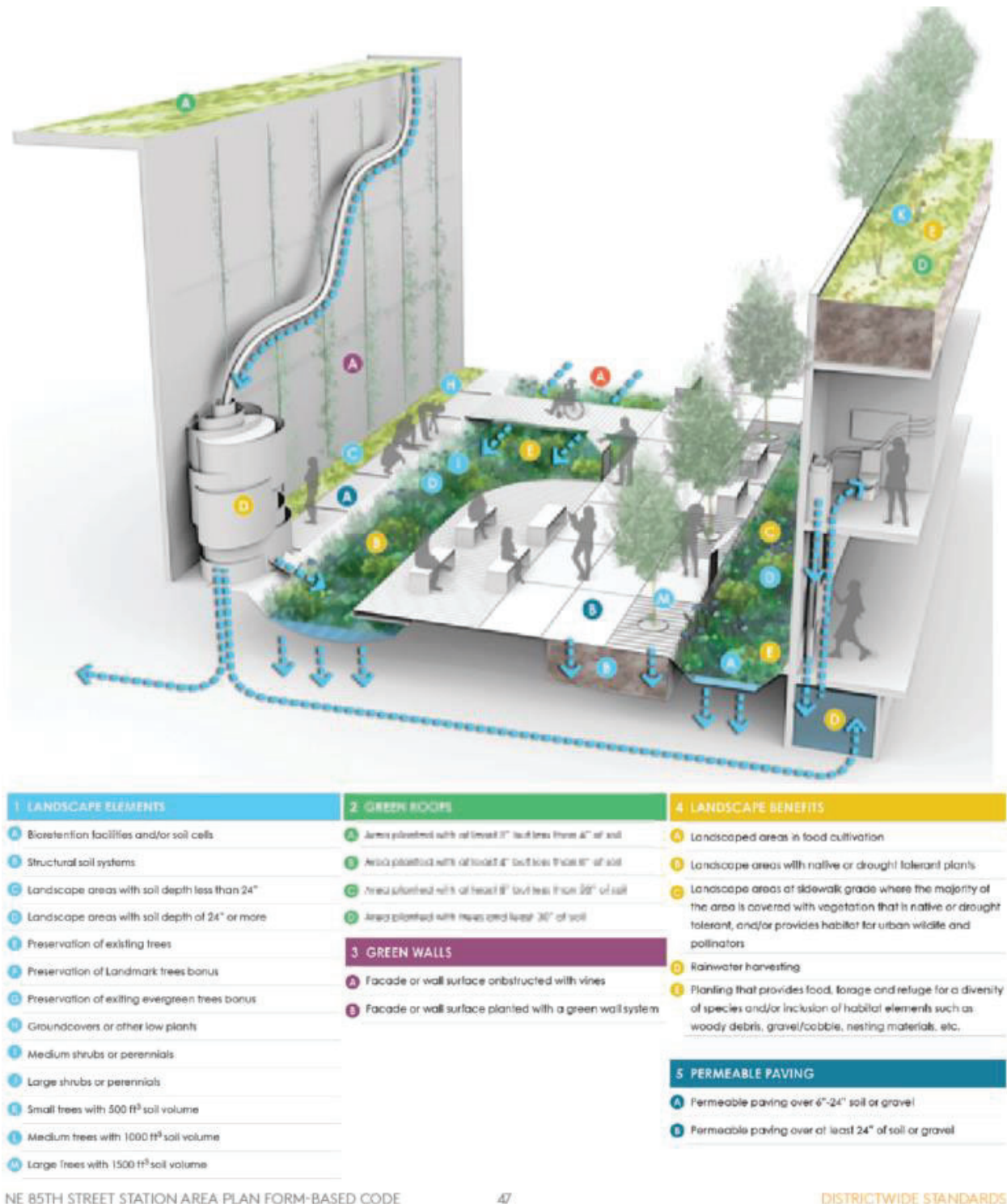
iii. Ecosystems and Green Infrastructure

(a) All new developments and major renovations shall be designed, built, and certified to achieve or exceed a Green Factor score of 0.4. The Green Factor sets criteria for landscape and site-based sustainability measures. The landscape elements listed will contribute to larger district sustainability goals focused on the natural environment, ecosystems, and stormwater. The elements that contribute more significantly to supporting the citywide Sustainability Master Plan's goals related to Sustainable Urban Waterways, Conservation and Stewardship, Access to Parks and Open Space, and Sustainable Urban Forestry have been weighted higher in this Green Factor.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Figure 25: Green Factor Criteria



NE 85TH STREET STATION AREA PLAN FORM-BASED CODE

47

DISTRICTWIDE STANDARDS

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Green Factor

The Green Factor score shall be calculated as follows:

1. Identify all proposed elements in Table 8.
2. Multiply the square feet, or equivalent unit of measurement where applicable, of each landscape element by the multiplier provided for that element in Table 8 according to the following provisions:
 - a. If multiple elements listed in Table 8 occupy the same physical area, they may all be counted.
 - b. Landscaping elements and other frontage improvements in the right-of-way between the lot line and the roadway may only be counted if the enhancements in the right-of-way contribute to district sustainability goals including habitat connectivity, tree canopy, or stormwater goals and a commitment is made to ongoing maintenance and management of the landscape areas. Subject to approval by the City of Kirkland.
 - c. Unless otherwise noted, elements shall be measured in square feet.
 - d. For trees, large and medium shrubs and perennials, use the equivalent square footage of each tree or shrub provided in Table 8.
 - e. For green wall systems, use the square footage of the portion of the wall that will be covered by vegetation at three years. Green wall systems shall include year-round irrigation and a submitted maintenance plan shall be included as an element in the calculation for a project's Green Factor Score.
 - f. All vegetated structures, including fences counted as vegetated walls shall be constructed of durable materials, provide adequate planting area for plant health, and provide appropriate surfaces or structures that enable plant coverage. Vegetated walls shall include year-round irrigation and a submitted maintenance plan shall be included as an element in the calculation for a project's Green Factor Score.
 - g. For all elements other than trees, large shrubs, large perennials, green walls, structural soil systems and soil cell system volume; square footage is determined by the area of the portion of the horizontal plane that lies over or under the element.
 - h. All permeable paving and structural soil credits may not count for more than one-third of a project's Green Factor Score.
 - i. An Innovation credit may be awarded at the discretion of the Planning Official. This credit can be awarded if a development seeks to exceed the minimum requirements in supporting larger district sustainability goals. The multiplier may range from 0.2-.5 depending on the development proposal.
3. Add together all the products calculated in Table 8 to determine the Green Factor numerator.
4. Divide the Green Factor numerator by the parcel area to determine the Green Factor score. A development shall achieve a minimum score of 0.4.
5. The City of Kirkland reviewer has the final authority in determining the accuracy of the calculation of the Green Factor score.

Table 8: Green Factor

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

1. Landscape Elements		Multiplier
A.	Bioretention facilities and/or soil cells	1.5
B.	*Structural soil systems	0.2
C.	Landscaped areas with soil depth less than 24"	0.1
D.	Landscaped areas with soil depth of 24" or more	0.6
E.	Preservation of existing trees - calculated at 20 sq ft per inch dbh (Trees must have a minimum diameter of 6" at dbh.)	1.0
F.	Preservation of Landmark Trees bonus - calculated at 20 sq ft per inch dbh (Trees must meet City of Kirkland's definition of Landmark Trees)	0.1
G.	Preservation of existing evergreen trees bonus - calculated at 20 sq ft per inch dbh (Preserved evergreen trees must have a minimum diameter of 6" at dbh)	0.1
H.	Ground covers or other low plants (less than or equal to 2' tall at maturity)	0.1
I.	Medium Shrubs or perennials - calculated at 9 sq ft per plant (2'-4' tall at maturity)	0.3
J.	Large Shrubs or perennials - calculated at 36 sq ft per plant (greater than 4' tall at maturity)	0.4
K.	**Small Trees or equivalent with calculated soil volume that meets or exceeds 500ft ³ per tree - calculated at 90 sq ft per tree (canopy spread 10' to 15' at maturity)	0.3
L.	**Medium Trees or equivalent with calculated soil volume that meets or exceeds 1000 ft ³ per tree - calculated at 230 sq ft per tree (canopy spread 16' to 24' at maturity)	0.5
M.	**Large Trees with calculated soil volume that meets or exceeds 1500 ft ³ per tree - calculated at 350 sq ft per tree (canopy spread 25' and greater at maturity)	0.7
2. Green Roofs		
A.	Area planted with at least 2" of growth medium but less than 4" of soil	0.4

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

B.	Area planted with at least 4" but less than 8" of soil	0.7
C.	Area planted with at least 8" of but less than 30" of soil	1.0
D.	Area planted with tree(s) and at least 30" of soil	1.5
3. Green Walls		
A.	Façade or wall surface obstructed with vines (calculate at 3 years of growth)	0.1
B.	Façade or wall surface planted with a green wall system (must have year-round irrigation and maintenance plan)	0.2
4. Landscape Benefits		
A.	***Landscaped areas in food cultivation	0.2
B.	Landscaped areas planted with native or drought tolerant plants	0.1
C.	Landscaped areas at sidewalk grade where the majority of the area is covered with vegetation that is native or drought tolerant, and/or provides habitat for urban wildlife and pollinators	0.1
D.	Landscaped areas where at least 50% of annual irrigation needs are met through the use of harvested rainwater	0.2
E.	****Planting that provides food, forage and refuge for a diversity of species (native insects, pollinators, birds, and other urban wildlife) and/or inclusion of habitat elements such as woody debris, gravel/cobble, nesting materials, etc.	0.2
5. Permeable Paving		Multiplier
A.	Permeable paving over a minimum 6" and less than 24" of soil or gravel	0.2
B.	Permeable paving over at least 24" of soil or gravel	0.5
6. Innovation		
A.	Contributes to district sustainability goals including habitat connectivity, tree canopy, or stormwater goals beyond the site boundary.	0.2-0.5

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

	(i.e. Treating stormwater from public ROW on project site, daylighting piped streams, enhanced tree canopy and habitat connecting larger patches/corridors, enhance and maintain landscaping in ROW, enhanced stormwater treatment for water quality pollutants including metals, 6PPD Quinone, and phosphorus, landscape plan that demonstrates a commitment to minimal pesticide and fertilizer inputs, adaptive management plans) Scoring to be awarded at the discretion of the City of Kirkland.	
--	---	--

* Structural soil system means a soil mix or equivalent structure that is engineered to support pavement while allowing healthy root growth.

** For purposes of determining the size category of a tree species, the tree must have a mature canopy spread of the following:

Small Trees - 8 feet to 16 feet

Medium Trees - 16 feet to 26 feet

Large Trees - 26 feet or more

*** Landscape areas in food cultivation are defined as a use in which land is used to grow plants and harvest food or ornamental crops for donation or for use by those cultivating the land and their households. Examples include Pea Patch community gardens.

**** Refer to the Green Factor Scoresheet Reference Pollinator Plant List tab and City Pollinator Plant List for reference plant species.

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

57.30 INCENTIVE ZONING PROGRAM

57.30.01 PURPOSE

The purpose of the Incentive Zoning Program within the Subarea is to provide additional development capacity for commercial uses above the allowed base height zoning in exchange for providing amenities with a clear public benefit while addressing the impacts that this additional development might have on the community. This incentive zoning program is to be used in conjunction with the affordable housing requirements for residential uses in the station area pursuant to Chapter 112 KZC.

57.30.02 GENERAL PROVISIONS

The incentive zoning program may be utilized to achieve development of commercial uses up to the bonus maximum allowed height where the regulating district map (Fig. 2 of this chapter) identifies both a base and maximum allowed height (e.g., CMU 85'/150'). Where a regulating district identifies only a base maximum height, that property is not eligible to receive incentive development capacity (e.g., CMU 60). In no case may the incentive zoning allow development that exceeds the maximum building height as allowed in Figure 2. Requirements for residential uses to achieve the bonus maximum allowed height are set forth in Chapter 112 KZC.

57.30.03 REQUIRED REVIEW

The Planning and Building Director may approve an application for commercial use incentive zoning that complies with Table 9 if the Director finds that:

1. The design and/or extent of the amenity meets the standards established in Table 9 and table 10 criteria; and
2. Where amenities are to be provided on the subject property, the public benefits provided, described in Table 9 for each amenity type, will be derived from the development of the proposed amenity in the proposed location.
3. Covenants, easements, and agreements are established to ensure the provision of the proposed amenities in perpetuity.

An application for incentive zoning shall be made on the forms provided by the City and submitted with the established application fee.

An applicant may propose flexible amenity options as identified in Table 9 through a Development Agreement subject to the provisions of Section 57.05.03 of this chapter provided that the City finds that the flexible amenity options clearly meet or exceed the public benefit that would result from the standard incentive amenities.

57.30.04 INCENTIVE AMENITIES AND EXCHANGE RATES FOR INCENTIVE CAPACITY

Tables 9 and 10 describe the incentive amenities that may be provided to receive commercial incentive capacity and the exchange rate at which commercial incentive capacity will be granted for each unit of amenity provided. Measurements shall be in square feet (indicated as sf in Tables).

PROVIDED AMENITY STRUCTURE

1. An applicant must provide incentive amenities from at least two different categories in Table 9 in order to receive incentive capacity. No more than 75% of the requested incentive capacity may be achieved through

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

provision of amenities in a single category. Applicants may choose to provide amenities from more than two amenity categories.

2. Modification of amenity structure requirements. The Planning and Building Director may grant a modification to allow an applicant to achieve more than 75% of their incentive capacity through provision of amenities from a single category in instances where it is determined the proposed amenity structure:

- a. Provides an exceptional community benefit in the chosen amenity category such that the benefit is demonstrably superior to what could be provided through the required diversification of amenities; or,
- b. The subject property has a unique condition that precludes the ability to provide the diversity of amenities.

TABLE 9: INCENTIVE AMENITIES

Proposed List of Eligible Amenities	Public Benefit Provided
AFFORDABLE HOUSING	
Commercial Development: Affordable housing contribution (fee-in-lieu)	Fee revenue for affordable housing
MOBILITY / TRANSPORTATION	
Enhanced Mid-block Green Connections: Enhancement to an active transportation connection through a property that provides a route alternative to the vehicular road network, established through either a public easement, or right-of-way dedication.	Square feet of enhanced mid-block green connections
PARKS / OPEN SPACE	
Public Open Space (outdoor): Outdoor spaces available for public use such as plazas, pocket parks, linear parks, rooftops, etc.	Square feet of improved public outdoor park-like space
Public Community Space (indoor): Spaces available for civic or community uses such as arts or performance spaces, after-school programming, recreation, event space, etc.	Square feet of improved public indoor community space

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

SUSTAINABILITY	
Enhanced Performance Buildings: Design, build and certify to achieve <u>Living Building Challenge v4 Carbon Certification</u> or <u>Living Building Challenge v4 Petal Certification</u>	New buildings that exceed Kirkland High Performance Building Code
Ecology and Habitat: Achieve a Green Factor Score <u>of at least 0.75</u> - (as-of-right requires projects to demonstrate a score of at least 0.4)	SF of land, enhanced ecology / habitat
Innovation Investments: Design, build and operate innovative energy and/or decarbonization systems (on-site or within SAP)	New and innovative sustainability infrastructure in the Station Area
SCHOOLS, EDUCATION, AND CHILDCARE	
ECE/Day Care Operation Space: Floor area dedicated to childcare, or preschool learning space, as defined in KZC 5.10.194 Design Criteria: <ol style="list-style-type: none"> 1. Bonus preschool space must provide a minimum of 4 classrooms, with a minimum of 900 SF per classroom. 2. Space shall be used in manner described for the life of the project. Documentation of required licensing for day care operation shall be provided.	Long-term dedication of building space for non-profit childcare use
School Operation Space: Floor area dedicated to school operation as defined in KZC 5.10.825 <u>Design Criteria:</u> <ol style="list-style-type: none"> 1. <u>Bonus school space must provide a minimum of 4 classrooms, with a minimum of 900 SF per classroom.</u> 2. <u>Space shall be used in manner described for the life of the project.</u> 	Long-term dedication of building space for education use

KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

<u>Documentation of required licensing for school operation shall be provided.</u>	
GROCERY STORE	
Grocery Store: Floor area of at least 20,000 SF dedicated to a full-service grocery store. This amenity may only be used to achieve incentive capacity when there are no other grocery stores within one-half mile of the proposed location.	Long-term dedication of building space for neighborhood grocery use
OTHER APPLICANT PROPOSED AMENITIES	
Flexible Amenity Options: Applicant may propose amenities not on this list (on a case-by-case basis). Amenities must have a clear public benefit and will be subject to approval by the City and formalized in a development agreement.	TBD

TABLE 10: EXCHANGE RATES FOR INCENTIVE CAPACITY

List of Eligible Amenities	Measure of Exchange Rate	Policy Weighted Bonus Ratio			Amenity Provided per 20,000 sf of IZ bonus space
		Priority Rank	Priority Weight	Bonus Ratio (priority)	Bonus Ratio (priority)
AFFORDABLE HOUSING					
Commercial Development Contribution	Voluntary fee per SF of incentive bonus space	1	1.50	\$16.67	\$333,333
MOBILITY / TRANSPORTATION					
Enhanced Mid-block Green Connections	Bonus SF per SF of enhanced connections	3	1.00	5.0	4,000 sf
PARKS / OPEN SPACE					

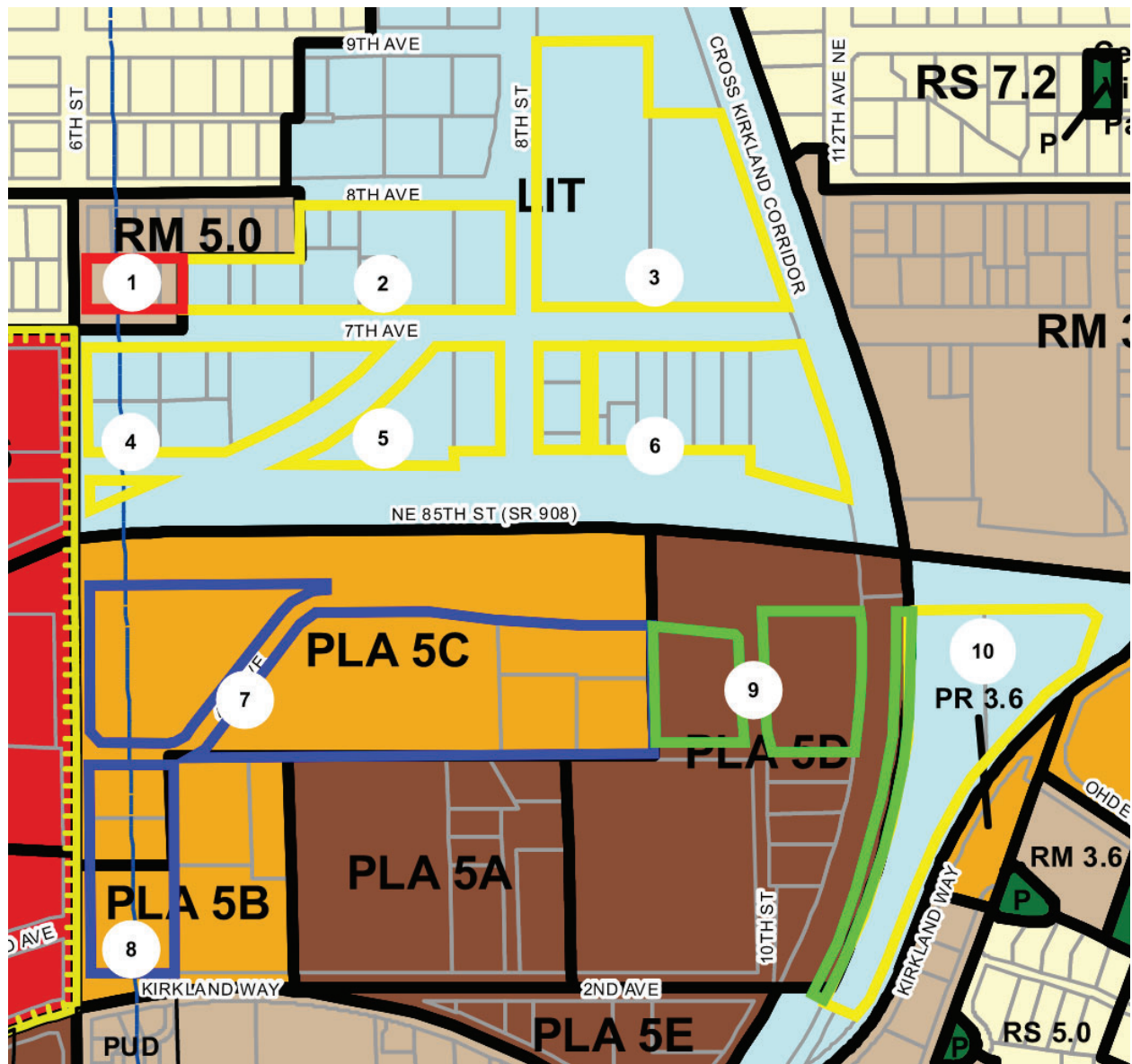
KIRKLAND ZONING CODE CHAPTER 57

FORM-BASED CODE FOR THE NE 85TH STREET STATION AREA PLAN

Public Open Space (outdoor)	Bonus SF for each SF of improved public space	2	1.25	7.5	2,667 sf
Public Community Space (indoor)	Bonus SF for each SF of improved public space	2	1.25	8.8	2,286 sf
SUSTAINABILITY					
Enhanced Performance Buildings	Bonus SF per \$1,000 invested	3	1.00	40.00	\$500,000
Ecology and Habitat (GF score above 0.75)	Bonus SF for each SF of enhanced ecology /habitat land	3	1.00	1.4	14,286 sf
Innovation Investments: Energy and Decarbonization	Bonus SF per \$1,000 invested	3	1.00	40.0	\$500,000
SCHOOLS, EDUCATION, AND CHILDCARE					
ECE/Day Care Operation Space	Bonus SF for each SF of ECE/Day Care space	2	1.25	12.5	1,600 sf
School Operation Space	Bonus SF for each SF of school space	2	1.25	12.5	1,600 sf
GROCERY STORES					
Grocery Store Space	Bonus SF for each SF of grocery space	3	1.00	40.0	4,000 sf
OTHER APPLICANT PROPOSED AMENITIES					
Flexible Amenity Options	TBD	3	1.00	40.0	\$500,000

