



CITY OF KIRKLAND
PLANNING AND BUILDING
123 Fifth Avenue, Kirkland, WA 98033
425-587-3000

MEMORANDUM

To: Kurt Triplett, City Manager

From: Adam Weinstein, AICP, Planning & Building Director
Allison Zike, AICP, Deputy Planning & Building Director
Martha Rubardt, Senior Planner

Date: August 21, 2025

Subject: Adoption of Code Amendments for Co-Living Housing to Comply
with State Law – File No. CAM25-00302

RECOMMENDATION:

Staff recommends that City Council adopts Ordinance O-4912 amending the Kirkland Zoning Code (KZC) and the Kirkland Municipal Code (KMC) to implement co-living housing regulations, as required by the state law.

EXECUTIVE SUMMARY:

- RCW 36.70A.535, which codifies House Bill 1998 (HB 1998), requires that cities allow co-living housing as a permitted use in certain enumerated areas.
- This memo summarizes the proposed code amendments to the KZC and KMC for Co-Living Housing that are recommended by Planning Commission (PC) for Council to adopt.
- The proposed code amendments follow the approach of minimum compliance with HB 1998 and replace the existing “Residential Suites” use with the “Co-Living Housing” use along with regulations that comply with State requirements.
- The code amendments follow the Council and PC’s direction to implement a hybrid approach for minimum parking standards to comply with both HB 1998 and Senate Bill 5184 (SB 5184).
- The code amendments follow the Council and PC’s direction to exempt Co-Living Housing from affordable housing requirements.

BACKGROUND

In 2024, the Washington State Legislature passed HB 1998, which requires cities to allow Co-Living Housing as a permitted use on any lot located within the Urban Growth Area (UGA) that allows at least six residential units.¹ The requirements of HB 1998 have been codified into State

¹ Washington State Legislature, *House Bill 1998*,
<https://app.leg.wa.gov/billsummary?BillNumber=1998&Year=2023>

law in RCW 36.70A.535.² HB 1998 contains restrictions on the review process and development standards that cities can apply to Co-Living Housing. Cities must implement the requirements of HB 1998 no later than December 31, 2025.

Co-Living Housing is a type of residential use that consists of independent lockable sleeping units that provide living and sleeping space with communal kitchen facilities that are shared between all the units. Kirkland currently allows for a very similar type of use in several zones in the City under the use type “Residential Suites,” as defined in KZC Section 5.10.778.³ The existing Residential Suites use is not compliant with HB 1998 and is proposed to be amended to be replaced with Co-Living Housing.

HB 1998 establishes requirements for Co-Living Housing that cities must follow, including those related to permitted use allowance, minimum allowed density, review process, development standards, parking, affordable housing incentives, and sewer connection fees. For implementation of State requirements, staff proposed a minimum compliance approach for HB 1998 and outlined the City’s options for parking and affordable housing for Co-Living. For parking, the City may choose either: 1) minimum compliance with HB 1998, or 2) hybrid compliance with HB 1998 and SB 5184.⁴ The City also has the discretion to decide whether to apply affordable housing requirements to Co-Living Housing.

PC was briefed on the project on July 10, 2025, and supported staff’s recommendation of the minimum compliance approach with HB 1998. PC discussed the parking and affordable housing options and reached consensus on implementing the hybrid compliance approach for parking and exempting Co-Living units from affordable housing requirements.

Council was briefed on the project on August 6, 2025 and discussed the proposed amendments, along with the parking and affordable housing options for Co-Living Housing. Full background information and context for the proposed code amendments and options was provided in the staff memorandum for that briefing.⁵

Council’s discussion on the topic focused on where Co-Living Housing would be permitted, particularly in the lower density residential zones, and how similar shared living arrangements are already occurring in the City through the rental of individual rooms in houses. Staff clarified that co-living units would be permitted only in low density residential zones within ¼ mile of a Major Transit Stop (meaning they would not be permitted in the vast majority of the City’s lower density residential zones). Attachment 1 is a map showing the areas (in color) where co-living could be permitted. The rest of the City, shown greyed out, would not allow for co-living units under these code changes. Staff also acknowledged that similar arrangements may already be occurring in the City, but explained that these subject State regulations are aimed at larger new co-living developments, not individual houses used in a similar fashion.

