



City of Kenmore - 18120 68th Avenue NE - Kenmore, WA 98028
Phone: 425-398-8900 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
City Council Special and Regular Meeting Agenda
6:30 p.m., Monday, April 15, 2019
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at www.kenmorewa.gov.

I. 6:30 p.m. - CALL SPECIAL MEETING TO ORDER

II. RECESS TO EXECUTIVE SESSION
(Confidential Session of the Council)

- A. Pursuant to RCW 42.30.110(1)(i), Discussion of Litigation and Potential Litigation

III. POSSIBLE ACTION RELATING TO EXECUTIVE SESSION

IV. RECONVENE TO REGULAR SESSION

V. 7:00 p.m. - CALL REGULAR MEETING TO ORDER

VI. ROLL CALL

VII. FLAG SALUTE

VIII. AGENDA APPROVAL

IX. PRESENTATION

- A. Introduce New Employees Anna Arnott, Public Works Maintenance Worker and Gary Geiger, Maintenance Worker - Jennifer Gordon, Public Works Operation Manager
- B. Donation of Materials, Construction and Installation of the Legends Memorial Bench at Rhododendron Park - Jennifer Gordon, Public Works Operation Manager and Sara Hayashi
[Agenda Item](#)

X. CITIZEN COMMENTS

- A. This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

XI. CONSENT AGENDA

- A. Total Checks #41941 through #42036 in the Amount of \$375,992.06.
Total Payroll/Taxes/Flexible Spending/Retirement and Health Savings Account
Electronic Deposits Dated: 3/15/19 in the amount of \$140,241.57.
[Checks](#)
- B. Regular Council Meeting Minutes of March 11, 2019 and March 14, 2019
[3-11-19 Minutes](#)
[3-25-19 Minutes](#)
- C. Authorize the City Manager to Sign the Interlocal Cooperative Purchasing and Reciprocal Staff Services Agreement with the City of Kirkland
[Agenda Item](#)
- D. Authorize the City Manager to Execute Contract 19-C2021 with PACE Engineering, Inc. to Perform Development Review Services
[Agenda Item](#)
- E. Authorize the City Manager to Execute a Contract with Low Bidder Kamins Construction to Construct the NE 153rd Place Safe Routes to School Sidewalk Project
[Agenda Item](#)
- F. Authorize the City Manager to Increase the Contract Authority with KBA to Complete the Preconstruction Services and Secure Office Space for the West Sammamish River Bridge
[Agenda Item](#)

XII. BUSINESS AGENDA

- A. Ordinance 19-0481 Relating to the City's Manufactured Housing Communities Municipal Code Amendments - Debbie Bent, Community Development Director and Lauri Anderson Principal Planner
[Agenda Item](#)
- B. Resolution 19-319 Directing the Planning Commission to Consider Future Zoning for Four Existing Manufactured Housing Communities - Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner
[Agenda Item](#)
- C. Ordinance 19-0479 Designating the Transit Oriented Development District Overlay as a Residential Targeted Area and Amending Chapter 3.65 of the Kenmore Municipal Code - Bryan Hampson, Development Services Director

[Agenda Item](#)

- D. Update and Discussion on Puget Sound Regional Council's (PSRC's) Vision 2050 Growth Alternatives - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

[Agenda Item](#)

XIII. STAFF REPORT

XIV. COUNCILMEMBER REPORTS & COMMENTS & INITIATIVES

XV. ADJOURNMENT

Upcoming Meetings:

- A. Monday, April 22, 2019 Council Meeting
Tuesday, April 23, 2019 or Tuesday, April 30, 2019 - Tentative Dates for Special Council Meeting
Monday, April 29, 2019 For the Love of Kenmore Workshop 7:00-9:00 p.m.

IX. B. Donation of Materials, Construction and Installation of the Legen...

This citizen-driven project is produced under the Arts of Kenmore Fiscal Sponsorship program, managing financial transactions, tax-deductions, IRS reporting, and liability coverage according to 501c3 status, and project management from ideation to installation.

Karissa Webster acted as project liaison managing all fundraising transactions and reporting under AOKFS guidelines, including a crowdsourcing site, social media site and promotions. In the spirit of both Caleb and Sarah, we hope the bench will bring friends and families together and strengthen our community for years to come.

FISCAL CONSIDERATION:

City's contribution of labor and materials (approximately \$2,500) for the bench base will be funded within existing parks biennial budget.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Build community, celebrate diversity and create fun.



A community gathering place in memory of Sarah Paulson & Caleb Shoop

[GoFundMe/legends-bench](https://www.gofundme.com/legends-bench)

A citizen-driven public art project produced under the
Arts of Kenmore Fiscal Sponsorship Program,
designed by Artist Woody Morris of Whidbey Island Studios,
and supported by the City of Kenmore.

