



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
Stephanie Croll, Senior Assistant City Attorney
Scott Guter, AICP, Senior Planner

Date: May 29, 2026

Subject: **Conduct a Public Hearing on Potential Zoning Code Amendments to Chapter 112 KZC Regarding Affordable Housing Requirements in Low-Density Zones – File No. CAM26-00369**

RECOMMENDATION:

Staff recommends that the City Council holds a public hearing to collect public testimony on potential amendments to Chapter 112 of the Kirkland Zoning Code (KZC) regarding affordable housing requirements in low-density zones. The amendments increase the threshold for affordable housing requirements in low-density zones from 2,000 square feet up to 2,500 square feet.

EXECUTIVE SUMMARY:

- On June 17, 2025,¹ Council adopted middle housing regulations that include new affordable housing requirements applicable to residential development in low-density zones, with a delayed effective date of January 1, 2027. Council set the affordable housing fees at \$15 per square foot and the in-lieu fee exemption at 2,000 square feet, meaning that housing units of 2,000 square feet or less would be exempt from fees.
- At the May 2026 Council meeting, Council directed staff to consider increasing the square-footage exemption for in-lieu fees from 2,000 to 2,500 square feet.
- State law regarding inclusionary zoning (RCW 36.70A.540) authorizes a local government to enact inclusionary zoning when it has “increased residential development capacity” If Council adopts the 2,500 square foot threshold, the City cannot lower the threshold back to 2,000 square feet in the future without also adopt additional development allowances. However, State law allows the City to raise the threshold in the future without granting new development allowances.
- Staff recommends retention of the existing 2,000-square-foot threshold for some period to evaluate both the development cost impact and the affordable housing benefit.

¹ https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2025/june-17-2025/9b_business.pdf

- Staff analysis has determined that attached housing built between 2020 and 2026 across many different residential zoning districts is mostly townhome style, averaging about 2,350 square feet and containing 3–4 bedrooms.
- Very few attached units have been built in low-density zones, and those that have been built tend to be larger, higher end homes compared to other types of middle housing that have been constructed in these zones.
- Market conditions show that new housing remains unaffordable for most King County households; inclusionary zoning (affordable housing) requirements remain an important tool for addressing long-term housing needs.
- Increasing the exemption threshold to 2,500 square feet would save a unit of that size \$7,500 in affordable housing fees.
- Maintaining the 2,000 square foot exemption threshold will provide a modest incentive to build smaller exempt units that are more attainable for first-time buyers than larger units.
- Maintaining the existing threshold will provide a higher level of contribution to the A Regional Coalition for Housing (ARCH) Housing Trust Fund. Every Trust Fund dollar leverages \$10 to \$15 regional, state, and federal dollars, helping generate additional affordable housing investments.
- Given Washington State limitations on inclusionary zoning and the fact that the 2025 requirements have not yet taken effect, retaining the current threshold allows the City to monitor market behavior once implemented and assess the program's performance before making additional changes.

BACKGROUND:

On June 17, 2025, Council adopted middle housing regulations to comply with Washington State requirements. These regulations included new affordable housing requirements applicable to residential development in low-density zones, with a delayed effective date of January 1, 2027.

As part of the adopted ordinance, Council directed staff to return by June 30, 2026 with alternative methodologies for implementing affordable housing requirements in these zones. Staff presented these alternatives at the May 19, 2026 Council meeting.²

Following discussion at that meeting, Council directed staff to prepare potential zoning code amendments that would increase the affordable housing exemption threshold from the first 2,000 square feet of a dwelling unit to the first 2,500 square feet. Council also requested an analysis of the average size of attached housing built in Kirkland in recent years to better understand how both the current and proposed thresholds would apply.

The following sections summarize the potential amendments, provide analysis of recent attached housing development, discuss the role of ARCH Housing Trust Fund investments, and present staff's recommendation.