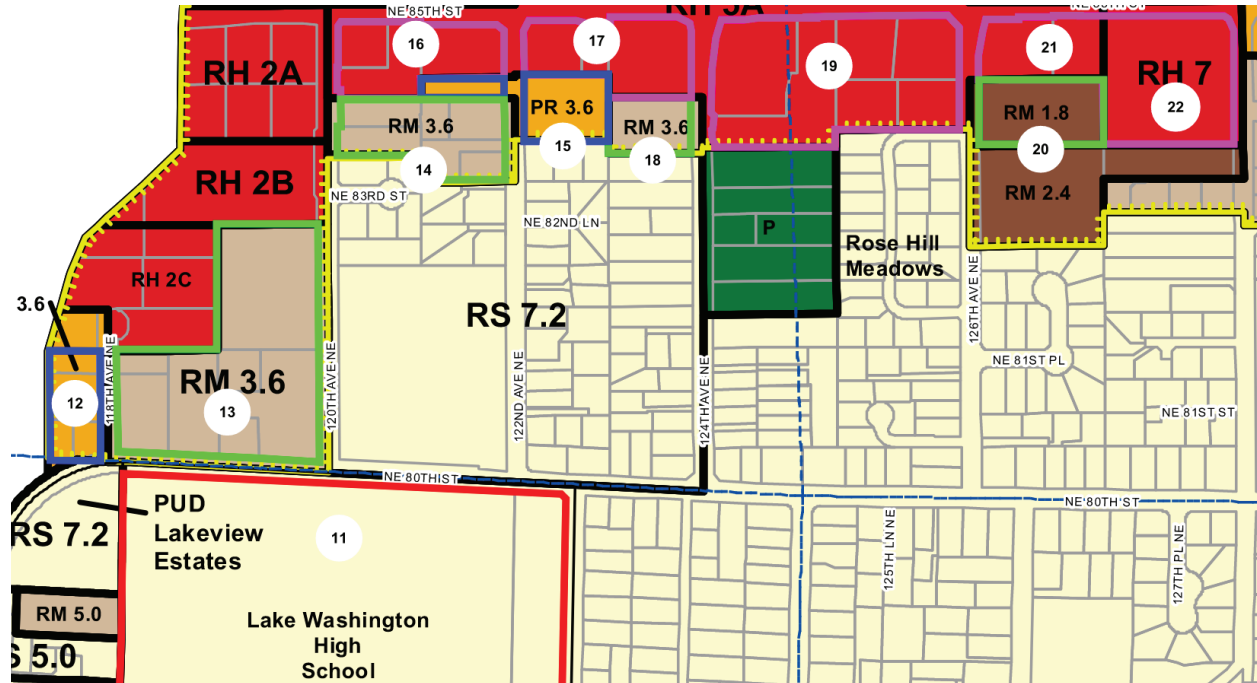
PHASE 2 PROPOSED LEGISLATIVE REZONES

Parcel Rezone Maps

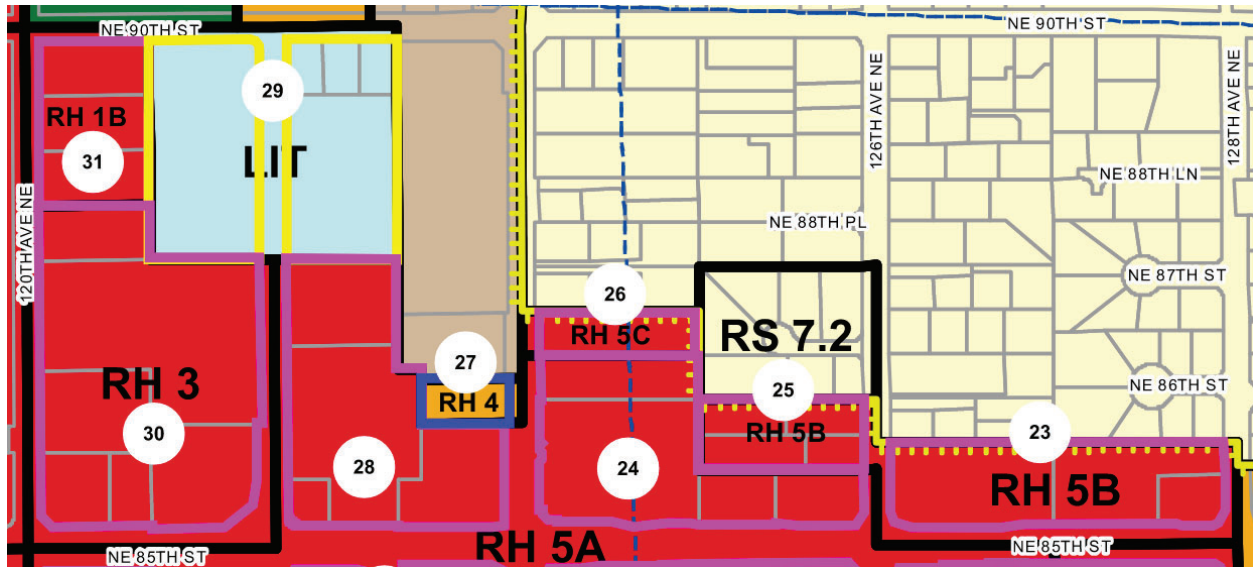


1. Rezone Parcels 388580-7370, -7375, -7380, -7381 from RM 5.0 to UF
2. Rezone Parcels 388580-7425, -7435, -7440, -7443, -7445, -7450, -7460, -7305, 388690-1400 from LIT to UF
3. Rezone Parcels 388690-2185, -1425 from LIT to UF
4. Rezone Parcels 388580-7470, -7481, -7500, -7505, -7515, -7530, -7545 from LIT to UF
5. Rezone Parcels 388690-1325, -1360 from LIT to UF
6. Rezone Parcels 388690-1150, -1160, -1170, -1180, -1190, 1205, -1210, -1215, -1217, -1220, -1295 from LIT to UF
7. Rezone Parcels 517270-0010, -0030, 052505-9064, -9069, -9070, 123890-0110, -0115 from PLA 5C to NMU

8. Rezone Parcel 123890-0090 from PLA 5B to NMU
9. Rezone Parcels 389460-0000, 390200-0000, 052505-9072 from PLA 5D to NMU
10. Rezone Parcels 123510-0024, -0025 from PR 3.6 to NMU



11. Rezone Parcels 022510-0005, 092505-9012 from RSX 7.2 to CVU
12. Rezone Parcels 123310-0064, -0065, -0066, -0067, -0068, -0069 from PR 3.6 to NMU
13. Rezone Parcels 123310-0161 -0170, -0171, -0172, -0185, 414679-0000, 645360-0000, from RM 3.6 to NMU
14. Rezone Parcels 742000-0000, 742750-0000, 123310-0270, -0271, -0275, -0276 from RM 3.6 to NMU
15. Rezone Parcels 123310-0282, -0300 from PR 3.6 to NMU
16. Rezone Parcels 123310-0215, -0216, -0281 from RH 5A to NMU
17. Rezone Parcels 123310-0290, -0291, -0400 from RH 5A to NMU
18. Rezone Parcel 8555915-0000 from RM 3.6 to NMU
19. Rezone Parcels 123310-0530, -0535, -0540, -0545, -0402, -0405 from RH 5A to NMU
20. Rezone Parcel 894407-0000 from RM 1.8 to NMU
21. Rezone Parcels 12310-0550, -0555 from RH 5A to NMU
22. Rezone Parcel 12310 -0680 from RH 7 to NMU



- 23. Rezone 123310-0750, -0760, -0765 from RH 5B to NMU
- 24. Rezone Parcels 123310-0850, -0855, -0871, -0872 from RH 5A to NMU
- 25. Rezone Parcels 123310-0873, -0875, -0877, -0879 from RH 5B to NMU
- 26. Rezone Parcel 123310-0845 from RH 5C to NMU
- 27. Rezone Parcel 123850-0245 from RH 4 to NMU
- 28. Rezone Parcels 123850-0210, -0214, -0215, 0235 from RH 5A to NMU
- 29. Rezone Parcels 123850-0165, -0185, -0186, -0187, -0195 from LIT to NMU
- 30. Rezone Parcels 123850-0110, 0115, -0125, -0132, -0135, -0140 from RH 3 to NMU
- 31. Rezone Parcels 123850-0095, -0100, -0105 form RH 1B to NMU

MEMORANDUM

TO: Allison Zike, Deputy Director, Kirkland Planning & Building Department
Scott Guter, Senior Planner, Kirkland Planning & Building Department

FROM: Lindsay Masters, Executive Director, ARCH
Mike Stanger, Senior Planner, ARCH

SUBJECT: Questions from City Council member briefings, Kirkland 85th Street Station Area

DATE: July 5, 2023

We've prepared the following in response to questions you provided us earlier this month, and we'd be happy to provide any additional information you or members of the City Council would like to have.

1. Please provide equivalency rates for owned units at 90% and 100% AMI (equivalent to 1 unit at 80% AMI).

KZC 112.20.3.b. has a sliding scale for affordable, owner-occupied units:

b. In the CBD 5A, HENC 2, RH, TL and PLA 5C use zones, the 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%

An equivalent exchange rate would be:

One unit at 80 AMI equals:	at:
0.8 units	70 AMI
1.3 units	90 AMI

2.1 units	100 AMI
-----------	---------

2. Please describe ARCH's interpretation of how the RCW limits City's from increasing the mandatory inclusionary requirements.

This interpretation arises from (a) reading the law to imply some concurrency between new affordable housing requirements and increasing development capacity, and (b) information passed to us about the legislative intent.

RCW 36.70A.540(3) reads, in part:

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

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

WAC 365-196-870(2) provides (with underlining added):

(b) Counties and cities may establish an incentive program that requires a minimum amount of affordable housing that must be provided by all residential developments built under the revised regulations. The minimum amount of affordable housing may be a percentage of the units or floor area in a development or of the development capacity of the site under the revised regulations. These programs may be established as follows:

(i) The county or city identifies certain land use designations within a geographic area where increased residential development will help achieve local growth management and housing policies.

(ii) The city or county adopts revised regulations to increase development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions, or other regulatory changes or other incentives.

(iii) The county or city determines that the increased residential development capacity resulting from the revised regulations can be achieved in the designated area, taking into consideration other applicable development regulations.

Shortly after this law and these regulations were adopted, The Housing Partnership (a non-profit corporation formed by public and private stakeholders to develop programs and papers about affordable housing issues and solutions) published ["The Ins and the Outs: A Policy Guide to Inclusionary and Bonus Housing Programs in Washington."](#) Arthur Sullivan, then the ARCH Program Manager, participated in writing the paper,

along with attorney Patrick Schneider and others. Still accessible online, the paper may have influenced the creation of a number of local programs. It describes court cases and other events leading to adoption of HB 2984 in 2006; essentially, the bill intended to clarify authority for local governments to establish voluntary or mandatory programs and certain conditions for them to do so. The paper concluded:

A mandatory program must be tied to a change in zoning or other regulations that increase the development capacity of an area. Thus, if a city decides to upzone a neighborhood, it can require that anyone building in that area include a certain number of affordable units regardless of whether they actually build up to the new zoning. The justification of this requirement is that the property owner has been given increased land value by virtue of the upzone, and that increased value is the equivalent of an incentive under a voluntary program. Court cases have made it clear, however, that jurisdictions cannot unreasonably downzone property and then upzone it again with an affordability requirement attached.

The Municipal Research and Services Center of Washington has additional information at [MRSC - Inclusionary Zoning: One Approach to Create Affordable Housing](#).

Legal Basis for Inclusionary Zoning

State law ([RCW 36.70A.540](#)) provides authority for GMA cities and counties to establish mandatory requirements for the inclusion of affordable housing under certain circumstances; see also [WAC 365-196-870\(2\)](#). That statute allows a GMA city or county to require a minimum number of affordable housing units that must be provided by all residential developments in areas where the city or county decides to increase residential capacity (in other words, in areas it decides to upzone).

Before establishing such a requirement, a city or county must determine that such a zone change would further local growth management and housing policies.

We don't know of any documentation or court decisions that explicitly preclude cities from adding affordability requirements for development capacity they added in some previous rezoning action, but we believe that the more time that developers have enjoyed "a development right" under one set of requirements probably increases the risk from increasing those requirements.

3. *If an existing rental program participant's household income exceeds ARCH's limit does the household have to vacate the affordable unit? If so, when are they expected to leave?*

Standard ARCH member covenants allow tenants to increase their income and remain eligible up to 20 percentage points above the income limit for a unit—note that income limits increase every year with the HUD median income. For example, residents of a 50 AMI unit must qualify at that income level initially but can remain eligible if their income

doesn't exceed 70 AMI. Once a tenant has exceeded this "recertification" limit, they have a 90-day window before they lose access to their restricted rent. At this time, they may either pay market rent for the unit (so long as the property can designate a substitute comparable unit) or move out.

4. If an ARCH homeowner wants to sell their home, can they sell it at market rate? If not, how is a household expected to build equity and wealth through homeownership?

ARCH's Homeownership Program is a shared equity program designed both to enable homeowners to enjoy growth in home equity and to provide affordable homeownership opportunities for successive buyers. This is achieved by a resale formula that provides for appreciation based on specific factors. After utilizing a range of appreciation formulas over the years, including some tied to changes in real estate values, ARCH hired a consultant to study the performance of these formulas and recommend a single formula that best balanced these objectives. This study recommended a formula based on changes in the HUD median income, which has historically increased by about 3.75% annually, but in more recent years has accelerated as our region becomes wealthier. The ARCH Board adopted this recommendation in 2020.

5. Can you provide a comparative inclusionary zoning analysis between Kirkland and Redmond in response to what we hear from developers regarding Kirkland's deeper level of affordable housing requirements and its correlation with a lower total number of affordable units created under this requirement?

The question refers to data shown in Table 1 from the time since Kirkland's inclusionary zoning took effect.

Table 1. Total New Housing Units in Recorded Agreements (homeownership and rental), 2010 – Present; includes completed projects and projects still in development.

	Project s	50 AMI	60 AMI	70 AMI	80 AMI	100 AMI	Affordabl e Subtotal	Market- Rate	Total
Kirkland	25	124	16	23	52	16	231	2,129	2,360
Redmond	66	123	213	0	416	0	752	7,841	8,593

There are two obvious explanations for Kirkland's lower number of affordable units, compared to Redmond, that have nothing to do with Kirkland deeper affordability requirement.

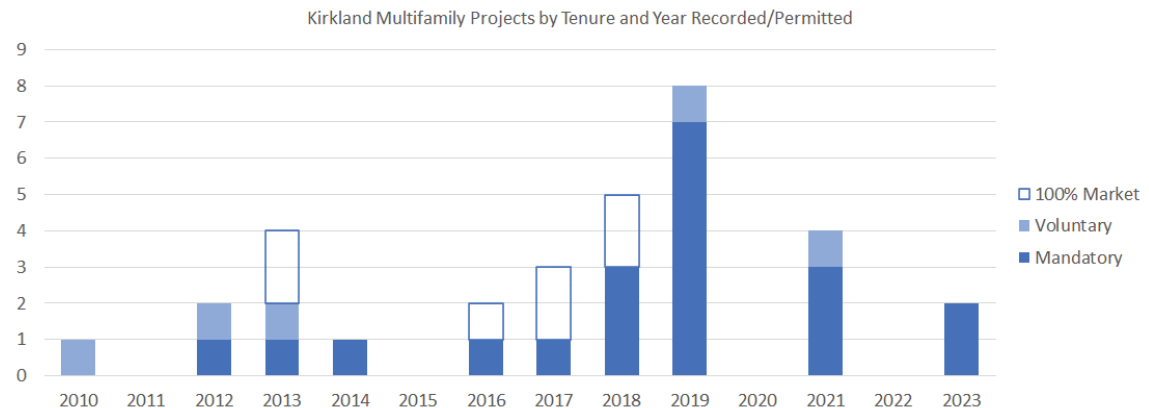
First, Redmond has experienced more than two times the housing growth of Kirkland during this period. Table 2 covers all zones of the city, including development without affordable housing requirements. Housing development in general was lower across Kirkland compared to Redmond.

Table 2. Net Housing Unit Growth (OFM, adjusted for annexations)

	2010 - 2022
Kirkland	4,053 (17%)
Redmond	8,986 (37%)

Has Kirkland's deeper affordability requirement caused multifamily developers to avoid Kirkland? The data does not appear to indicate this. Projects with and without affordability requirements have been built at roughly the same time, suggesting that factors other than inclusionary zoning, such as the availability of suitable development sites in areas rezoned for dense multifamily development, determined when and where housing was developed.

Figure 1.



Second, Redmond's program is far broader, geographically, than Kirkland's.

Redmond began mandatory affordability in 1993 for the downtown subarea when the city raised building height limits and eliminated density limits. The requirement for 10% affordable at 80 AMI applies both to renter- and owner-occupied housing regardless of zoning. The city gradually extended the program to other subareas as they completed neighborhood plans over the next 20 years. In the Marymoor district, the requirement is 10% at 50 AMI. Today only the Grass Lawn and Bear Creek neighborhoods lack inclusionary zoning. Kirkland began inclusionary zoning in 2009 and it covers only middle- and higher-density zones.

Beyond explaining why Redmond's produced more total affordable units than Kirkland, it is important to know that the affordability levels achieved by each city's programs are no longer that different. **Redmond adopted MFTE in 2017 to achieve affordability closer to Kirkland's level.** In the Downtown and Overlake districts, developments earn an 8-year tax exemption by dropping the affordability of the 10% set-aside (required by inclusionary zoning) from 80 AMI to 60 AMI. In Marymoor, the 10% at 50% AMI inclusionary requirement already qualifies a project for the 8-year MFTE. **Ten of the**

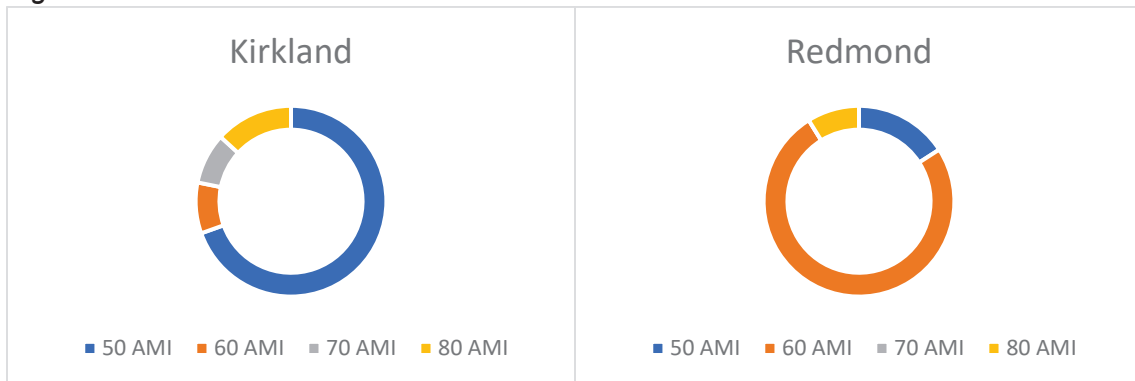
eleven projects with covenants recorded since MFTE adoption have chosen the 8-year exemption with 50 AMI or 60 AMI units. ¹

Table 4 and Figure 2 compares the production since Redmond adopted MFTE. Redmond continues to create more affordable units than Kirkland, even at comparable AMIs, because Redmond has permitted more development and their inclusionary program applies (almost) city-wide.

Table 4. New Rental Housing Units in Recorded Agreements, eligible for MFTE, 2018 - present; includes completed projects and projects still in development.

	Project s	50 AMI	60 AMI	70 AMI	80 AMI	Affordabl e Subtotal	Market- Rate	Total
Kirkland	9	121	15	15	23	174	1,399	1,573
Redmond	15	45	213	0	25	283	2,561	2,844

Figure 2.



Finally, the depth of affordability created by Kirkland's program is a significant public benefit that should not be undervalued. While the city could have designed the program to achieve more affordable units at higher income levels, the choice to target 50% AMI was an intentional one designed at serving populations with the greatest economic need.

In addition to on-site units, Kirkland's program has stood out by creating a steady stream of funding for affordable housing generated by fee in lieu payments for fractional units resulting from the 10% set-aside. For example, a 12-unit project would have a requirement of 1.2 affordable units. Redmond would gain only one affordable unit, but Kirkland gains one affordable unit and payment in lieu of 0.2 affordable units. So far, the city has collected nearly \$4.8 million in lieu of 17.8 units from 24 projects through this policy and used this money to leverage funding for affordable housing projects across

¹ Two projects with public funding – Capella at Esterra Park and The Together Center redevelopment – earned 12-year tax exemptions as “back-up” provisions in case unforeseen events cause them to lose their state tax exemptions.

the community—the vast majority of which have served households earning between 30-60% AMI.

ALTERNATE KZC 112 AMENDMENTS FOR COUNCIL CONSIDERATION

KZC 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY

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,~~ and transit-oriented development zones.

If you are interested in proposing four (4) or more residential units in commercial zones, high density residential zones, medium density zones, ~~or office zones,~~ or transit-oriented development zones or you wish to participate in the City's decision on such a project, you should read this chapter.

112.10 Purpose

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,~~ and transit-oriented development zones.

112.15 Affordable Housing Requirement

1. Applicability –

a. Minimum Requirements

- 1) All developments creating four or more new dwelling units in commercial, high density residential, medium density and office zones 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 or the Special Regulations for the specific use in Chapters 20 through 56 KZC. -For Transit Oriented Development in the PR 1.8 zone, see the permitted uses for the minimum amount of affordable housing to be provided and other requirements of this chapter that do not apply.
- 2) All developments creating new dwelling units in the Neighborhood Mixed Use (NMU), Civic Mixed Use (CVU), or Urban Flex (UF) zones regulated in Chapter 57 KZC shall set aside the following minimum percentage of their residential units as affordable units at the indicated Average Median Income (AMI) levels, based on the maximum allowed height for each zone shown in the NE 85th St Station Area Regulating Plan in Figure 2, KZC 57.10.030:

Station Area – Base Affordable Housing Requirements		
<u>Maximum Allowed Zone Height</u>	<u>Renter-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements</u>	<u>Owner-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements</u>
<u>Less than 65'</u>	<u>10% at 50% AMI</u>	<u>10% at 80% AMI</u>
<u>65' and Above</u>	<u>15% at 50% AMI</u>	<u>15% at 80% AMI</u>

Note that the minimum requirements for affordable housing units are applicable to the full development, including any units provided within the base height or capacity allowed for the zone. Options for alternative compliance with these requirements, and pioneer unit provisions, are shown in subsection 112.20.3.c KZC.

- b. Voluntary Use – All other provisions of this chapter are available for use in developments where the minimum requirement does not apply; provided, however, the provisions of this chapter are not available for use in developments located within the BN zone.
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 CBD 5A, RH 8, HENC 2, TL, Transit Oriented Development in PR 1.8, FHNC, BCX, ~~and NMU, CMU, UF, and PLA 5C~~ Zones – For developments in the CBD 5A, RH 8, TL, FHNC, BCX, TOD in PR 1.8, HENC 2, NMU, CMU, UF, and PLA 5C zones, the required amount of affordable housing shall be calculated based on the total number of dwelling units proposed.
4. Rounding and Alternative Compliance – In all zones, the number of affordable housing units required is determined by rounding up to the next whole number of units if the fraction of the whole number is at least 0.66. KZC 112.30 establishes methods for alternative compliance, including payment in lieu of construction for portions of required affordable housing units that are less than 0.66 units.

