

# NE 85<sup>th</sup> St Station Area Plan -Phase 2



## City Council Meeting

City of Kirkland

July 18, 2023



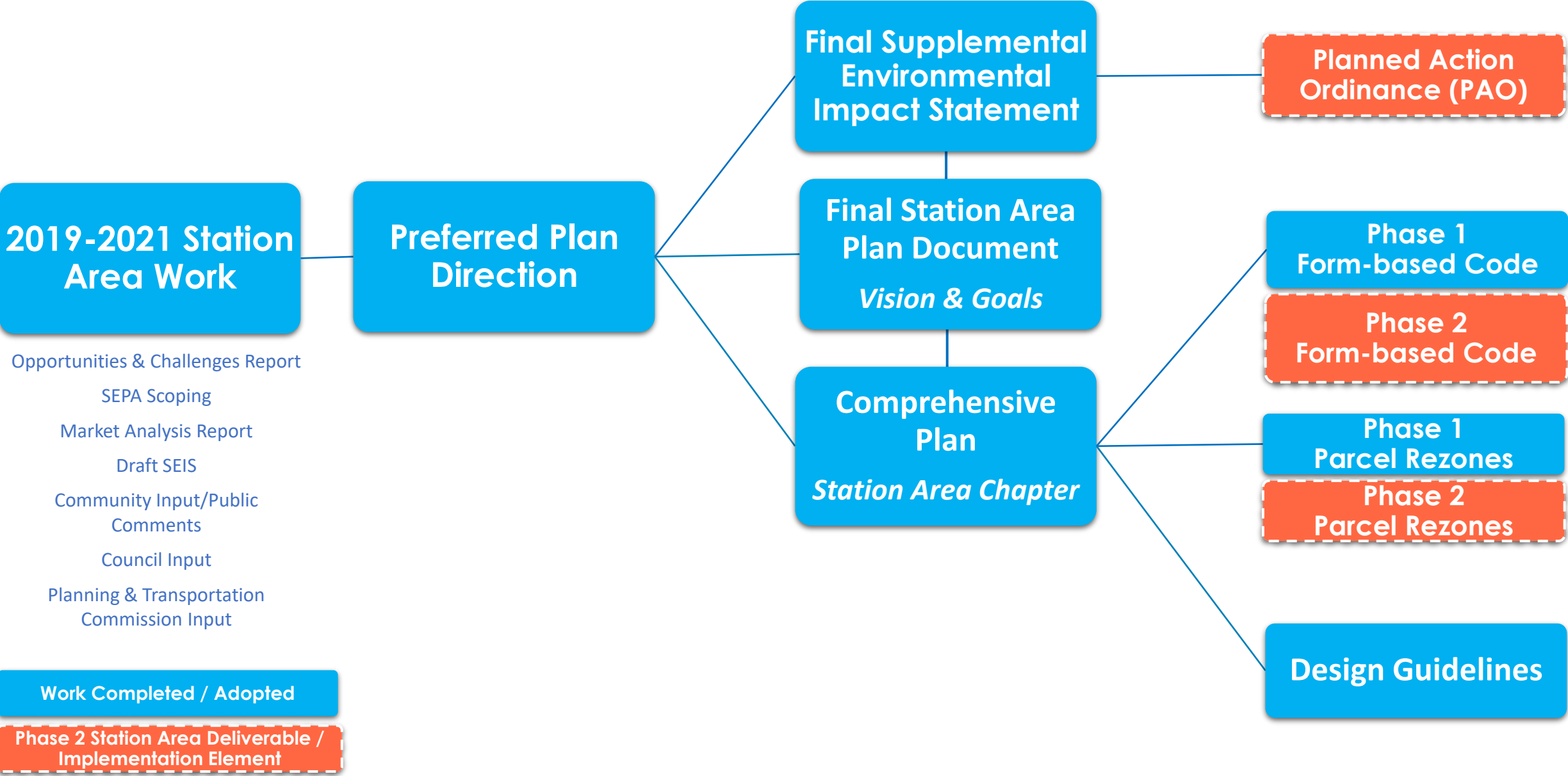


# Tonight's Agenda (16 slides)

- **Station Area Plan Review**
- **KZC Amendments**
  - Regulating District Updates
  - District-wide Standards
  - Misc. KZC Implementing Amendments
- **Parcel Rezones**
- **Planned Action Ordinance**
- **Affordable Housing**
- **Discussion**



