



CITY OF KIRKLAND

Planning and Community Development Department

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MEMORANDUM

Date: November 28, 2006

To: Houghton Community Council

From: Dorian Collins, Senior Planner *DC*
Dawn Nelson, Planning Supervisor
Paul Stewart, Deputy Director *PS*

Subject: Evaluation of Kirkland's Innovative Housing Program (FILE ZON06-00004)

RECOMMENDATION

Staff suggests that the Houghton Community Council provide comments regarding the innovative housing program for transmittal to the City Council. Feedback regarding concerns or issues of particular interest to the Community Council that could be addressed in the permanent regulations would be helpful.

BACKGROUND

The City's Innovative Housing Demonstration Project Ordinance was passed in 2002 (see Attachment 1). The ordinance stated that the goals of innovative housing are to:

- Increase housing supply and the choice of housing styles available in the community through projects that are compatible with existing single-family developments; and
- Promote housing affordability by encouraging smaller homes.

The ordinance also called for a work plan to develop amendments to the Zoning Code that would specifically address innovative housing projects. Until the permanent ordinances could be implemented however, the ordinance acknowledged the need to allow regulated innovative housing projects, and set forth a review process and general parameters to apply to innovative housing project applications and subsequent developments.

Among the parameters included in the ordinance was a restriction on the total number of projects that could be approved in each of the City's neighborhoods. Consequently, although four projects were proposed for the North Rose Hill Neighborhood, only two were selected. Both projects were completed in the summer of 2005, and all homes have been sold.

The City determined that the evaluation of the two housing demonstration projects was a key first step in the preparation of housing regulations that may enable innovative housing on a permanent basis. The following three key components were to be addressed in the evaluation:

- **Technical and code evaluation** – how well did the demonstration projects address the goals and criteria established in the ordinance?
- **Community education** – what are the perceptions of the different groups that have a stake in the outcome, such as occupants, neighbors, the public, developers, and the real estate community?
- **Public education** – how can we help various stakeholders understand the goals of the innovative housing projects in order to make the evaluation as meaningful as possible and aid subsequent discussions about permanent innovative housing regulations.

Community and Public Education

In July of 2006, the City contracted with Michael Luis of Michael Luis & Associates to conduct an evaluation of the two innovative housing demonstration projects. While staff would perform the technical evaluation of the two projects, Mr. Luis was charged with addressing the second two pieces discussed above: community education and public education.

Mr. Luis used a series of workshops and focus group sessions to collect information from immediate neighbors of the projects and Kirkland citizens at-large. He also interviewed builders and realtors from the area, and the developers of the two projects. Mr. Luis' completed report is attached (see Attachment 2). He will also attend the Houghton Community Council meeting on November 27th, when he will present his findings and recommendations.

The key conclusions of the report are the following:

- The two projects have been well received by all groups
- Similar projects would likely work in other Kirkland neighborhoods
- More work is needed on development standards and housing types
- The projects do not address concerns about affordability

In his review of the report, Arthur Sullivan (ARCH) noted that the comments in the report point out fundamental policy issues that come up in the discussion of the development of these housing types. The report notes that on one hand, industry professionals state that it is still quite profitable to build large single family homes in Kirkland, and that builders might not take advantage of a permanent innovative ordinance. They suggested that the City may need to offer a somewhat more attractive package of density bonus and development standards, and provide a relatively easy review process, with short timeframes and predictable outcomes, to induce builders to undertake housing alternatives rather than conventional housing.

Arthur also noted that the report states that not all participants agreed that "relative affordability" is an important policy objective. In the report, Mr. Luis states that "most of the group discussions

reached a point at which participants expressed their frustration about the lack of affordability in Kirkland and their wish that these projects had done more to address it. Even those familiar with the innovative housing program were not clear about the degree to which absolute affordability was an underlying policy objective.” Although affordability was not an explicit objective of the ordinance, the report indicates that many people assumed that a City-sponsored program on housing would somehow result in homes affordable to those with modest incomes.

During their study session on this topic on November 9th, the Planning Commission discussed the issue of relative affordability. The Commission’s recommendation to the City Council is that that City should proceed with permanent regulations for innovative housing, but that the regulations should include a requirement for some level or component of affordability.

Technical and Code Evaluation

The matrix included in Attachment 3 presents the *Technical and Code Evaluation* piece of the evaluation project. The matrix contains a comparison between various elements of the two innovative housing demonstration projects and typical code requirements.

One aspect of the comparison that staff notes may be worthy of additional monitoring is the traffic generated by the two projects. As the matrix indicates, vehicle trips from the demonstration projects are higher than those from the “typical” development. It is likely that a share of these trips is due to the interest that has been generated by the projects, as they receive a number of visitors curious about the developments. In addition, there are more units in each of these projects than in the “typical” development, which would account for more vehicle trips. However, the number of people living in each of the units in the demonstration projects is less than would be expected in a typical single family home, based on Kirkland’s overall persons per household figure. A second set of traffic counts in a year or so might be useful in understanding whether or not this is a true impact of this type of housing.

While low impact development techniques were not required by the innovative housing ordinance, both demonstration projects incorporated several of these elements. These included clustering of homes, narrow streets, rain gardens and bio-retention swales.

Next Steps

Following the presentation of the Innovative Housing Evaluation to the Houghton Community Council, Mike Luis will present the report at the City Council study session on January 2nd, where a variety of housing issues will be discussed.

Staff anticipates that the City Council will provide direction for the preparation of permanent innovative housing regulations at the study meeting. The Community Council will then see those regulations as part of that Zoning Code amendment process.

Attachments:

1. Kirkland’s Innovative Housing Demonstration Project Ordinance (#3856)

2. Innovative Housing Evaluation Report, Michael Luis and Associates, October 2006
3. Matrix: Comparison of Innovative Housing Demonstration Projects with Typical Code Requirements
4. Staff Report on Danielson Grove project
5. Staff Report on Kirkland Bungalows project
6. "Kirkland's Innovative Housing Demonstration Program; an Evaluation Strategy", a report by Janet Hyde-Wright, February 2006

cc: File: ZON06-00004
Notebook