

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



## Planning Commission Public Hearing – Affordable Housing

City of Kirkland

June 8, 2023





# Public Hearing Agenda

## Staff Presentation

Station Area Affordable  
Housing Requirements

Rooftop Appurtenance  
Amendments (citywide)

## Public Testimony

## PC Questions

## PC Deliberations

*At conclusion of meeting,  
PC should deliberate and  
make a recommendation to  
City Council.*



*The Station Area is a thriving, transit-oriented  
new walkable district with high tech and family  
wage jobs, plentiful affordable housing,  
sustainable buildings, park amenities, and  
commercial and retail services.*

*—Station Area Vision*



# Station Area Plan Project Background

## SUMMARY TIMELINE

**January 2020-June 2022:** Station Area Plan development, community engagement, Planning Commission and City Council meetings

**June 2022:** Council adoption of Station Area Plan, Comprehensive Plan Goals & Policies, Design Guidelines, and Phase 1 Form-based Code (FBC) and rezones

**Fall 2022:** Planning Commission/Council study sessions to discuss Phase 2 FBC Development

**February 2023:** Planning Commission public hearing and recommendation to City Council on Phase 2 FBC

**Spring 2023:** Planning Commission study sessions to discuss Affordable Housing requirements

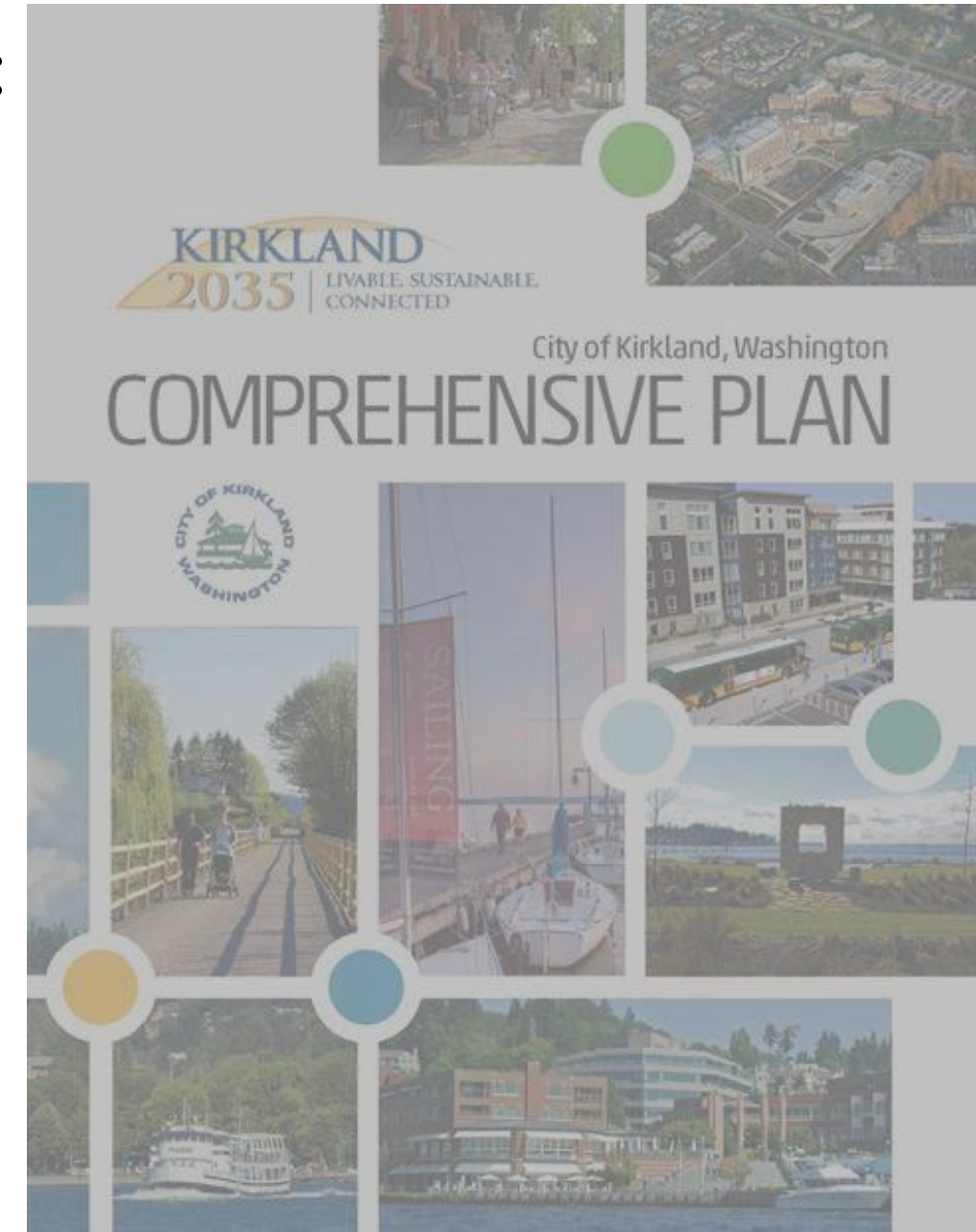
**May 2023:** Staff recommendations for Affordable Housing requirements to Commission; Commission direction to develop alternatives for public hearing