# Station Area Deliverables Workflow



# What are the decisions under consideration for adoption?

**Planning Commission has held a public hearing, received public testimony, deliberated, and made a recommendation to City Council on 2 items:**

## **1. Kirkland Zoning Code (KZC) Amendments (O-4855)**

- *Station Area Form-based Code for NMU, CVU, and UF districts*
- *Updates to district-wide standards (e.g., transitions, parking, etc.)*
- *Misc. Zoning Code Amendments*
- *Affordable Housing Requirements*

## **2. Legislative Rezones/Zoning Map Amendments (O-4856)**

- *Applies NMU, CVU, and UF districts to specific parcels*

**City Council has held a public hearing and received public testimony for 1 item:**

## **3. Planned Action Ordinance (O-4825)**



# NE 85th St Form-based Code Organization

## Regulating District

Building Height  
Building Massing  
Facade Modulation  
Side & Rear Setbacks

## Frontage Type

Front Setbacks  
Ground Floor Design  
Cafe & Amenity Zones

## Street Type

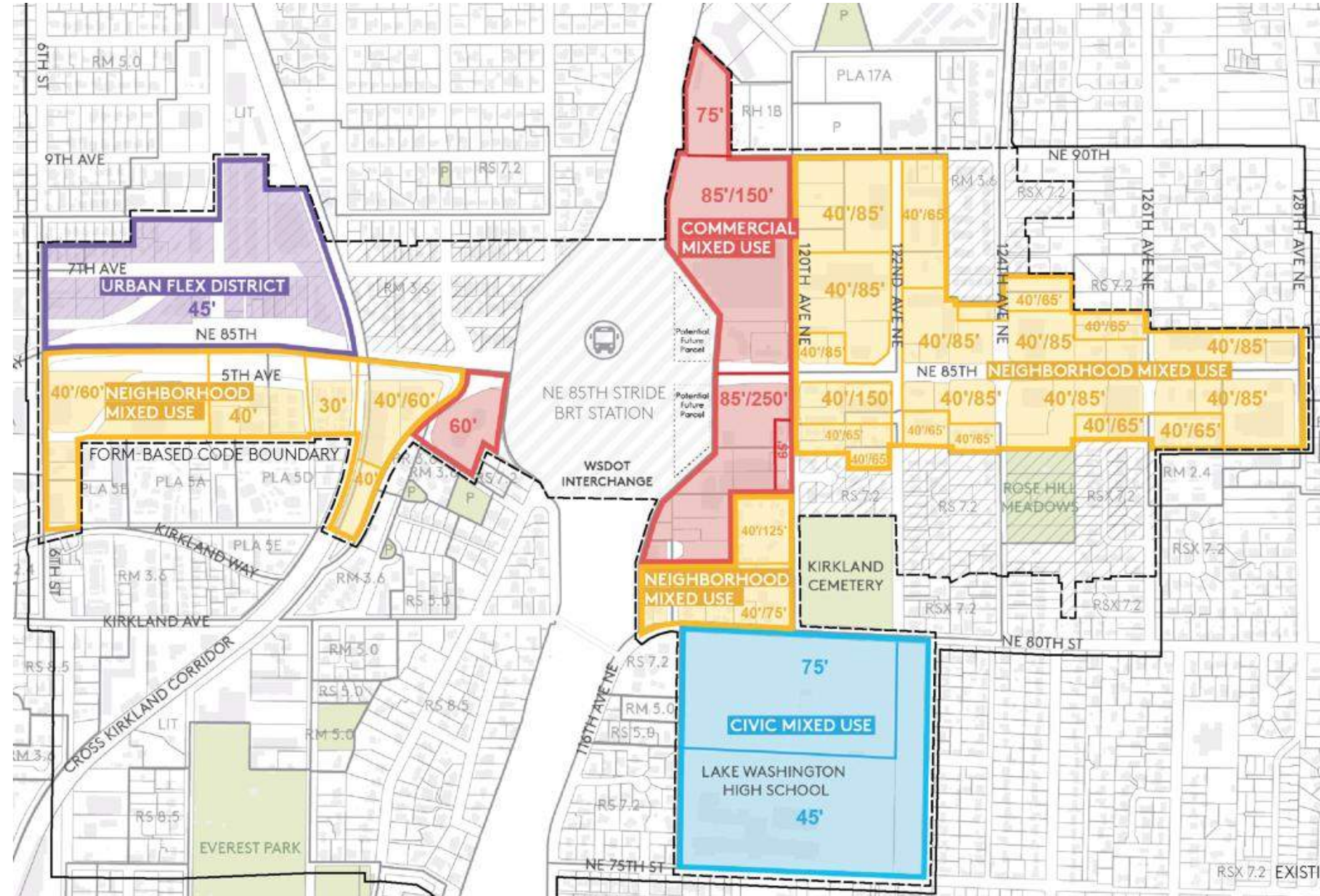
Sidewalks  
Trees & Street Furnishings  
Bike Facilities  
Road Widths