² May 19, 2026 Council Meeting Business Agenda Item # 9.a Staff Memorandum.
www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2026/may-19-2026/9a_business.pdf

DISCUSSION/ANALYSIS:

Potential Amendments

Staff, following Council direction, is presenting amendments to sections 112.15 and 112.30 KZC to modify the affordable housing requirements in low-density residential zones. Council’s direction was to consider increasing the exemption threshold for the affordable housing requirement from 2,000 square feet to 2,500 square feet for new or replacement dwelling units. Attachment 1 includes these code amendments.

Attached Housing analysis (2020-2026)

Per Council direction, staff reviewed a sample of attached unit production in Kirkland between 2020 and 2026 with the intent to identify the average size and bedroom count of attached housing built in Kirkland in recent years (see **Table 1**). While the sample is not comprehensive, it provides a representative overview of the scale, configuration, and market context of more than 300 attached housing units developed across multiple zoning districts during this period. Overall, the sampled units are townhome-style homes, averaging approximately 2,350 square feet, with typical configurations of three to four bedrooms. Prices vary significantly, from approximately \$890,000 to \$3.44 million, indicating that attached housing in the City spans both “entry level” (relative to a median-price home in the Seattle-metro area) and luxury segments depending on location and zoning context. However, it is important to note that the vast majority of these attached housing types have been developed in zoning districts other than the low-density zones where the current Zoning Code amendments under consideration would be applicable.

Table 1: Attached Housing By Zone Category

Zone / Category	Sample Size	Permit Years	Size Range (GFA)	Avg Size (GFA)	Bedroom Range	Avg Bedroom Per Unit	Sold / Asking Price Range
Attached Duplex, Triplex, 4-6 Unit Townhomes (All Zones)	321 Units	2020-2026	1,477-2,615	2,357	2-4	3.57	\$890k-\$3.44 million
Low-Density Zones	15 units	2024-2025	2,045 - 2,809	2,445	3	3	Not Available
Medium-Density Zones	68 units	2022-2024	1,447-3,615	2,475	3-4	3.95	\$890k-\$3.44 million
High-Density Zones	24 units	2020-2022	2,000-2,957	2,585	2-4	2.83	\$1.18-2 million
Commercial Zones	214 units	2022-2026	1,597-3,066	2,318	3-4	3.59	\$1.08-2.45 million

The sample shows some variation across zoning districts. In low-density zones, only 15 units were identified, and this limited sample makes trends less reliable. These units tend to be larger than the citywide average at roughly 2,445 square feet and consistently include three bedrooms. No pricing information was available, likely because many units are still under construction or not yet listed. These units appear to represent higher-end, spacious, attached homes that are limited in overall production.

Overall, relatively few townhomes have been issued permits in low-density zones. Since adoption of middle housing reform in March 2020, the City issued permits for a total of 663 units of middle housing. Only 29 units (4.3 percent of the total) are for townhomes. Of the 663 units of permits issued for middle housing since March 2020, approximately 95 percent are for units of less than 2,000 square feet because they are Accessory Dwelling Units or Cottages that are size-limited by the KZC standards.

Table 1 above shows units within medium-density zones that were permitted between 2022 and 2024. These units had the highest average bedroom count at nearly four bedrooms per unit and exhibited the widest size range, spanning from smaller units in the 1,400-square-foot range to very large units above 3,600 square feet. Pricing in medium-density areas also covered the largest range in the sample, from \$890,000 to \$3.44 million. These characteristics indicate that medium-density zones tend to support a broader mix of housing types and sizes, primarily because development standards like maximum height, setbacks, and lot coverage are more flexible compared to low-density zones. Some permitted attached units in this zone had 4-bedroom/4-bath units (including a ground-floor bedroom and bathroom) as small as 1,991 square feet. The example on the next page in Figure 1 from the Sendaros Townhome project shows that more square footage is not always necessary to achieve high bedroom counts.