Installation – April 2019 (TBD)



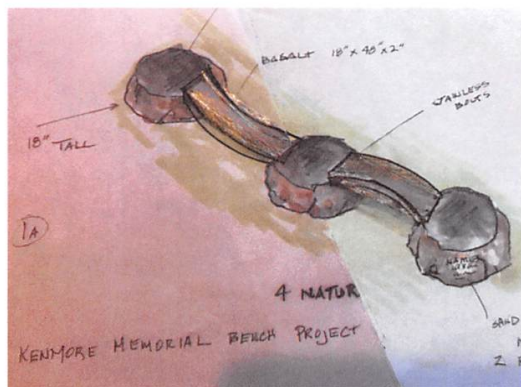
SARAH ANNE PAULSON – NEVER GIVE UP
CALEB TERRANCE SHOOP – I'VE GOT YOUR BACK



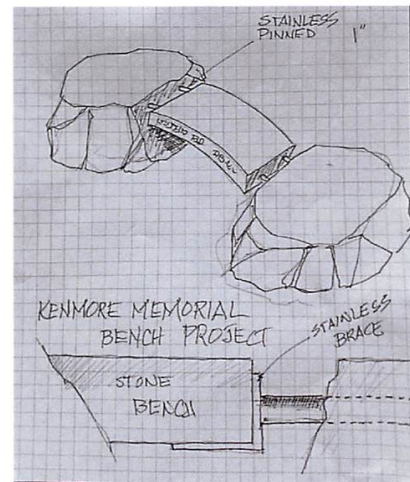


City of Kenmore Parks Dept. will install the Base, and maintain base and structure for the lifetime of the structure. City will assist structural installation at agreed upon date.

Installation goal – mid to late April 2019



Structure rendition



Bench bracket

Base Installation – City of Kenmore

Location: grassy knoll just east of Picnic Shelter and across sidewalk from both playgrounds

Installed prior to sculpture installation

Support final structure installation

- 10' x 20' Oval
- 4" to 6" base compacted 5/8" Minus
- 2" top decomposed granite
- Bamboo rubber edging

Sculpture Design & Installation – Woody Morris, Artist, water@whidbey.com

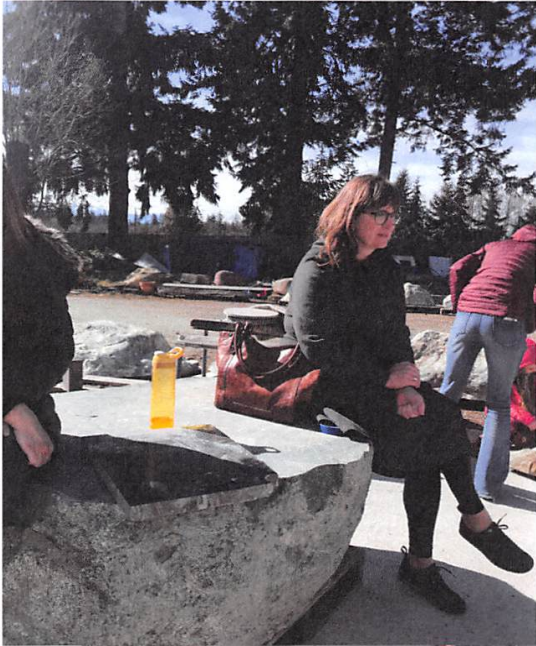
See Bid 28nov18

Installation goal: mid-April 2019

- Design
- Procure, cut, and assemble boulders & Valdes slate – apx 3 tons
- Produce, install slate bench stainless steel brackets
- Finish, sandblast, etch names & words
- Manage Installation

Basalt Stone – cut, preassembled





Legends Bench Installation Meeting – Sara Hayashi, Woody Morris, Jennifer Gordon, Quinn Proffitt
March 20, 2019

City of Kenmore Parks Department

- Manage Base installation
- Maintain base and structure for the lifetime of the structure
- City will assist structural installation at agreed upon date
- Base Installation goal : mid April 2019

Base Installation – City of Kenmore

Location: grassy knoll just east of Picnic Shelter and across sidewalk from both playgrounds
Installed prior to sculpture installation
Support final structure installation

- 10' x 20' Oval
- 4" to 6" base compacted 5/8" Minus
- 2" top decomposed granite
- Bamboo rubber edging

Public Art Sculpture Design & Installation – Woody Morris, Artist, water@whidbey.com

See Bid 28nov2018

Installation goal : mid-late April 2019

- Design
- Procure, cut, and assemble boulders & Valdes slate – apx 3 tons
- Produce, install slate bench stainless steel brackets
- Finish, sandblast, etch names & words
- Manage Installation

Arts of Kenmore Fiscal Sponsorship Indemnity Release Agreement

Legends Bench Budget**Project Value \$30,000**

WaterScapes LCC	\$ 16,425
City of Kenmore PW (estimate)	\$ 2,500
Arts of Kenmore Fiscal Sponsorship	\$ 1,500
Arts of Kenmore Project Management	\$ 4,000
Arts of Kenmore FS Client Liason	\$ 3,000
Total	\$ 27,425