112.20 Basic Affordable Housing Incentives

1. Approval Process – The City will use the underlying permit process to review and decide upon an application utilizing the affordable housing incentives identified in this section.
2. Bonus –
 - a. Height Bonus – In RH 8, PLA 5C, FHNC, and TL use zones where there is no minimum lot size per dwelling unit, and for Transit Oriented Development in the PR 1.8 zone, additional building height has been granted in exchange for affordable housing, as reflected in each Use Zone Chart for the RH 8, FHNC and TL zones and tables for the PLA 5C and PR 1.8 zones.
 - b. Development Capacity Bonus – On lots or portions of lots in the RH 8 use zone located more than 120 feet north of NE 85th Street, between 132nd Avenue NE and parcels abutting 131st Avenue NE, in the HENC 2 use zone, and in the CBD 5A use zone, where there is no minimum lot size per dwelling unit, additional residential development capacity has been granted in exchange for affordable housing as reflected in the Use Zone Chart. On lots in the NE 85th St Station Area- NMU, CVU, and UF zones, additional residential development capacity and reduced parking requirements have been granted in exchange for affordable housing as reflected in Chapter 57 KZC.
 - c. Bonus Units – For uses in zones where the number of dwelling units allowed on the subject property is determined by dividing the lot size by the required minimum lot area per unit, two

(2) additional units (“bonus units”) may be constructed for each affordable housing unit provided. (See Plate 32 for example of bonus unit calculations.)

- d. **Maximum Unit Bonuses** – The maximum number of bonus units achieved through a basic affordable housing incentive shall be 25 percent of the number of units allowed based on the underlying zone of the subject property.
 - e. **Density Bonus for Assisted Living Facilities** – The affordable housing density bonus may be used for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25 percent of the base density of the underlying zone of the subject property.
3. **Alternative Affordability Levels** – An applicant may propose affordability levels different from those defined in Chapter 5 KZC for the affordable housing units.
- a. In use zones where a density bonus is provided in exchange for affordable housing units, the ratio of bonus units per affordable housing unit for alternative affordability levels will be as follows:

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

- b. In the CBD 5A, HENC 2, RH 8, TL and PLA 5C use zones, the 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%

~~c. To encourage “pioneer developments” in the Rose Hill and Totem Lake business districts, the definition of affordable housing for projects in the RH and TL zones shall be as provided in the following table. This subsection shall apply only to those projects which meet the affordability requirements on site or off site. This subsection shall not apply to those projects which elect to use a payment in lieu of constructing affordable units as authorized in KZC 112.30(4).~~

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

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

c. In the Station Area NMU, UF, and CVU use zones, the first 5% of total units in a development must be provided at the base required affordability level set forth in subsection 112.15.1.(a)(2) KZC, and the remainder of required units to reach the minimum set-aside established in that section may be provided at the equivalency ratios shown below:

<u>Affordability Level</u>	<u>Exchange Ratio</u> <u>(50% AMI unit : Equivalent AMI unit)</u>
<i><u>Renter-Occupied Housing</u></i>	
<u>60% of median income</u>	<u>1 : 1.3</u>
<u>70% of median income</u>	<u>1 : 1.7</u>
<u>80% of median income</u>	<u>1 : 2.0</u>
<i><u>Owner-Occupied Housing</u></i>	
<u>90% of median income</u>	<u>1 : 1.3</u>
<u>100% of median income</u>	<u>1 : 2.1</u>

When calculating the number of affordable units required for any of the alternate affordability levels, any fraction of a unit shall be rounded up to the next whole number.

Example Alternative Compliance Calculation

1. Calculate how many total affordable units are required under fixed base requirement.
 - Example: A 100-unit rental development (in a zone allowing heights at 65 feet or above) requires 15 units at 50% AMI (base requirement).
 2. At least 5% of (total) units must be provided at 50% AMI = 5 units at 50% AMI.
 3. Remainder of units (10 units per the base requirement) may be provided at the equivalency of a 50% AMI unit. For each 50% AMI unit not provided, the exchange ratio will be used to determine how many equivalent units (based on chosen affordability level) must be provided.
 - Example: Any of the below options could be used to fulfill remainder of affordable housing requirement:
10 units at 50% AMI = 13 units at 60% AMI; or
10 units at 50% AMI = 17 units at 70% AMI; or
10 units at 50% AMI = 20 units at 80% AMI.
- d. To encourage “pioneer residential development” in the Station Area NMU, UF, and CVU use zones with allowed heights 65 feet or higher, the below base (or fixed) pioneer provisions shall be utilized to calculate the minimum affordable housing units required for the indicated total number of units constructed in projects vested on or after the effective date of the ordinance codified in this section:

<u>Number of Total Units in NMU, UF, and CVU Zones</u>	<u>Renter-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements</u>	<u>Owner-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements</u>
<u>First 624 units</u>	<u>10% at 50% AMI, or the alternative affordability level options in KZC 112.20.3(c)</u>	<u>10% at 80% AMI, or the alternative affordability level options in KZC 112.20.3(c)</u>
<u>All subsequent units</u>	<u>Base requirements in KZC 112.15.1(a)(2)</u>	<u>Base requirements in KZC 112.15.1(a)(2)</u>

“Number of total units” shall mean the total number of housing units (affordable and otherwise) permitted to be constructed within the NMU, UF, and CVU use zones where affordable housing units are required and which have not received funding from public sources.

- ed. Depending on the level of affordability provided, the affordable housing units may not be eligible for the impact fee waivers described in subsections (5)(a) and (5)(b) of this section.
4. Dimensional Standards Modification – To the extent necessary to accommodate the bonus units allowed under subsection (2)(c) of this section on site, the following requirements of the Kirkland Zoning Code may be modified through the procedures outlined in this subsection. These modifications may not be used to accommodate the units resulting from the base density calculation.
- Maximum Lot Coverage – The maximum lot coverage may be increased by up to five (5) percentage points over the maximum lot coverage permitted by the underlying use zone. Maximum lot coverage may not be modified through this provision on properties with streams, wetlands, minor lakes or their buffers. In addition, this modification would require a shoreline variance as set forth in Chapter 141 KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter 83 KZC.
 - Parking Requirement – The required parking may be reduced to 1.0 space per affordable housing unit. No additional guest parking is required for affordable housing units. If parking is reduced through this provision, the owner of the affordable housing unit shall sign a covenant, in a form acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a maximum of one (1) automobile.
 - Structure Height – Maximum height for structures containing affordable housing units may be increased by up to six (6) feet for those portions of the structure(s) that are at least 20 feet from all property lines. Maximum structure height may not be modified through this provision for any portion of a structure that is adjoining a low density zone. This modification may be permitted or may require a shoreline variance as set forth in Chapter 141 KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter 83 KZC.

- d. Required Yards – Structures containing affordable housing units may encroach up to five (5) feet into any required yard except that in no case shall a remaining required yard be less than five (5) feet. A modification to the shoreline setback would require a shoreline variance set forth in Chapter 141 KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter 83 KZC.
 - e. Common Recreational Space – Common recreational open space per unit, when required, may be reduced by 50 square feet per affordable housing unit.
5. Impact Fee and Permit Fee Calculation –
- a. Applicants providing a greater number of affordable housing units or a greater level of affordability than is required by this code may request an exemption from payment of:
 - 1) ~~Road~~ Traffic impact fees as established by KMC 27.04.050; and
 - 2) Park impact fees as established by KMC 27.06.050.

The allowed exemption shall only apply to those units in excess of the minimum required by code unless the development will be utilizing public assistance targeted for low-income housing.
 - b. Applicants providing affordable housing units may request an exemption from payment of school impact fees as established by KMC 27.08.050.
 - c. Applicants providing affordable housing units are eligible for exemption from various planning, building, plumbing, mechanical and electrical permit fees for the bonus units allowed under subsection (2)(c) of this section as established in KMC 5.74.070 and KMC Title 21.
6. Property Tax Exemption – A property providing affordable housing units may be eligible for a property tax exemption as established in Chapter 5.88 KMC.
- a. Properties within the NMU, CVU, or UF Station Area zones utilizing alternate affordability options in subsection 112.20.3(c) shall not be eligible for the 12-year Multi-Family Tax Exemption described in Chapter 5.88 KMC.

From: Yin Lu <luyinbj@gmail.com>
Sent: Thursday, October 13, 2022 12:47 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Cc: 鲁轶Louis <luyi19870605@hotmail.com>; jiangsirm@gmail.com; yujia151992@gmail.com; hik.ze.c@gmail.com
Subject: current residents HUGE concerns on NE 85TH ST. STATION AREA PLAN – PHASE 2 – OCT 13 MEETING

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

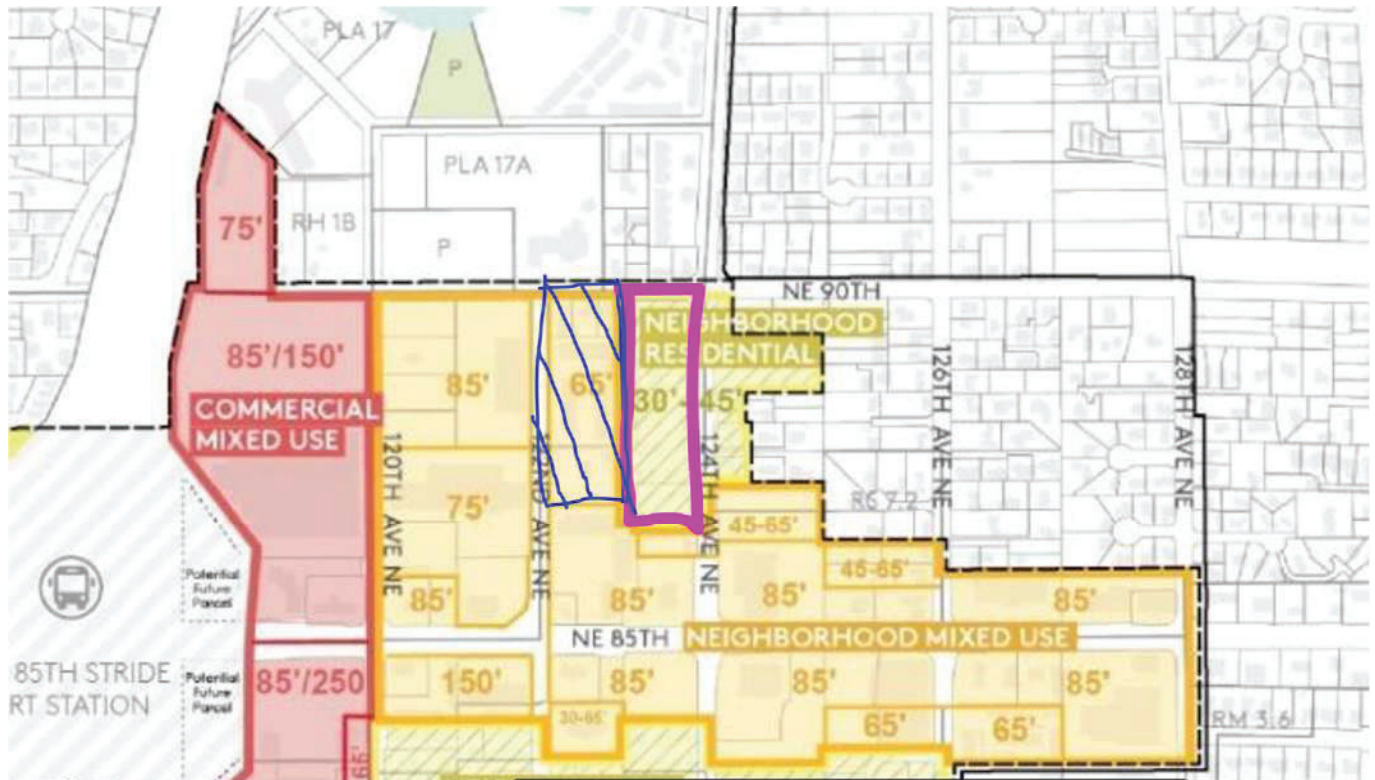
Hello there!

This is Yin Lu. I'm one of the owners of Highlands In Kirkland community (purple in the map). I'm writing this email on behalf of ALL the owners in my community (cc'd HOA board), willing to share our huge concerns on the rezoning in Phase 2.

Most of our houses are around 20ft tall and built very close to the propertyline on the left (5ft setback complied). We don't have concerns on sunshine nor privacy with **current** commercial buildings since they are at least 20ft away from the propertyline and only 2 stories. However, within the new zoning proposal, the Neighborhood Mixed Used zone (blue), the height limit is 65ft and setback is ONLY 5ft. We are having huge concerns about the **daylight, privacy and view** of our community.

We definitely support our city's future development, but also want to make sure we still can live in our houses with our children to enjoy family life under sunshine. We are looking for a lower max height limit with appropriate daylight analysis, as well as a larger setback since it will be a transition "zone" from commercial/mixed use to ALL residential.

We really hope you can take our comments seriously, and we will have rep join all the meetings for this Phase 2 development for further discussion.



Thank you!

Best,

Yin Lu

NOTICE: This e-mail account is part of the public domain. Any correspondence and attachments, including personal information, sent to and from the City of Kirkland are subject to the Washington State Public Records Act, Chapter 42.56 RCW, and may be subject to disclosure to a third party requestor, regardless of any claim of confidentiality or privilege asserted by an external party.

From: Christine Hassett <cmhassett@comcast.net>
Sent: Thursday, November 10, 2022 11:54 AM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Subject: NE 85th St Station Area Plan, FBC - grocery store

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I appreciate being able to view/take part in the Planning Commission in-depth study sessions regarding the NE 85th St Station Area Plan Phase 2.

In reviewing my personal notes of the October 27, 2002, meeting, I was reminded that Commissioner Reusser made a comment about offering an incentive for a grocery store. Commissioner Tymczynsyn added that the loss of the grocery store in Bridle Trails was significant.

As a resident of North Rose Hill, I know that it is essential that the area continue to have a large **grocery store**. Parking at the QFC on Redmond Way is very crowded and the designated underground parking for QFC at the Urban location can also be heavy. *Increasing the population in the area without maintaining a large grocery store would make it very inconvenient for residents.* I drive my vehicle to Safeway on NE 85th Street when I have a long list of items and will walk to this store when I have a shorter list.

Please be sure it is possible for a large grocery store with vehicle parking can be part of the NE 85th St Station Area Plan.

Thank you.
Christine Hassett

From: Scott Guter
Sent: Monday, November 14, 2022 8:31 AM
To: Colleen Clement; Allison Zike
Subject: Re: TIMELY REQUEST: Clarification on the 85th St SAP : Phase 2/PAO from PCA Kirkland (in time for the Nov 15th Public Hearing)

Colleen,

Building permits received and deemed complete will be vested to the Washington State building code in effect at the time of completion. That said, all development projects within the SAP are subject to [KZC 57.25.070](#) high performing building standards and energy and decarbonization requirements specified in this section related to the 2021 Washington State Energy Code.

Sincerely,

Scott Guter, AICP | LEED AP

Senior Planner | City of Kirkland | Planning and Building Department

425-587-3247 | sguter@kirklandwa.gov | <http://www.kirklandwa.gov>

From: Colleen Clement <cjconnect01@gmail.com>
Sent: Thursday, November 10, 2022 7:43 PM
To: Scott Guter <SGuter@kirklandwa.gov>; Allison Zike <AZike@kirklandwa.gov>
Subject: RE: TIMELY REQUEST: Clarification on the 85th St SAP : Phase 2/PAO from PCA Kirkland (in time for the Nov 15th Public Hearing)

Scott,

Thank you so much for getting back to me with a rapid and thorough response to my questions below.

I do have one further question regarding the timing of the SAP project and the July 1, 2023 effectivity date of the new WA State Energy Codes. Given that date, does that mean that all permits and development within the scope of the SAP will fall under the new codes requirements?

Thank you,
Colleen

From: Scott Guter <SGuter@kirklandwa.gov>
Sent: Thursday, November 10, 2022 5:07 PM
To: Colleen Clement <cjconnect01@gmail.com>; Allison Zike <AZike@kirklandwa.gov>
Subject: Re: TIMELY REQUEST: Clarification on the 85th St SAP : Phase 2/PAO from PCA Kirkland (in time for the Nov 15th Public Hearing)

Colleen,

Thank you for your comments and question. Below is staff's response. Your comments are related to draft zoning amendments that are before the Planning Commission. The Planning Commission is having a study session tonight on the proposed zoning for Phase 2 of the Station Area. The City has also tentatively scheduled a public hearing with the Planning Commission on December 8, 2022. Public comment and in-person testimony is encouraged at these meetings. To find out more about how to participate in Planning Commission meetings, please visit their [webpage](#).

1. *Our goal is to have the same baseline requirement of all electric buildings that was approved for Phase 1 also apply to Phase 2.*
2. Staff Response: The sustainability standards adopted in Phase 1 also apply to the Draft Phase 2 zoning amendments.
- 3.
4. *We also want Sustainability to remain as a key incentive benefit option.*
5. Staff Response: There will be no readjustments to the sustainability incentive benefits in the Draft Phase 2 zoning amendments.
- 6.
7. *And we are asking if the recently approved State Building Codes for Commercial and Residential requirements will be in place and enforced for all development under the SAP?*
8. Staff Response: Per Kirkland Municipal Code (KMC) Section 21.37.010 the City adopts the Washington State Energy Code and its amendments. The most recent amendments to the energy code will go into effect after July 1, 2023 (see WAC 51-11C).

Please let me know if you have any further questions.

Sincerely,

Scott Guter, AICP | LEED AP

Senior Planner | City of Kirkland | Planning and Building Department
425-587-3247 | sguter@kirklandwa.gov | <http://www.kirklandwa.gov>

From: Colleen Clement <cjconnect01@gmail.com>

Sent: Thursday, November 10, 2022 12:44 PM

To: Allison Zike <AZike@kirklandwa.gov>; Scott Guter <SGuter@kirklandwa.gov>

Subject: TIMELY REQUEST: Clarification on the 85th St SAP : Phase 2/PAO from PCA Kirkland (in time for the Nov 15th Public Hearing)

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Allison and Scott,

Hope all is going well.

I am reaching out on behalf of PCA Kirkland, to get clarification on below, as we move into the final approvals for the 85th St SAP and before the Nov 15th City Council Public Hearing.

With the pending finalization of the Form Based Code for Phase 2 and the Planned Action Ordinance for the entire project, we want to confirm how best to place our input.

We are not sure if it applies to the Form Based Code or the Planned Action Ordinance or some other documentation.

1. Our goal is to have the same baseline requirement of all electric buildings that was approved for Phase 1 also apply to Phase 2.
2. We also want Sustainability to remain as a key incentive benefit option.
3. And we are asking if the recently approved State Building Codes for Commercial and Residential requirements will be in place and enforced for all development under the SAP?

Sorry to get this to you with such short notice but thank you in advance for your response.

Colleen Clement
PCA Kirkland Steering Committee/ ETAG

NOTICE: This e-mail account is part of the public domain. Any correspondence and attachments, including personal information, sent to and from the City of Kirkland are subject to the Washington State Public Records Act, Chapter 42.56 RCW, and may be subject to disclosure to a third party requestor, regardless of any claim of confidentiality or privilege asserted by an external party.

From: Kya Aatai <kyatai@hotmail.com>
Sent: Thursday, November 10, 2022 2:13 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Subject: 11.10.22 - Planning Commission on 85th St Corridor Meeting - Public Comment

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Planning Commission members,

The 85th St Corridor should be zoned to become high density residential and commercial. By creating so many step backs, step downs, and areas of transition in a small block area you will limit developers ability to create viable projects on all but the largest pieces of land on 85th.

The same approach to zoning and planning was taken on Central in the early 2000's and that has resulted in a whopping grand total of 3 new projects along Central going towards Lake Washington Blvd in 20 years and 4 economic cycles. Instead of creating a more walkable and desirable thoroughfare with activated storefronts and ground floors, (which was the planners desire), the arbitrary and block by block zoning failed to create what it set out to do. Only in the last cycle of development (which was unprecedented in growth for the Eastside in general) did any new projects get done on Central in downtown Kirkland.

By replicating this very tight and narrow zoning on the 85th St corridor planning the planning commission will create only small isolated pockets of development (Google Campus & Petco) without projects up and down 85th being redeveloped to revitalize the corridor and actually create a walkable desirable area that people can use their bikes and legs to commute instead of their cars.

As an example - why does an area separated by a neighborhood street go from 150' to 85' height limit? Shouldn't the parcels closest to the 150' height limit be closer to 100' max allowable height? And 2 blocks away from that, the zoning height is 250'?! This doesn't promote harmonious organic growth. It promotes winners and losers, with the winners being Lee Johnson (Google) and Petco land owners and every other parcel owner having such tight restrictions on them that redeveloping the land becomes near impossible due to the cost of acquiring land in Kirkland to begin with.

The proof is in the pudding. It took almost 20 years and 4 economic cycles for Central to get 200 new units built. Why? Mostly because the planning commission at that time (with all the best intentions) came up with one of the most restrictive and arbitrary zoning plans I have seen in the State. The only

project of note for residential on Lake Washington Blvd that was done is backed by a billionaire (Continental & Lowtide). The only other residential related project on Lake Washington Blvd (retirement community) took several owners and years of lawsuits to get approved. Growth was funneled completely to Kirkland Urban and it is hugely apparent that Kirkland Urban is not connected to the rest of a walkable downtown because not enough projects can make the economics of development pencil due to the height restrictions, triangle height setbacks, half block by half block zoning changes, and other transition rules which have good intentions but come down to not making much sense. The same mistake is now due to happen on 85th ; Lee Johnson will become a 1.2M sqft Google campus, Petco site will turn into a large cold looking monstrosity and most of the rest of 85th wont change for many years. This is the opposite I am assuming of what everyone wants. So please reconsider so many rules and restrictions that create undue burden and effect on smaller properties (and keep them from being redeveloped) and instead promote higher overall density that Kirkland so badly needs.

Michael A.

NOTICE: This e-mail account is part of the public domain. Any correspondence and attachments, including personal information, sent to and from the City of Kirkland are subject to the Washington State Public Records Act, Chapter 42.56 RCW, and may be subject to disclosure to a third party requestor, regardless of any claim of confidentiality or privilege asserted by an external party.

From: OUR Kirkland <noreply-kirkland@qscend.com>
Sent: Wednesday, November 16, 2022 8:27 AM
To: Allison Zike <AZike@kirklandwa.gov>
Subject: A new Service Request has been created [Request ID #22619] (85th Station Area Plan) -

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

A new service request has been submitted and action needs taken.

Service Request Details	
ID	22619
Date/Time	11/16/2022 8:26 AM
Type	85th Station Area Plan
Address	8113 NE 110th Pl, Kirkland
Origin	Call Center
Comments	Dear City Council of Kirkland, I did not have the opportunity to make a statement regarding the 85th Street Planned Development including Google and all the Adjacent Properties that was presented at the Nov 15 meeting.

I did watch the presentation and Council Members' comments were very few except for John Pascal.

I strongly agree with Council Member Jon Pascal regarding the development of the Mixed-Use area- Residential and Retail.