Figure 1: Example of a 1,991-square-foot 4-bed, 4-bath townhome unit (with a ground-floor bedroom and bathroom) in the Sendaros Townhome Project.

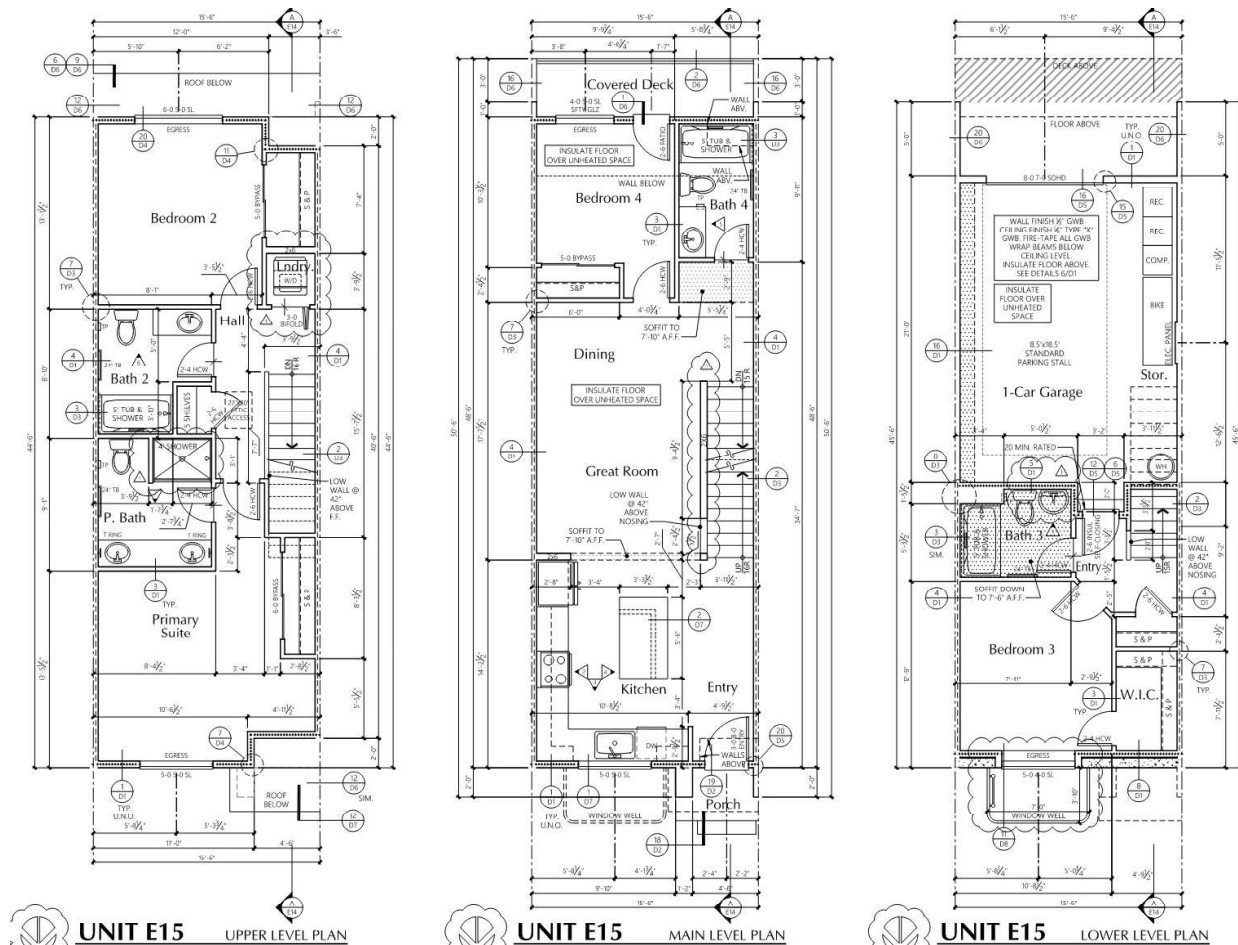


Table 1 shows attached units in high-density zones that were permitted between 2020 and 2022. These units were somewhat larger in square footage but had fewer bedrooms on average at approximately 2.8 bedrooms. Prices tended to fall in the mid-market range at \$1.18 to \$2 million.