AOK Fiscal Sponsorship – Time Management Averages per 2.5 year production

	Hours	Rate	Total
Financials – Set up & manage*	30	\$50/hour	\$1,500
Project Management	164	\$25/hour	\$ 4,100
Meetings	80		
Artist Site Meeting & Travel	16		
R&D	40		
Marketing, Design & Promo	20		
City Meetings, Prep, Presentation			
Client Liason	126	\$25/hour	\$ 3,150
Crowdsource Design & Management	30		
Project Organization & Meetings	80		
Artist Site Meeting & Travel	16		
Kenmore Public Works Estimated Cost			\$ 2,500
Undocumented Hours			



Voucher Certification and Approval

City of Kenmore

DATE RANGE:

03/09/2019-03/22/2019

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and the the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim. The following checks and electronic payments are approved for payment:

Total Check #s 41941 through 42036: \$375,992.06

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct. Electronic Deposits Dated: 03/15/2019: \$140,241.57

RZK 3-27-19

City Manager / Date

Jamie M. Jurgens 3/22/19

Finance Director / Date

Vendor Name	Check #	Date	Description	Amount
WETLANDS & WOODLANDS INC	41941	03/11/2019	Plants for PW Show Site	3,747.70
AFLAC	41942	03/15/2019	Employee Medical/Disability Plans	172.38
AFLAC	41942	03/15/2019	Employee Medical/Disability Plans	154.72
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	155.67
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	73.24
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	86.70
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	600.57
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	282.55
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	334.56
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	107.63
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	3.51
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	4.02
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	189.88
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	6.20
DEPARTMENT OF LABOR AND INDUSTRIES	41943	03/15/2019	City of Kenmore	7.07
EMPLOYMENT SECURITY DEPT	41944	03/15/2019	Paid Family & Medical Leave	266.89
EMPLOYMENT SECURITY DEPT	41944	03/15/2019	Paid Family & Medical Leave	40.77
EMPLOYMENT SECURITY DEPT	41944	03/15/2019	Paid Family & Medical Leave	42.52
ICMA RETIREMENT C/O ALLFIRST BANK - 1099	41945	03/15/2019	City of Kenmore 401a Loan	240.68
ICMA RETIREMENT C/O ALLFIRST BANK - 1099	41945	03/15/2019	City of Kenmore 401a Loan	219.19
ICMA RETIREMENT C/O ALLFIRST BANK - 1099	41945	03/15/2019	City of Kenmore 401a	11,628.36
ICMA RETIREMENT C/O ALLFIRST BANK - 1099	41945	03/15/2019	City of Kenmore 401a	1,834.50
ICMA RETIREMENT C/O ALLFIRST BANK - 1099	41945	03/15/2019	City of Kenmore 401a	1,848.88
ICMA RETIREMENT TRUST 457 - 304745	41946	03/15/2019	ICMA 457 Deferred Comp	294.99
ICMA RETIREMENT TRUST 457 - 304745	41946	03/15/2019	ICMA 457 Deferred Comp	3,664.79
ICMA RETIREMENT TRUST 457 - 304745	41946	03/15/2019	ICMA 457 Deferred Comp	207.50
ICMA RETIREMENT TRUST 457 - 304745	41946	03/15/2019	ICMA 457 Deferred Comp	25.00
ICMA RETIREMENT TRUST 457 - 304745	41946	03/15/2019	ICMA 457 Deferred Comp	716.98
NATIONAL LIFE OF VERMONT	41947	03/15/2019	Life Insurance	123.17
STATE OF FLORIDA DISBURSEMENT UNIT	41948	03/15/2019	Employee Deduction	275.00