Many of us in Kirkland are patrons to all those existing small retail stores, restaurants, and services along 85th. WE DO NOT NEED ANOTHER TOTEM LAKE. WE DO NOT WANT A CARBON COPY OR A RELATED SIBLING. This is NOT DIVERSITY, EQUITY, AND INCLUSIVENESS.

Many surveys and discussions regarding The Totem Lake Development and it's LACK OF inclusiveness, affordability, and ease of access have all been examined. What does the City of Kirkland plan to learn from the mistakes of the Totem Lake Development?

The Totem Lake Development was designed for a particular market sector and target demographic.

As Council Member Jon Pascal mentioned at the meeting on Nov 15, we do not want retail that is empty for long periods of time, we do not want "fancy" stores for the affluent.

I have been to Totem Lake many times ONLY for the movie theater and for repeated physical therapy sessions at Vida Integrated Health. Every time I have been there, is all I see is retail stores with no customers or very slow movement. I have tried almost every restaurant once and I have been very disappointed with most of them so far. Average food made to be "fancy" and over priced.

The 85th Street Corridor is where Kirkland goes for everyday service retail, some fast food, ethnic food, diverse retail that serves a REAL PURPOSE.

Also, many of us in Kirkland, Redmond, Bothell, and Woodinville are NOT HAPPY with the Google Expansion on 85th and it's lines of dominoes. What we do in Kirkland affects our neighboring Cities; our borders are very

intertwined and we all flow amongst ourselves for retail, services, food, medical, entertainment. etc.

Once I heard the rumors regarding 85th and I saw the Proposed Land Use Signs; I thought Oh NO, here we go again with Google and there goes (demolished) all the useful retail for "us ordinary folks".

First it was The Campus in Houghton, then the expansion of that Campus, then expanded again.

Then, Kirkland Urban which was supposed to be" for the people of Kirkland". Then, Google took over the Entire Property including the retail.

Then, Totem Lake was supposed to be a "new model" for residential and retail. It became a "new model" for the affluent to live and shop.

Interesting, Kirkland Urban and Totem Lake have no Drugstore, Shoe repair, Hair salon, Barber Shop, Petco, The Dollar Store, The Lime, Teriyaki Restaurant, etc. that "ordinary folks" like, want, and need.

Thank you for your time and consideration.

Lisa Berenson, LEED AP
lisab8186@gmail.com
206-409-3958

Submitter Berenson, Lisa
8113 NE 110th Place
Kirkland, WA 98034
206-409-3958
lisab8186@gmail.com

[View in QAlert](#)

From: Margaret Bull <wisteriouswoman@gmail.com>
Sent: Sunday, November 20, 2022 3:34 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Cc: Allison Zike <AZike@kirklandwa.gov>
Subject: FW: planning commission

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Planning Commissioners,

I listened to the last Planning Commission meeting and have a few comments that I would like to share again. The meetings seem repetitive and I don't feel it is going to make much difference if City Council ignores the Planning Commissions recommendations.

1. You can never require a particular business to be situated on any particular lot in the long term. As many of you might remember, during the last big recession many grocery stores across the country closed their doors. This affected the Eastside as well as other places in the state. Some of the stores that were closed were not replaced by another grocery store. Value Village needed big spaces and took over grocery store properties in the Finn Hill area and in downtown Woodinville. These stores are an asset to the area as many people are affected by inflation and the high cost of living. In this area, grocery stores have changed character providing lower cost goods (Dollar Tree and Grocery Outlet) or high-end goods (Met Market) which might not be as appropriate for the locals that live close enough to walk to.

There are many businesses that make a neighborhood shopping area desirable but cannot be guaranteed as the economy shifts and big companies make decisions that have nothing to do with the Kirkland resident's needs (or any plans the City Council might think up for the future). When I moved to Houghton there were three gas station/garages at the intersection of 68th and 108th/6th Street. Eventually only one survived sans garage

services. It has remained in high demand because it is close to the freeway and a convenience to the neighborhood. It would be unfortunate if it was forced out because of development since gas powered cars will be around for a long time. But I haven't heard anyone say how important having a gas station near the 85th freeway exchange is. Not everyone going along the freeway has a Costco card and there is no guarantee that Costco will stay at that location. I always thought it was questionable to put a gas station next to a wetland.

We want small businesses to survive in the developments you envision for the future but there is nothing the planning department can do to make sure we have a variety of neighborhood services available. There are too many other determining factors than what might be considered desirable by city planners. Large companies like Walmart, Right Aid, Costco or Starbucks force other smaller local shops to close down because of competition. Development may affect the parking situation or driveway location of current small shops resulting in hardship if access to their services is curtailed. I'll drive to a shopping center that has surface parking if a business only has a crowded garage with compact spots. One thing we have also seen is that businesses with drive-up facilities can be disruptive of local traffic patterns. For example, people trying to get into Starbucks at 122nd Ave NE to use the drive-up window sometimes totally block the street for through traffic. The City can change the code to disallow this use but as we saw with the pandemic they became essential. Who would have imagined that? And older citizens with limited walking ability really appreciate not having to get out of the car.

2. In your conversations about the 85th Street area, I don't believe you think about the retirement age population and their mobility challenges enough. Most of my aqua-exercise buddies are between 50 and 95. Many of them have trouble walking any distance or standing for a long time. Those that walk with a cane or walker cannot walk long distances. When crossing a wide street with many lanes they find it hard to make it across before the 'don't walk' sign flashes or people turning right on a red cut them off. Just watch a pedestrian trying to get across 85th Street at 124th Ave NE when people are in a hurry trying to get to the freeway or leave Costco. The danger to pedestrians is compounded at certain times during the year when the sun is glaringly bright in the morning or late afternoon when it is rising or setting. You see a future where people are biking and walking on a regular basis in this 85th Street area. Not everyone can bike especially when it is raining, or dark, or traffic is heavy, no matter what their age. (I don't see a lot of teenagers biking to the high school even now. Really, I wonder if you know what the percentage is.) My friends are not all able to use a bus to get to the Y where I exercise. They may not be able to get to this great development either because the buses don't frequent many areas where people actually live or a bus stop is not in easy walking distance. Walking with a cane or walker is slow going and often there are not enough benches along the way to rest. Just getting inside a building even with designated parking stalls available can be difficult. As the pandemic clearly showed, street front entrances often do not have parking in front but rather on the side or back of a building. If the only entrance open was the front entrance for screening purposes everyone had to walk around the building, even those with limited walking ability. ADA requirements are mostly geared for people with wheelchairs that can be pushed from a ADA parking stall no matter where it is located. They don't take into consideration all of the people that use canes or walkers. I really wonder how many of you saw the simulation video of the transit station. It might be a different plan now, but when I saw it the walking time from the street level to the bus stop took a long time and people were required to walk across the roundabout in order to transfer buses. And I can imagine there is going to be a lot of standing while waiting for a bus once you get there. So I hear your rosy outlook on the future of Kirkland being a city of walkers and bikers and I really question it. What will happen if the buildings go up in the 85th Street Corridor 10 years before the bus transfer station is completed?
3. It was also mentioned at the meeting the city code requires bike parking facilities in development plans. I hope the code specifies that this parking is in a secure location within the garage. No one wants to ride home on a bike that has been out sitting in the rain. Or get out of work and find their bike is missing a front wheel. I think developers should consider having a shower and dressing facility at parking garage level so that people arriving by bicycle can change. It is hard to ride a bike in a pencil skirt and high heels. I have seen this type of shower/locker room at the Microsoft building near the Bellevue transit station. Maybe that is something that can be required. The idea of sitting around at work in sodden clothes would keep many people from deciding to ride a bicycle to work.

4. Parking stalls are expensive so I understand why you might want to require less parking for affordable housing. The problem I see with that is whether or not people in affordable housing need a car less than anyone else. People in the service industry or trades like housekeepers and gardeners need a car to go to various works sites many of which will be in suburban areas without transit. Or they might be hospital workers working odd shifts when bus service is less frequent. Or perhaps they are teachers who can only get a job in a school district in a different county not served by Metro. There is no way to give affordable housing solely to people working at the businesses that will be in the 85th Street project.
5. Lastly, I want to again point something out that is happening in Redmond and other cities with new development. The city planners can outline requirements for so many guests parking spots and so many retail parking spots but have no way to enforce it. There is no assurance as to what type of retail, if any, will lease a building in the future that is under development currently. Maybe the retail only has 5 clients in two hours or 20 clients in 30 minutes or just walkup clients. Who can guess what the right amount of parking that will be needed? If a new out-of-state management company comes in they will make decisions that disregard what the planners envisioned. They may rent out all the parking stalls including guests spots and retail spots and EV charging spots to residents if there is a demand for more resident parking. You can make requirements for developers but it doesn't transfer down the line to those managing the buildings.

Sincerely,
Margaret Bull

NOTICE: This e-mail account is part of the public domain. Any correspondence and attachments, including personal information, sent to and from the City of Kirkland are subject to the Washington State Public Records Act, Chapter 42.56 RCW, and may be subject to disclosure to a third party requestor, regardless of any claim of confidentiality or privilege asserted by an external party.

From: Lisa McConnell <mcclacksmercy@gmail.com>
Sent: Friday, December 2, 2022 12:08 PM
To: Allison Zike <AZike@kirklandwa.gov>
Cc: Joel Pfundt <JPfundt@kirklandwa.gov>
Subject: Some questions about the 120th Ave study

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Allison Zike,

I have some questions regarding the 120th Ave study I am hoping you can answer for me. I have included them below as well as in the attached document. I am preparing a statement for the Planning Commission's Public Hearing on SAP Phase 2 Code as well as for Council prior to adoption. Answers to these would be most helpful in making an informed statement.

Thank you for your time,
Lisa McConnell

I am confused as to how many lanes are going to be on 85th from Station eastward. The June 28th Council packet shows the intersection of 85th below



Free Trial

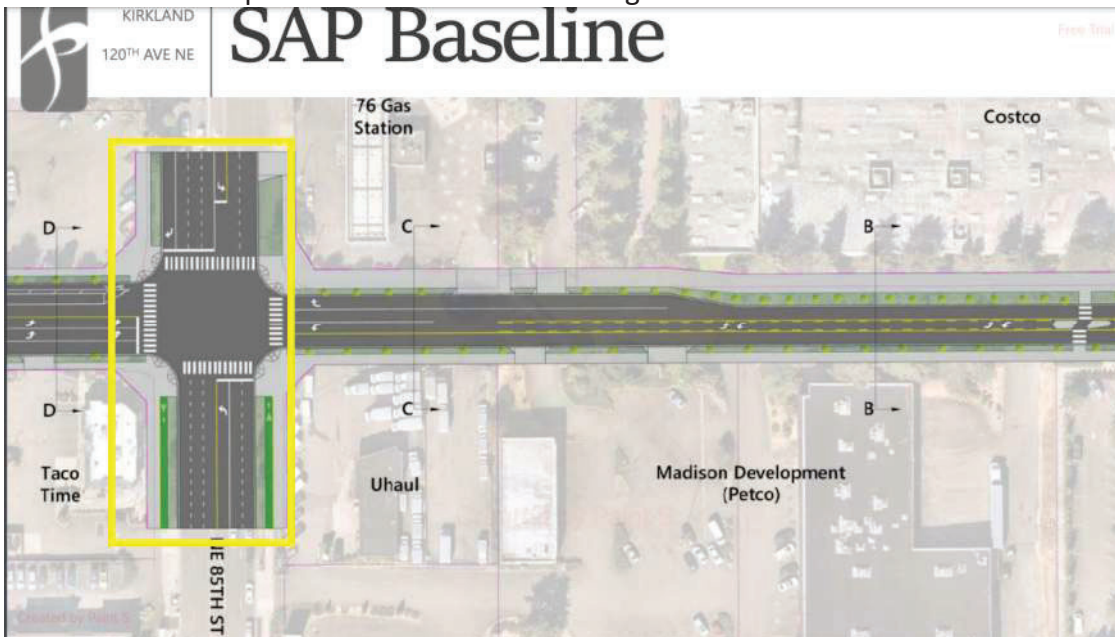


Source: Fehr & Peers

Representative:
NE 85th Street and 120th Avenue NE Improvements



The October Transportation Commission briefing shows a full 3 lanes eastbound on 85th AND a right turn lane:



Which of these two presentations is correct? How far east does the third lane go? 124th or the entire Station Area?

Who is paying for and constructing the extra eastbound lane on 85th? Sound Transit Station Construction, the City of Kirkland or Google? When is the time frame for this addition?

Is Google paying for/constructing the 2 left turn lanes (westbound to 85th)?

Is Google paying for/constructing the new intersection at 83rd?

Is 120th Avenue NE the only access point for the property west of the 76 Gas Station (8525 120th Av NE, Avio Support, The Goddard School) ? Will they have new access/exit on 85th in future?

Future Green Midblock Connection @ Sophia Way Women's Shelter, in particular, and Kirkwood Terrace. What are the plans for providing security at this vulnerable location but also allow access for these residents? Is City of Kirkland building this Connection or is this only when redevelopment occurs?

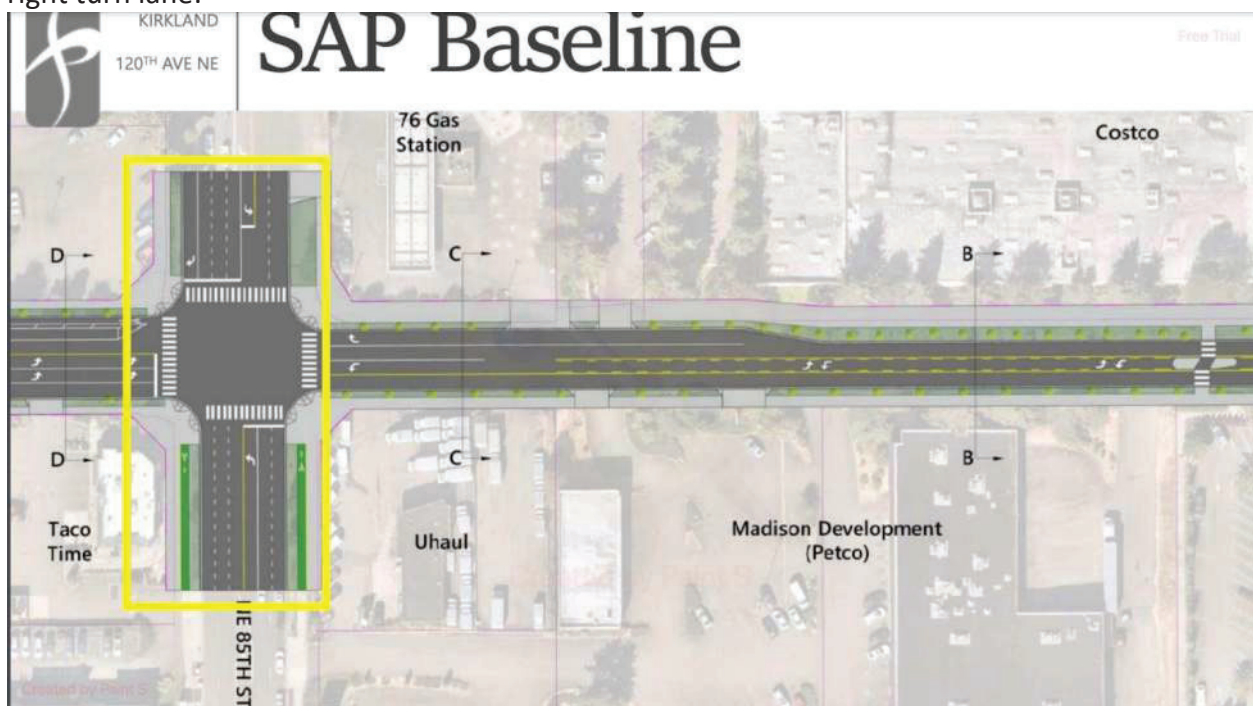
In the Alternative Plan for 120th Ave, it shows a possible parking/loading area between the Salt Church and Kirkwood Terrace. Who is this parking intended to serve? Is it time limited? Are there other restrictions such as permit only?

NOTICE: This e-mail account is part of the public domain. Any correspondence and attachments, including personal information, sent to and from the City of Kirkland are subject to the Washington State Public Records Act, Chapter 42.56 RCW, and may be subject to disclosure to a third party requestor, regardless of any claim of confidentiality or privilege asserted by an external party.

I am confused as to how many lanes are going to be on 85th from Station eastward. The June 28th Council packet shows the intersection of 85th below:



The October Transportation Commission briefing shows a full 3 lanes eastbound on 85th AND a right turn lane:



Which of these two presentations is correct? How far east does the third lane go? 124th or the entire Station Area?

Who is paying for and constructing the extra eastbound lane on 85th? Sound Transit Station Construction, the City of Kirkland or Google? When is the time frame for this addition?

Is Google paying for/constructing the 2 left turn lanes (westbound to 85th)?

Is Google paying for/constructing the new intersection at 83rd?

Is 120th Avenue NE the only access point for the property west of the 76 Gas Station (8525 120th Av NE, Avio Support, The Goddard School) ? Will they have new access/exit on 85th in future?

Future Green Midblock Connection @ Sophia Way Women's Shelter, in particular, and Kirkwood Terrace. What are the plans for providing security at this vulnerable location but also allow access for these residents? Is City of Kirkland building this Connection or is this only when redevelopment occurs?

In the Alternative Plan for 120th Ave, it shows a possible parking/loading area between the Salt Church and Kirkwood Terrace. Who is this parking intended to serve? Is it time limited? Are there other restrictions such as permit only?

December 11, 2022

City of Kirkland
Attn: Council Members

RE: Zoning of the neighborhood adjacent to the NE 85th Street Station Area

Dear City of Kirkland Council Members,

I would like to address the zoning of the neighborhood surrounding the NE 85th Street Station Area.

Now that there is a clear boundary for the NE 85th Street Station Area, I can't help but notice the extreme height difference between the Station Area boundary building height and that of the neighborhood residential height limit of 25-30 feet; specifically the properties on the South boundary between 122nd Avenue NE and 120th Avenue NE to the West.

There are four parcels located in this area commonly known as 8241, 8245, 8249, and 8251 122nd Avenue NE. These four property owners do not understand why there is such a drastic difference in height from 150 feet on the South Station Area Plan Boundary to 25 feet height on the two most southerly parcels of 8241 and 8245. There should be some sort of step down transition of height in this neighborhood residential zone.

While looking at the discrepancy, it would make sense to bring these parcels of 8241, 8245, 8249, and 8251 into the boundary of the NE 85th Street Station Area and provide zoning that is a logical transition within the boundary area.

Thank you for your time and consideration.

Respectfully,
Martin and Sharon Morgan

From: Joan Lindell Olsen <joanlouise@outlook.com>
Sent: Tuesday, February 7, 2023 5:52 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Subject: Testimony regarding the Station Area Plan

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This testimony is to request that the Planning Commissioners reevaluate the Station Area Plan, including the scope and timing, in light with the current economic situation and the fact that Google has terminated its contract to purchase the Lee Johnson Property. Until there is an anchor tenant, it seems that the Station Area Project should be delayed. Or maybe significantly minimized in scope.

This testimony is also to express my sincere happiness that Google is not buying the Lee Johnson Property, as the Kirkland Mayor and City Council were only concerned with an increase in tax dollars and ignored the impact to Lake Washington High School students and staff, traffic, and other concerns expressed by Kirkland residents which the Kirkland Mayor and City Council ignored. This was a complete breach of their fiduciary duties to represent the Kirkland residents and not the interests of corporations like Google and developers. With all the fake virtue signaling by Penny Sweet that she is for those who are in need, she seems to only want more tax dollars. I am happy that her greed was not rewarded here.

Joan

Joan Lindell Olsen
Kirkland resident since 1977

From: RAMOLA LEWIS <ramola_lewis_1014@comcast.net>
Sent: Friday, February 17, 2023 9:56 AM
To: Allison Zike <AZike@kirklandwa.gov>
Cc: Jane A <janeainbinder@gmail.com>; Huan Zou <huanzou@gmail.com>; Chris Stone <mrchrisstone@hotmail.com>
Subject: Rezoning of 7th Ave, LIT and form based code

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning, Allison,

As a representative of the Norkirk neighborhood and a board member there are a number of questions that have been raised about the rezoning of 7th Ave, LIT and form-based code. We are seeking clarification and appreciate your response to the following questions:

- 1) The proposal is to have the houses in zone 1 rezoned to the Urban Flex requirements. Will the rezoning become effective upon approval from the city council or only if there is a sale of the property? b) If the rezoning become effective immediately what happens if the property owners apply for a building permit for example to build a shed. Will the property owners now have to meet the UF code requirements?
- 2) What happens to the current businesses in zone 2 & 3? Can they continue to operate as businesses or do they have to make changes to their properties to meet the UF code requirements.
- 3) Were the businesses that provide employment in the LIT district consulted prior to formulating the requirements for the UF district?
- 4) It is my understanding from reading the information about the form-based model that the first floor in the UF district will be for commercial use such as retail stores etc. and therefore cannot be used as lobbies for the residential units. Is this correct?
- 5) What are the parking considerations for the UF area. Will there be a requirement to provide parking garages/parking spaces for the residential units?

6) The form-based code details frontage types, street types and transition requirements. Can you clearly indicate which frontage type, street type and transition type i.e., which definition is for which colored area on the map?

7) Have the heights, uses and street types and configuration detail codes been developed and if so when will we in the Norkirk area have access to review them?

8) In the Stationary Area Plan I understand that a street with trees can be designated as a linear park. Is this correct and if not, can you provide a definition for a linear park?

In addition to these questions is there a much more detailed picture rendering of 7th Ave and what is being envisioned other than what is available currently? An image would give the Norkirk residents a visual understanding of the changes.

Thank you for your guidance.

Ramola Lewis

From: Grace <glennil1@comcast.net>
Sent: Sunday, February 19, 2023 2:43 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Subject: Excessive Property tax

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Planning Commissioners,

I have been unjustly burdened with a disproportionate tax increase on my property at 12717 NE 86th Street. This for a Project to bring increased revenue to the area in a timeline pushed out far further than you originally planned. Why am I being made to pay now for a value in something which is 10 years away from any possible fruition? Please reconsider your property tax and make the lower adjustment now.

Regards,
Grace.

Sent from [Mail](#) for Windows

From: Lowell Rottrup <lmrottrup@gmail.com>
Sent: Monday, February 20, 2023 11:59 AM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Cc: Allison Zike <AZike@kirklandwa.gov>
Subject: Letter to Kirkland Planning Commission for 2-23-23 public hearing; from Lowell Rottrup and Ron Baunsgard, property owners, 672 7th Avenue, Kirkland

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

RSF Inc.
672 7th Ave
Kirkland, WA 98033
Parcel: 3885807305

February 20, 2023

Dear Planning Commission,

Our subject property on 7th Avenue has been an active usage of the LIT zone since the 1960's. We operated a petroleum distribution business serving retail gasoline stations, heating oil customers, and commercial and industrial businesses for 40 years in King, Pierce and Snohomish counties. In 2001, after removing all the underground storage tanks, we left the distribution business and began an outdoor RV and boat storage business, which continues to this day. In 2001, we also received a "No Further Action" letter from the WA Department of Ecology.