Commercial and mixed-use zones accounted for the largest share of attached housing in the sample, with 214 units permitted between 2022 and 2026. These units were moderately sized at approximately 2,318 square feet with three to four bedrooms, closely aligning with citywide averages. Prices ranged from \$1.08 to \$2.45 million, placing most units in the mid-tier of the attached housing market. The prevalence of these units indicates that redevelopment activity in commercial areas is playing a primary role in supplying attached housing during the study period.

Across the sampled dataset, several key patterns emerge.

1. Commercial zones dominate recent attached unit production and reflect the general characteristics of the broader sample.
2. Medium-density zones contain the largest units and the highest bedroom counts.
3. Low-density zones consistently produce three bedroom attached units that are slightly larger than average and likely tailored to a smaller, higher-end market. However, as

noted above, townhome production is a very small subset of housing constructed in low-density zones.

These findings collectively offer insight into how attached housing is distributed across the City's zoning districts and how product types vary across neighborhoods.

If Council wishes to encourage a greater diversity of attached housing types within low-density zones, staff suggests future amendments that would adjust development standards in low-density zones toward those found in medium-density zones. The medium-density development pattern appears more supportive of varied attached housing formats, including a wider mix of home sizes and bedroom counts. Such adjustments could increase the feasibility of producing a more diverse range of family-sized and moderately-sized units.

Maintaining the existing 2,000-square-foot threshold in the affordable housing requirements in low-density zones does have a modest effect on the average-sized attached unit in low-density zones. Under the currently-adopted fee structure, the affordable housing fee for a 2,445-square-foot townhome unit would be \$6,675. Every fee does have an impact, however that amount is quite low considering the sales prices of these units and compared to the adopted fees of neighboring jurisdictions which were presented on May 19.

Affordability Trends, 2019-2044 Housing Targets, and Threshold Considerations

Recent market data shows that newly-built single-family and middle-housing homes sold between March 2024 and March 2025 are out of reach for most King County households, even those making 120% of the median income (see **Table 2 on next page**). According to a 2025 King County needs assessment report, households in the Seattle metro area need to earn about \$227,000 annually to afford a median-priced home costing approximately \$850,000.³ In 2025, the median annual income in King County was \$126,124.⁴ Without inclusionary housing requirements, new market rate production in low-density zones will not meaningfully address Kirkland's housing affordability gap through 2044 (see **Table 3**).

³ EConorthwest. (2025, September). King County countywide housing needs assessment. King County Department of Community & Human Services. https://cdn.kingcounty.gov/-/media/king-county/depts/dchs/housing/plans-reports/countywide-housing-needs-assessment_eco.pdf?rev=a66f2f17bb9a4712a4cb08312b2e9f7b&hash=228DF8755110CE051BDCC437E39FBC3D

⁴ Washington State Office of Financial Management. Median household income estimates by county through 2025 table. https://ofm.wa.gov/wp-content/uploads/sites/default/files/public/dataresearch/economy/median_household_income_estimates.pdf

Table 2: Sales of New Homes in Kirkland between March 2024 - March 2025

Housing Type	Count	Median of price
Attached Accessory Dwelling Units (AADU)	1	\$1,100,000
Cottage	6	\$1,599,000
Detached Accessory Dwelling Unit (DADU)	16	\$1,175,000
Detached Condo	63	\$1,547,950
Duplex, Condo	9	\$2,050,000
Primary Residence (sold separate from ADU)	11	\$2,560,000
Primary Residence + AADU	1	\$2,399,000
Single-family Residence (SFR)	83	\$3,098,000
Primary Residence + Carriage Unit	1	\$6,275,000
Primary Residence + DADU	3	\$3,450,000
Townhouse	3	\$2,215,000
Townhouse (condo)	15	\$1,300,000