**June 8, 2023:** Public hearing on Affordable Housing requirements

**July 18, 2023:** City Council meeting to consider adoption of Phase 2 FBC and rezones (and misc. Zoning Code amendments), affordable housing requirements, and Planned Action Ordinance

## Adopted Comprehensive Plan Chapter: Station Area Growth Capacity

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



# WHAT DOES “AFFORDABILITY” MEAN?

Kirkland’s definition of “affordable units” are those affordable to households making no more than:

- **50%\*** of AMI for rental units
- **80-100%** of AMI for owned units

|            | Annual Household Income Limits |          |          |           | Housing Expense Limits (per month) |         |         |         |
|------------|--------------------------------|----------|----------|-----------|------------------------------------|---------|---------|---------|
| Pct of AMI | 1 person                       | 2 people | 3 people | 4 people  | Studio                             | 1-bedrm | 2-bedrm | 3-bedrm |
| 80%        | \$75,376                       | \$86,144 | \$96,912 | \$107,680 | \$1,884                            | \$2,019 | \$2,423 | \$2,800 |
| 50%        | \$47,110                       | \$53,840 | \$60,570 | \$67,300  | \$1,178                            | \$1,262 | \$1,514 | \$1,750 |

\*Equivalencies may be adopted in KZC 112  
Note: All derived from U.S. Housing and Urban Development's 4-person median family income of \$134,600 (2022 dollars).

# 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<br>(100 unit <u>rental</u> development example)                     |
|   | Set-aside          | Affordability Level | Set-aside          | Affordability Level |  |
| Mandatory<br>(eligible for 8-year MFTE)           | 10%                | 50% AMI             | 10%                | 80% AMI             | 90 Market-rate units<br>10 Affordable units @ 50% AMI                                  |
| Optional<br>(eligible for 12-year MFTE)           | 10%                | 50% AMI             | 10%                | 80% AMI             | 80 Market-rate units<br>10 Affordable units @ 50% AMI<br>10 Affordable units @ 80% AMI |
|   | <u>plus</u><br>10% | 80% AMI             | <u>plus</u><br>10% | 110% AMI            |  |