# Regulating Districts

For each Regulating District, the code amendments add standards for:

- Permitted Uses
- Maximum Heights
- Maximum Lot Coverage
- Setbacks
- Maximum Floor Plates
- Façade Design



# Proposed Amendments to Station Area Form-based Code

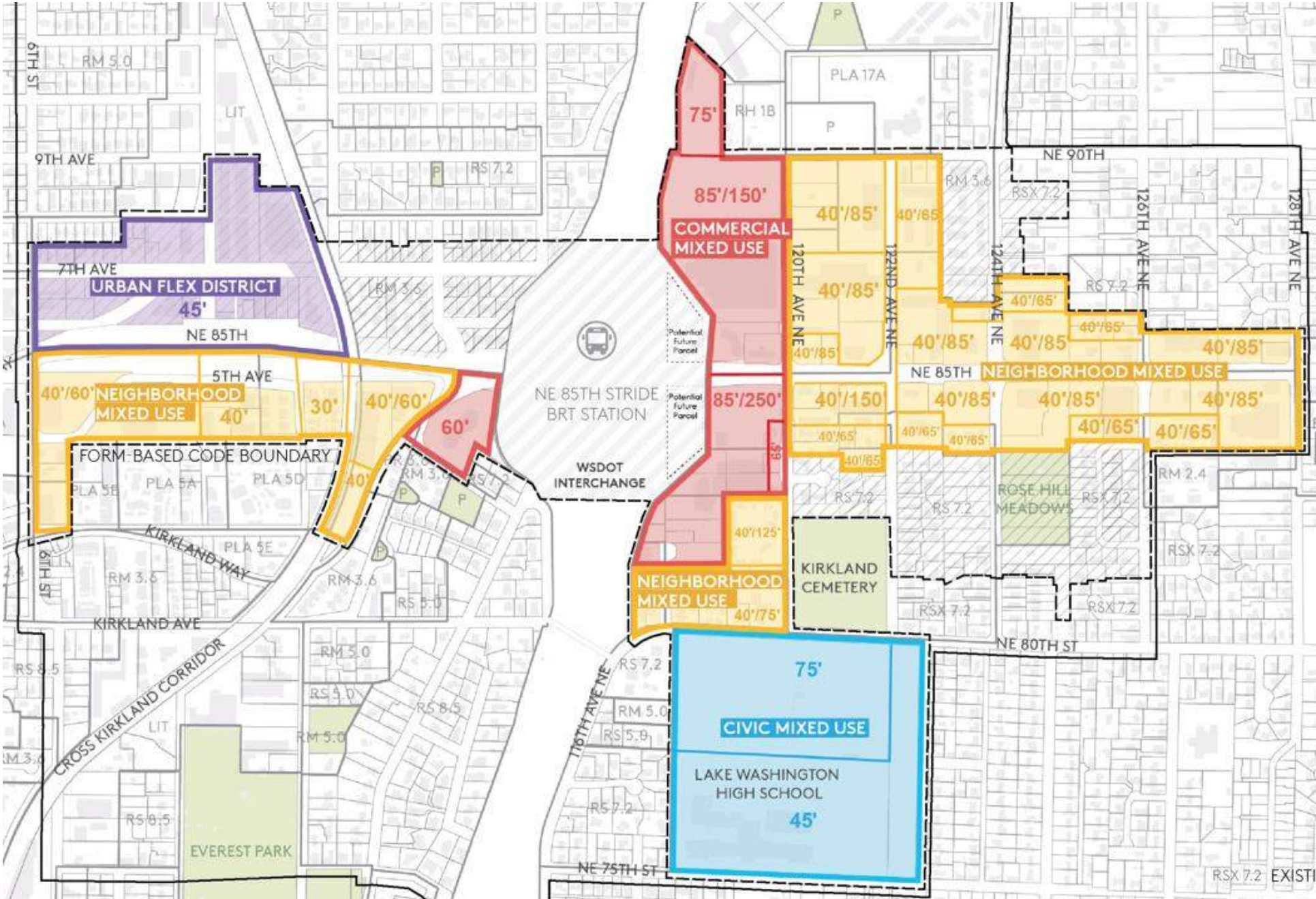
- Amend transition standards to include more stringent standard where height differences are greater
- Add Parking Standards for uses allowed in Phase 2 districts
- Add common standards such as Transportation Demand Management (TDM), sign, and overhead weather protection requirements
- Add Commercial Incentive Capacity option for grocery stores
- Re-order Street Type and Frontage Type sections
- Clean-up definitions
- Amend terms to improve cross-referencing with other KZC sections
- Other miscellaneous clarifications