Almost 2 years ago, we decided to offer our property for sale to potential buyers wanting an LIT zoned property. Almost immediately, a self-storage buyer presented an offer, and we accepted. During the pre-application process, we learned of the City's desire to not allow future self-storage building applications, which was followed by the City Council's confirming of this new restriction for self-storage. The buyer rescinded the offer immediately.

We continued to offer the property for sale, but the LIT buyers were nervous about the economy and COVID conditions affecting new office buildings, and more importantly, the City's 85th Street Area Plan process affecting possible zoning changes for the 7th Avenue property owners. Last summer, we removed the For Sale sign and decided to wait for the City's 85th Street Area Plan to unfold while continuing the operation of our outdoor self-storage business.

In recent months, Ross Woods of Development Planning & Strategies, our land use consultant, has been in contact with Allison Zike in the Planning Department, helping us understand the 85th Street Area Plan, and specifically how this plan affects the 7th avenue corridor. Allison has been very helpful and has been calming our fevered brows.

As we understand, the Planning Commission's February 23rd meeting will be considering (among many other topics) potential rezoning of our and adjacent properties on 7th Avenue from LIT to Urban Flex. ***We have looked at the zoning change proposed and wish to voice our affirmation of the new Urban Flex zoning change, including increasing the building height limit from 35 feet to 45 feet.*** We believe this change will make our property more marketable and will help the City's goal of making 7th Avenue a more "vibrant" corridor than the current LIT zoning.

Thank you for reading our letter and considering our affirmation of the Urban Flex zoning.

Sincerely,

Lowell Rottrup and Ron Baunsgard
(206) 949-3062
lmrottrup@gmail.com

-----Original Message-----

From: Launa Johnson <launajohnson3@gmail.com>

Sent: Wednesday, February 22, 2023 5:30 PM

To: Planning Commissioners <planningcommissioners@kirklandwa.gov>

Subject: Comment on 85th plan

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello, the 85th street plan, is very important to me, because that is the heart of my driving , every day!
I have a High schooler at LWHS.

I am very concerned about the current flow, and the purposed flow!
Currently we have so many people all trying to get to all the important places at the same time!

So one big concern that I don't see addressed is the kids going to school! Walking, driving, either way, it's such a mess already, and to add more people, more traffic, and these kids are not the priority is very concerning!
We live in the Hylands , and if we time it wrong, it can take 20 min to drive 1 mile! There is no safe passage to walk, and if kids are our future let's take care of them! They need safety, they need less congestion!
Please reach out with QR codes big enough to scan and in places people can actually stop and read the information!
Protect the views, and beauty that is Kirkland! Allowing huge buildings would block the wonderful views we are so lucky to have! It makes my day to see those mountain ranges, and the lake as I take my son to school! Turning us into Bellevue is not what our city needs! We need to upgrade, but keep the small quaint feel! Please don't ruin Kirkland!

Thank you!

Hope you are healthy, happy, and Blessed!

From: Chad Vaculin <chad@housingconsortium.org>
Sent: Thursday, February 23, 2023 6:12 PM
To: Angela Rozmyn <ARozmyn@kirklandwa.gov>; Scott Reusser <sreusser@kirklandwa.gov>; John Tymczyszyn <JTymczyszyn@kirklandwa.gov>; Katya Allen <kallen@kirklandwa.gov>; Rodney Rutherford <rrutherford@kirklandwa.gov>; Sandeep Singhal <ssinghal@kirklandwa.gov>; Bria Heiser <bheiser@kirklandwa.gov>; Planning Commissioners <planningcommissioners@kirklandwa.gov>
Cc: Allison Zike <AZike@kirklandwa.gov>; Molly Judge <mollyj@imaginehousing.org>; Cliff Cawthon <cliff.cawthon@habitatskc.org>; kcfom@hotmail.com
Subject: EAHC Comment Letter - NE 85th Street Station Area Plan

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Kirkland Planning Commissioners,

On behalf of the Eastside Affordable Housing Coalition's (EAHC) 40+ members and 34 organizations, thank you for your continued diligence in making Kirkland a livable, equitable, and vibrant community. We appreciate the opportunity to provide comment on the NE 85th Street Station Area Plan. As a coalition who is deeply committed to addressing the necessity for a significant increase in the number of affordable homes in Kirkland, we thank you for your work on this plan and urge continued support for affordable housing to be the top priority through this redevelopment.

EAHC's co-chairs and our Kirkland representative are cc'd and we are happy to answer any questions that may arise. We look forward to partnering to meet the housing needs of all Kirkland residents.

Thanks,

Chad Vaculin (he/him)
Advocacy and Mobilization Manager
Housing Development Consortium of Seattle-King County
1326 5th Avenue, Suite 230
Seattle, WA 98101
www.housingconsortium.org

You're invited to our 35th Anniversary Celebration on March 30, 2023! [Learn more.](#)





February 23rd, 2023

Kirkland Planning Commission
123 5th Ave
Kirkland, WA 98033

RE: NE 85th Street Station Area Plan

Dear Kirkland Planning Commission:

Thank you for your diligence in securing Kirkland's future as a livable, inspiring, vibrant, and equitable community. The Eastside Affordable Housing Coalition (EAHC) is a group of 34+ organizations representing housing providers, direct service providers, faith leaders, Kirkland community members, and advocates who provide affordable housing and services to the City of Kirkland and across the Eastside. We are committed to meeting the needs of our neighbors and addressing the necessity for a significant increase in the number of affordable homes available to people living in east King County. We appreciate the good work that has gone into this plan and are grateful for the opportunity to comment on the NE 85th Street Station Area Plan.

Housing affordability is at a crisis level in Kirkland, and it will take all of us coming together with bold actions to address the crisis at the scale that we need. Department of Commerce projected growth data indicates that Kirkland will need to plan and accommodate for 13,200 new homes by 2044. Based on King County's jurisdictional draft housing need allocation, the overwhelming majority of these units will need to be for households at 80% area median income or below. To help meet this target and to meet the housing needs of Kirkland residents, **affordable housing should be the top priority when redeveloping NE 85th Street.**

As more and more people are being priced out of the city, it is more necessary than ever that we ensure that the essential workers who make Kirkland such a vibrant community are able to live in Kirkland. The NE 85th Street Station Area Plan is a unique opportunity to bring more housing near transit, benefiting the city in multiple ways. Adding density near transit is crucial and because things like land, sidewalks, right of ways, and utilities have already been paid for, the incremental cost of additional floors is significantly less to produce than more floor area in another location.

As a coalition deeply concerned with housing in Kirkland, the EAHC hopes that you will prioritize affordable housing in this plan and take the necessary steps to ensure that we meet the housing needs for all Kirkland residents. This area has great potential to become a model for affordable

housing and is an important element in addressing the housing crisis in Kirkland. We encourage you to take bold action and look forward to partnering with you in the future.

Sincerely,

Cliff Cawthon
Habitat for Humanity Seattle-King and Kittitas Counties (EAHC co-chair)

Molly Judge
Imagine Housing (EAHC co-chair)

Karina O'Malley
Lake WA United Methodist Church Safe Parking (EAHC Kirkland Representative)

Chad Vaculin
Housing Development Consortium (EAHC staff support)

A full list of EAHC members can be found on our [website](#).



PLUSH COMMITTEE

Planning, Land Use, Sustainability, & Housing

CAM20-00153
ATTACHMENT 5
PHASE 2 PUBLIC COMMENTS

bellevuechamber.org

425-454-2464

staff@bellevuechamber.org



February 23, 2023

Mayor Penny Sweet
City of Kirkland
123 5th Ave.
Kirkland, WA 98033

Re: Comments on Kirkland 85th Station Area Plan Zoning Recommendations

Dear Mayor Sweet and City Councilmembers:

As you are aware, our region's housing shortage is beyond crisis levels. Across the Eastside, housing prices and rent continue to increase as residents compete for an already-limited housing supply.

One way to address the supply of housing, as well as the need for affordable housing, is to appropriately zone land to encourage development, especially housing close to taxpayer-funded regional transit investments like Bus Rapid Transit. We applaud your effort to do just this in the 85th Station Area.

Your vision for a transit-oriented and walkable district with high tech and family wage jobs, plentiful affordable housing, sustainable buildings, park amenities, and commercial and retail services is the right one. However, we believe untested proposals to add an inclusionary housing requirement for midrise residential projects will stop the production of new, dense housing, and thus prevent this transit-oriented vision from becoming a reality.

A Regional Coalition for Housing (ARCH) prepared a memorandum included in your agenda materials recommending 20-25% of units in new residential projects in Neighborhood Mixed-Use zones with maximum heights of 65 feet or greater be restricted to households earning no more than 50% of Area Median Income. The ARCH memo states that it has completed an analysis supporting this recommendation, but detailed information and assumptions underlying that analysis have been withheld. Further, the memo is missing conclusions with respect to this recommended affordable housing set-aside. This is concerning, and there is reason to believe the ARCH assumptions are incomplete.

The memo notes that it assumes a value of \$380,000 per unit in midrise residential projects, and \$420,000 per unit in high-rise projects, but those numbers do not reflect the current state of the market.

Interest rates have driven up the cost of debt, and at the same time, construction and other soft costs have stayed flat or increased in our region. Current costs to produce even mid-rise housing is between

\$450,000 to \$500,000 per unit, and high-rise housing far exceeds that. The current market conditions must be considered, and any changes to housing programs or incentives must be calibrated for near-term production.

Before acting on any affordable housing set-aside of this magnitude, the City should give its own conclusions on the impact it would have on development of new residential projects and confirm that ARCH's assumptions are correct. As such, we recommend the City slow the consideration of ARCH's affordable housing set-aside recommendation until these assumptions are vetted publicly, and with feedback from local multifamily developers who would be building new multifamily housing in Kirkland.

The PLUSH committee has gathered an Eastside-focused coalition of experts in residential construction, development, and land use, and has retained both former planners and development economists to help inform any models or assumptions Eastside cities are using to develop critical housing policies.

ARCH has stated to us that their work is not yet ready for input from outside groups yet is being presented in a manner for policymakers to rely upon. While this is troubling, we believe it is correctable, and stand ready to engage both city leaders and ARCH representatives in developing more accurate tools for decision-making. The consequences of misaligning incentives or adopting regulations that do not fit market realities and will stymie supply, increase costs, and impact affordability.

Housing production at all income levels will continue to fail in meeting demand, and those fortunate few who can secure housing in our region will see their costs rise.

Kirkland leaders must take their housing obligations seriously and present several promising examples of how this focus is creating positive results. We hope you will engage our commitment and expertise as you develop further policies to complement your progress and vision.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Fain". The signature is fluid and cursive, with a large initial "J" and "F".

Joe Fain
President & CEO, Bellevue Chamber

CC:

Kurt Triplett, Kirkland City Manager
Kirkland Planning Commission

From: Kim Faust <kfaust@mispgroupplc.com>
Sent: Thursday, February 23, 2023 5:44 PM
To: Allison Zike <AZike@kirklandwa.gov>
Cc: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Subject: Station Area Plan Phase II Zoning Comments

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Planning Commissioners:

We would like to take this opportunity to provide some thoughts related to the proposed ARCH affordable housing requests included within the recent incentive zoning code proposal. I have attached a sample valuation impact of the cost to a developer of a 50% AMI affordable unit. This shows that the value impact of a 50% AMI affordable unit is between \$388k-\$444k depending on unit size. That is a direct cost to the overall project of that value multiplied by the number of affordable units required.

We are one of the most active private developers delivering affordable housing as part of our market rate developments. Over the past 10 years we have delivered 140 affordable units on the Eastside within the ARCH program with another 75 under construction. We have worked collaboratively with City's and ARCH towards solutions that integrate affordable units within our projects. Unfortunately, the current proposal from ARCH for the Station Area will have a reverse effect of what is intended, as the requirements are so far reaching that developers will not be able to get economics to work to allow projects to move forward. A few additional thoughts that I plan to testify on this evening:

- The City began this rezone process in 2019 and it has spent considerable resources to make the Station Area rezone a success.
- The Planning Commission has spent many hours guiding this process.
- And, as you are aware, a key to the rezone's success is making the economics of incentive zoning work, with affordable housing being identified as a key component to the incentive zoning package
- To be very clear here - the draft affordable housing figures do not work. Without additional revisions, this rezone will not result in the desired amenities, desired affordable housing, and desired growth because the incentives are not aligned with the market.
- In another City we looked at increasing # of affordable units in exchange for higher % of AMI units, even that did pencil. Affordable units are at a very high cost to developers.
- As the Planning Commission is aware, many elements of the rezone have received years of close scrutiny, such as increased height, transitions, and transportation.
- The same cannot be said for the incentive zoning affordable housing requirements.

- The affordable housing requirements were released for the first time last Friday, and they have not been subject to public review.
 - Based on our market analysis, the affordable housing incentives will make it virtually impossible to redevelop property as envisioned in this subarea.
 - The good news is that this issue can be fixed with collaboration from private developers like MainStreet.
-
- We ask the Planning Commission to ask Staff to revise the incentive zoning figures based on industry input, and to return back to the Planning Commission for further review *before* transmitting this package to Council for a final vote.
 - We are happy to provide City Planners and the Planning Commission with additional information to inform this convention.
 - We can get this right by working together and we are happy to participate collaboratively as we have on previous topics throughout the process with City Staff.

Thanks for the opportunity to provide our thoughts and comments.

Sincerely,

Kim Faust

SVP Development

MainStreet Property Group LLC



(425) 985 - 7734



kfaust@mspgroupllc.com



www.mspgroupllc.com



12332 NE 115th Place, Kirkland, WA 98033



Kirkland Affordable Housing Valuation Impact

Avg. Cost to Build Multifamily Residential Unit	\$	525,000	\$	525,000	\$	525,000
Annual Operating Expenses (assuming abated taxes)	\$	7,000	\$	7,000	\$	7,000

Monthly Rental Rates	Studio		1 Bedroom		2 Bedroom	
ARCH 50% Rent*	\$	918	\$	991	\$	1,182
ARCH 60% Rent*	\$	1,148	\$	1,208	\$	1,442
ARCH 70% Rent*	\$	1,350	\$	1,425	\$	1,702
ARCH 80% Rent*	\$	1,553	\$	1,642	\$	1,963

Annual Rental Income						
ARCH 50%	\$	11,016	\$	11,892	\$	14,184
ARCH 60%	\$	13,776	\$	14,496	\$	17,304
ARCH 70%	\$	16,200	\$	17,100	\$	20,424
ARCH 80%	\$	18,636	\$	19,704	\$	23,556

Per Unit Value at a 5 CAP (Annual Income-Expenses Divided by Capitalization Rate)

ARCH 50%	\$	80,320	\$	97,840	\$	143,680
ARCH 60%	\$	135,520	\$	149,920	\$	206,080
ARCH 70%	\$	184,000	\$	202,000	\$	268,480
ARCH 80%	\$	232,720	\$	254,080	\$	331,120

Per Unit Value Impact

ARCH 50%	\$	(444,680)	\$	(427,160)	\$	(381,320)
ARCH 60%	\$	(389,480)	\$	(375,080)	\$	(318,920)
ARCH 70%	\$	(341,000)	\$	(323,000)	\$	(256,520)
ARCH 80%	\$	(292,280)	\$	(270,920)	\$	(193,880)

*Net of required tenant allowance for utilities

From: Susan Davis <spicker76@yahoo.com>
Sent: Thursday, February 23, 2023 6:22 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Subject: Station Area plan Stage 2

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Planning Commissioners

I am writing to make a public comment on the Station area plan phase 2. I am not in favor of allowing building height over 85 ft east of NE 124th. The heights east of 124th Avenue should not be over 65 ft with bonus height adds

The city council is betting on a bus stop with NO park n ride that goes up and down 405 only. Why will people live in an expensive area like Kirkland to commute to Renton or Lynnwood for work?

BRT is not as impactful on transportation habits as light rail. These buses will get stuck in traffic as we no longer have dedicated Hov lanes. Hot lanes for anyone if they are willing to pay.

I think this zoning should be revisited after we figure out the stage 1 especially since Google backed out of the development plan the city council gifted Google. Thank goodness Google decided not to purchase Lee Johnson.

With the delay of the Sound Transit BRT 85th project and unknowns with even developing the Petco parcel and Lee Johnson why push the height east of this area in 2023. I think these decisions for phase 2 should be delayed.

I think if you establish vehicle and bike parking standards for the uses that were not in phase 1 you need to be conservative and require more parking not less.

More people and less parking will not work in this area.

Use townhouses to achieve medium densities. We don't need thousands of apartments. Encourage these housing types to help residents become homeowners.

Traffic is already a concern in the 85th street corridor and adding new growth will make it worse.

What are impacts on schools?

Thank you for your time and energy serving on the planning commission

Susan Davis

23 yr resident of Kirkland 19 yrs living in Rose Hill Neighborhood. Two children attending LWSD. Community volunteer.

From: Natalie Quick <natalie@nataliequick.com>
Sent: Thursday, April 27, 2023 5:18 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Cc: Allison Zike <AZike@kirklandwa.gov>; Adam Weinstein <AWeinstein@kirklandwa.gov>; Scott Guter <SGuter@kirklandwa.gov>
Subject: Comment letter for tonight's Commission meeting

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Kirkland Planning Commission:

Please find the attached comment letter from several Eastside multifamily developers on the Station Area Plan Affordable Housing Requirements on tonight's agenda.

We look forward to engaging further with you and appreciate the opportunity to comment.

Best,
Natalie

--

Natalie Quick | President & CEO
Natalie Quick Consulting
[206-779-0489](tel:206-779-0489) (p)
natalie@nataliequickconsulting.com (e)
Find me online: <http://www.nataliequickconsulting.com/>

April 27, 2023

Dear Kirkland Planning Commission:

We are a consortium of multifamily developers building housing across the Eastside. Collectively, we are responsible for the majority of new multifamily housing units constructed in the last five years in Eastside cities, and we are writing today from our perspective as housing providers of market rate and affordable units to share feedback on the proposed Station Area Plan Affordable Housing Requirements, which is an agenda item on tonight's Commission meeting agenda.

We can all agree our region needs hundreds of thousands of new housing units at all Area Median Income (AMI) levels to keep up with demand: market-rate, middle-income and subsidized low-income. As such, we applaud and appreciate the important work that the City of Kirkland and ARCH advance, supporting affordable housing programs on the Eastside. Our desire is that our feedback on the Station Area Plan Affordable Housing Requirements creates an opportunity for greater outreach and engagement with the City of Kirkland and ARCH on this topic.

All of us have experience participating in various King County municipal Multifamily Tax Exemption (MFTE) programs, as well as mandatory inclusionary affordable housing programs. This experience has taught us that affordable housing programs yield the most units when they are 1) clear and straightforward, 2) incentive-based, 3) and calibrated to yield the desired AMI without driving up the cost of market rate units or dampening market-rate supply. All of these programs rely on the creation of market-rate units to also create affordable units, so market-rate projects must "pencil" in order for *any* units (including affordable units) to be created. In short, Cities rely on market-rate developers to build the majority of affordable housing units.

The current economy challenges the delivery of multifamily units on the Eastside. High interest rates, high construction and labor costs, and tightening capital markets are already resulting in fewer projects, and there is no anticipated relief soon. Any new policies that add cost or time to build new housing should be carefully considered so as not to exacerbate our housing crisis, creating a multi-year strain on supply at all housing levels like occurred in the Great Recession and that we are still working to overcome.

With this in mind, our feedback on the proposed Station Area Plan Affordable Housing Requirements is as follows:

- **New housing policies must, on their face, yield more housing.** The city staff Memo accompanying tonight's discussion states on page four that "the ARCH and consultant analysis, which incorporates developer feedback, shows that projects would be infeasible (under current market conditions) with the recommended inclusionary zoning requirements. However, the analysis also concludes that projects

would be feasible when market conditions ease, which most regional economists expect to happen within the next few years.”

Adopting policy that does not work today will result in less housing. Adopting code that is predicated upon future, wholly speculative market changes that would be necessary for any projects to move forward will have a strong chilling effect on Kirkland’s multifamily market. Kirkland should work with developers to adopt something that pencils today and will yield the desired outcome for everyone. We acknowledge that real estate development is a cyclical business, but assuming today that the proposed requirements will pencil sometime in the future is gambling at best. That is not the right approach in a housing crisis.

- **New sticks should be paired with new carrots.** For all the economic reasons outlined above, we strongly support new housing policies that add incentives to support any expanded mandatory performance requirements. Increasing (or even maintaining) the performance percentage should be paired with meaningful incentives like increasing the AMI requirements, exemptions from impact fees for all units, waiver of parking requirements for all units, no requirement to provide free parking subsidies to affordable units, and others to ensure development can move forward now. We acknowledge Kirkland is increasing the theoretical density in the Station Area, but requirements like setbacks and stepbacks, parking, green factor, low impact / deep green development, street frontage and sidewalk standards, and others, when paired with today’s economic conditions will not lead to development. The cost to produce housing should be reduced wherever possible.
- **Shorter buildings, shorter MFTE participation is not the right approach.** As drafted now, and reflected in the table on page 4 of the staff Memo, the Station Area Plan Affordable Housing Requirements favor participation in the eight-year MFTE program and 65-foot buildings. The 12-year MFTE program and buildings taller than 65 feet are deterred through the added expense of additional mandatory below-market units and deeper AMI percentages. This is not the housing-friendly approach warranted near publicly-funded transit investments. Incentives should be explored that encourage developers to stay in the MFTE program longer and perform at greater mandatory percentages and deeper AMI levels. We welcome conversation with the City of Kirkland or ARCH to discuss workable solutions.

In closing, we strongly encourage Kirkland to explore and support new housing policies that spur new housing development and post-COVID market recovery. We believe this is your goal; but there is more work to be done to achieve it through these policy proposals.

Any mandatory inclusionary or MFTE program by default makes market-rate developers producers of new affordable and middle-income units. By adopting policies that admittedly don’t work, and therefore, curb future market-rate supply, the City will also be forgoing the new below-market units, creating a double-impact to Kirkland’s housing challenges. This is not the right answer for Kirkland or for our region.

We thank the City of Kirkland and ARCH for continuing the important mission to advance opportunities that create new affordable housing across the Eastside and look forward to continued opportunities to share solutions that will help ensure this result.