UNITED WAY OF KING COUNTY		41949	03/15/2019 Employee Charitable Contribution	78.50
ACTION ENTERTAINMENT		41950	03/22/2019 Kenmore Middle School Dance Entertainment	550.00
ALCALDE & FAY		41951	03/22/2019 Feb. Government Affairs Consulting	5,020.03
BANNER BANK	BAKER	41952	03/22/2019 United/Bothell Chamber/Marriott/Express Mobility	45.00
BANNER BANK	BAKER	41952	03/22/2019 United/Bothell Chamber/Marriott/Express Mobility	1,206.91
BANNER BANK	DB	41953	03/22/2019 Amazon/Planning Commission Book	27.45
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	31.91
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	135.00
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	89.00
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	25.00
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	(420.00)
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	30.00
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	37.85
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	90.00
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	465.00
BANNER BANK	JG	41954	03/22/2019 Seaplane/Craigslist/Amazon/APWA/Bus Mgmt Daily	487.19
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	10.66
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	990.00
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	125.00
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	205.65
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	60.00
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	1,400.00
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	93.76
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	132.50
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	9.89
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	72.60
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	118.75
BANNER BANK	KENMORE	41955	03/22/2019 WABO/Business Journals/DELL/Amazon/Paypal	908.55
BANNER BANK	NO	41956	03/22/2019 Chambermaster/GA-Campus Parking	4.00
BANNER BANK	NO	41956	03/22/2019 Chambermaster/GA-Campus Parking	158.40
BANNER BANK	RK	41957	03/22/2019 Bothell Chamber/Ingallinas/McDonalds/Domino's	89.06
BANNER BANK	RK	41957	03/22/2019 Bothell Chamber/Ingallinas/McDonalds/Domino's	477.57
BANNER BANK	SKROGH	41958	03/22/2019 Amazon/Surveymonkey/VCITA/UW Bothell/WIX	247.47
BANNER BANK	SKROGH	41958	03/22/2019 Amazon/Surveymonkey/VCITA/UW Bothell/WIX	81.42
BANNER BANK	SKROGH	41958	03/22/2019 Amazon/Surveymonkey/VCITA/UW Bothell/WIX	247.47
BANNER BANK	SKROGH	41958	03/22/2019 Amazon/Surveymonkey/VCITA/UW Bothell/WIX	5.00
BANNER BANK	SKROGH	41958	03/22/2019 Amazon/Surveymonkey/VCITA/UW Bothell/WIX	69.90
BARKER MARTIN, P.S.		41959	03/22/2019 Inglewood Home Owner's Legal Fees	1,893.00
BOTHELL KENMORE CHAMBER OF COMMERC	41960		03/22/2019 Annual Partnership Fee	1,500.00
BOTHELL KENMORE CHAMBER OF COMMERC	41960		03/22/2019 Feb. KBA Support	300.00
BRUCE C ALLEN & ASSOC INC		41961	03/22/2019 17-C1786 Leung Property Re-appraisal	1,500.00
BUILDERS EXCHANGE OF WASHINGTON INC	41962		03/22/2019 Online Project Publishing 181st & Samm. Bridge	66.20
BUILDERS EXCHANGE OF WASHINGTON INC	41962		03/22/2019 Online Project Publishing 181st & Samm. Bridge	527.40
CASCADE PEST CONTROL		41963	03/22/2019 Jan. Rhod. Park Pest Control	143.00
CASCADE PEST CONTROL		41963	03/22/2019 Feb. Rhod. Park Pest Control	143.00
CASCADE PEST CONTROL		41963	03/22/2019 Mar. Rhod. Park Pest Control	143.00
CODE PUBLISHING COMPANY		41964	03/22/2019 Annual Web Hosting Fees	480.00
COMCAST BUSINESS		41965	03/22/2019 March City Hall Phone Svc.	370.11
COMCAST BUSINESS		41966	03/22/2019 3/10-4/9/19 Squire's Landing Internet	69.95
COMCAST BUSINESS		41967	03/22/2019 March City Hall/Hangar/Incubator Internet	563.41
COMCAST BUSINESS		41967	03/22/2019 March City Hall/Hangar/Incubator Internet	545.17

COMCAST BUSINESS	41967	03/22/2019 March City Hall/Hangar/Incubator Internet	1,074.65
COMCAST BUSINESS	41968	03/22/2019 3/14-4/13 City Hall Cable/Internet	152.11
CONFLUENCE ENVIRONMENTAL COMPANY	41969	03/22/2019 19-C1996 2/25-2/28 Wildlife Habitat Assessment	1,685.00
DAILY JOURNAL OF COMMERCE	41970	03/22/2019 Ads for 153rd Bid Project	541.80
DFR LAW GROUP, LLC	41971	03/22/2019 Jan. - March Conflict Counsel	300.00
DIGITAL REPROGRAPHICS SERVICES INC.	41972	03/22/2019 Parking Signs	71.45
FENCING COMPANY, LLC	41973	03/22/2019 Moorlands Fence Repair	1,265.00
FERGUSON ENTERPRISES INC #3011	41974	03/22/2019 Cold Patch Asphalt for Stock	264.46
GOVERNMENT FINANCE OFFICERS ASSOC	41975	03/22/2019 J. Gregory Membership Renewal	190.00
GRAINGER	41976	03/22/2019 PW Shop Tools/Supplies	887.37
GRAINGER	41976	03/22/2019 Sand Bags	175.30
GRAINGER	41976	03/22/2019 Film for Ditch Lining	149.00
GRAINGER	41976	03/22/2019 Spill Kits/Marking Paint/Tape	335.98
GRAINGER	41976	03/22/2019 Spill Kits/Marking Paint/Tape	73.93
HOME DEPOT CREDIT SERVICES	41977	03/22/2019 Public Works Supplies	127.76
HYDROPOINT DATA SYSTEMS, INC.	41978	03/22/2019 Irrigation Controller	235.00
JET CITY PRINTING	41979	03/22/2019 Sponsorship Brochures	60.50
KBA INC.	41980	03/22/2019 18-C1846 W, Samm. Bridge Constructability Review	2,460.98
KENMORE COMMERCIAL LLC	41981	03/22/2019 April Incubator Bldg. Lease Payment	3,291.66
KING COUNTY FINANCE	41982	03/22/2019 Feb, Adult/Juvenile Detention Work Release	3,122.38
KING COUNTY RADIO COMM SERVICES	41983	03/22/2019 1/31-4/28/19 Emergency Radios	300.30
KPFF CONSULTING ENGINEERS	41984	03/22/2019 15-C1484 Jan. On-Call Professional Svcs	1,294.04
KPFF CONSULTING ENGINEERS	41984	03/22/2019 15-C1484 Jan. On-Call Professional Svcs	325.67
KPFF CONSULTING ENGINEERS	41984	03/22/2019 15-C1484 Jan. On-Call Professional Svcs	8,270.78
KPFF CONSULTING ENGINEERS	41984	03/22/2019 15-C1484 Jan. On-Call Professional Svcs	1,938.42
MACLEOD RECKORD	41985	03/22/2019 19-C1980 Feb. Moorlands Park Prof. Svcs	220.00
METROPOLITAN TRANS. COMMISSION	41986	03/22/2019 StreetSaver Pavement Mgmt. Software	1,500.00
MILLER STEPHENS, MARY	41987	03/22/2019 Feb. Public Defence Svcs @ SCORE	1,250.00
MOTT MACDONALD GROUP, INC.	41988	03/22/2019 17-C1657 12/29/18-1/25/19 Squire's Improvement	48,262.54
MOTT MACDONALD GROUP, INC.	41989	03/22/2019 17-C1656 1/26-2/22/19 Logboom Park Proj.	9,890.91
MOTT MACDONALD GROUP, INC.	41990	03/22/2019 17-C1657 1/26-2/22/19 Squire's Improvement Proj	28,291.24
MOTT MACDONALD GROUP, INC.	41991	03/22/2019 17-C1656 12/29/18-1/25/19 Logboom Park Proj.	1,840.93
MSPT XXII, LLC	41992	03/22/2019 PRJ2014-107/ENG15-0413 Refund Deposit	7,500.00
NC CAT RENTAL	41993	03/22/2019 Backhoe Rental	1,776.50
NORTH COAST ELECTRIC COMPANY	41994	03/22/2019 Light Ballast	157.91
NORTHSHORE FIRE DEPT	41995	03/22/2019 Feb. Fire Marshal Plan Review	300.00
OFFICE DEPOT	41996	03/22/2019 Office Supplies	33.97
OFFICE DEPOT	41996	03/22/2019 Office Supplies	3.99
OFFICE DEPOT	41996	03/22/2019 Office Supplies	3.85
OFFICE DEPOT	41996	03/22/2019 Office Supplies	42.01

