



CITY OF KIRKLAND
Planning and Building Department
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MEMORANDUM

To: Planning Commission

From: Adam Weinstein, AICP, Planning & Building Director
Allison Zike, AICP, Deputy Planning & Building Director
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Date: June 1, 2023

Subject: NE 85TH ST STATION AREA PLAN – AFFORDABLE HOUSING
REQUIREMENTS AND ROOFTOP APPURTENANCE CODE AMENDMENTS –
PUBLIC HEARING, FILE NO. CAM20-00153

RECOMMENDATION

Conduct a public hearing to receive public testimony on affordable housing requirements for the NE 85th St. Station Area Plan including associated amendments to the Kirkland Zoning Code (KZC), and citywide rooftop appurtenance KZC amendments. At the conclusion of the public hearing, conduct Planning Commission (PC) deliberations and prepare a recommendation to the City Council (Council) on the KZC amendments.

Council is expected to take action on the complete package of Station Area Phase 2 Code Amendments (including the amendments that are the subject of the June 8 hearing) and the Planned Action Ordinance (PAO) at their meeting on July 18, 2023.

BACKGROUND

On [February 23, 2023](#) the PC held a public hearing to collect public testimony, deliberate, and make recommendations on the proposed Phase 2 amendments to the Kirkland Zoning Code (KZC) and Municipal Code (KMC). At that hearing, the PC opted to delay the public hearing specifically concerning the draft Station Area affordable housing requirements. Per PC direction at the meeting, staff did not present the background information and recommendations on affordable housing, and the PC did not formally collect public testimony on the topic. The PC requested that staff conduct additional vetting of the inclusionary standards with the development community to ensure that redevelopment under the ultimate requirements remains feasible. A full summary of the February 23 public hearing was given to Council on [March 7, 2023](#). The PC recommendations on the remaining Phase 2 code amendments are found in the staff report to Council.

Staff addressed the PC's request for additional analysis and more stakeholder engagement specific to the draft affordable housing requirements during two study sessions in Spring 2023. The materials prepared for the [April 27, 2023](#) and [May 31, 2023](#) PC meetings provide iterative staff recommendations for the affordable housing

requirements, background analysis that informed the staff recommendations, a summary of housing needs in Kirkland, case studies that provide information about requirements in other jurisdictions, and responses to specific concepts for affordable housing provisions that were requested by Commissioners.

NE 85th St Station Area Plan: Adopted Housing Policies

The NE 85th Street Station Subarea Plan, adopted in Chapter XV.G of the Comprehensive Plan, envisions a district with plentiful affordable housing, where the community has maximized affordable housing options and created the most opportunity for housing options that serve diverse needs.

The NE 85th Street Station Area Plan focuses high-density mixed use residential redevelopment in existing underutilized low intensity commercial areas to accomplish two aims:

- To avoid significant displacement of existing residents in the Station Area; and
- To repurpose large surface parking lots for focused market rate and affordable housing opportunities, expanding the supply of such housing in the City.

The NE 85th Street Station Area Comprehensive Plan chapter also describes housing needs specific to the Station Area, and within the broader context of housing Citywide:

The [Station Area Plan Market Analysis](#) showed that more than 30 percent of people who work within the NE 85th Station Area make a salary below what is considered a living wage. Additionally, 16 percent of employees within the area make below the federal poverty thresholds. This Subarea Plan is intended to generate more living-wage jobs, paired with more housing units that are affordable to the workforce.

Based on the City's existing inclusionary zoning requirement that at least 10 percent of new multifamily units are affordable, future redevelopment in the Station Area could result in over 600 estimated new affordable units (of the studied capacity for up to 6,243 additional housing units). Incentive zoning and other financial and planning tools seek to build upon these existing regulations to generate more affordable housing.

Staff developed the May 2023 affordable housing recommendations contained in this memo as a directive of the following NE 85th Street Station Subarea Plan housing goals and policy that align with increased inclusionary requirements:

- **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.