# Miscellaneous Zoning Code Amendments

- **KZC 5 / KZC 10:** Amend to integrate Station Area zones
- **KZC 20 / KZC 25 / KZC 30 / KZC 40 / KZC 53:** Remove replaced Rose Hill Business District (RHBD) Zones and remove obsolete RHBD references
- **KZC 92 / KZC 95 / KZC 105 / KZC 110 / KZC 142 / KZC 180:** Amend to remove obsolete RHBD and/or RH zone references (except the remaining RH 8 zone)
- **KZC 112:** Amend Affordable Housing Incentives – Multifamily Chapter adding Station Area incentives
- **KZC 115:** Amend rooftop appurtenance allowances for elevator overruns on buildings taller than 85'



## Proposed Parcel Rezones (O-4856)



# Planned Action Ordinance (O-4825)

- Culmination of environmental review process under State Environmental Policy Act (SEPA)
  - PAO does not contain environmental analysis beyond that completed in FSEIS and Addendum
- Includes specific mitigation measures for future development, largely by referencing the Form-based Code and infrastructure project lists
- Streamlines environmental review of future development applications
  - Provides certainty about required mitigations
  - Allows for adjustments to land use composition if maximum trips are not exceeded
  - City's review of applications will include a consistency review and determination to ensure development does not exceed the development and impact thresholds established in PAO



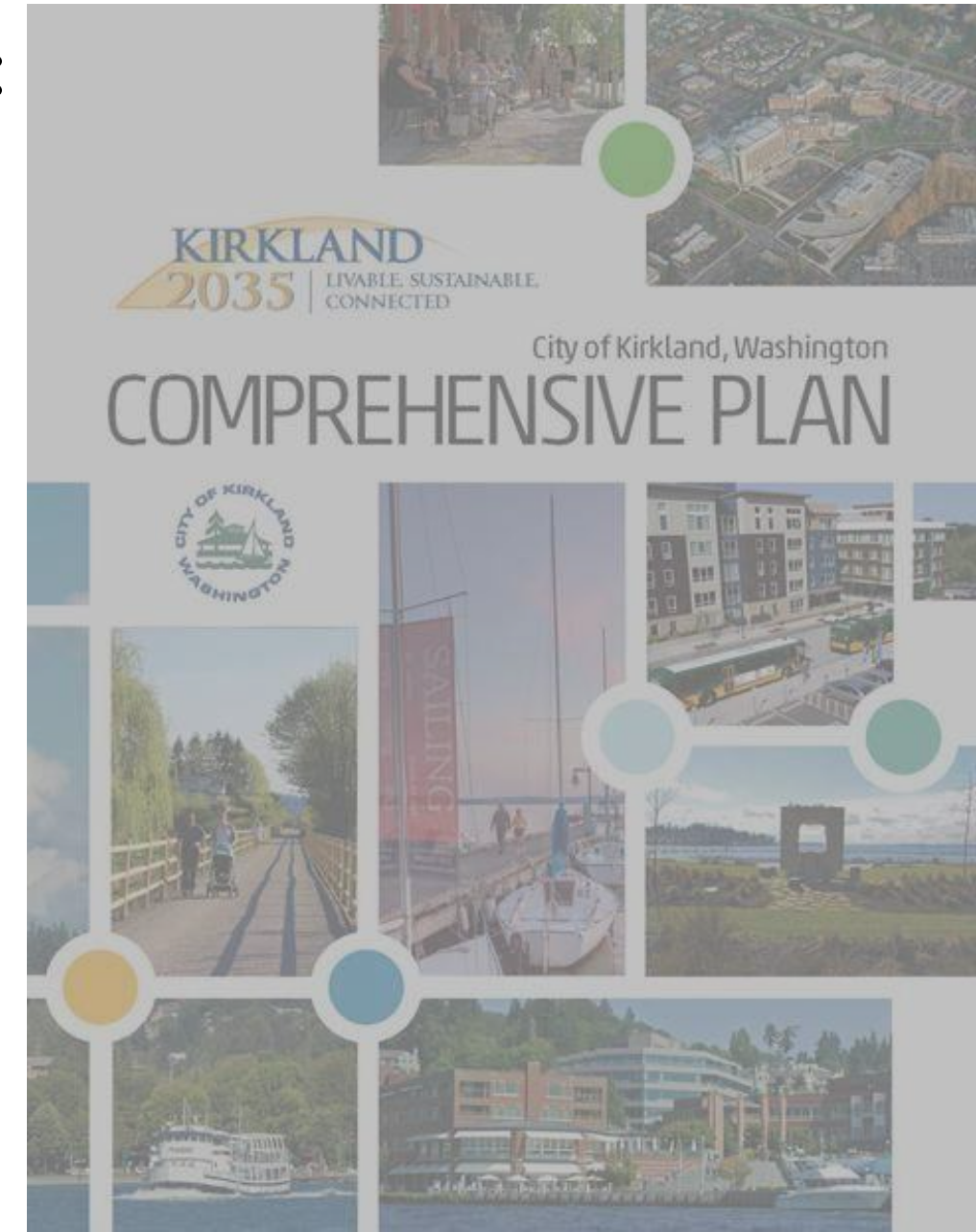
# Station Area Affordable Housing Requirements