Council directed staff to draft code amendments that follow the minimum compliance approach with HB 1998, follow the hybrid option for parking that implements SB 5184 early for Co-Living

² RCW 36.70A.535, <https://app.leg.wa.gov/RCW/default.aspx?cite=36.70A.535>

³ City of Kirkland, Washington, *Kirkland Zoning Code § 5.10.778*, <https://www.codepublishing.com/WA/Kirkland/html/KirklandZ05/KirklandZ05.html#5.10.778>.

⁴ Washington State Legislature, *Engrossed Substitute Senate Bill 5184*, <https://lawfilesexxt.leg.wa.gov/biennium/2025-26/Pdf/Bills/Senate%20Passed%20Legislature/5184-S.PL.pdf>.

⁵ City of Kirkland. (2025, August 6). *Briefing on co-living housing code amendments (File No. CAM25-00302)* [Agenda item 9.d]. City Council Meeting Agenda Documents. https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2025/august-6-2025/9d_business.pdf

Housing, and exempt Co-Living Housing from affordable housing requirements, consistent with the PC recommendation.

DISCUSSION/ANALYSIS:

Code Amendments

The proposed KMC and KZC amendments outlined below and included in Ordinance O-4912 follow the approach that PC and Council supported for minimum compliance with HB 1998, and the guidance for parking and affordable housing.

Below is an overview of amendments to specific KZC and KMC chapters followed by staff's analysis of key changes. The full text of proposed amendments is included in Ordinance O-4912.

- Chapter 5 – Definitions: Amended to add definition of Co-Living Housing and remove definition of Residential Suites.
- Chapters 30 – Office Zones: Amended to remove Residential Suites and the associated regulations and add in the parking rate for Co-Living Housing in the Development Standards table.
- Chapter 45 – Institutional Zones: Amended to replace Residential Suites with Co-Living units and to exempt Co-Living from affordable housing requirements.
- Chapter 50 – Central Business District Zones: Amended to remove Residential Suites and the associated regulations. With the new Chapter 111, Co-Living Housing will be permitted as detached, attached or stacked dwelling units anywhere that at least six residential units could be developed pursuant to the underlying zoning regulations.
- Chapter 55 – Totem Lake Zones: Amended to remove Residential Suites and the associated regulations. With the new Chapter 111, Co-Living Housing will be permitted as detached, attached or stacked dwelling units anywhere that at least six residential units could be developed pursuant to the underlying zoning regulations.
- Chapter 57 – Station Area: Amended to remove Residential Suites and the associated regulations and refer to Chapter 111 for Co-Living.
- Chapter 111 – Co-Living Housing Regulations: This is a new chapter created with these code amendments to include the regulations specific to Co-Living Housing. This chapter includes the following regulations:
 - Co-Living Housing may be permitted on any lot in the City that could develop six or more units under the base zone, as required by RCW 36.70A.535(1).
 - The review process for Co-Living Units is equivalent to the review process for other multi-unit residential uses in the underlying zone, as required by RCW 36.70A.535(5).
 - For zones that have an established maximum or minimum density, Co-Living units count as one-quarter of a dwelling unit, as required by RCW 36.70A.535(7).
 - Parking is set for Co-Living Housing at the rate that is the minimum compliance with RCW 36.70A.535(3)(a) and with SB 5184 for multi-unit housing. The minimum off-street parking requirement is as follows:
 - a. Zero parking spaces if the unit is
 - i. Less than 1,200 square feet,

- ii. Located within ½ mile of a Major Transit Stop, or
 - iii. Affordable per KZC 112
- b. Otherwise, 0.25 parking spaces per unit.

Co-living units count as one unit for parking minimum calculations.

- All remaining development standards (e.g., maximum height, setbacks, tree retention and landscaping requirements) for Co-Living Housing shall be equivalent to those established for other multi-unit uses in the underlying zone, as required by RCW 36.70A.535(4).
- Affordable housing requirements shall not apply to Co-Living Housing, but the incentives are available if on-site affordable housing is provided, as required by RCW 56.70A.535(6).
- Chapter 112 – Affordable Housing: Amended the applicability section for affordable housing requirements to exempt Co-Living Housing, but allow for Co-Living Housing to opt-in to affordability incentives.
- Title 15 – Service Installation: The Single-Family/Multifamily Sewer Fees table is amended to clarify that Co-Living units shall count as one-half of the value of a multi-family dwelling unit for the purposes of sewer connection charges. This is for compliance with RCW 36.70A.535(8).