Station Area Affordable Housing Incentives

With the development standards adopted in Phase 1, and standards pending adoption for Phase 2, the City is already employing many of the Puget Sound Regional Council's (PSRC's) [recommended tools](#) local governments can use to encourage affordable housing production. These include:

- Significant increases in development capacity
- Lower minimum parking requirements
- Form-based Code to streamline project design
- Planned Action Ordinance eliminating the need for individual development projects to go through detailed State Environmental Policy Act (SEPA) review
- Development agreements for catalyst projects

The increased inclusionary affordable housing requirement options explored in this memo are paired with these regulatory strategies (together with the City's existing Multi-family Tax Exemption (MFTE) program) to provide the market with a flexible means to build housing and help to meet the City's affordable housing needs.

As the City updates its Comprehensive Plan goals and policies and continues to enact future code amendments and other permitting reform, additional incentives can be studied to address housing production and affordable housing in the City. Some of these strategies, below, have already been discussed with the PC:

- Permit review streamlining/expediting
- Impact fee waivers
- Building Code amendments to allow different/less expensive construction types (e.g., more floors of wood-frame construction over podiums)

DRAFT AFFORDABLE HOUSING REQUIREMENTS: PLANNING COMMISSION RECOMMENDATION SUMMARY (FIXED/BASE REQUIREMENT)

A summary of the draft affordable housing requirements prepared by staff for the May 31, 2023 PC meeting is included later in this memo. Those draft requirements, including options for flexible requirements and pioneer and/or catalyst project provisions, were discussed by the PC at the May 31 study session. After robust discussion, Commissioners agreed on a draft affordable housing requirement that maintains existing inclusionary requirements (under current, pre-Station Area zoning) with the addition of options for the requirements to be met by providing a higher percentage of set-aside units at more shallow levels of affordability. Several points discussed by the PC during formation of this option included:

- 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.

The PC directed that staff draft the below requirements for the Station Area, which are included in the draft KZC 112 amendments in Attachment 1 (standards for ownership housing would remain at 10% at 80% AMI):

Maximum Allowed Zone Height	Minimum Percent of Affordable Housing Units and AMI Requirements
Less than 65'	10% at 50% AMI
65' to 85'	10% at 50% AMI; or 20% at 80% AMI
Above 85'	10% at 50% AMI; or 20% at 80% AMI

While the above requirements would provide a pathway for future redevelopment in the Station Area to provide affordable units at different levels of affordability, the number of units allowed to be provided at 80% AMI and used to meet the affordable housing requirements would be capped at 5% of the total new net housing capacity in the Station Area (312 units), in order to ensure that units at deeper levels of affordability (50% AMI) are provided (see Attachment 1 for draft code language).

DRAFT AFFORDABLE HOUSING REQUIREMENTS: MAY 2023 STAFF RECOMMENDATIONS SUMMARY

A detailed background discussion of the analysis performed by ARCH and their consultants, BAE Urban Economics and Street Level Advisors, was included in the [April 27, 2023 meeting materials](#). 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 staff presentation at the [April 27 meeting \(recording linked\)](#). Staff's recommendations consider strong residential development trends that continue,

inclusive of the City's existing affordable housing requirement (10% at 50 AMI). Evidence of this trend persists under current market conditions; approximately 5,800 multi-family units are currently in the development pipeline. Furthermore, development interest in the Station Area has continued even in the context of existing (and potentially expanded) inclusionary housing requirements. For instance, the 870-unit Petco/Madison Rosehill Mixed Use development is moving forward. Coupled with the added capacity with Station Area rezones, staff's recommendation builds on the existing affordable housing requirements and is structured to help advance Comprehensive Plan Policy SA-16 (above).

The discussion below summarizes the staff recommendations prepared for the May 31, 2023 PC study session (May 2023 Staff Recommendations). The draft KZC section showing the PC direction summarized in the above section of this memo is shown in Attachment 1. The below staff recommendations from May 31, 2023 are not included in the draft KZC section in Attachment 1, but are included in this memo in order for the community preparing public testimony for the June 8 hearing to review a range of options for affordable housing requirements in the Station Area.