Sincerely,



From: Kim Faust <kfaust@mspgroupllc.com>
Sent: Monday, May 1, 2023 4:58 PM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>; Allison Zike <AZike@kirklandwa.gov>; Adam Weinstein <AWeinstein@kirklandwa.gov>
Cc: Jessica Clawson <jessica@mhseattle.com>
Subject: Station Area/MainStreet Follow Up

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City of Kirkland Planning Commissioners and Staff,

Thank you again for the opportunity to present and engage Thursday night at the Station Area inclusionary housing study session. I thoroughly enjoyed the questions and ideas, and believe there is a collaborative solution here. A few thoughts after the meeting:

1. Parking in Baseline Model. I believe in order to have BAE/ARCH run a fair model that the parking reduction value assumption needs to be removed. As Allison mentioned at the meeting developers are generally getting to 1.1 stalls per unit currently with a parking reduction study (cost is relatively minor in the scheme of things at around \$20k) and the SAP already shows a 1.1 to 1 ratio. Just because something is finally codified (even though you could do it before with a study) does not qualify as a "new" benefit that gives value to a developer. That will make this model much more informative, and it likely will tie closely to our model.

2. Rental Rates/Rent Study. The BAE/ARCH model appears to have way higher market rents than exist in the market. It appears a macro rent study was utilized and that is statistically irrelevant. The rents shown were probably indicative of new projects west of 405 like Boardwalk or Vue, which are in Downtown Kirkland. Downtown Kirkland is not a reasonable leasing comparison. The Rose Hill specific submarket should be utilized. We have done recent market research and even Bloom (brand new property on Rose Hill) in lease up is getting in the low \$3/SF. These rental rate assumptions should be

corrected within the model to realistic rental rates that are not downtown Kirkland rents. We have included some Co-Star data that supports the rents in these separate submarkets. A reliable rent study with appropriate comparables and associated rental rates would add credibility to this analysis. As you all know there are a lot of factors that influence rental rates within each subarea of Kirkland.

3. Local Case Study. As many of you requested a *local* case study that shows affordability policy success without other major incentives with 15% of units at 50% would be insightful. A California or North Carolina model is not applicable and should not be utilized. We are trying to be realistic. We are unaware of any City in Washington State with as high of a percentage of what are traditionally known as low-income units (below 60%) being required. Even if one may exist, we would appreciate a study of how many multifamily units have been produced since the regulation has been in effect. There is a limit as to how many low-income units can be provided by market rate developers.

4. Current ARCH analysis of affordable housing created. We think it important for ARCH to show how the existing 10% at 50% compares to other Eastside Cities and how they have actually created private affordable housing. It would be interested to benchmark the Eastside City's to see which policies have created the most successful private affordable housing. It would be great to see a table that shows:

- How many units were created within each city over the last 10 years without direct government subsidy.
- How many are privately owned?
- What policies and incentives have worked, such as that ability to 1:1 double count the MFTE program without any additional affordability requirements.
- True value of each incentive

5. MainStreet Underwriting. We have given you our straight numbers and are trying to be as transparent as we can. We cannot compromise from what we proposed. Other market rate developers would tell you that our returns are fairly low compared to those that they would require. Those numbers we provided are a minimum that we are able to accomplish to have a project proceed. I understand ARCH is trying to create policy that they think creates more affordable units. Instead they are pushing policy that will create no housing at all, and we fear the long term consequences for the City of Kirkland. Ultimately, we wonder whether the City is relying too much on private developers to provide low-income housing that is typically subsidized.

And finally, time is of the essence due to the inflationary pressures that we are facing in the construction. We own this land and we must get started on our entitlements. There is an opportunity

to start a catalyst community for the 85th Corridor that could be another great neighborhood within the City of Kirkland. We really need to be able to proceed within the June/July time frame if at all possible. Could the 85' and rest of zoning pass with the current 10% at 50% inclusionary requirements, with future requirement to be worked out over next few months? This could also allow us to serve as a catalyst project that is vested under the current inclusionary requirements, while the City takes the time to determine the correct policy in this location.

Appreciate your desire to get this right and work diligently on understanding all the issues. I am available for any questions or to discuss any of the items above or to help with additional analysis.

Thanks again!

Kim Faust

Co-President & Chief Development Officer

MainStreet Property Group LLC
(425) 985 - 7734

kfaust@mspgroupllc.com

www.mspgroupllc.com

5808 Lake Washington Blvd, Suite 203

Kirkland, WA 98033



Rent Comparables

13120 NE 85th St

Bloom Apartments

134 Unit Apartment Building

Kirkland, Washington - North Rose Hill Neighborhood

PREPARED BY



Heather Fahey
Property Manager



Avg. Vacancy Rate

8.9%

5/1/2023
Page 2

Rent Comparables Summary

13120 NE 85th St - Bloom Apartments

Property Name/Address	Rating	Yr Built	Property Size		Asking Rent Per Month Per Unit				Rent/SF
			Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed	
1 Vela 140 Lake St S	★★★★★	2023	140	803	\$2,192	\$3,178	\$6,680	\$13,283	\$4.86
2 Boardwalk Kirkland 434 Kirkland Way	★★★★★	2021	171	713	\$2,070	\$2,763	\$5,216	-	\$4.46
3 Radiate Apartments 15808 Bear Creek Pky	★★★★★	2021	326	613	\$1,801	\$2,117	\$3,419	-	\$3.28
4 Vue at Kirkland 11733 NE 131st Pl	★★★★★	1977	200	592	\$1,675	\$1,888	\$2,375	-	\$3.26
5 Edge Apartments 8356 165th Ave NE	★★★★★	2020	105	733	-	\$2,088	\$2,925	-	\$3.18
6 Kirkland Crossing Apartm... 10715 NE 37th Ct	★★★★★	2015	185	794	\$1,738	\$2,090	\$2,982	-	\$3.07
7 Aspect at Totem Lake 12540 120th Ave NE	★★★★★	2021	406	934	\$1,936	\$2,519	\$3,364	\$5,484	\$3.03
Bloom Apartments 13120 NE 85th St	★★★★★	2023	134	122	-	\$2,248	\$3,457	-	\$2.91
8 Uplund at Totem Lake by... 11723 NE 117th Ct	★★★★★	2021	409	802	\$1,787	\$2,167	\$2,724	\$3,199	\$2.89
9 Asbury Park 12821 126th Way NE	★★★★★	1978	161	674	\$1,585	\$1,810	\$2,097	-	\$2.81
10 SK Apartments 11415 NE Slater Ave	★★★★★	2009	52	822	\$1,532	\$2,069	\$2,942	-	\$2.60
11 Sandpiper East Apartments 1312 139th Ave NE	★★★★★	1974	224	538	\$1,160	\$1,315	-	-	\$2.41
12 Shadowbrook 8500 NE 148th Ave	★★★★★	1986	418	821	-	\$1,598	\$2,161	\$2,845	\$2.34
13 Cedar Heights Apartments 13215 NE 123rd St	★★★★★	1987	253	929	-	\$1,853	\$2,212	\$2,630	\$2.32
14 Capella at Esterra Park 2710 Tagore Ave	★★★★★	2022	261	781	\$1,305	\$1,402	\$1,678	\$1,933	\$1.96

Rent Comparables Photo Comparison

13120 NE 85th St



1 Vela



140 Lake St S
140 Units / 5 Stories
Rent/SF \$4.86, Vacancy -
Owner: -



2 Boardwalk Kirkland



434 Kirkland Way
171 Units / 7 Stories
Rent/SF \$4.46, Vacancy 11.7%
Owner: InCity Properties



3 Radiate Apartments



15808 Bear Creek Pky
326 Units / 6 Stories
Rent/SF \$3.28, Vacancy 10.4%
Owner: Fairfield



4 Vue at Kirkland



11733 NE 131st Pl
200 Units / 2 Stories
Rent/SF \$3.26, Vacancy 3.0%
Owner: Acacia Capital Corporation



5 Edge Apartments



8356 165th Ave NE
105 Units / 5 Stories
Rent/SF \$3.18, Vacancy 1.0%
Owner: Andrew R Goodrich



6 Kirkland Crossing Apartme...



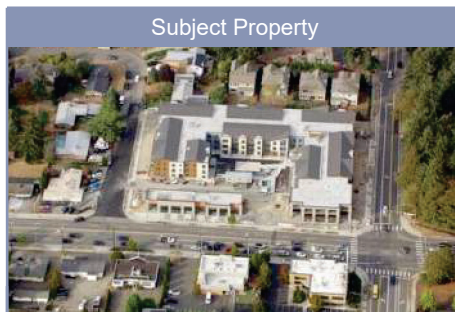
10715 NE 37th Ct
185 Units / 5 Stories
Rent/SF \$3.07, Vacancy 6.0%
Owner: Shelter Holdings



7 Aspect at Totem Lake



12540 120th Ave NE
406 Units / 7 Stories
Rent/SF \$3.03, Vacancy 9.1%
Owner: Fairfield;CenterCal Propertie...



Subject Property

8 Bloom Apartments



13120 NE 85th St
134 Units / 3 Stories
Rent/SF \$2.91, Vacancy 59.7%
Owner: Josh Lysen



8 Uplund at Totem Lake by Wi...



11723 NE 117th Ct
409 Units / 6 Stories
Rent/SF \$2.89, Vacancy 20.3%
Owner: GID Investment Advisors LLC



Rent Comparables Photo Comparison

13120 NE 85th St



- 9 Asbury Park** [↗](#)
- 12821 126th Way NE
161 Units / 3 Stories
Rent/SF \$2.81, Vacancy 14.9%
Owner: Weidner Property Manageme...
★★★★★



- 10 SK Apartments** [↗](#)
- 11415 NE Slater Ave
52 Units / 4 Stories
Rent/SF \$2.60, Vacancy 11.5%
Owner: Magma Equities
★★★★★



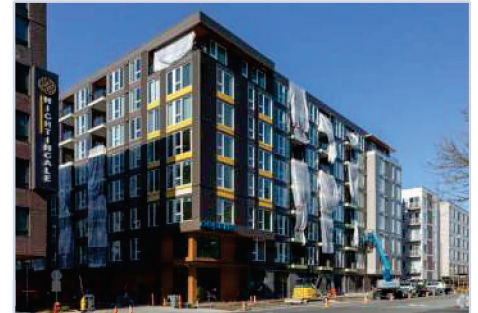
- 11 Sandpiper East Apartments** [↗](#)
- 1312 139th Ave NE
224 Units / 1 Story
Rent/SF \$2.41, Vacancy 0%
Owner: King County Housing Authority
★★★★★



- 12 Shadowbrook** [↗](#)
- 8500 NE 148th Ave
418 Units / 3 Stories
Rent/SF \$2.34, Vacancy 5.3%
Owner: Essex Property Trust, Inc.
★★★★★



- 13 Cedar Heights Apartments** [↗](#)
- 13215 NE 123rd St
253 Units / 3 Stories
Rent/SF \$2.32, Vacancy 5.9%
Owner: Hunt Pacific Management
★★★★★



- 14 Capella at Esterra Park** [↗](#)
- 2710 Tagore Ave
261 Units / 8 Stories
Rent/SF \$1.96, Vacancy 8.4%
Owner: Inland Group
★★★★★

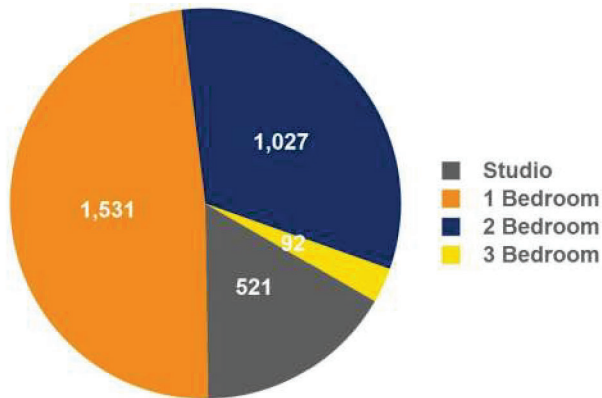
Rent Comparables by Bedroom

13120 NE 85th St - Bloom Apartments

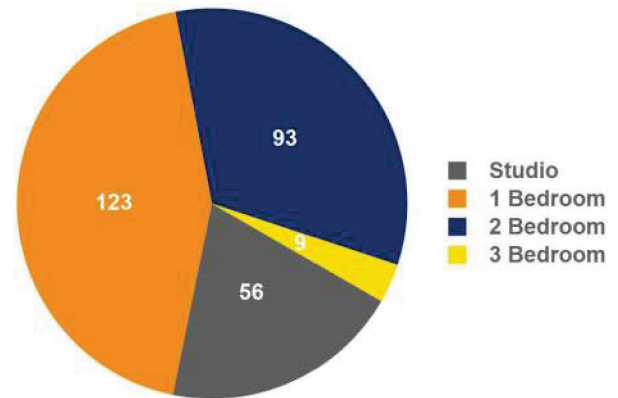
Studio Comps	One Bed Comps	Two Bed Comps	Three Bed Comps
\$1,718	\$2,043	\$2,691	\$3,141
Subject	Subject	Subject	Subject
-	\$2,248	\$3,457	-

Current Conditions in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Total Number of Units	524	1,644	1,048	95
Vacancy Rate	10.7%	8.1%	9.1%	10.0%
Asking Rent Per Unit	\$1,718	\$2,043	\$2,691	\$3,141
Asking Rent Per SF	\$3.32	\$3.03	\$2.70	\$2.63
Effective Rents Per Unit	\$1,704	\$2,030	\$2,672	\$3,115
Effective Rents Per SF	\$3.29	\$3.01	\$2.68	\$2.61
Concessions	0.8%	0.6%	0.7%	0.8%
Changes Past Year in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Year-Over-Year Effective Rent Growth	-5.1%	-2.7%	-3.7%	1.4%
Year-Over-Year Vacancy Rate Change	-6.4%	-8.1%	-6.8%	-10.3%
12 Month Absorption in Units	95	324	197	33

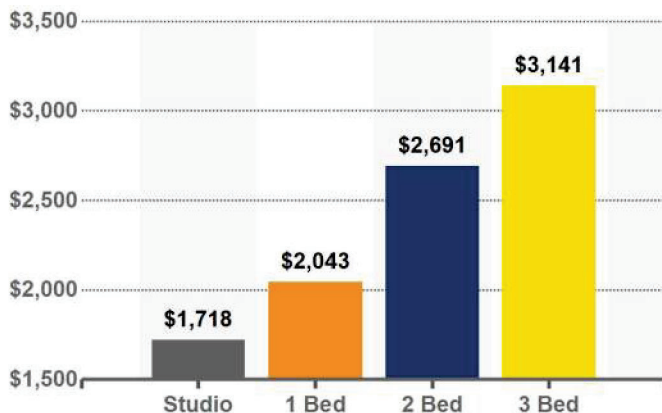
EXISTING UNITS



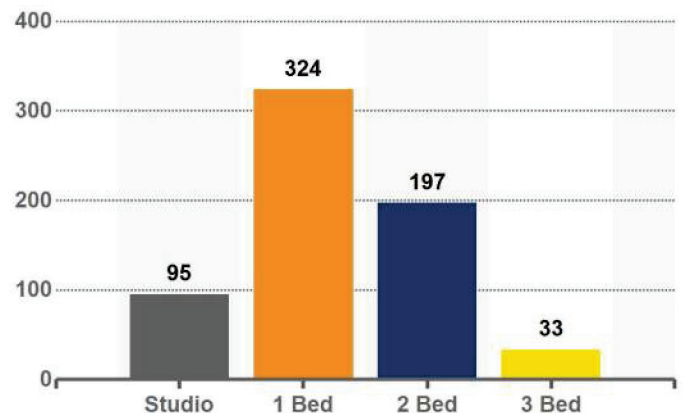
VACANT UNITS



ASKING RENT PER UNIT PER MONTH



12 MONTH ABSORPTION IN UNITS



One Bedroom Rent Comparables















13120 NE 85th St - Bloom Apartments

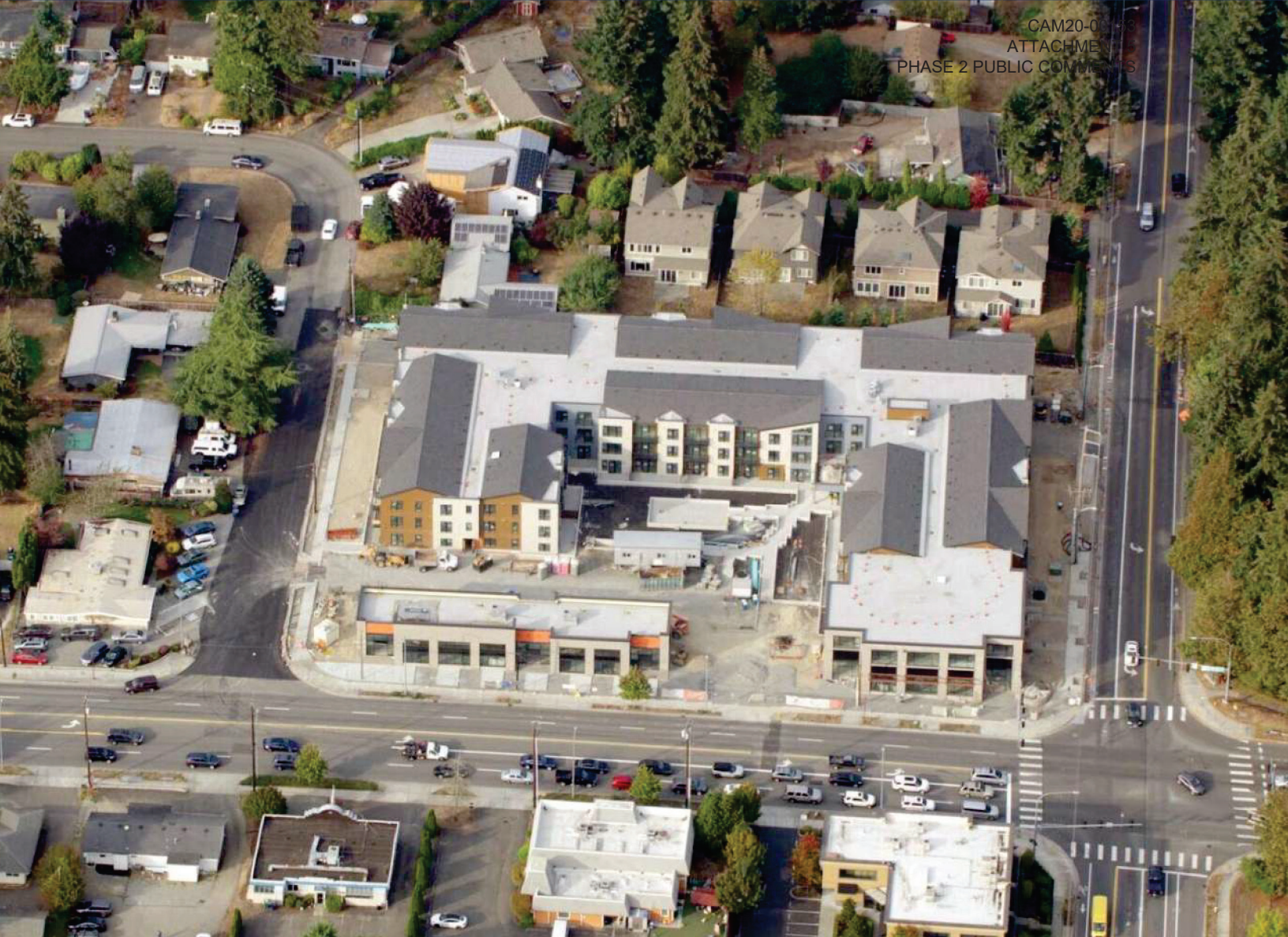
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Change in Rent	
				Quarter	Year
Vela 140 Lake St S	★★★★★	\$3,178 \$2,127 - \$4,895	\$4.37	1.2%	1.3%
Boardwalk Kirkland 434 Kirkland Way	★★★★★	\$2,763 \$2,205 - \$4,015	\$4.43	-0.3%	-9.5%
Aspect at Totem Lake 12540 120th Ave NE	★★★★★	\$2,519 \$2,250 - \$3,346	\$3.20	0.9%	-0.7%
Bloom Apartments 13120 NE 85th St	★★★★★	\$2,248 \$2,156 - \$2,800	\$2.91	0.1%	3.8%
Uplund at Totem Lake by Win... 11723 NE 117th Ct	★★★★★	\$2,167 \$1,844 - \$2,355	\$3.13	-4.3%	-10.1%
Radiate Apartments 15808 Bear Creek Pky	★★★★★	\$2,117 \$1,478 - \$2,440	\$3.14	-1.2%	-15.3%
Kirkland Crossing Apartments 10715 NE 37th Ct	★★★★★	\$2,090 \$1,825 - \$2,335	\$3.14	0.0%	9.3%
Edge Apartments 8356 165th Ave NE	★★★★★	\$2,088 \$2,035 - \$2,195	\$3.15	1.6%	0.8%
SK Apartments 11415 NE Slater Ave	★★★★★	\$2,069 \$1,702 - \$2,249	\$2.61	0.1%	-5.2%
Vue at Kirkland 11733 NE 131st Pl	★★★★★	\$1,888 \$1,825 - \$1,999	\$3.16	3.9%	-6.0%
Cedar Heights Apartments 13215 NE 123rd St	★★★★★	\$1,853	\$2.65	-0.4%	6.0%
Asbury Park 12821 126th Way NE	★★★★★	\$1,810	\$2.78	0.8%	-7.9%
Shadowbrook 8500 NE 148th Ave	★★★★★	\$1,598 \$1,364 - \$1,739	\$2.38	3.6%	-13.3%
Capella at Esterra Park 2710 Tagore Ave	★★★★★	\$1,402	\$1.98	0.2%	12.4%
Sandpiper East Apartments 1312 139th Ave NE	★★★★★	\$1,315 \$1,315 - \$1,315	\$2.36	0.0%	5.5%

\$0 \$1,500 \$3,000 \$4,500 \$6,000

Two Bedroom Rent Comparables

13120 NE 85th St - Bloom Apartments

Property Name/Address	Rating	Two Bedroom Rent Per Unit	Rent/SF	Change in Rent	
				Quarter	Year
Vela 140 Lake St S	★★★★☆	\$4,495  \$6,680 \$10,700	\$5.77	0.0%	0.4%
Boardwalk Kirkland 434 Kirkland Way	★★★★☆	\$1,637  \$5,216 \$7,855	\$4.49	0.2%	-5.1%
Bloom Apartments 13120 NE 85th St	★★★★☆	\$3,457 	-	1.1%	1.6%
Radiate Apartments 15808 Bear Creek Pky	★★★★☆	\$1,642  \$3,419 \$3,716	\$3.11	5.9%	-3.1%
Aspect at Totem Lake 12540 120th Ave NE	★★★★☆	\$2,911  \$3,364 \$4,225	\$2.82	0.8%	-4.4%
Kirkland Crossing Apartments 10715 NE 37th Ct	★★★★☆	\$2,700  \$2,982 \$3,847	\$2.98	-2.2%	4.4%
SK Apartments 11415 NE Slater Ave	★★★★☆	\$2,799  \$2,942 \$3,006	\$2.71	0.1%	-6.8%
Edge Apartments 8356 165th Ave NE	★★★★☆	\$2,925 	\$3.22	16.3%	17.2%
Uplund at Totem Lake by Win... 11723 NE 117th Ct	★★★★☆	\$2,220  \$2,724 \$2,912	\$2.64	-0.8%	-13.2%
Vue at Kirkland 11733 NE 131st Pl	★★★★☆	\$2,375 	\$3.19	2.2%	-2.1%
Cedar Heights Apartments 13215 NE 123rd St	★★★★☆	\$2,105  \$2,212 \$2,355	\$2.22	0.0%	5.6%
Shadowbrook 8500 NE 148th Ave	★★★★☆	\$1,969  \$2,161 \$2,419	\$2.32	2.9%	-15.0%
Asbury Park 12821 126th Way NE	★★★★☆	\$2,097 	\$2.53	4.5%	-8.4%
Capella at Esterra Park 2710 Tagore Ave	★★★★☆	\$1,678 	\$1.85	0.2%	12.7%
		\$0 \$3,000 \$6,000 \$9,000 \$12,000			