Table 3: Kirkland Housing Needs 2020-2044

Income Segment	Existing (2019)	Need	2044 Total
≤30% AMI; PSH	12	2,546	2,558
≤30% AMI; non-PSH	1,040	4,842	5,882
>30 – 50% AMI	1,784	3,052	4,836
>50 – 80% AMI	3,734	1,022	4,756
>80 – 100% AMI	8,141	228	8,369
>100 – 120% AMI	5,213	259	5,472
>120% AMI	20,094	1,251	21,345
Total	40,018	13,200	53,218

Notes: AMI = Area Median Income; PSH = Permanent Supportive Housing

Table 4 compares the payment in-lieu fee that would be collected per unit for housing types in low-density zones based on whether the exemption threshold remains at 2,000 square feet or is increased to 2,500 square feet. Under either a 2,000- or 2,500-square-foot threshold, most of the middle housing in low-density zones would continue to be exempt from paying *any* affordable housing in-lieu fees.

Table 4: Payment In-Lieu of Affordable Housing Threshold Comparison

Zone / Category	Avg Size (gross floor area; GFA)	Payment In-Lieu (2,000 GFA Exemption)	Payment In-Lieu (2,500 GFA Exemption)
Low-Density/ Townhomes	2,444	\$6,675	\$0
Low-Density/ADUs and Cottages	1,200 (ADUs)/1,700 (cottages)	\$0	\$0

Because the affordable housing fee of \$15/square foot is fairly modest, it is unlikely to have a significant impact on housing units in the 2,000-3,000-square-foot range, regardless of where the exemption threshold is set. However, retaining the 2,000 square foot exemption threshold could help support the production of more varied attached housing sizes within individual projects. Developers may elect to balance project feasibility by including some units slightly above the threshold, paying the in-lieu fee on those units, while incorporating smaller exempt units that reduce overall affordability contributions. These smaller exempt units, although market rate, would likely be more attainable to households entering the homeownership market due to their modest size.

Housing Trust Fund Contributions within Kirkland

Currently, affordable housing in-lieu fees collected for development in Kirkland are passed through by the City to the ARCH Housing Trust Fund. The ARCH Housing Trust Fund pools voluntary contributions from member cities and other sources to create a competitive regional funding pool for affordable housing. The City Council has discretion over contributions to the Trust Fund and how this money is used. Each local dollar contributed typically leverages \$10 to \$15 in additional outside investment. From 1993 to 2025, this model generated nearly \$2 billion in regional affordable housing investment. This level of production would not have been achievable without Kirkland's ongoing participation and contributions to the regional pool.

Kirkland has benefited significantly from this model. To date, 24 Trust Fund-supported projects within the city of Kirkland have created or preserved 1,243 affordable units serving households making between 30 and 80 percent AMI. From 1999 to date, the City of Kirkland has contributed a total of \$8,764,414 to the Trust Fund through general fund, and HB 1406 and Real Estate Excise Tax (REET) contributions. The total amount of affordable housing fees-in-lieu contributed to ARCH from Kirkland developments over that same period is \$7,038,865. With these contributions, the total contribution from Kirkland in this time frame is \$15,124,717. That contribution equates to just over \$12,000 per created or preserved affordable housing unit in the city; which is exponentially less than it costs to construct one of these units of housing.

For example, in 2025, Kirkland contributed \$630,000 to the ARCH Trust Fund. Major ARCH 2025 openings include Kirkland Heights (276 units), Ardea Senior Housing (170 units), and Horizon/Polaris at Totem Lake (300 units), totaling 746 new affordable units and approximately \$434 million dollars in combined investment.

As Table 4 shows, raising the fee threshold would save the average size townhome \$6,657 in fees. Decreasing the cumulative impact of each fee deserves consideration. However, the \$6,675 in-lieu fee for each unit has the potential to leverage \$60,000 to \$100,000 for regional affordable housing when passed through to the ARCH Trust Fund.

