

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 new
3 affordable housing requirements applicable to residential development in low-density zones
4 (Ordinance O-4905); and
5

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

8 WHEREAS, O-4905 set the affordable housing in-lieu fee exemption threshold at the
9 first 2,000 square feet of a dwelling unit; and
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11 WHEREAS, as part of the adoption of O-4905, Council directed staff to return by June
12 30, 2026, with alternative methodologies for implementing affordable housing requirements in
13 relevant zones throughout the City; and
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15 WHEREAS, Council considered these alternative methodologies at its May 19, 2026
16 meeting and directed staff to consider zoning code amendments that would increase the
17 affordable housing fee-in-lieu exemption threshold in low-density zones from the first 2,000
18 square feet of a dwelling unit to the first 2,500 square feet; and
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20 WHEREAS, Council also directed staff to conduct and prepare an analysis of the
21 average size of attached housing units built in Kirkland in recent years to better understand
22 how both the current and proposed threshold fee-in-lieu exemptions would apply; and
23

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

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

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

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

44 NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:
45

Section 1. Section 112.15 of the Kirkland Zoning Code (KZC), and the corresponding portions of Ordinance No.4920 § 14 (2025), is amended as follows, with the new text shown in underline, deletions shown in ~~striketrough~~, and the intentional omission of unchanged sections or parts of tables indicated with three asterisks (***) ; all other provisions of these sections remain unchanged and in full force, and these rules for identifying changes apply throughout this ordinance:

112.15 Affordable Housing Requirements

1. Affordable Housing Requirements in Low Density Residential Zones.

a. Minimum Requirement. Beginning on January 1, 2027, for all new dwelling units more than ~~2,000~~ 2,500 square feet in low-density residential zones, 10 percent of the unit(s) will be Affordable Housing Units and comply with the provisions of this chapter. Provided, any replacement less than or equal to ~~2,000~~ 2,500 square feet, and any remodel, rehabilitation, conversion, or alteration that does not add more than 100 percent of the existing square footage of an existing dwelling unit is exempt from this requirement. An option for in-lieu fee payment is provided in KZC 112.30(4)(b).

b. Alternative Requirement. No later than June 30, 2026, the Planning and Building Director will propose for City Council consideration alternative affordable housing methodologies for affordable housing requirements in low density residential zones. The City Council may adopt an alternative program to that set forth in subsection (1)(a) of this section. The alternative program should not impose minimum affordable housing requirements that are more burdensome than those in subsection (1)(a) of this section.

c. If the City provides additional development capacity, the minimum affordable housing requirement may be increased.

d. The Planning and Building Director will provide a report to the Council in January of 2028 evaluating whether the affordable housing fee-in-lieu program in low-density residential zones has impacted housing development and recommending potential changes to the program for City Council consideration if impacts are identified.

* * *

Section 2. KZC 112.30, and the corresponding portions of Ordinance No.4905 § 8 (Exh. H) (2025), is amended as follows:

112.30 Alternative Compliance.

* * *

4. Requirements for Payment-in-Lieu Alternative Compliance. Payments in lieu of constructing Affordable Housing Units are subject to the following requirements:

a. To encourage "pioneer developments" subject to these regulations, payments in lieu are allowed for one whole required Affordable Housing Unit and portions of required Affordable Housing Units that are less than 0.66 units during the five years immediately following the effective date of the ordinance codified in this chapter (until April 1, 2015). After that time period, payments in lieu are allowed only for portions of required Affordable Housing Units that are less than 0.66 units. Rounding up to the next whole number of units and actual 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.

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.
3

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.
6

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.
11

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