Construction Survey

13120 NE 85th St

Bloom Apartments

134 Unit Apartment Building

Kirkland, Washington - North Rose Hill Neighborhood

PREPARED BY



Heather Fahey
Property Manager

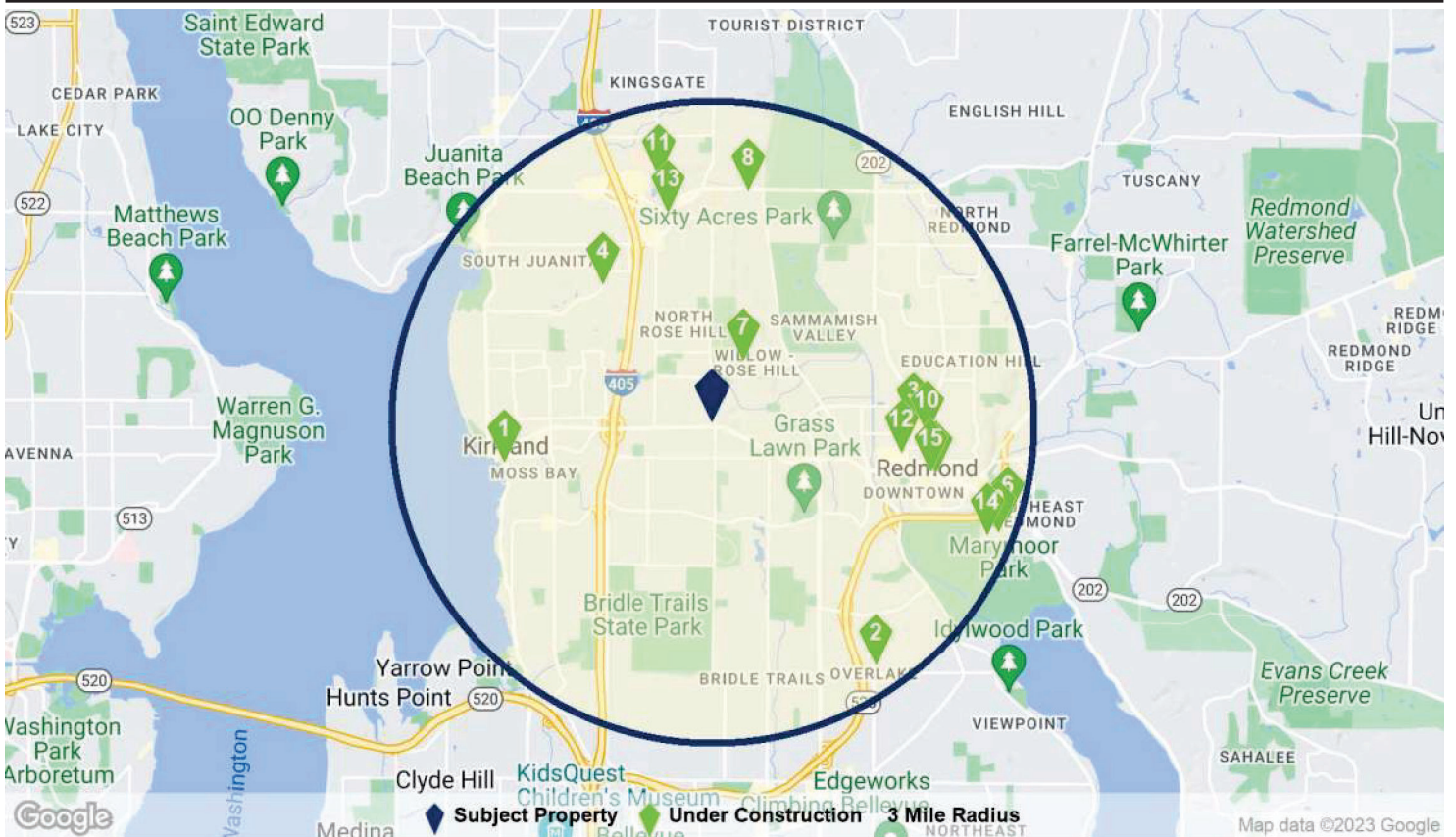


Under Construction Properties

13120 NE 85th St - Bloom Apartments

Properties	Units	Percent of Inventory	Avg. No. Units
15	3,432	13.6%	228

UNDER CONSTRUCTION PROPERTIES







UNDER CONSTRUCTION SUMMARY STATISTICS

	Low	Average	Median	High
Property Size in Units	20	228	211	486
Number of Stories	2	5	5	13
Average Unit Size SF	736	1021	775	2323
Star Rating	★★★★★	★★★★★ 3.5	★★★★★	★★★★★
Estimated Delivery Date	Jun 2023	Jan 2024	Jan 2024	Apr 2025
Months to Delivery	1	8	8	23
Construction Period in Months	11	22	23	34




Under Construction Properties

13120 NE 85th St - Bloom Apartments

COMPLETIONS WITHIN NEXT 3 MONTHS

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
 Vela 140 Lake St S	★ ★ ★ ★ ★	140	5	May 2021	Jun 2023	-
 Eaves Redmond Campus 15606 NE 40th St	★ ★ ★ ★ ★	214	3	Dec 2021	Jul 2023	AvalonBay Communities, Inc. AvalonBay Communities, Inc.
 Polaris at Together Center 16305 NE 87th St	★ ★ ★ ★ ★	200	-	Feb 2021	Aug 2023	-
 The Pine 10930 116th Ave	★ ★ ★ ★ ★	140	4	Mar 2022	Aug 2023	- MainStreet Property Group LLC

COMPLETIONS 3-6 MONTHS AWAY

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
 Redmond Grand Phase I 16595 Redmond Way	★ ★ ★ ★ ★	311	6	Dec 2021	Sep 2023	Legacy Partners Residential Legacy Partners Residential
 Spectra 17620 NE 69th Ct	★ ★ ★ ★ ★	450	5	Oct 2021	Oct 2023	Lennar Lennar
 Encore at Rose Hill By C... 9717 138th Ave NE	★ ★ ★ ★ ★	20	2	Jan 2021	Nov 2023	Century Communities, Inc -

COMPLETIONS MORE THAN 6 MONTHS AWAY

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
 Goodman Willows Devel... NE 124th St @ Willows	★ ★ ★ ★ ★	195	5	Feb 2022	Jan 2024	- Tri Pointe Homes, Inc
 The Spark 17515 NE 67th Ct	★ ★ ★ ★ ★	211	5	Mar 2023	Feb 2024	- MainStreet Property Group LLC
 Redmond Sunrise Apart... 8460 164th Ave NE	★ ★ ★ ★ ★	93	6	Nov 2022	Feb 2024	- Pastakia & Associates
 Grata at Totem Lake 12410 NE Totem Lake Way	★ ★ ★ ★ ★	125	7	Sep 2022	Mar 2024	TWG Development TWG Development
 8075 161st Ave NE	★ ★ ★ ★ ★	251	13	Feb 2023	Aug 2024	- Trammell Crow Company
 Slater 12045 Slater Ave NE	★ ★ ★ ★ ★	486	7	Oct 2022	Sep 2024	Fairfield Fairfield
 The Piper 17305 NE 67th Ct	★ ★ ★ ★ ★	284	5	May 2022	Sep 2024	Quarterra Quarterra
 Redmond Grand Phase II 16502 Cleveland St	★ ★ ★ ★ ★	312	6	Mar 2023	Apr 2025	Legacy Partners Residential Legacy Partners Residential

From: Kim Faust <kfaust@mspgroupllc.com>
Sent: Tuesday, May 30, 2023 8:15 AM
To: Planning Commissioners <planningcommissioners@kirklandwa.gov>
Cc: Adam Weinstein <AWeinstein@kirklandwa.gov>; Allison Zike <AZike@kirklandwa.gov>; Jessica Clawson <jessica@mhseattle.com>
Subject: Station Area Inclusionary Housing Comments

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Planning Commissioners,

We have reviewed the Staff recommendation for the Station Area Inclusionary Housing and still do not believe the data has been provided by ARCH/Staff to justify their position or that they have shown proof that the result of their proposal will provide additional inclusionary housing in Kirkland. As a private developer our model has been shared with many and validated by other local and national developers in the area. We have also done the work and research to show what we can make work. MainStreet Property Group has provided the most amount of affordable housing by a market rate developer on the Eastside over the past 8 years, providing 140 units complete and operating, with 147 units currently under construction. We understand what can be effective.

1. We again disagree with the Staff recommendation and model. We have shown the BAE model is flawed, and ultimately produces bad policy that will result in no new housing. The new recommendation is essentially the same as the last version. The back up to the model is not accurate due to the overinflated value of parking reductions which already exists within the code.
2. The data provided in the recent Planning Commission package appendix to support successful affordable housing shows that 15% of units at 50% AMI clearly does not exist as there is not one example locally or nationwide that can point to successful inclusionary housing at that level. What is evident is that the City of Redmond program is working. That has produced over 850 affordable units or almost 70% of units on the Eastside. Their program requires 10% at 80%(with an option to lower to 50% to achieve the MFTE), it makes projects feasible and incorporates affordable housing in every building throughout most zones in the City. The out of state examples show that the 15% at 50% is part of an affordable housing bonus density

program where the base density includes much lower requirements. The local examples are all at a higher AMI and/or lower percentage. These are not in any way proof that ARCH/Staff proposal will work.

3. As a result of the April meeting and some of your requests for who the 50% and 80% affordability serves, we wanted to provide the attached data to help determine who the City of Kirkland is trying to provide housing for. It is important to remember that even if someone qualifies at 50% they could stretch and pay the 80% rent. However, if someone qualifies at 80% they cannot live in 50% rent restricted projects. If the goal is to try and provide affordable housing for the most amount of people in need then 80% really should be considered as an option. The professions that fall into the 80% category include firefighters, teachers, nurses, admin tech workers, Uber drivers, etc. These are people that need to live in the community in which they work. See attached table for very relative information.
4. We believe something like the below could work.

Option D

Total Units	Affordability Option	Notes
25% of the available units within the Station Area (1558 units)*	10% at 50% AMI OR 20% at 80% Applicants choice	Allows a few catalyst projects to spur growth in Station Area with Google's removal from Lee Johnson Site
Remaining units within Station Area	To be evaluated within a set time period	

*Vesting to occur at completion of Conceptual Design Conference.

We are available to discuss further, openly review our model or discuss solutions that can work.

Thanks,

Kim Faust

Co-President & Chief Development Officer
MainStreet Property Group LLC

 (425) 985 - 7734
 kfaust@mspgroupllc.com
 www.mspgroupllc.com
 5808 Lake Washington Blvd, Suite 203
Kirkland, WA 98033



City of Kirkland Inclusionary Housing
May-23

Job Description	Average Salary*	80%				50%			
		2 Person Household		2 Person Household		4 Person Household		4 Person Household	
		Max Income	ARCH Guidelines	Max Rent**					
City of Kirkland Firefighter	\$ 74,448								
Lake Washington School District teacher	\$ 92,880								
Microsoft/Google Admin	\$ 81,120								
Grocery Store Checker	\$ 43,992								
Amazon Delivery Driver	\$ 54,080								
Nurse at Evergreen Health(6-9 yrs experience)	\$ 82,389								
Fast Food Manager	\$ 41,600								
City of Kirkland Firefighter and Part Time Teacher	\$ 105,648								
Restaurant General Manager	\$ 75,000								

* Assuming full time positions in Kirkland, WA. Sources include Indeed and Job Postings for current job openings. When a range of salary was provided the average was utilized.
** Assuming 1 bedroom for 2 people and 2 bedrooms for 4.

Scott Guter

From: Natalie Quick <natalie@nataliequick.com>
Sent: Wednesday, May 31, 2023 2:00 PM
To: Planning Commissioners
Cc: Allison Zike; Adam Weinstein; Scott Guter
Subject: Comment letter for tonight's Commission meeting
Attachments: Kirkland Planning Commission Housing Letter 5.31 FINAL w logos.pdf

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Kirkland Planning Commission:

Please find the attached comment letter from several Eastside multifamily developers and housing-related organizations on the Station Area Plan Affordable Housing Requirements on tonight's agenda.

We look forward to engaging further with you and appreciate the opportunity to comment.

Best,
Natalie

--

Natalie Quick | President & CEO
Natalie Quick Consulting
[206-779-0489](tel:206-779-0489) (p)
natalie@nataliequickconsulting.com (e)
Find me online: <http://www.nataliequickconsulting.com/>

May 31, 2023

Dear Kirkland Planning Commission:

We are a consortium of multifamily developers building housing across the Eastside. Collectively, we are responsible for the majority of new multifamily housing units constructed in the last five years across Eastside cities, including the majority of the new affordable housing units in Kirkland. **We are writing today to continue advocating for housing policies in Kirkland and across Eastside cities that will help build more housing – not hinder it.**

Specifically, we are weighing in again on the NE 85th St Station Area Plan Affordable Housing Requirements from City staff and ARCH, which is an agenda item on tonight's Commission meeting agenda.

We can all agree our region needs hundreds of thousands of new housing units at all Area Median Income (AMI) levels to keep up with demand: market-rate, middle-income and subsidized low-income. As such, we applaud and appreciate the important work that the City of Kirkland and ARCH advance, supporting affordable housing programs on the Eastside.

Our feedback is focused on the core economic principle that **all new housing created helps increase housing supply and thus, affordability**. Our housing crisis is fundamentally an undersupply problem, and we must work together to solve it. Market-rate units built today become workforce housing units 10 years from now. Every unit of subsidized low-income housing built by non-profit housing developers meets a deep need that will be on the market for the long-term. A robust, properly calibrated, Multifamily Tax Exemption Program ensures middle-income housing is incentivized within market-rate buildings. And, at some point, a dedicated housing revenue stream may be needed in Kirkland to ensure greater below-market production is generated year-over-year.

In the last decade or so, it has become commonplace for municipalities to turn to market-rate multifamily buildings as a resource for everything from transportation or school impact fees, energy and carbon reduction requirements, public open spaces, transportation improvements, and on-site or fee-in-lieu affordable housing requirements. Over time, these exactions compound and drive up the cost of rent.

Kirkland's current mandatory inclusionary requirement of 10% of units at 50% area median income (AMI) is bold. It asks market-rate developers to produce the same level of below-market units that non-profit affordable housing developers are given financial subsidies to create – except in this instance, market-rate developers receive no incentive or subsidy. The costs are woven into the project proforma and if it "pencils", then the reduced rents received by 10% of renters in the building are added to the rents of the remaining 90% of renters in the building. In sum, the requirement increases the cost of market-rate housing, which means housing is generally less affordable for everyone.

We have evaluated the proposal options City staff and ARCH staff put forward and simply put, they do not work in today's market, nor are they guaranteed to work in any future market.

We shared in our previous letter – and this cannot be emphasized enough – **the current economy challenges the delivery of multifamily units on the Eastside and throughout our region.** High interest rates, high construction and labor costs, and tightening capital markets are already resulting in fewer projects, and there is no anticipated relief soon. And while indeed, real estate is cyclical, the current economy is unpredictable and unprecedented. One of the reasons for our current crisis is that it took many years for unit production to recover after the Great Recession. We implore you to use the past as a lesson and do everything you can to speed production of housing in this market—so that we do not find ourselves in an even deeper housing crisis in five years.

Any new policies that add cost or time to build new housing should not be considered. Such policies exacerbate our housing crisis, and have created a multi-year strain on supply at all housing levels.

With these principles in mind, our feedback on the proposed Station Area Plan Affordable Housing Requirements is as follows:

- The King County Housing Needs Dashboard, linked on page three of today's Staff Memo, shows the second greatest need next to 0-30% AMI, which would be considered homeless or transitional housing, is 120% + AMI, or market rate units. In fact, the identified 120% + AMI need (81,762 units) is greater than the combined need for new 31%- 80% AMI units (70,589 combined units). As such, Kirkland should be focusing on policies that increase production of market rate units. Overburdening market rate buildings with new deep AMI requirements hinders what the County has identified as a strong need for new housing on the Eastside.
- Basing new housing policy on recommendations that admittedly do not work in today's market is not a sound approach and undermines the production goals outlined in the City's Housing Strategy Plan. Today's staff memo states *"...typical rental projects would likely be infeasible (under current market conditions) both in existing zoning and proposed zoning with recommended inclusionary zoning requirements. However, the analysis also concludes that projects would be feasible when market conditions ease, which most regional economists expect to happen within the next few years."*

The current recommendation to increase the mandatory requirement to 15% of units at 50% AMI leaves out a significant amount of need at varying AMI levels. Anyone earning 51% AMI (above \$45,300 annually) is left out of the ability to benefit from these subsidized units.

The alternate compliance path of 18% of units at 60% AMI or 9% at 50% AMI / 9% at 70% asks developers to subsidize too many units without *significant* new incentives that would offset these costs.

If Kirkland adopts the proposed mandatory inclusionary requirements, it will have the second-most stringent affordable housing requirements for new market-rate construction on the Eastside. As the saying goes, if you want to increase production of apples, don't tax the apple farmer – particularly in an apple recession. It also sends a signal to the market that Kirkland is not supportive of new development. While we are primarily local developers who know differently, we build projects with national capital partners. These partners have choices where to place investment, and those sources will be discouraged by this strong signal against housing production.

- We agree with City and ARCH staff that potential new incentives (impact fee waivers, building code amendments, permit streamlining) could help offset the costs of increasing the mandatory affordability program and should be analyzed in the City's upcoming Comprehensive Plan process – but that work has not yet begun. A discussion around increasing mandatory requirements and / or lowering AMI should not happen in advance of the very public and important upcoming Comprehensive Plan policy work and should not happen in advance of actual adoption of those measures to reduce cost. Any increase in required affordability should be adopted simultaneously with adequate new incentives.
- Because the Comprehensive Plan work has not been initiated, it is unclear if the potential trade-off of decreased new near-term (0-5 years) market-rate housing production is 1) the intended goal of these policies or 2) is the sacrifice the City is willing to make to ensure some new production of units at 50% at some point in the next 10-12 years. These are significant policy decisions that will have long-term ripple effects on national / global capital sources and developers evaluating new housing investments in Kirkland and deserve full review and study as part of the Comprehensive Plan process.
- The City and ARCH should also study the various other tools in the "housing toolkit" that increase efficient production of housing at all AMI levels to reach its Housing Goals. Is an onerous inclusionary requirement the most efficient way to obtain 50% AMI units, or are there other tools that more efficiently deliver these low-income units? Would a housing voucher system more efficiently allow effective delivery of lower income units? This analysis has not been completed, and decisionmakers are left without proper analysis of all of the potential options that may actually be better at producing lower income units.

In closing, we strongly encourage the City of Kirkland to reaffirm its commitment to housing production by allowing the 10% mandatory requirement at 50% area median income to stand and adding further discussion about changes to this program to support housing production as part of its upcoming Comprehensive Plan process, including recalibration of the MFTE program, fee waivers, and permit streamlining.

This also allows significantly greater public input into a process that has not featured input from a broader group of stakeholders and the Kirkland community.

We thank the City of Kirkland and ARCH for continuing the important mission to advance opportunities that create new affordable housing across the Eastside and look forward to continued opportunities to share solutions that will achieve this result.

We are also grateful to the Planning Commission for your ongoing deliberate and thoughtful engagement on this complex topic you continue advancing an environment conducive to housing production in the city.

Sincerely,



From: Meredith Holzemer <mholzemer@mcrtrust.com>
Sent: Tuesday, June 6, 2023 3:28 PM
To: Planning Commissioners
Subject: Public Comment re: 85th Station Area Plan

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Commissioners:

My name is Meredith Holzemer, and I am a Houghton resident, and also a multifamily developer at Mill Creek Residential. You may know me due to my involvement with our code amendment last year for the Bridle Trails/Tech City Bowl site.

We had our 3.5 hour long design review board meeting last night for the Bridle Trails site, and we hope to move ahead on our project soon. Our 370-unit project is subject to the 10% at 50% AMI requirement. I can tell you that affordable requirements, combined with an unpredictable design review board, and very stringent deep green and setback requirements, result in a project that marginally works from a financial perspective. We have already had one financial partner drop our project, and we are lucky to have a new financial partner who is currently interested in helping to fund this project. The 10% at 50% requirement is a very difficult affordable requirement that is more than most other jurisdictions—it is barely doable.

If the affordable requirement had been 15% at 50%AMI for this project, I can tell you that it would not be built, and I cannot tell you when financial conditions would be such that it would be built. We likely would not have continued with the project and would not have remained under contract with the current property owners.

As a market-rate housing developer in Kirkland, I understand that Kirkland relies on developers like me to provide both the market-rate housing in Kirkland as well as the bulk of the affordable housing in Kirkland. As a resident in Kirkland, I'm interested in keeping Kirkland affordable to many ranges of incomes, and also producing housing to address our housing crisis. For this reason, I advocate for the 85th Station's affordability requirement to stay at 10% at 50% with an 8-year MFTE, and an alternate option of 20% at 80% with a 12-year MFTE. I also think the City should take a look at different tools it can deploy to effectively deliver different levels of affordability. For example, under 50% AMI cannot be efficiently provided by market rate developers, so the City needs to provide other tools to deliver these units. The City should also simultaneously be looking at ways to make housing production more efficient for affordable and market rate developers alike. We have endured 3, 3.5 hour design review meetings for our project. The City's process is long and unpredictable; changing some of these constraints will assist housing to be built more quickly.

Sincerely,

MEREDITH (MESSMER) HOLZEMER | MANAGING DIRECTOR
Mill Creek Residential
1417 116TH Avenue NE | Suite 208 | Bellevue, WA 98004
D 425.739.7678 | C 206.419.0234
mholzemer@MCRTrust.com





June 7, 2023

City of Kirkland Planning Commission
123 5th Avenue
Kirkland, WA 98033
Via Email

Dear Planning Commissioners,

We thank you for your collaborative approach so far and appreciate the intention of the recommendation that came out of the most recent Planning Commission Meeting. Ensuring the delivery of affordable housing in a way that is feasible to construct and that will be realized by the community within a rational timeframe is imperative. It is important to recognize that the conclusion the PC came to in their recommendation is *very ambitious and bold* and will put Kirkland in the category of one of the most aggressive mandatory affordable housing programs in the state and likely the country. This recommendation pushes market-rate developers to their maximum feasibility and does not prohibit the creation of badly needed affordable housing by supporting regulation that makes new development unfeasible. In our case, we own the land and are able to make 10% at 50% or 20% at 80% or a pro-rata share of each work for our project. For new developers looking to purchase property in the area, this scenario likely will take years for a property to be desirable under even the PC proposed inclusionary housing policy. The policy is a stretch and takes a leap of faith for the development community to provide support of the recommendation.