Planning Commission Public Hearing

On August 28, the PC held a public hearing on the proposed KZC and KMC amendments. PC received public comments and testimony and provided a recommendation to Council on the code amendments.

Public Comment: PC received two written public comments during the comment period for the public hearing, which extended from August 14, 2025 to August 28, 2025. Commenters supported the draft code amendments because they implement a type of housing that is naturally affordable, and they remove regulations that can contribute to construction costs. The commenters supported implementing the parking requirements of SB 5184 early and reducing parking minimums to let the market dictate the amount of parking provided. See Attachment 2 for the written public comments. Spoken testimony received at the hearing included questions about how density is calculated for Co-Living units and whether each co-living unit counts as one unit or one-quarter of a unit for the parking requirements. Staff confirmed in the meeting that each unit is counted as one-quarter of a unit for calculating density but not for calculating required parking.

PC Recommendation: At the August 28, 2025 public hearing, PC voted 5-0 to recommend to Council adoption of the code amendments proposed by staff, included in Ordinance O-4912.

State Environmental Policy Act (SEPA)

A SEPA Addendum to the City of Kirkland 2035 Comprehensive Plan Update and Totem Lake Planned Action Ordinance Final Environmental Impact Statement (EIS), the NE 85th St Station Area Planned Action Final Supplemental EIS, and the 2044 Comprehensive Plan Update Final Supplemental EIS was issued on August 25, 2025 and is filed under File No. SEP25-00623. The SEPA Addendum compares the difference in impacts between the existing and revised Zoning Code amendments and concludes that the proposed amendments would not result in new adverse impacts beyond those identified in the previous environmental review documents.

NEXT STEPS

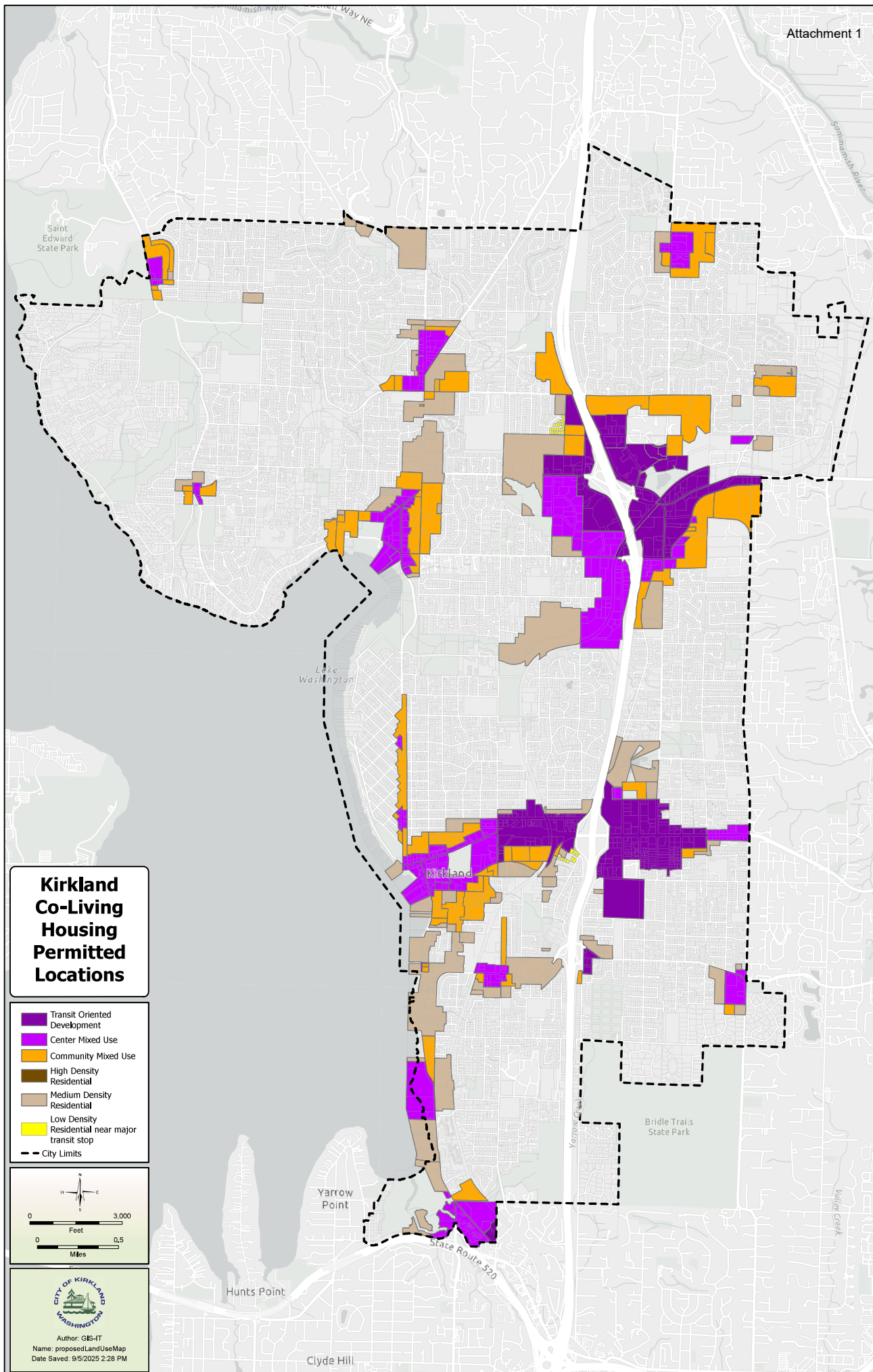
With the adoption of Ordinance O-4912, these code amendments will go into effect at 5 p.m. on December 31, 2025, to comply with the State mandate. Staff will be working on implementation steps such as updating application forms, the City website, and briefing staff on the code amendments prior to the effective date. If any permit applications are submitted for Co-Living Housing before the effective date of the ordinances, staff would intake the applications and initiate review (although no permits would be issued until the effective date).