FIXED/BASE REQUIREMENTS

| Table 2. Fixed/Base Requirement – PC-directed Option       |                           |                        |                           |                         |  |
|--|---------------------------|------------------------|---------------------------|-------------------------|--|
|  | Renter-occupancy          |                        | Owner-occupancy           |                         | Resulting Unit Mix<br><i>(100-unit <u>rental</u> development example)</i>              |
|  | Set-aside                 | Affordability Level    | Set-aside                 | Affordability Level     |  |
| <b>Mandatory</b><br>(eligible for 8-year MFTE)             | 10%                       | 50% AMI                | 10%                       | 80% AMI                 | 90 Market-rate units<br>10 Affordable units @ 50% AMI                                  |
| <b>PC Alternative</b><br>(eligible for 8-year MFTE)        | 20%                       | 80% AMI                | 10%                       | 80% AMI                 | 80 Market-rate units<br>20 Affordable units @ 80% AMI                                  |
| <b>Optional Alternative</b><br>(eligible for 12-year MFTE) | 10%<br><u>plus</u><br>10% | 50% AMI<br><br>80% AMI | 10%<br><u>plus</u><br>10% | 80% AMI<br><br>110% AMI | 80 Market-rate units<br>10 Affordable units @ 50% AMI<br>10 Affordable units @ 80% AMI |

## 50% AMI EQUIVALENCIES

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

*\*Alternative to providing PC-directed fixed/base requirement of 10% set-aside at 50% AMI.*



## SUMMARY OF UNIT MIX OPTIONS

### **Mix Option 1** (Flexible option with cap on 80% AMI units)

Developers may choose to provide 50% or 80% AMI units, but there is a cap on total number of 80% AMI units that can be used to meet affordable housing requirements in the subarea. After 80% AMI cap is met, developments will only have option of providing 50% AMI units to meet requirements.

### **Mix Option 2A** (Flexible options across range of AMI units)

The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, with no requirement for units at 50% AMI.

### **Mix Option 2B** (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 some units at 50% AMI.

## UNIT MIX OPTIONS

### Mix Option 1

Developers may choose to provide 50% or 80% AMI units, but there is a cap on total number of 80% AMI units that can be used to meet affordable housing requirements in the subarea. After 80% AMI cap is met, developments will only have option of providing 50% AMI units to meet requirements.

- The cap of 80% AMI units is 312 units in the draft code amendments – 5% of total new units expected in Station Area.
- Assumes fixed/base requirement of 10% set-aside at 50% AMI or 20% set-aside at 80% AMI

### *Considerations for Mix Option 1:*

- *As drafted, could delay provision of affordable units at deeper levels of affordability.*
- *For example, if initial development in Station Area only chooses to provide units at 80%, up to 1,560 total units could be constructed (including 20% of those at 80% AMI ) before the 80% AMI cap is achieved and 50% AMI units are required.*



## UNIT MIX OPTIONS

### **Mix Option 2A (Flexible options across range of AMI units)**

The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, with no requirement for units at 50% AMI.

- Any combination of equivalent units could be used to reach the equivalent of a 10% @ 50% AMI set-aside.
- This option could include a cap of 80% AMI units (e.g., 312 units – 5% of total new units expected in Station Area).
- Assumes fixed/base requirement of 10% set-aside at 50% AMI or 20% set-aside at 80% AMI.

### *Considerations for Mix Option 2A:*

- *Enables a mix of units at different levels of affordability in the Station Area, but developers would have flexibility to choose what level of affordability they provide.*
- *Could delay provision of affordable units at deeper levels of affordability if most people choose to provide units at diminished affordability levels.*

# PC-DIRECTED DRAFT AFFORDABLE HOUSING REQUIREMENT OPTIONS

## Examples: Mix Option 2A (Flexible options across range of AMI units)

The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, with no requirement for units at 50% AMI.

### How it works

1. Calculate how many affordable units are required under fixed base requirement (10% set-aside at 50%).

- Example: A 100-unit development requires **10 units** at 50% AMI (base requirement).

2. For each 50% AMI unit not provided, developer uses the exchange ratio to determine how many equivalent units (based on chosen affordability level) must be provided.