(included in O-4855)



## Adopted Comprehensive Plan Chapter: Station Area Growth Capacity

2044 Growth Capacity	
Total Households	8,152 (6,243 above existing)
Total Employment (Jobs)	22,751 (17,943 above existing)



Why should we consider more affordability now, when current market conditions make development so difficult?

- **Affordable housing requirements can only be increased when the City is adopting additional incentives** for development(e.g., increased capacity, reduced parking, etc.).
- Requirements can be *decreased* in future, or pioneer provisions can be *extended* – but **any future increase must be paired with additional incentive**
- Development agreements are encouraged – allows developers to propose alternative (but equivalent) community benefits

## INCENTIVES FOR STATION AREA DEVELOPMENT

- Significant increases in development capacity
- Lower minimum parking requirements
- Form-based Code to streamline project design
- Planned Action Ordinance eliminates need for individual development to go through SEPA process
- Code encourages development agreements for catalyst projects

# HOW ARE AFFORDABLE HOUSING REQUIREMENTS STRUCTURED?

Kirkland already utilizes Inclusionary Zoning to obtain affordable housing units with construction of new housing.

- Inclusionary Zoning designates a “**set-aside**”- a percentage of units in a development that must be affordable.
- Affordable units must be designated at a required **affordability level**– shown as a percentage of Average Median Income (**AMI**)

Table 1. Existing Affordable Housing Requirements					
	Renter-occupancy		Owner-occupancy		Resulting Unit Mix (100 unit <u>rental</u> development example)
	Set-aside	Affordability Level	Set-aside	Affordability Level	
Mandatory (eligible for 8- year MFTE)	10%	50% AMI	10%	80% AMI	90 Market-rate units 10 Affordable units @ 50% AMI
Optional (eligible for 12- year MFTE)	10%	50% AMI	10%	80% AMI	80 Market-rate units 10 Affordable units @ 50% AMI 10 Affordable units @ 80% AMI
	<u>plus</u> 10%	80% AMI	<u>plus</u> 10%	110% AMI	



FIXED/BASE REQUIREMENTS

Table 2. Fixed/Base Requirement – PC-directed Option					
	Renter-occupancy		Owner-occupancy		Resulting Unit Mix <i>(100-unit <u>rental</u> development example)</i>
	Set-aside	Affordability Level	Set-aside	Affordability Level	
<b>Mandatory</b> (eligible for 8-year MFTE)	10%	50% AMI	10%	80% AMI	90 Market-rate units 10 Affordable units @ 50% AMI
<b>Optional</b> (eligible for 12-year MFTE)	10% <u>plus</u> 10%	50% AMI  80% AMI	10% <u>plus</u> 10%	80% AMI  110% AMI	80 Market-rate units 10 Affordable units @ 50% AMI 10 Affordable units @ 80% AMI

## 50% AMI EQUIVALENCIES

Table 3. Flexibility Options* (rental units^) Equivalents to PC-recommended Fixed/Base Requirement			
Set-aside	Affordability Level	Exchange Ratio (50% AMI unit : Equivalent AMI unit)	Resulting Unit Mix (100-unit <u>rental</u> development example)
<b>13%</b> (eligible for 8-year MFTE)	60% AMI	1 : 1.3	87 Market-rate units 13 Affordable units @ 60% AMI
<b>17%</b> (eligible for 8-year MFTE)	70% AMI	1 : 1.7	83 Market-rate units 17 Affordable units @ 70% AMI
<b>20%</b> (eligible for 8-year MFTE)	80% AMI	1 : 2.0	80 Market-rate units 20 Affordable units @ 80% AMI