OFFICE DEPOT	41997	03/22/2019 Office Supplies	1.33
OFFICE DEPOT	41997	03/22/2019 Office Supplies	1.00
OFFICE DEPOT	41997	03/22/2019 Office Supplies	20.33
OFFICE DEPOT	41997	03/22/2019 Office Supplies	3.00
OFFICE DEPOT	41997	03/22/2019 Office Supplies	1.33
OFFICE DEPOT	41997	03/22/2019 Office Supplies	4.66
OFFICE DEPOT	41997	03/22/2019 Office Supplies	2.66
OFFICE DEPOT	41997	03/22/2019 Office Supplies	7.95
OFFICE DEPOT	41997	03/22/2019 Office Supplies	2.00
OFFICE DEPOT	41997	03/22/2019 Office Supplies	2.01
OFFICE DEPOT	41997	03/22/2019 Office Supplies	2.66
OFFICE TEAM	41998	03/22/2019 3/1 Temporary Reception Help	79.20
PACIFIC INDUSTRIAL SUPPLY	41999	03/22/2019 Hardware for Sander Installation & Removal	632.39
PACIFIC INDUSTRIAL SUPPLY	42000	03/22/2019 Hardware for Catch Basin Installation	352.00
PAWS	42001	03/22/2019 Feb. Animal Sheltering Svcs	192.00
PUGET SOUND ENERGY	42002	03/22/2019 Feb. City Hall Electricity	2,892.74
PUGET SOUND ENERGY	42002	03/22/2019 Feb. Street Lights	9,208.25
QUALITY BUSINESS SYSTEMS INC.	42003	03/22/2019 3/5-4/4/19 1st Floor Copier Lease Payment	675.53
RED BARN ENGINEERING, INC.	42004	03/22/2019 19-C1976 2/23-3/1 D.S. Engineering Svcs	2,205.00
REPUBLIC SERVICES	42005	03/22/2019 Feb. Hangar Bldg. Solid Waste Svcs	522.34
SARAH ROBERTS	42006	03/22/2019 Feb. Prosecution Svcs	11,562.97
SCHWARZWALTER, MARK	42007	03/22/2019 Reimbursement for Safety Glasses	54.68
SCORE	42008	03/22/2019 Feb. Inmate Housing	31,248.00
SCORE	42009	03/22/2019 January Outside Health Svcs	25.33
SEATTLE TIMES	42010	03/22/2019 Public Hrg for Comp Plan Amendments	100.35
SEATTLE TIMES	42011	03/22/2019 Ad for 153rd Sidewalk Project Bid	477.22
SEATTLE TIMES	42012	03/22/2019 Public Hrg for Mobile Home Park Amendments	170.71
SEATTLE TIMES	42013	03/22/2019 Public Hrg Notice for Mobile Home Pk Moratorium	115.96
SEATTLE TIMES	42014	03/22/2019 SEPA Notice for Manufactured Housing	142.72
SHRED-IT USA LLC	42015	03/22/2019 Shredding Services	73.67
SOD SPOT LLC	42016	03/22/2019 Feb. Economic Development Svcs	6,600.00
SOUND SAFETY PRODUCTS CO.	42017	03/22/2019 Public Works Dept. Work Gear	226.08
SOUND SAFETY PRODUCTS CO.	42018	03/22/2019 Work Boots	254.55
STAPLES ADVANTAGE	42019	03/22/2019 City Hall Maintenance Supplies	141.27
STAPLES ADVANTAGE	42020	03/22/2019 Paper Towels for Hangar	112.13
STEWART MACNICHOLS HARMELL, INC.	42021	03/22/2019 February Public Defense Svcs	5,000.00
STEWART TITLE	42022	03/22/2019 Parcel No. 358277-0000 Bridge Proj Prop Purchase	102,731.20
SUNDANCE ENERGY SERVICES	42023	03/22/2019 Cancelled Permit PLU18-0785 Refund	140.80
SUNDANCE ENERGY SERVICES	42023	03/22/2019 Cancelled Permit PLU18-0785 Refund	7.04
SUNDANCE ENERGY SERVICES	42024	03/22/2019 Cancelled Permit MEC18-0786 Refund	135.00
SUNDANCE ENERGY SERVICES	42024	03/22/2019 Cancelled Permit MEC18-0786 Refund	6.75