- Example: Developer chooses to provide equivalent units at 60% and 80% AMI.
  - ✓ **5 units** at 50% AMI = **7 units** at 60% AMI (rounded up from 6.5 units)
  - ✓ **5 units** at 50% AMI = **10 units** at 80% AMI

| Set-aside | Exchange Ratio<br>(50% AMI unit :<br>Equivalent AMI unit) | Affordability<br>Level |
|-----------|---|------------------------|
| 10%       | 1 : 1   | 50% AMI                |
| 13%       | 1 : 1.3   | 60% AMI                |
| 17%       | 1 : 1.7   | 70% AMI                |
| 20%       | 1 : 2.0   | 80% AMI                |

*This must total number of units determined by fixed/base requirement*



# PC-DIRECTED DRAFT AFFORDABLE HOUSING REQUIREMENT OPTIONS

## MORE Examples: Mix Option 2A (Flexible options across range of AMI units)

The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, with no requirement for units at 50% AMI.

1. A 100-unit development requires **10 units** at 50% AMI (base requirement).

2. Developer chooses to provide a mix of units at 50% and 70% AMI.

✓ **3 units** at 50% AMI

✓ **7 units** at 50% AMI = **12 units** at 70% AMI

• (7 x 1.7 exchange ratio = 11.9 → rounds up to 12)

*This must total  
number of units  
determined by  
fixed/base requirement*

1. A 100-unit development requires **10 units** at 50% AMI (base requirement).

2. Developer chooses to provide a mix of units at 60%, 70% AMI, and 80% AMI.

✓ **4 units** at 50% AMI = **6 units** at 60%

• (4 x 1.3 exchange ratio = 5.2 → rounds up to 6)

✓ **3 units** at 50% AMI = **6 units** at 70% AMI

• (3 x 1.7 exchange ratio = 5.1 → rounds up to 6)

✓ **3 units** at 50% AMI = **6 units** at 80% AMI

• (3 x 2.0 exchange ratio = 6)

*This must total  
number of units  
determined by  
fixed/base  
requirement*

## UNIT MIX OPTIONS

### **Mix Option 2B (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 some units at 50% AMI.

- Suggested minimum requirement for 5% of units to be provided at 50% AMI; remaining units could be any mix of units equivalent to the remaining 5% at 50% AMI.
- This option could include a cap of 80% AMI units (e.g., 312 units – 5% of total new units expected in Station Area).
- Assumes fixed/base requirement of 10% set-aside at 50% AMI or 20% set-aside at 80% AMI.