Staff Recommendation

Given State limitations on when new inclusionary zoning requirements can be enacted and the fact that the 2025 requirements have not yet taken effect, staff recommends retaining the 2,000 square foot exemption threshold at this time. The fee threshold can be raised in the future. However, if the threshold is set at 2,500 now, it cannot be reduced in the future without considering additional development allowances. Retaining the current threshold allows the City to monitor market behavior once implemented and assess the program's performance before making additional changes.

The existing inclusionary zoning framework in low-density zones is designed to support diverse and more attainable home sizes, ensure affordable housing contributions in high-cost areas, and add to a meaningful revenue stream to create more affordable housing.

If Council wishes to promote increased production of attached housing within low-density zones, staff suggests that future amendments could explore adjusting development standards to better align with those in medium-density zones, which (as shown in the sampled dataset) produce the greatest diversity of home sizes and the highest average bedroom counts. These characteristics are more conducive to a broader mix of housing types and more attainable market-rate ownership options. This task could be undertaken as part of Middle Housing Optimization in the 2026-28 Planning Work Program, scheduled for 2026.

Code Amendment Process and Criteria

Pursuant to sections 160.60 and 135.25 KZC, the City may amend the text of the Zoning Code only if it finds that:

1. The proposed amendment is consistent with the applicable provisions of the Comprehensive Plan;
2. The proposed amendments bears a substantial relation to public health, safety, or welfare;
3. The proposed amendment is in the best interest of the residents of Kirkland; and
4. When applicable, the proposed amendment is consistent with the Shoreline Management Act and the City's adopted shoreline master program.

The potential Zoning Code amendments satisfy these criteria because they remain aligned with the Comprehensive Plan and do not impede the overall provision of providing a wider range of housing types, including middle housing, within residential zones. The amendments also support compliance with State law. Maintaining the ability to provide diverse housing options within the City's residential areas will directly promote the health, safety, and welfare of Kirkland residents by improving access to varied and attainable housing choices. However, the existing, adopted affordable housing threshold may more effectively promote Comprehensive Plan housing policies than the amendments for the reasons discussed in detail in this memo.

State Environmental Policy Act (SEPA)

A SEPA Addendum was issued on June 2, 2026 to the City of Kirkland 2015 Comprehensive Plan Update Draft and Totem Lake Planned Action Ordinance Final Environmental Impact Statement (EIS), the NE 85th Street Station Area Planned Action Final Supplemental EIS, and the Comprehensive Plan Update Final Supplemental EIS and is contained in the official files in the Planning and Building Department. 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. The code amendments adjusting affordable housing requirements in low-density zones would result in no environmental impacts.

NEXT STEPS:

Following the public hearing on the potential amendments to Chapter 112 KZC at the June 16, 2026 Council meeting, Council will, during the Business portion of the same Council meeting, consider whether to adopt proposed Ordinance O-4937. The proposed ordinance is presented with the Business item memorandum.

ATTACHMENTS:

Attachment 1 – Ordinance O-4937, Relating to Affordable Housing Requirements and Amending Chapter 112 of the Kirkland Zoning Code, File No. CAM26-00369

ORDINANCE O-4937

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AFFORDABLE HOUSING REQUIREMENTS AND AMENDING CHAPTER 112 OF THE KIRKLAND ZONING CODE, FILE NO. CAM26-00369.