SUNDANCE ENERGY SERVICES	42025	03/22/2019 Cancelled Permit MEC19-0053 Refund	314.00
SUNDANCE ENERGY SERVICES	42025	03/22/2019 Cancelled Permit MEC19-0053 Refund	15.68
TOTAL LANDSCAPE CORP	42026	03/22/2019 March City Hall & Parks Landscaping	880.00
TOTAL LANDSCAPE CORP	42026	03/22/2019 March City Hall & Parks Landscaping	4,145.45
TOTAL LANDSCAPE CORP	42027	03/22/2019 Feb. Parks Landscape Maint.	2,255.00
TOWN CENTER HARDWARE	42028	03/22/2019 Feb. Purchases of Tools & Equipment	603.56
TOWN CENTER HARDWARE	42028	03/22/2019 Feb. Purchases of Tools & Equipment	71.49
TOWN CENTER HARDWARE	42028	03/22/2019 Feb. Purchases of Tools & Equipment	202.56
VERIZON WIRELESS	42029	03/22/2019 2/27-3/26 Cell Phones/l-pads	97.29
VERIZON WIRELESS	42029	03/22/2019 2/27-3/26 Cell Phones/l-pads	37.80
VERIZON WIRELESS	42029	03/22/2019 2/27-3/26 Cell Phones/l-pads	20.82
VERIZON WIRELESS	42029	03/22/2019 2/27-3/26 Cell Phones/l-pads	30.02
VERIZON WIRELESS	42029	03/22/2019 2/27-3/26 Cell Phones/l-pads	97.84
WA STATE DEPT OF LABOR & INDUSTRIES	42030	03/22/2019 5/1/19-5/1/20 Elevator Annual Operating Cert.	147.20
WASHINGTON STATE PATROL	42031	03/22/2019 Bridge Weight Restriction Enforcement	1,197.16
WELLS FARGO FINANCIAL	42032	03/22/2019 2/21-3/20 2nd Floor Copier Lease	619.73
WILLIAMS, KASTNER & GIBBS PLLC	42033	03/22/2019 El Sharawy Attorney Fees 2/13-2/22	6,961.99
WRIGHT, MARCI	42034	03/22/2019 Interaction/Temperment Training	1,000.00
ZUMAR	42035	03/22/2019 Public Works Cones	1,174.25
BULGER SAFE & LOCK, INC.	42036	03/22/2019 Rekeying of 151 City Padlocks	1,311.67
DRS 457	DFT0000337	03/15/2019 DRS 457 Deferred Comp	214.90
DRS 457	DFT0000338	03/15/2019 DRS 457 Deferred Comp	875.00
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000339	03/15/2019 Public Employees Retirement	1,701.34
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000339	03/15/2019 Public Employees Retirement	79.81
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000339	03/15/2019 Public Employees Retirement	91.21
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000340	03/15/2019 Public Employees Retirement	16,493.97
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000340	03/15/2019 Public Employees Retirement	2,400.09
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000340	03/15/2019 Public Employees Retirement	2,738.84
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000341	03/15/2019 Public Employees Retirement	674.94
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000341	03/15/2019 Public Employees Retirement	390.81
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000342	03/15/2019 Public Employees Retirement	151.36
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000343	03/15/2019 Public Employees Retirement	893.75
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000344	03/15/2019 Public Employees Retirement	1,861.83
NAVIA	DFT0000345	03/15/2019 Employee Flexible Spending Account	136.23
NAVIA	DFT0000345	03/15/2019 Employee Flexible Spending Account	175.00
NAVIA	DFT0000345	03/15/2019 Employee Flexible Spending Account	56.92
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	9,630.14
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	3,065.72
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	460.28
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	1,223.89
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	466.70
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	1,157.12
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	487.30
BANK OF AMERICA 941	DFT0000346	03/15/2019 Federal Taxes	72.92
PAYROLL	ACH Trans.	3/15/2019 Direct Deposit	94,741.50
Total			516,233.63