Near-term Considerations for Implementation of Station Area Affordable Housing Requirements

The ARCH and consultant analysis in the April 27, 2023 meeting materials, which incorporated developer feedback, showed that typical rental projects would likely be infeasible (under current market conditions) both under existing zoning and proposed zoning with the staff-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. As noted in the ARCH memo, the real estate market is highly cyclical, and it is very difficult to establish development regulations that precisely align with the market. Therefore, best practice is to adopt affordable housing set-aside regulations that are appropriate across the market cycle – a little lower of a set-aside than what might be possible at the peak of the market and perhaps a little higher of a set-aside than what is feasible at the low point.

Staff believes that the recommended inclusionary requirements are appropriate in the context of the expected market longer-term cycle. However, the City can consider encouraging development in the Station Area soon after the Phase 2 zoning is adopted (when market conditions may not be optimal) by including a pioneer or catalyst provision within the affordable housing requirements. One option for such a provision is that the new zoning *development allowances* (increased height, reduced setbacks, etc.) would go into effect immediately after adoption. At the same time, the new *inclusionary zoning requirements* could be phased-in. Several options for phase-in requirements or increased incentives were discussed in the [April 27, 2023 meeting materials](#). The staff recommendation for phase-in options are included in the May 2023 Staff-recommendations section of this memo.

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 could enable projects to move forward in the short-term (potentially catalyzing 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.

Summary of May 2023 Staff-recommended Inclusionary Regulations

The analysis by ARCH and their consultants indicated that the value created for landowners and developers, by increasing development capacity and reducing parking minimums, supports an increase to the affordable housing required in the Station Area, varying slightly according to the maximum height allowed in each Station Area zone.

May 2023 Staff-recommended Fixed/Base Requirements

The staff-recommended Station Area *fixed (or base)* affordable housing requirements were included in the April 18, 2023 ARCH memo (Attachment 1 of the [April 27, 2023 meeting materials](#)), along with a background analysis that supports the draft requirements, and are shown below:

	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 below 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 65 feet or greater</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

These May 2023 staff-recommended draft requirements were structured to provide developers a choice between complying with the base mandatory requirement eligible for an 8-year MFTE, or the optional requirement eligible for a 12-year MFTE.

May 2023 Staff-recommended Flexible Requirement Options

At their April 27, 2023 meeting, the PC requested additional options for the inclusionary requirement that would allow for a shallower affordability (i.e., available to households making more than 50% of AMI), than the proposed requirement recommended by staff. Commissioners discussed the desire to compare the feasibility resulting from different compositions of a higher inclusionary requirement (compared to existing standards) such as, for example, a base requirement for 10% of units to be provided at 50% AMI and 5% – 10% of units to be provided at a higher AMI. Supplementing that concept was a request for staff to explore requirements at more brackets of affordability between an AMI of 50% and 80%, an option that would provide more choices for developers.

A sliding scale with values equivalent to the May 2023 staff-recommended fixed/base requirement for renter-occupancy of 15% at 50% AMI would be:

<u>Affordability Level</u>	<u>Set-aside</u>
60% of median income	18%
50% of median income	9%
70% of median income	plus 9%

May 2023 Staff-recommended Pioneer/Catalyst Provisions

At both Spring 2023 study sessions, several ideas were discussed by Commissioners to encourage or ensure that new residential development occurs sooner, rather than later, including extensive discussion of additional incentives for developers. Options discussed included expedited permitting, phasing-in new affordable housing requirements, and pioneer provisions.

Staff took the above-referenced discussion as guidance to develop the below options intended to enable catalyst residential development in the Station Area. To support imminent development (i.e., where the developer owns the land and has begun site planning and design) that would benefit the community, Kirkland could adopt one of the following options for “pioneer” incentives similar to that in KZC 112.20.3.c. that allows a smaller set-aside or a set-aside at a higher income level for early projects. In the below options, the number of units for consideration as “pioneer” or “catalyst” residential development represent a percentage of the total residential capacity added with the upzones in the subarea, where 624 units and 312 units are 10% and 5%, respectively, of the total new residential capacity in the Station Area of 6,234 units:

Option A		Option B		Option C	
Total Units	Pioneer Requirement	Total Units	Pioneer Requirement	Total Units	Pioneer Requirement
Up to 624 units	10% at 50% AMI	First 312 units	10% at 50% AMI	Up to 624 units	10% at 50% AMI, plus a fee in lieu of 5% at 50% AMI
		Second 312 units	15% at 60% AMI		
All subsequent units	15% at 50% AMI	All subsequent units	15% at 50% AMI	All subsequent units	15% at 50% AMI

With the above options for pioneer/catalyst projects, staff recommended that other conditions accompany a pioneer incentive, including permit vesting (likely with a complete building permit application for the relevant units) and MFTE application approval no later than 12 months from the effective date of the new zoning ordinance and project completion within three years of MFTE application approval (consistent with MFTE regulations). The intent was to ensure that a developer receives the benefit of the pioneer incentive only if the project is actually built sooner rather than later.

SUMMARY OF PROPOSED ROOFTOP APPURTENANCE CODE AMENDMENTS

The draft rooftop appurtenance code amendments are shown in Attachment 2 to this memo. KZC 115.120.4.b(1) currently allows elevator and associated equipment and/or stair enclosure height to exceed the allowed maximum height of structure by 15'. Several taller buildings in Kirkland have been approved that utilize this allowance. These buildings are located in the Totem Lake Business District (Jade Condos, Slater Mixed Use, and Polaris). They range from 75 to 80' in height and do not have rooftop amenity rooms. However, maximum height limits can rise to 160' in the Totem Lake Business District and 250' in the Station Area district. With taller buildings come the need for reduced wait times for occupants (i.e., faster elevators), which results in increased size needs for equipment, overrun space, and mechanical rooms. An example will be provided in the June 8 staff presentation.

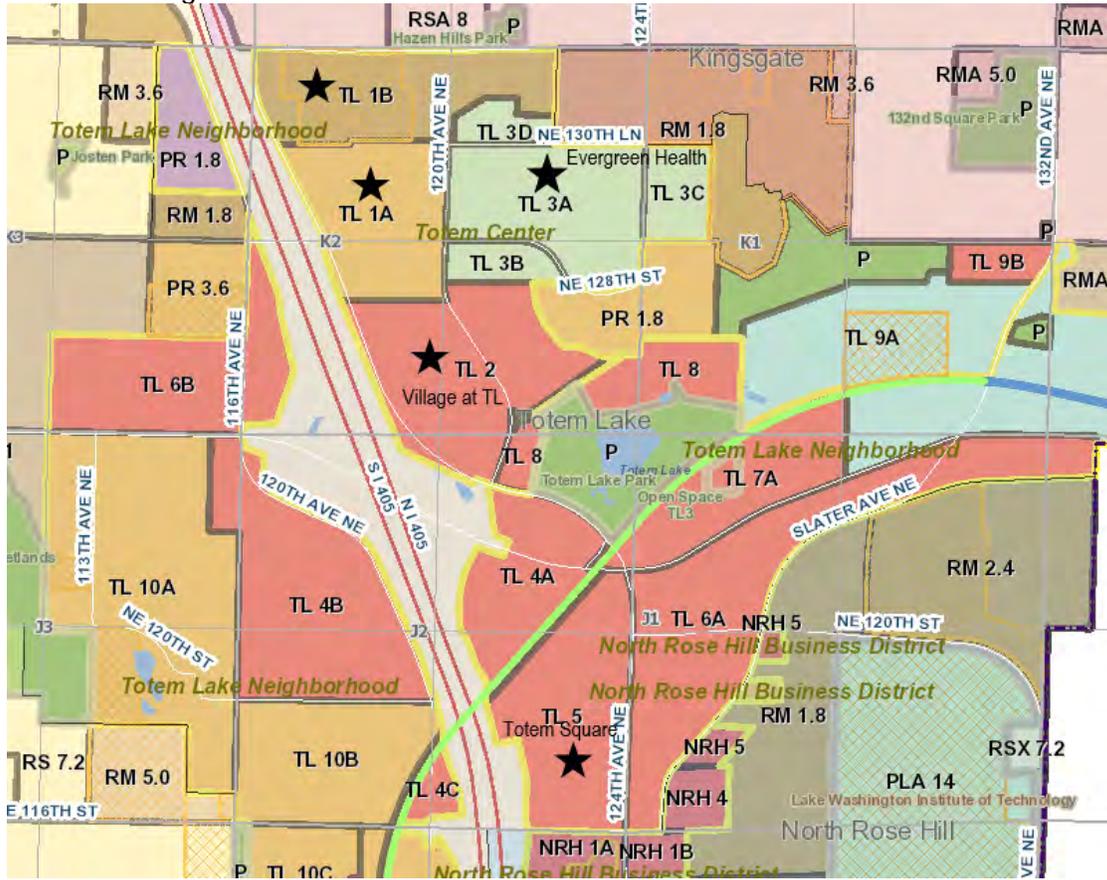
Bellevue was looked to as a comparison. Currently, Bellevue allows 15' above maximum height for mechanical and elevator equipment (see definition of [Building Height](#)), except that in their [Downtown](#) (75' to 600' maximum height limit range) and [East Main districts](#) (100' to 300' maximum height limit range), 20' above maximum height is allowed for mechanical and elevator equipment.