1 WHEREAS, as required by state law, on June 17, 2025, the City Council adopted
2 middle housing regulations to chapter 112 of the Kirkland Zoning Code (KZC) that include
3 new affordable housing requirements applicable to residential development in low-density
4 zones (Ordinance O-4905); and

5
6 WHEREAS, O-4905 was adopted with a delayed effective date of January 1, 2027;
7 and

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9 WHEREAS, O-4905 set the affordable housing in-lieu fee exemption threshold at the
10 first 2,000 square feet of a dwelling unit; and

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12 WHEREAS, as part of the adoption of O-4905, Council directed staff to return by
13 June 30, 2026, with alternative methodologies for implementing affordable housing
14 requirements in relevant zones throughout the City; and

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16 WHEREAS, Council considered these alternative methodologies at its May 19, 2026
17 meeting and directed staff to consider zoning code amendments that would increase the
18 affordable housing fee-in-lieu exemption threshold in low-density zones from the first 2,000
19 square feet of a dwelling unit to the first 2,500 square feet; and

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21 WHEREAS, Council also directed staff to conduct and prepare an analysis of the
22 average size of attached housing units built in Kirkland in recent years to better understand
23 how both the current and proposed threshold fee-in-lieu exemptions would apply; and

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25 WHEREAS, staff has determined that attached housing built between 2020 and 2026
26 is mostly townhome style, averaging about 2,350 square feet, with three (3) to four (4)
27 bedrooms; and

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29 WHEREAS, a SEPA Addendum was issued on June 2, 2026, to the City of Kirkland
30 2015 Comprehensive Plan Update Draft and Totem Lake Planned Action Ordinance Final
31 Environmental Impact Statement (EIS), the NE 85th St. Station Area Planned Action Final
32 Supplemental EIS, and the Comprehensive Plan Update Final Supplemental EIS and is
33 contained in the official files in the Planning and Building Department; and the SEPA
34 Addendum compares the difference in impacts between the existing and revised Zoning
35 Code amendments and concludes that the proposed amendments would not result in new
36 adverse impacts beyond those identified in the Comprehensive Plan EIS; and

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38 WHEREAS, a public hearing on these amendments was held by the City Council at
39 its regular meeting on June 16, 2026; and Council considered the comments made during
40 the public hearing; and

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42 WHEREAS, Council has determined that it is in the best interest of the public health,
43 safety, and welfare to amend chapter 112 KZC as set forth below.
44

45 NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:
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47 Section 1. Section 112.15 of the Kirkland Zoning Code (KZC), and the corresponding
 48 portions of Ordinance No.4920 § 14 (2025), is amended as follows, with the new text shown
 49 in underline, deletions shown in ~~strike through~~, and the intentional omission of unchanged
 50 sections or parts of tables indicated with three asterisks (***) ; all other provisions of these
 51 sections remain unchanged and in full force, and these rules for identifying changes apply
 52 throughout this ordinance:
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54 **112.15 Affordable Housing Requirements**
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56 1. Affordable Housing Requirements in Low Density Residential Zones.
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58 a. Minimum Requirement. Beginning on January 1, 2027, for all new dwelling units more
 59 than ~~2,000~~ 2,500 square feet in low-density residential zones, 10 percent of the unit(s) will
 60 be Affordable Housing Units and comply with the provisions of this chapter. Provided, any
 61 replacement less than or equal to ~~2,000~~ 2,500 square feet, and any remodel, rehabilitation,
 62 conversion, or alteration that does not add more than 100 percent of the existing square
 63 footage of an existing dwelling unit is exempt from this requirement. An option for in-lieu fee
 64 payment is provided in KZC 112.30(4)(b).
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66 b. Alternative Requirement. No later than June 30, 2026, the Planning and Building Director
 67 will propose for City Council consideration alternative affordable housing methodologies for
 68 affordable housing requirements in low density residential zones. The City Council may
 69 adopt an alternative program to that set forth in subsection (1)(a) of this section. The
 70 alternative program should not impose minimum affordable housing requirements that are
 71 more burdensome than those in subsection (1)(a) of this section.
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73 c. If the City provides additional development capacity, the minimum affordable housing
 74 requirement may be increased.
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76 d. The Planning and Building Director will provide a report to the Council in January of 2028
 77 evaluating whether the affordable housing fee-in-lieu program in low-density residential
 78 zones has impacted housing development and recommending potential changes to the
 79 program for City Council consideration if impacts are identified.
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81 * * *
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83 Section 2. KZC 112.30, and the corresponding portions of Ordinance No.4905 § 8
 84 (Exh. H) (2025), is amended as follows:
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86 **112.30 Alternative Compliance.**
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88 * * *
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90 4. Requirements for Payment-in-Lieu Alternative Compliance. Payments in lieu of constructing
 91 Affordable Housing Units are subject to the following requirements:
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93 a. To encourage "pioneer developments" subject to these regulations, payments in lieu are
 94 allowed for one whole required Affordable Housing Unit and portions of required Affordable
 95 Housing Units that are less than 0.66 units during the five years immediately following the
 96 effective date of the ordinance codified in this chapter (until April 1, 2015). After that time
 97 period, payments in lieu are allowed only for portions of required Affordable Housing Units
 98 that are less than 0.66 units. Rounding up to the next whole number of units and actual