### *Considerations for Mix Option 2B:*

- *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.*



# PC-DIRECTED DRAFT AFFORDABLE HOUSING REQUIREMENT OPTIONS

## Examples: Mix Option 2B (Flexible options across range of AMI units, w/ some 50% AMI units required)

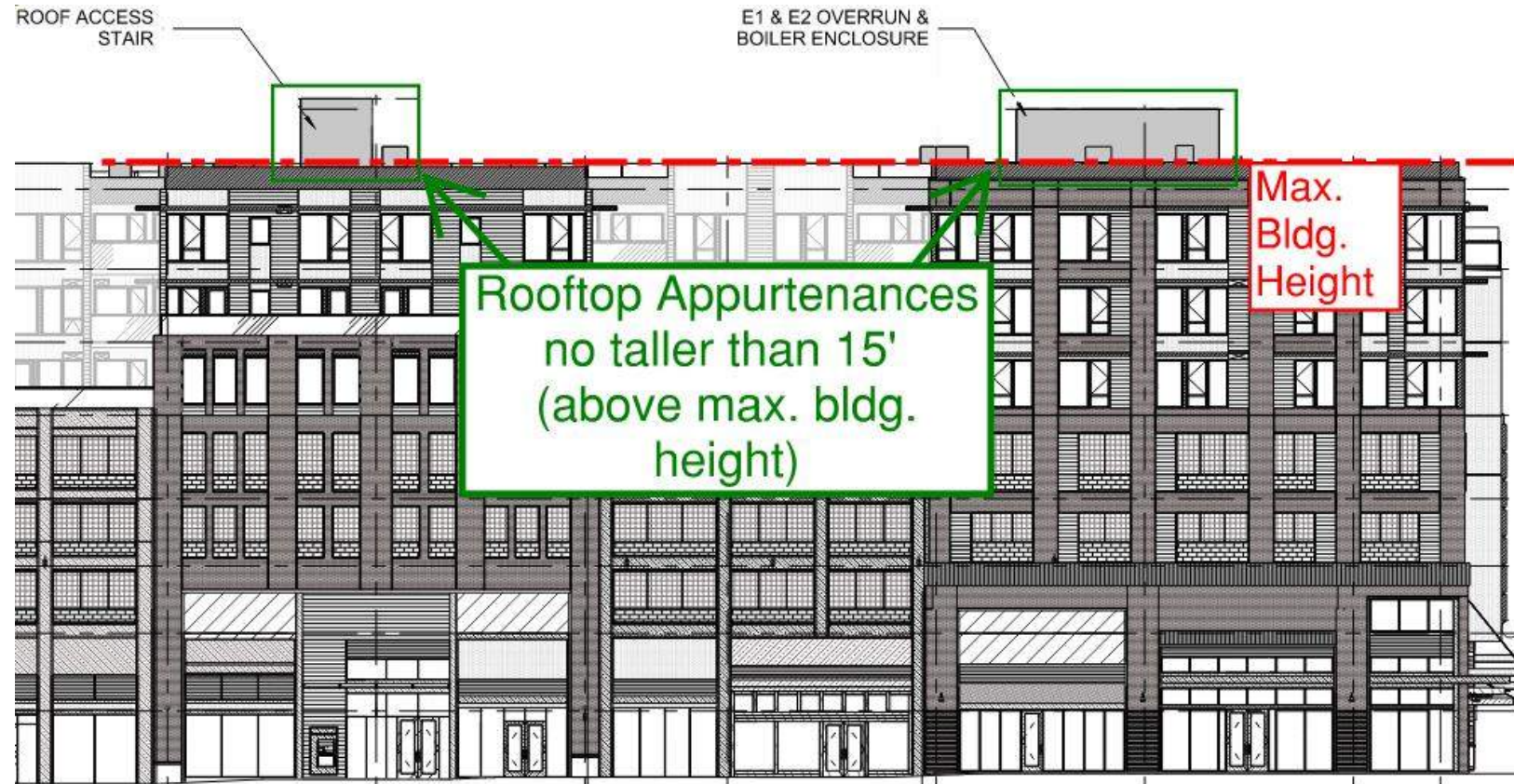
The fixed/base requirement is a 10% set-aside at 50% AMI, or any equivalent mix of units, but some 50% units are required.

### 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, developer uses the exchange ratio to determine how many equivalent units (based on chosen affordability level) must be provided.
  - *Example: Developer could choose to 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