City of Kenmore

Vendor Purchasing Report

For Date Range 01/01/2019 - 03/22/2019

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0002	ACTION ENTERTAINMENT	550.00
0014	AMERICAN PLANNING ASSOCIATION	1,280.00
0022	ASSOCIATION OF WA CITIES	22,400.00
0024	BAKER, DAVID	413.54
0037	BASTYR UNIVERSITY	50,000.00
0050	BRUCE C ALLEN & ASSOC INC	1,500.00
0054	BULGER SAFE & LOCK, INC.	6,983.36
0064	CASCADE PEST CONTROL	429.00
0076	CITY OF BELLEVUE	26,174.25
0081	CITY OF KENMORE	600.00
0083	CITY OF LAKE FOREST PARK	120,373.83
0092	CODE PUBLISHING COMPANY	1,503.77
0109	DAILY JOURNAL OF COMMERCE	1,610.70
0121	REPUBLIC SERVICES	3,276.63
0130	EMPLOYMENT SECURITY DEPT	2,057.93
0134	EVERGREEN PRINT SOLUTIONS	215.06
0137	FERGUSON ENTERPRISES INC #3011	936.23
0145	FRUHLING SAND & TOPSOIL	35.00
0151	CALPORTLAND COMPANY	2,700.77
0152	GOVERNMENT FINANCE OFFICERS ASSOC	190.00
0173	HOME DEPOT CREDIT SERVICES	1,282.37
0184	INSLEE, BEST, DOEZIE & RYDER, P.S.	42,857.70
0197	JET CITY PRINTING	423.50
0201	KCDA PURCHASING COOP	2,377.06
0205	KENMORE HERITAGE SOCIETY	50.00
0206	KENMORE MIDDLE SCHOOL	2,500.00
0213	KING COUNTY ANIMAL SVCS	805.00
0216	KING COUNTY REAL ESTATE SVCS	2,500.00
0218	KING COUNTY FINANCE	1,502.05
0219	KING COUNTY FINANCE	82,874.93
0229	KING COUNTY OFFICE OF FINANCE	2,067.00
0230	KING COUNTY RADIO COMM SERVICES	300.30
0233	KING COUNTY SHERIFF	10,503.10
0251	LIGHTHOUSE CONSULTING INC	14,433.39
0260	MEEHAN, NANCY	290.27
0261	PENDLETON CONSULTING LLC	4,046.80
0285	NORTHSHORE FIRE DEPT	780.00
0286	NORTHSHORE SCHOOL DISTRICT	10,573.00
0287	NORTHSHORE SENIOR CENTER	6,250.00
0288	NORTHSHORE UTILITY DIST	19,076.49
0289	NORTHSHORE YMCA	1,625.00
0290	NORTHSHORE YOUTH & FAMILY SERVICES	4,000.00
0292	HONEY BUCKET	430.10
0299	PERSONAL BEST	118.27
0300	OFFICE DEPOT	1,843.28
0304	OLYMPIC ENVIRONMENTAL RESOURCES INC	5,323.70
0310	PACIFIC TOPSOILS	875.90
0327	PUGET SOUND CLEAN AIR AGENCY	18,505.00
0328	PUGET SOUND ENERGY	44,419.62
0329	PUGET SOUND FINANCE OFFICERS ASSOC	50.00
0345	SEATTLE TIMES	2,473.74
0355	STAPLES ADVANTAGE	2,241.20