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construction of the affordable units is required when the calculated number of required affordable units results in a fraction of 0.66 or more.

b. On January 1, 2027, for new dwelling units more than ~~2,000~~ 2,500 square feet in low-density residential zones, the formula for payments will be calculated as a per-square-foot fee, based on the difference between the cost of construction for a prototype Affordable Housing Unit, including land costs and development fees, and the revenue generated by an Affordable Housing Unit from averaged-size stand-alone houses permitted across 10 city neighborhoods in 2024. The per-square-foot fee payment starting on January 1, 2027, will be \$15.00 per square foot. The per-square-foot fee will be applied to each square foot above ~~2,000~~ 2,500 square feet. Starting in 2028, the per-square-foot fee may be adjusted periodically by the City Council to reflect changing market conditions. The final payment will be approved by the Planning and Building Director, or their designee.

1) No later than June 30, 2026, the Planning and Building Director shall propose for City Council consideration alternative affordable housing methodologies to that set forth in subsection (4)(b) of this section. The City Council may adopt an alternative methodology to that set forth in subsection (4)(b) of this section; provided, that the alternative program does not result in an in-lieu fee payment that exceeds the cost of developing 10 percent of the units on a subject property as Affordable Housing Units. The alternative methodologies should contain options that:

- i) Defer payment of the fee as long as possible in the permitting process.
- ii) Exempt the square footage of garages and non-heated storage areas.
- iii) Increase the per-square-foot exemption.
- iv) Require that the City Council approve all allocations of the revenue generated by the fee.
- v) Exempt the square footage of any house that was removed prior to construction of the new home.

2) If the City provides additional development capacity, the in-lieu fee payment may be increased.

* * *

Section 3. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication as required by law, in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2026.

Signed in authentication thereof this _____ day of _____, 2026.

Kelli Curtis, Mayor

Attest:

Anastasiya Warhol, City Clerk

Approved as to Form:

Darcey Eilers, City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. O-4937

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AFFORDABLE HOUSING REQUIREMENTS AND AMENDING CHAPTER 112 OF THE KIRKLAND ZONING CODE, FILE NO. CAM26-00369.

1 SECTION 1. Amends Section 112.15 of the Kirkland Zoning Code (KZC) related to
2 affordable housing requirements in low-density residential zones.
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4 SECTION 2. Amends KZC 112.30 related to requirements for payment in-lieu
5 alternative compliance requirements for affordable housing in low-density residential zones.
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7 SECTION 3. Provides a severability clause for the ordinance.
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9 SECTION 4. Authorizes publication of the ordinance by summary and establishes the
10 effective date as five days after publication of summary.
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12 The full text of this Ordinance will be mailed without charge to any person upon request
13 made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City
14 Council at its meeting on the _____ day of _____, 2026.
15

16 I certify that the foregoing is a summary of Ordinance O-4937 approved by the Kirkland
17 City Council for summary publication.

Anastasiya Warhol, City Clerk