Regarding elevators and associated equipment, staff is proposing to adopt a similar approach as Bellevue by increasing Kirkland's height exception from 15' to 20', but to limit the increased height allowance to properties with a maximum allowed height of 85' or taller.

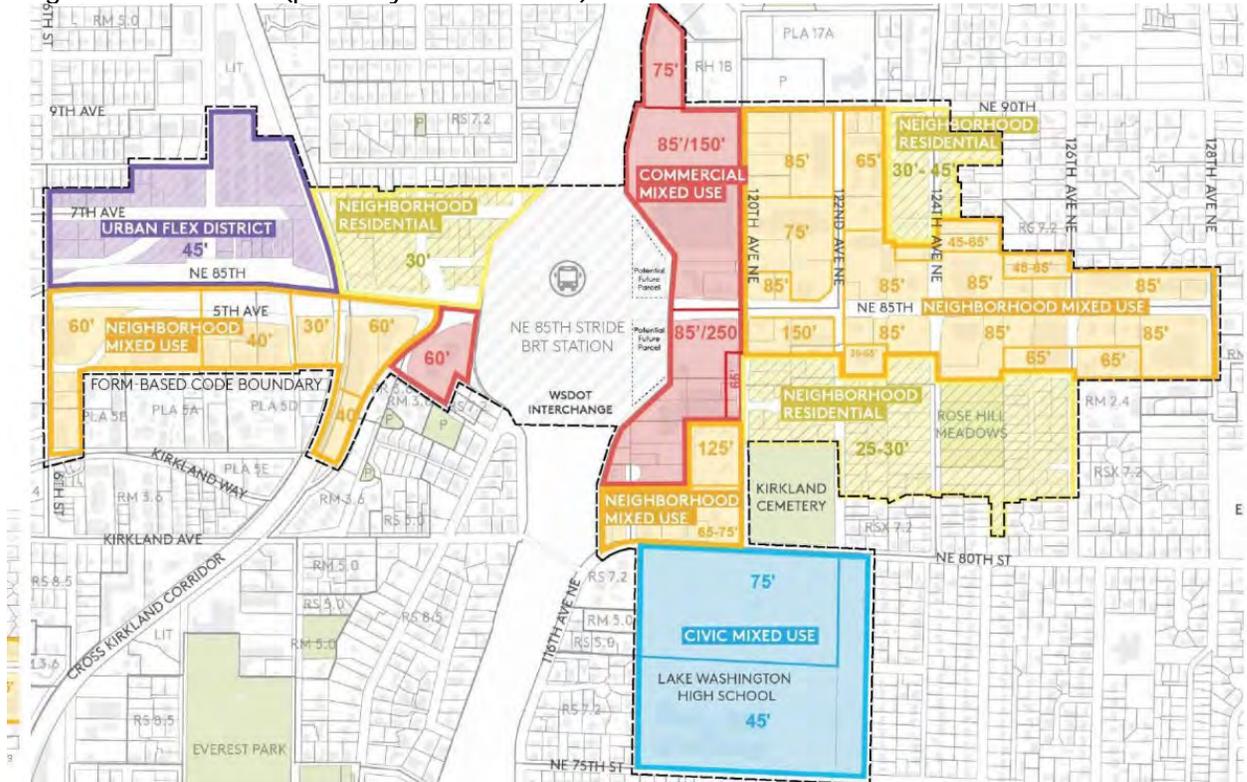
In Kirkland, rooftop amenity rooms are allowed provided that no portion of the subject property adjoins a low-density residential zone. The height of these rooms cannot exceed 15' or the height of the story immediately below the rooftop common room, whichever is less. Note that Bellevue does not have an allowance for common rooms to extend above the height limit, and that all buildings and associated rooftop appurtenances would need to be constructed per the established height limit and height exceptions.