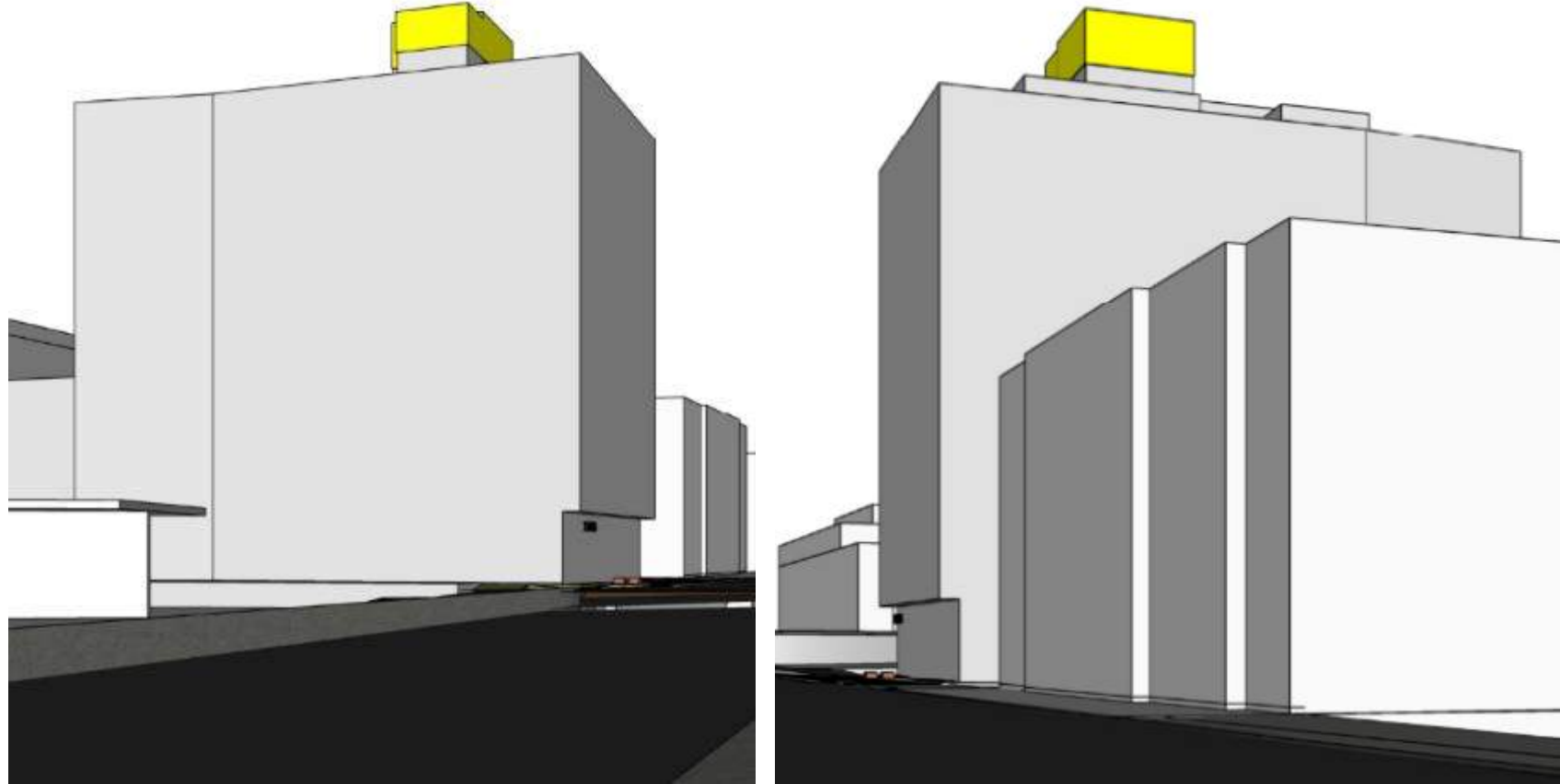
# Miscellaneous Code Amendment: Elevator Overrun Allowances for Taller Structures

- 2020 Rooftop Appurtenance code amendments expanded by-right height allowed for elevator overruns to serve the building and rooftop amenity spaces
- 2020 project considered buildings ~8-9 stories – did NOT consider structural needs for taller buildings in the range of Station Area heights



# Miscellaneous Code Amendment: Elevator Overrun Allowances for Taller Structures

- Taller buildings = taller elevator overruns. Require more than 15' above maximum building height
- Draft amendment creates another tier of elevator overrun allowances for taller structures
- Draft does not increase allowances for mechanical units or amenities on rooftops
- Amendment would apply Citywide



*Highlighted portion of building shows example of additional height needed for an elevator overrun to serve taller structures*



# Miscellaneous Code Amendment: Elevator Overrun Allowances for Taller Structures

Draft code amendment will allow elevator overruns used to access rooftop amenity rooms to extend 20 feet above the amenity room.

*Added language to KZC 115.120.4.b.1):*

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.

# Next Steps

At conclusion of public hearing, Planning Commission should deliberate and vote on a recommendation to City Council for the following:

1. Affordable Housing requirements for zones with allowed heights less than 65 feet.
2. Affordable Housing requirements for zones with allowed heights 65 feet or greater, including a “mix option” if desired.
3. The inclusion of flexible options/sliding scale for equivalent units, if desired.
4. Rooftop appurtenance code amendments.