*\*PC recommended a required minimum amount of 50% AMI units, described on following slides*

*^PC recommends a similar equivalency table for ownership units showing 90% and 100% AMI exchange rates*

## UNIT MIX FLEXIBILITY

### **Flexible options across range of AMI units, with some 50% AMI units required**

The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, with a minimum requirement for 5% of units at 50% AMI.

- At least 5% of units must be provided at 50% AMI; remaining units can be any mix of units equivalent to the remaining 5% at 50% AMI.
- Assumes fixed/base requirement of 10% set-aside at 50% AMI.

### *Considerations:*

- *Enables a mix of units at different levels of affordability in the Station Area.*
- *Would ensure that every development provides some affordable units at 50% AMI.*



## Examples: Flexible options across range of AMI units, w/ some 50% AMI units required

The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, with a minimum requirement for 5% of units at 50% AMI.

### How it works

1. Calculate how many total affordable units are required under fixed base requirement.
  - *Example: A 100-unit development requires **10 units** at 50% AMI (base requirement).*
2. At least 5% of (total) units must be provided at 50% AMI = **5 units** at 50% AMI
3. Remainder of units may be provided at the equivalency of a 50% AMI unit. For each 50% AMI unit not provided, use the exchange ratio to determine how many equivalent units (based on chosen affordability level) must be provided.
  - *Example: Provide any of the below options to fulfil remainder of requirement.*
    - ✓ **5 units** at 50% AMI = **7 units** at 60% AMI (rounded up from 6.5 units); or,
    - ✓ **5 units** at 50% AMI = **9 units** at 70% AMI (rounded up from 8.5 units); or,
    - ✓ **5 units** at 50% AMI = **10 units** at 80% AMI

# OPTIONS: Renter-occupied units in zones with max. heights 65 feet or greater

	STAFF RECOMMENDATION (included in meeting packet)	PLANNING COMMISSION RECOMMENDATION	BLENDED OPTION (Combines elements of staff + Planning Commission Recommendation)
<b>STATION AREA BASE REQUIREMENT</b> % set-aside at % AMI (applies after any pioneer provisions expire)	15% at 50% AMI	10% at 50% AMI	10% at 50% AMI, plus 5% at 80% AMI  <i>*using adopted exchange rates, this is equivalent to 12.5% at 50% AMI</i>
<b>FLEXIBILITY PROVISIONS</b>	First 5% of set-aside units at 50% AMI; remainder of units may be provided at varying % AMI using equivalent exchange rates.	First 5% of set-aside units at 50% AMI; remainder of units may be provided at varying % AMI using equivalent exchange rates.	First 5% of set-aside units at 50% AMI; second 5% of units may be provided at varying % AMI using equivalent exchange rates; last 5% of units 80% AMI.
<b>PIONEER PROVISIONS</b> (requirement reverts to Base Requirement after pioneer provision expires)	PC Recommendation for Base Requirements for first 624 units. <i>(10% at 50% AMI)</i>	None.	PC Recommendation for Base Requirements for first 624 units, or until December 31, 2025 (whichever is later).

OPTIONS: Renter-occupied units in zones with max. heights 65 feet or greater

COUNCIL OPTION	
STATION AREA BASE REQUIREMENT % set-aside at % AMI (applies after any pioneer provisions expire)	15% at 50% AMI
FLEXIBILITY PROVISIONS	First 10% of set-aside units at 50% AMI; remainder of units may be provided at varying % AMI using equivalent exchange rates.
PIONEER PROVISIONS (requirement reverts to Base Requirement after pioneer provision expires)	10% at 50% AMI for first 624 units vested, or until December 31, 2025 (whichever is later)  (First 5% of set-aside units at 50% AMI; remainder of units may be provided at varying % AMI using equivalent exchange rates)

# Council Discussion

## 1. Kirkland Zoning Code (KZC) Amendments (O-4855)

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- *Updates to district-wide standards (e.g., transitions, parking, etc.)*
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## 2. Legislative Rezones/Zoning Map Amendments (O-4856)

- *Applies NMU, CVU, and UF districts to specific parcels*

## 3. Planned Action Ordinance (O-4825)