Staff is proposing that the height allowance for elevators and associated equipment be measured from the roof of the rooftop amenity room if one is proposed. This approach would add an additional 15' to 20' for the associated elevator overrun and mechanical room space depending on the building's maximum height limit. As a reminder, all rooftop appurtenances and screening are limited to 10% of the total area of the building footprint unless modified to a maximum of 25% (reducing the overall bulk of the appurtenances and associated impacts on views).

In Totem Lake, the proposed changes would apply to following zones (starred) where the maximum height is 85' or taller:



In the Station Area, the proposed changes would apply to zones where the maximum height is 85' or taller (primarily east of I-405):



CRITERIA FOR AMENDING THE ZONING CODE AND MAP

Amendments to the text of the Zoning Code must satisfy the following criteria contained in Chapter 135 of the Zoning Code.

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; and
4. When applicable, the proposed amendment is consistent with the Shoreline Management Act and the City's adopted shoreline master program.

Staff Analysis: The proposed amendments are consistent with and enact the Land Use Goals and Policies of the [NE 85th Street Station Subarea Plan](#) of the Comprehensive Plan and are consistent with the criteria listed above for amending the Zoning Code. The rooftop appurtenance code amendments that would also apply in Totem Lake would assist in implementing the City's growth strategy, which is focused on clustering growth walkable neighborhoods that are well-served by transit and services.

STATION AREA NAME AND IMPLEMENTATION PROCESS

Over the course of the Station Area Plan process, Council has expressed a desire to a replace the generic denotation of “Station Area” with a more distinguishing name for the plan and district. Several options have been explored, including community opinions through a survey and outreach to tribal representatives to explore a name recognizing Native cultural heritage. It is anticipated that Council may choose a name with the adoption of Phase 2 code amendments. If a name is chosen, amendments would be made in all relevant policy and regulatory documents to replace instances of “Station Area” with the chosen name.

PUBLIC NOTICE AND TESTIMONY

Per code requirements, public notice was distributed 14 calendar days before the public hearing. Notice of the amendment was published in the official newspaper and posted on official notification boards of the City, and on the City’s website. Public notice boards were installed in the areas subject to rezone consistent with the criteria of KZC 160.40.

Specific to the PC public hearing, oral testimony may be provided live (virtually or in-person) to the Commission on June 8, 2023, or via written comment to the Commission prior to hearing.

NEXT STEPS

Following the public hearing, the PC should deliberate and forward a recommendation to the City Council. The PC recommendation for all Station Area Phase 2 amendments to the Zoning Code, Zoning Map, and Municipal Code and are scheduled to be considered by the City Council on July 18, 2023. Council is also expected to take action on the Station Area Planned Action Ordinance (PAO) at that meeting.

ATTACHMENTS

1. Draft Station Area Affordable Housing Amendments to KZC 112
2. Draft Rooftop Appurtenance Amendments to KZC 115

cc: File Number CAM20-00153
Parties of Record (CAM20-00153)

**NE 85TH ST STATION AREA PLAN PHASE 2 –
AFFORDABLE HOUSING KIRKLAND ZONING CODE (KZC) AMENDMENTS**

The following are amendments to various sections of the KZC. Added text is shown as underlined.
~~Removed text is shown as strikethrough.~~

*Note, where chapter sub-sections are removed, impacted sub-sections will be re-numbered administratively. For streamlining purposes, the sections shown below are limited to those with text edits, and do not include sections when the only edit is re-numbering.