For zoning that is passed today, please keep in mind that large-scale projects within the City of Kirkland take at least 24 months from project conception to building permit issuance plus another 20-26 months to build. A total of 4 years until this housing is built.

We also wanted to call attention to the 5,800 units in the pipeline referenced by Director Weinstein at the previous meeting and shown on the City of Kirkland website. It appears this number includes all housing units currently under any stage of review at the City including single family homes, subdivisions, townhomes, condominiums, senior and affordable projects as well as market rate/inclusionary apartments. Per the City's major projects lists, it appears there are approximately 4,481 apartments in some stage of development within the City. However, we know that many of these are indefinitely stalled due to financing, economic or other conditions. We believe the actual number is closer to 2,500 and we are happy to provide the detail if desired.

Finally, we would like to mention that when the proposed new inclusionary recommendations as proposed by ARCH and Staff were first presented publicly, MainStreet immediately worked on vesting to the current code. As you know MainStreet owns the former Crescent Lighting property located on the corner of NE 85th Street and 128th Avenue NE. We are currently vested at the 40' height limit for 10% of

units at 50%. This would yield 30 affordable units approximately. We have the opportunity to do better for all by passing a reasonable requirement in conjunction with the Station Area zoning. If the previous recommendation by PC ultimately becomes code, we would proceed with a new project application at the higher density which would incorporate a minimum of 60 units of affordable units(10% at 50%), all the way up to 120 potentially if 80% where the selected affordability level.

Thank you for the continued opportunity to provide our feedback and thoughts.

Sincerely,

DocuSigned by:

2EA899BD820249C...
Kim Faust

Co-President and Chief Development Officer
MainStreet Property Group, LLC

Cc: Adam Weinstein, Planning and Building
Allison Zike, Deputy Planning and Building Director

From: Kim Faust <kfaust@mspgroupllc.com>
Sent: Wednesday, June 7, 2023 2:36 PM
To: Planning Commissioners
Cc: Adam Weinstein; Allison Zike; Jessica Clawson
Subject: Tax Revenue Voucher Opportunity
Attachments: Kirkland Revenue and Voucher Analysis.xlsx

CAUTION/EXTERNAL: This email originated from outside the City Of Kirkland. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Planning Commissioners,

One final piece of information we wanted to provide relates to the additional tax revenue the City will receive in the Station Area attributable to the upzone. This could help fund vouchers that have been brought up a few times at the PC study sessions. We have used the MainStreet parcel only as a sample in the attached analysis, and kept this very high level. On sales tax alone on the hard construction costs, there is additional revenue that will be paid to the City of Kirkland of approximately \$1.78 million. That \$1.78 million is the delta between the upzoned construction costs vs the current base zoning construction costs. Additionally, a majority of projects constructed sell within 7 years. Once a project sells there is excise tax paid. The City's share of excise tax (again delta only between base and upzone) would be approximately \$765k. What our analysis shows is that the delta in tax revenue and excise tax paid to the City of Kirkland between the base case and the upzone would provide enough funding to cover monthly vouchers for 30 families/individuals to pay the delta between the 50% and 80% rental rates for 7.5 years. Once that revenue has been exhausted as a source of funds for vouchers, the tax abatement would have expired, and the annual property tax delta provided to City of Kirkland would produce almost enough additional funds to fund the vouchers on a go forward basis.

This described scenario has been shown on the attached document. We believe the voucher rationale is a valid point to consider. The City tax revenue increases substantially and there is an ability to apply that to lower the inclusionary housing AMI percentage through a partnership with the City. This accomplishes the goal of keeping a higher # of affordable units while bringing the effective AMI rate down through a City voucher program.

Thanks,

Kim Faust

Co-President & Chief Development Officer
MainStreet Property Group LLC

 (425) 985 - 7734
 kfaust@mspgroupllc.com
 www.mspgroupllc.com
 5808 Lake Washington Blvd, Suite 203
Kirkland, WA 98033

Kirkland Revenue Analysis
Station Area Plan- Crescent Lighting Property Example

		45'	85'	
		Current Zoning	Proposed Zoning	Delta
Sample # of Units		300	600	300
Affordable Units		30	120	90
Affordability Percentage		10%	20%	
Affordability Level		50%	80%	
Sales Tax on Construction Costs (Kirkland Share at .85%)	\$	841,500	\$ 1,844,500	\$ 1,003,000
Real Estate Excise Tax*	\$	835,000	\$ 1,600,000	\$ 765,000
Total Delta in City of Kirkland Taxes				\$ 1,768,000
Property Taxes (after first 8 years of abatement)	\$	1,200,000	\$ 2,400,000	\$ 1,200,000
City Share of Property Taxes (13%)	\$	156,000	\$ 312,000	\$ 156,000

Voucher Analysis

1 Bedroom Rent at 50% AMI	\$	991
1 Bedroom Rent at 80% AMI	\$	1,652
Monthly Per Unit Rent Delta (50% to 80%)	\$	661
City Voucher Contribution to get individuals from 50% to 80%	\$	661
Annual Cost of 30 City Vouchers to go from 50% to 80%	\$	237,960
# of Years Revenue Delta can cover 30 vouchers	\$	7

*Assuming .5% of sales price which is Kirkland share. Majority of projects sell within 7 years.

McCULLOUGH HILL, PLLC

June 7, 2023

VIA ELECTRONIC MAIL

City of Kirkland
Planning Commission
123 5th Avenue
Kirkland, WA 98033

Re: File No. CAM20-00153
Station Area Plan Affordable Housing Requirements

Dear Commissioners:

We represent Main Street Property Group LLC (“MSPG”), the only developer (to our knowledge) who is contemplating development in the 85th Street Station Area (“Station Area”). We write to comment on the proposed Station Area Plan Affordable Housing Requirements.

First, **thank you for working collaboratively with MSPG to shape the affordable housing requirements with the goal of ensuring affordable units are delivered in the near-term.** As you are aware, the 15% at 50% AMI requirement originally proposed is not economically viable for MSPG or any other market-rate developer. This is based on MSP’s analysis as well as ARCH’s analysis, who agreed that this is a “math problem.” When MSP raised a concern, the Commission listened to reason and data. Thank you for listening.

MSPG supports the current proposal allowing an option of 10% at 50% AMI or 20% at 80% AMI with a cap of the 80% units, with an allowed utilization for MFTE at both levels. The double-counting for MFTE is essential in getting Kirkland’s affordable requirement to work; Kirkland will need to amend its MFTE regulations to allow for 20% at 80% to qualify for MFTE. To be clear, this affordable requirement is extremely bold and difficult to achieve; this is no “giveaway” for developers. We also understand that the City is concerned about meeting its housing AMI distribution for the 50% AMI and below units. Regarding this issue, we offer the following:

- **If it ain’t broke, don’t fix it.** See the attached spreadsheet (Attachment A), based on ARCH’s data and slides from the May 31, 2023 meeting. There is a direct correlation between the number of affordable units built in a City and a less onerous percentage/AMI requirement. Redmond’s program is successful because it is not overly onerous and does not negatively impact the production of market rate projects/rents can be amortized over the rest of the building more effectively. Kenmore’s program, which has a very high percentage and AMI requirement, has produced almost no units. Currently, because of being able to double count with MFTE, Kirkland’s project is producing affordable units. Given the City’s consultant’s statement that an increase in the unit requirement will result in

June 7, 2023

Page 2

no projects being able to move forward, we do not think increasing the percentage of units required will help meet the City's unit goals. **If no market rate projects are feasible, no affordable units will be built either.**

- The current option language allows a broader range of income levels to utilize controlled units. **We need all levels of housing to house people in Kirkland.** The income threshold for 50% AMI is very low given incomes in the region. Please see Attachment B—a first-year teacher with a bachelor's degree in the Northshore or Lake Washington School Districts would not qualify for a 50% AMI unit.
- The City needs a larger toolkit to address the housing crisis. We understand the City feels that because it is upzoning property now, “this is the only opportunity” to tax developers and require additional units. But as stated previously and by the City's own consultant, a 15% at 50% requirement would be so onerous that no one would build housing. This defeats the very purpose of the upzone, and is illusory planning—simply requiring something does not magically make housing units appear. Market-rate developers cannot be seen as the only solution to the affordability crisis. **We encourage the City to take a serious look at its toolkit that can deliver low-income units; the City is a significant partner in solving this crisis.** The City should seriously consider deploying the following tools, as soon as possible:
 - Housing vouchers, to allow lower-income people to “buy up” into higher income units
 - An Eastside housing levy, to fully fund 0-50% AMI units built by affordable housing developers
 - Impact fee waivers to reduce housing costs (this can reduce rents by up to \$100)
 - Reducing procedural burdens like SEPA review and design review that increase time and cost to build housing
 - Support construction code changes that reduce construction costs
 - More information related to this toolkit can be found here in the Challenge Seattle Presentation: [Council Packet 07/20/2021 \(kirklandwa.gov\)](https://www.kirklandwa.gov/Council-Packet-07-20-2021)
- We caution the City against implementing the 15% at 50% AMI requirement that has been proven to fail economically. Constitutional principles apply to development regulations that may prevent a property owner from any reasonable use of their property. As has been well-established, Cities must establish a “nexus” and have “rough proportionality” between the regulation and the social cost of the applicant's proposal. *Nollan v. California Coastal Comm'n*, 483 U.S. 825 (1987), *Dolan v. City of Tigard*, 512 U.S. 374 (1994), *Koontz v. St. Johns River Water Management District*, 133 S.Ct. 2586 (2013). We are not aware that this nexus and proportionality have been established for the 15% at 50% AMI proposal.

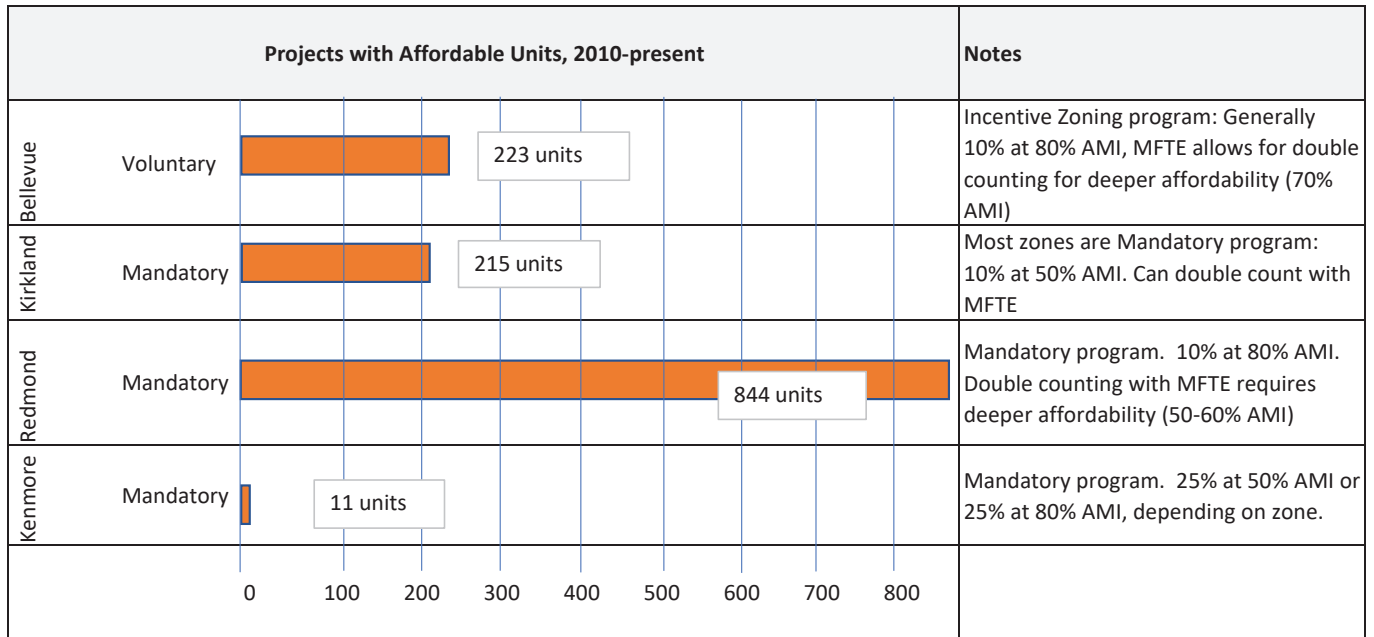
June 7, 2023
Page 3

Thank you again for working with us to hopefully achieve a workable solution for housing production in Kirkland. Please let me know if you have any questions regarding this letter.

Sincerely,

Jessica M. Clawson

Attachment A



Attachment B

50% AMI (1 person): \$47,100

https://static1.squarespace.com/static/61687c3f7fbc096461d80234/t/62d1b79657a26a15a3182859/1657911191914/LU_MFTE+ARCH_Rent+and+Income+Limits.pdf

Northshore School District Teacher, Bachelors' Degree, 0 years of experience (starting salary): \$68,207.
+ 5 years of experience \$77,790.

<https://resources.finalsite.net/images/v1657566763/nsdorg/bzsodibig2po9js9pe8f/2022-23TeacherTotalSalarySchedule.pdf>)

Lake Washington School District Teacher, Bachelors' Degree, 0 years of experience (Starting salary):
\$56,146

+ 5 years of experience \$61,897

(<https://resources.finalsite.net/images/v1659973646/lwsdorg/okaae9nvbbbgpb0dlaea/LWEASalarySchedule.pdf>)

80% AMI (1 person): \$75,376

2022 Incomes for different jobs in Seattle-Tacoma-Bellevue MSA:

https://www.bls.gov/oes/current/oes_42660.htm

Median Income is \$134,600



816 Second Ave, Suite 200, Seattle, WA 98104
p. (206) 343-0681
futurewise.org

June 8, 2023

RE: 85th Street Station Inclusionary Zoning

Dear Kirkland Planning Commission,

Thank you for the opportunity to comment on the staff proposal for inclusionary zoning in the 85th Street Station Area. Futurewise works throughout Washington State to encourage healthy, equitable and opportunity-rich communities, and to protect our most valuable farmlands, forests and water resources through wise land use policies and practices. Futurewise advocates for inclusionary zoning and has worked to pass inclusionary zoning policies in other parts of the state, including providing the staffing for the Seattle for Everyone campaign to pass Seattle's mandatory housing affordability program. I am glad that the City of Kirkland and ARCH staff and planning commission members all share our commitment to providing more affordable housing in Kirkland. The only question is how best to achieve that shared goal.

If inclusionary requirements are set too low, they miss out on a valuable opportunity to capture value for affordability. If they are set too high, they can choke off development, leading to fewer affordable homes and fewer overall homes than a lower requirement. I am writing today to express concern that the staff recommendation is set too high.

As the staff and consultant report from your previous meeting explained, Kirkland already has what is arguably the deepest and strictest affordability requirements of any mandatory inclusionary program in Washington State, with a requirement to provide 10% of homes at 50% of area median income (AMI) with no fee-in-lieu or no off-site performance option. Only small portions of Redmond and Kenmore have higher requirements. Kirkland has high rates by national standards as well. The only comparable mandatory (not bonus) programs identified by staff were in Stamford, CT (10-12% at 50% AMI) and Los Angeles (14% at 50% AMI). San Francisco (not included in the report) requires 10% of homes at 55% AMI, 4% at 80% AMI, and 4% at 110% AMI¹. The lack of a fee-in-lieu or off-site performance option in Kirkland is also unusual.

In the last decade since it was created, Kirkland's program has only produced 32 affordable homes (it is unclear from the report how many of the 183 MFTE units are also related to the IZ program). This indicates that the program is not currently performing well. Redmond is the only Eastside city with an inclusionary or incentive zoning program that has produced a significant number of units, 617 since 2005

¹ https://sfplanning.org/sites/default/files/documents/legis/inclusionary-affordable-requirements/Inclusionary_Code_Change_Summary_MATRIX_FINAL_12.3.17.pdf



816 Second Ave, Suite 200, Seattle, WA 98104
p. (206) 343-0681
futurewise.org

(again it is unclear from the report how many of the 227 MFTE units are related to the IZ program). The Redmond program varies by location but generally only requires up to 10% of homes at 80% of AMI.²

Seattle's program has produced even more affordable homes since it was created in 2018. The Seattle program requires 5-11% of homes at 60% of AMI depending on location. It also allows a fee-in-lieu option that funds affordable housing. At the end of 2022, the program had 89 affordable homes in service, 176 affordable homes under construction, and had generated \$246 million in fees, which has funded over 3,000 additional homes affordable at or, in many cases, well below 60% of AMI.³ It is worth noting that in the same period of time (since 2018) Seattle's program has produced about half the number of affordable homes as the Los Angeles program referenced in the staff report, even though Los Angeles is more than five times bigger. The comparisons between Kirkland and Redmond and Seattle and Los Angeles illustrate how higher percentage requirements can lead to fewer affordable homes.

Kirkland is now considering increasing the affordability requirement by 50% to 15% of homes at 50% of AMI. Based on the city's own analysis, this would be unprecedented locally and only comparable to Los Angeles nationally. The analysis also shows that it would make development infeasible under current conditions. That same analysis also shows that the benefits provided by the code changes would off-set the additional cost, and that is usually the gold standard for how to calibrate an inclusionary program.

This final piece of the analysis creates a point of tension. Futurewise generally supports inclusionary zoning rates that capture the value created by added development capacity. However, I remain skeptical that housing development will be feasible under these new requirements, even in better market conditions, given the performance of the current program and the review of other inclusionary zoning rates locally and nationally. Given the poor past performance of the existing program, it is worth considering that the current code and inclusionary requirements are already restricting development in what should be one of the strongest housing markets in the state. If that is true, it won't be sufficient to provide value equal to what is being captured. Instead, either more value will need to be created or less affordability will need to be required per unit.

I hope these reflections are helpful as you consider your recommendations on this important program.

Sincerely,

Alex Brennan
Executive Director

² <https://www.kirklandwa.gov/files/sharedassets/public/planning-amp-building/planning-commission/station-area-plan-pc-packet-cam20-00153-web.pdf>

³ https://www.seattle.gov/documents/Departments/Housing/Reports/2022_MHA-IZ-AnnualReport_Final.pdf



Kirkland Planning Commission
123 5th Ave
Kirkland, WA 98033
June 8, 2023

Subject: Eastside Affordable Housing Coalition Comment Letter on the NE 85th Street SAP Affordability Requirements

Dear Kirkland Planning Commissioners,

The Housing Development Consortium and Eastside Affordable Housing Coalition (EAHC) thanks City staff and Planning Commissioners for your diligent efforts to bring more market-rate and affordable housing to Kirkland. The EAHC is a group comprised of 30+ organizations representing housing providers, direct service providers, affordable housing developers, faith leaders, community members, and advocates who provide affordable housing and services to Kirkland residents and the greater Eastside community.

We appreciate the opportunity to provide comments on the affordability requirements being considered at the NE 85th St Station Area. We believe that increased development capacity can permit robust levels of new development and generate more homes affordable to lower-income households when combined with a well-calibrated affordable housing requirement.

The following considerations factor into our recommendation:

The public should benefit from creating increased value

We strongly believe that some of the value created from an increase to development capacity should be captured for public benefit in the form of affordable housing. Failure to appropriately raise the affordable housing requirement will put the City at risk of losing out on the opportunity to capture additional value in the Station Area over the course of its 20-year development plan.

Increased land value disproportionately impacts affordable housing developers

The substantial increase in land value resulting from the upzone will present challenges for affordable housing developers to develop in that area because they do not benefit from market-rate rents to offset the increase in the cost of land. Because of this, it is essential that the City ensures that more affordable homes are developed through its land use policy to meet the housing needs of its residents.

The affordable housing requirement cannot be raised in the future

It is crucial to recognize that while it is possible to reduce the requirement at a later date if economic conditions do not improve, state law prevents the City from increasing an affordability requirement in the future.

Real estate markets are cyclical

We would like to emphasize the importance of considering the cyclical nature of real estate markets when setting policy. Relying solely on the current economic environment to determine long-term policy approaches is short-sighted. Instead, it is prudent to take into account the overall market cycles that will likely occur over the 20-year development timeline of the Station Area. By implementing a properly calibrated affordable housing requirement now, we can ensure that the benefits of this development area are shared by people throughout the income spectrum, extend beyond the present, and help to meet the long-term housing needs of our community.

Housing is most needed for low-income households

It is important to note the significant housing needs in Kirkland. According to the King County Growth Management Planning Council, Kirkland will need 3,052 new homes affordable to households making 31-50% AMI by 2044. This accounts for 23% of the overall housing need in the City. This is nearly three times the amount that is needed at the 51-80% income level (1,022) and almost two and a half times as much as new homes needed at market rate (1,251). The City should structure its policies accordingly.

Public investment is needed to reach the lowest income households

While we were grateful to hear ideas of the City creating revenue investments to help residents meet their housing needs, we believe that local funding would be better spent targeted to households in the lowest income bracket (below 30% AMI). Housing affordable to extremely low-income households cannot be built without public investment. Local investments can be leveraged and be more competitive in attracting housing resources such as the state Housing Trust Fund and the Low-Income Housing Tax Credits. The City should be judicious in how it allocates its limited funding.

Considering all of these factors and the robust analysis conducted by ARCH and its consultants, we believe that Kirkland can feasibly capture additional value for affordability in zones with maximum heights greater than 65 feet. While current economic conditions do challenge development across the region, the financial feasibility assessment by Bay Area Economics showed that the increased development capacity coupled with increased affordability requirements improved the financial feasibility of development overall. Our view is that appropriate value can effectively be captured for affordability without hindering overall housing production in a few scenarios:

- Staff and ARCH Recommended Option: 15% at 50% AMI
 - for zones with maximum heights greater than 65 feet
 - 15% at 80% AMI for homeownership

- Flexibility Option: 18% at 60% AMI OR 9% at 50% AMI + 9% at 70% AMI
 - This equivalent option would provide more flexibility to developers and give them the option of adding 2% of units at 80% AMI to take advantage of the 12-year MFTE
- Alternative Option: 10% at 50% AMI + 5% at 60% AMI
 - This would match the current requirement and capture additional value for affordability at a slightly higher AMI level where there is still a high level of housing need
 - We would be interested in seeing the benefit analysis on this option

In summary, we urge the Planning Commission to adopt greater affordability requirements in the station area that balance the significant value created by the zoning change with greater affordability for low-income households.

Sincerely,

Cliff Cawthon
Habitat for Humanity Seattle-King and Kittitas Counties (EAHC co-chair)

Andrew Calkins
King County Housing Authority (EAHC co-chair)

Chad Vaculin
Housing Development Consortium (EAHC staff support)

A full list of EAHC members can be found on our [website](#).