ATTACHMENTS

Attachment 1 - Co-Living Housing Permitted Locations Map

Attachment 2 - Public comments received between August 14, 2025, and August 28, 2025

Ordinance O-4912 – Relating to the Enactment of Co-Living Housing Provisions, Amending Chapters 5, 30, 45, 50, 55, 57, 111, and 112 of Kirkland Zoning Code and Section 15.12.063 of the Kirkland Municipal Code; File No. CAM25-00302



Martha Rubardt

From: Allison Zike
Sent: Wednesday, August 27, 2025 1:47 PM
To: Martha Rubardt
Subject: FW: Co-Living Housing

Follow Up Flag: Follow up
Flag Status: Flagged

Please see public comment below.

From: Kyle Sullivan <kyle@sosufamily.net>
Sent: Wednesday, August 27, 2025 10:21 AM
To: Planning Commissioners <PlanningCommissioners@kirklandwa.gov>
Subject: Co-Living Housing

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Dear Commissioners,

I'm writing in support of the proposed code amendments regarding Co-Living Housing. Many of these changes simply mirror what the State now requires. I fully support changing parking requirements to match SB 5184, even though that's not required yet. Construction costs of parking play a large role in determining rents, so it's key to allow reduced parking, especially for housing types that are explicitly designed to be more affordable than the average unit.

I hope that the planning commission will consider further code changes that allow more types of housing that are "affordable by design", and reducing burdens on projects that aim to be affordable. We need more flexibility so that projects can actually cater to groups with different needs, rather than regulations that make only a select few development models viable.

Sincerely,
Kyle Sullivan

Martha Rubardt

From: Allison Zike
Sent: Wednesday, August 27, 2025 6:11 AM
To: Martha Rubardt
Subject: FW: Support for Co-Living Housing amendments

Martha – please log below public testimony. Thanks!

From: Niel Lebeck <niel.lebeck@gmail.com>
Sent: Tuesday, August 26, 2025 9:11 PM
To: Planning Commissioners <PlanningCommissioners@kirklandwa.gov>
Subject: Support for Co-Living Housing amendments

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Dear Planning Commissioners,

I just wanted to express my support for the Zoning Code and Municipal Code amendments related to co-living housing being considered at this Thursday's public hearing. Co-living housing developments seem like a promising way to bring more affordable housing to the city, and it would be a shame if parking minimums or affordable housing requirements prevented them from being built.

More broadly, I want to reiterate my general support for removing or lowering parking minimums and letting the market dictate the amount of parking built with new developments. Requiring excessive amounts of parking contributes to Kirkland's housing affordability crisis and disincentivizes people from using public transit. I am hopeful for a future of Kirkland in which more people can afford to live here and more people ride the bus.

Thanks,
Niel Lebeck