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 projects creating four or more new dwelling units in the Neighborhood Mixed Use (NMU), Civic Mixed Use (CMU), or Urban Flex (UF) zones regulated in Chapter 57 KZC shall set aside the following minimum percentage of their residential units as affordable units, 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:

<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' to 85'</u>	<u>10% at 50% AMI; or,</u> <u>20% at 80% AMI</u>	<u>10% at 80% AMI</u>
<u>Above 85'</u>	<u>10% at 50% AMI; or,</u> <u>20% at 80% AMI</u>	<u>10% 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.

For development within the Station Area subject to KZC 57, the total number of renter-occupied affordable units provided at 80% AMI as allowed by the above table, and in order to meet the requirements of this subsection, shall be capped at a total number of 312 units. Required renter-occupied affordable units provided in order to meet the requirements of this subsection after the cap on 80% AMI units has been met shall be provided at 50% AMI.

- 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>	

Affordability Level	Bonus Unit to Affordable Unit Ratio
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

Number of Total Units		Affordability Level	
<i>RH Zones</i>	<i>TL Zones</i>	<i>Renter-Occupied</i>	<i>Owner-Occupied</i>
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.~~

- cd. 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.
- a. 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.
 - b. 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.
 - c. 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 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.

PROPOSED ROOFTOP APPURTENANCE CODE AMENDMENTS

Staff Note: proposed code amendments are shown below with text proposed to be added shown in underline, and ~~text proposed to be removed as strikethrough~~. Code subsections not shown in the following are not proposed for amendment.

KZC 115.120.4 Allowable Height and Size – Rooftop Appurtenances

- b. For stacked dwelling units and commercial buildings, rooftop appurtenances necessary to access rooftop amenities, such as elevators and associated equipment and/or stair enclosures, may extend above the maximum height of structure for the zone beyond the allowance in subsection (4)(a) of this section, provided:
 - 1) The elevator and associated equipment and/or stair enclosure height is the minimum necessary for rooftop access and does not exceed 15 feet above the maximum height of structure. For buildings with a height limit of 85 feet or taller, the additional height allowance for elevators and associated equipment and/or stair enclosures shall be 20 feet. The height allowances for elevators and/or stair enclosures shall be measured above the roof of the rooftop amenity room if they provide access to a rooftop amenity room. See also subsection (4) below.
 - 2) Elevators and associated equipment may include an enclosed entry/exit vestibule matching the height of the elevator, but not exceeding the minimum area required by the building code.
 - 3) The stair enclosure, including the top landing of stairs, does not exceed the minimum area required by the building code.
 - 4) Rooftop appurtenances necessary to access rooftop amenities, such as elevators and associated equipment and/or stair enclosures, proposed where the subject property is partially, or wholly, adjoining low-density residential zones may only be approved through the modification process in subsection (4)(c) of this section.
- c. The Planning Official may approve a modification to the standards of subsection (4)(a) of this section if:
 - 1) No reasonable alternative to the increased height or size exists, such as utilizing alternative equipment design or technology or locating the appurtenances at or below grade or within the structure, and the amount of increase and the size of the appurtenance and its screening is the minimum amount necessary; and
 - 2) The applicant submits accurate graphic representations or other information that demonstrate that:
 - a) Views from adjoining properties will not be significantly blocked by the appurtenance(s); and
 - b) Visibility of the appurtenances from adjoining properties and streets will be minimized; and

- c) Aesthetic impacts resulting from the increased height and/or area will be minimized through appropriate screening, architectural integration, and/or location or consolidation of the appurtenance(s); and
- 3) The height of the appurtenance, except for elevators and associated equipment and/or stair enclosures, shall in no event exceed the height of the story immediately below the appurtenance; and
- 4) In no event shall the total area occupied by rooftop appurtenances or enclosed within their screening exceed 25 percent the total area of the building footprint.