LRM 080526C1

LEGISLATIVE REQUEST MEMORANDUM

This is a scoping document to be prepared with information already known or readily available, without much additional research; inform Council of the options including resource call on staff and budget.

Title: Holmes Point Overlay -- Development Standards to Facilitate Middle Housing

Requesting Councilmembers: Amy Falcone and Jon Pascal	Department: Planning and Building Author: Adam Weinstein, Planning & Building Director
Date of Request: August 5, 2026	Due Date: September 15, 2026

REQUEST SUMMARY

A clear, concise description of the issue(s) to be addressed, and why the City should be involved.

Councilmembers Pascal and Falcone requested an LRM related to the Holmes Point Overlay (HPO) zone, with two distinct parts. This LRM addresses one of those parts, specifically analysis of options to loosen one or more development standards in the HPO to facilitate the development of middle housing.

Development standards in the HPO, particularly relating to lot coverage, are more stringent compared to most of the rest of Kirkland, which is the result of HPO regulations being carried over to City codes from King County codes when Finn Hill was annexed by Kirkland in 2011. The carryover of the HPO code was at the request of HPO residents at the time of annexation.

BENEFITS

Preliminary potential benefits of the proposal.

Loosening development standards in the HPO would make it easier to build housing projects of all types (assuming the new standards are not tailored solely to middle housing). The net result of such code amendments would likely be a modest expansion of the City's housing stock through the construction of new housing. While the prevalence of critical areas in the HPO will continue to be a limiting factor in development, to the extent that the code amendments result in the construction of more middle housing, they could increase affordability and entry-level homeownership opportunities in the community.

IMPACTS

Preliminary potential impacts of the proposal (including legal/financial).

The HPO is characterized by critical areas such as wetlands, shorelines, streams, and steep slopes, along with many parks and natural areas, and a relatively high percentage of tree canopy cover compared to the rest of the City. While loosening development standards in the HPO would increase the potential for the development of new housing stock, it could also result in environmental consequences such as additional shoreline development, water quality impacts, and diminishment of tree canopy.

COUNCIL VISION AND GOALS

List all that apply.

Attainable Housing
Inclusive and Equitable Community

EQUITY

Preliminary discussion on how the proposal may impact diversity, equity, and inclusion.

The equity implications of this LRM are somewhat complex. On one hand, the construction of new housing in the area, particularly middle housing, could yield equity benefits such as the construction of new market-rate housing that is more affordable to entry-level home buyers. Furthermore, additional development allowances could give long-time property owners in the HPO additional opportunities for subdividing and development allowed in most of City, potentially making it easier to age in place or generate supplementary income. On the other hand, code amendments that would make it easier to add more development in the HPO could diminish the ecological integrity of the HPO, which could have adverse impacts on the environment and community members, particularly long-term residents, who chose to live in the HPO because of the environmental protections of the area. Lastly, other zoning districts in the City, such as the equestrian lots in Bridle Trails, also have stringent development standards. Selectively loosening development standards in the HPO but not in other parts of the City with similarly restrictive standards could raise equity concerns surrounding the administration of zoning standards.

STAKEHOLDERS / OUTREACH

Preliminary potential stakeholders impacted and outreach to be considered.

Potential stakeholders include HPO residents, including homeowners; the Finn Hill Neighborhood Alliance (FHNA); environmental groups; and home-builder organizations like the Master Builders Association of King and Snohomish Counties (MBAKS).

RESOURCES AND BUDGET

Preliminary potential staff resources needed and whether current staff and budget authority could accommodate the request.

The code amendment options presented below, similar to the code options presented for the tree removal allowances LRM, could be drafted quite easily and folded into an upcoming Planning Work Program project (e.g., Middle Housing Focused Optimization). However, based on past correspondence with the Finn Hill community about development concerns in the HPO, it's conceivable that there could be a high degree of community interest in these amendments. If a high degree of public engagement is desired, additional staff resources would be needed and it would require amendments to the Planning Work Program.

OPTIONS

Potential options or alternatives that could be evaluated.
If Council chooses an option, what would be the timeframe?

Council should consider making a selection from Menu A (code amendment options) and Menu B (public engagement level). Note that lot coverage is recommended as a primary focus of the code amendment options, as that has been observed as a primary impediment to redevelopment in the HPO.

Menu A: Code Amendment Options

1. *No action*. Retain existing code provisions related to development in the HPO.

2. *Adjust lot coverage standards in the HPO*. Section 70.15 of the Kirkland Zoning Code (KZC) has a sliding lot coverage scale, under which smaller lots get somewhat greater lot coverage than larger lots. This code amendment could involve bringing the Citywide lot coverage standard of 50% to the HPO, regardless of lot size. Such an amendment would benefit the development of all housing types in the HPO but could be limited just to middle housing (which is the intent of Option 3, below).

3. *Tie a special development standard to middle housing development in the HPO*. This option would involve creating a special carve-out for middle housing development in Chapter 70 (Holmes Point Overlay Zone) of the KZC, granting additional development allowances (e.g., lot coverage, height, setbacks) to projects that create a certain amount of middle housing. Associated code amendments would likely need to be made to other sections of the KZC.

Menu B: Public Engagement Level (if Options 2 or 3 from Menu A are selected)

1. *Minimal public engagement*. Under this option, staff would fold one of the code amendments identified above into an existing Planning Work Program project, such as Middle Housing Focused Optimization. Public outreach would be primarily that designed for the broader Citywide project and would not include HPO-specific meetings.

2. *More public engagement*. Under this option, staff would conduct more focused, HPO-specific public engagement on the code amendments, including meetings with stakeholders and community groups, and other interested individuals and organizations. The outcome of this option may be less certain, particularly if there is not broad community support for creating more development leniency for middle housing in the HPO. This option would also require some adjustments to the 2026-8 Planning Work Program, including de-prioritization of a 2026-7 project or expanding the scope of an existing project, assuming initiation in the 2026-7 timeframe is desired.

REVIEWS REQUIRED

Department Director responsible for acquiring Finance and Legal review before submitting to City Manager.

Legal review required	☒Reviewed by Legal ☐Implications requiring further legal analysis	Signature: Darcey Eilers Date: 9/4/2026

Legal Notes: ☒Legislative change ☐State/federal change		
Fiscal review required	☒Reviewed by Finance ☐Implications requiring further financial analysis	Signature: Michael Olson Date: 9/4/2026
Finance Notes:		
Director review required	☐Reviewed	Signature: Date:
City Manager	☒Approved	Signature: Kurt Triplett Date: 9/28/26
City Manager Notes:		