Vendor Purchasing Report

For Date Range 01/01/2019 - 03/22/2019

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0357	STEWART MACNICHOLS HARMELL, INC.	15,000.00
0359	SOUND CITIES ASSOC	15,017.45
0365	TOTAL LANDSCAPE CORP	19,586.35
0385	WA ASSOC OF BUILDING OFFICIALS	125.00
0387	WA CITIES INSURANCE AUTHORITY	290,020.00
0401	WA STATE DEPT OF TRANSPORTATION	1,166.17
0405	WASHINGTON STATE OFFICE CASH MGMT	628.50
0416	WETLANDS & WOODLANDS INC	3,747.70
0424	ICMA RETIREMENT TRUST 457 - 304745	27,749.59
0425	DRS 457	6,453.97
0426	AFLAC	981.30
0428	BANK OF AMERICA 941	97,123.35
0429	AWC EMPLOYEE BENEFITS	112,905.55
0431	DEPARTMENT OF RETIREMENT SYSTEMS	161,658.81
0432	DEPARTMENT OF LABOR AND INDUSTRIES	9,680.86
0434	UNITED WAY OF KING COUNTY	471.00
0436	NATIONAL LIFE OF VERMONT	369.51
0448	UPS STORE	51.71
0450	AURORA RENTS	2,943.79
0484	CITY WIDE FENCE COMPANY, INC	11,638.00
0501	MACLEOD RECKORD	3,605.80
0515	NATIONAL LEAGUE OF CITIES	1,533.67
0610	WA STATE DEPT OF TRANSPORTATION	186.91
0617	KING COUNTY FINANCE	750.00
0639	KONICA MINOLTA BUSINESS SOLUTIONS	432.83
0685	PACE ENGINEERS, INC.	20,695.09
0689	DIGITAL REPROGRAPHICS SERVICES INC.	71.45
0690	BUILDERS EXCHANGE OF WASHINGTON INC	593.60
0692	HDR ENGINEERING, INC	80,810.40
0696	AMERICAN GENERAL LIFE GPO-400S	620.93
0699	BANNER BANK DB	4,305.51
0743	BANNER BANK NO	868.79
0764	OUSLEY, NANCY	234.54
0781	QUALITY BUSINESS SYSTEMS INC.	3,431.81
0788	CURTIS, DR. MILTON	91.02
0791	NORTHSHORE ROTARY CLUB	204.00
0800	BANNER BANK JG	2,521.10
0817	GRAINGER	5,246.46
0834	BANNER BANK KENMORE	10,470.43
0852	GREGORY, JOANNE	67.28
0858	A+ CONFERENCING	81.90
0864	COLUMBIA FORD	130,979.72
0869	BANNER BANK JGORDON	5,413.83
0892	JACOBS ENGINEERING GROUP	64,629.62
0899	SHRED-IT USA LLC	236.26
0912	ALCALDE & FAY	10,040.66
0937	ZUMAR	10,759.78
0981	COMCAST BUSINESS	8,608.76
0994	GORDON THOMAS HONEYWELL	8,098.34
1003	iWORQ SYSTEMS	2,800.00
1010	TOWN CENTER HARDWARE	978.29
1047	SARAH ROBERTS	34,287.11
1068	WA STATE DEPT OF LABOR & INDUSTRIES	147.20
1114	PHSI PURE HEALTH SOLUTIONS INC.	202.18
1116	FRONTIER	2,153.24
1123	AM TEST, INC	450.00
1140	PAWS	756.00
1148	QUALITY WATER FINANCIAL LLC	197.85

Vendor Purchasing Report

For Date Range 01/01/2019 - 03/22/2019

Vendor Set: Vendor Set 01

Vendor	Name	Volume
1177	WELLS FARGO FINANCIAL	1,239.46
1192	HOPKINS, CRAIG	153.12
1197	MILLER STEPHENS, MARY	2,500.00
1212	MCALLISTER, TERESA	19.62
1215	STATE OF FLORIDA DISBURSEMENT UNIT	1,650.00
1248	KENMORE AIR	3,037.40
1299	VERIZON WIRELESS	567.46
1304	HAMPSON, BRYAN	70.18
1309	BANNER BANK BAKER	2,227.91
1311	WASHINGTON STATE PATROL	2,152.91
1313	BOTHELL KENMORE CHAMBER OF COMMERCE	2,400.00
1331	KBA INC.	15,057.19
1357	KENMORE COMMERCIAL LLC	13,166.64
1358	ALPHAGRAPHS	190.17
1363	INNOVAC	2,204.13
1372	AAA PRINTING	272.32
1390	UTILITIES UNDERGROUND LOCATION CTR	317.34
1403	OSBORN CONSULTING INC.	11,518.51
1431	BRIEN, GAYLYNN	100.00
1437	VOLGISTICS, INC	540.00
1452	CITY OF KENT	500.00
1459	FLEMINGS HOLIDAY LIGHTING LLC	5,739.02
1478	HERBIG, NIGEL	70.18
1485	WA ASSOC OF PUBLIC RECORDS OFFICERS	175.00
1504	SCORE	99,397.98
1544	METROPOLITAN TRANS. COMMISSION	1,500.00
1550	THE EVP GROUP	12,632.50
1555	LINCOLN NATIONAL LIFE INSURANCE	2,517.55
1581	STARDOM SERVICES, INC.	1,110.00
1584	STUDIO 3 SIGNS	165.15
1596	NW ENVIRONMENTAL TRAINING CENTER	3,225.00
1673	KPFF CONSULTING ENGINEERS	87,516.86
1678	VICENTE, JOHN	2,434.00
1689	MOTT MACDONALD GROUP, INC.	141,168.85
1690	SITTS & HILL ENGINEERS, INC.	5,730.00
1698	WRIGHT, MARCI	1,000.00
1704	BANNER BANK RK	4,117.16
1711	SOFTWAREONE, INC.	10,622.57
1718	RESOURCE EXPLORATION, LLC	20,000.00
1738	MUNIMANAGE, LLC	42,735.00
1787	M M COMFORT SYSTEMS	36.75
1798	OLBRECHTS & ASSOCIATES, PLLC	2,255.50
1814	YSI INCORPORATED, A XYLEM BRAND	1,738.55
1816	NAVIA	10,208.90
1828	QUALITY BUSINESS SYSTEMS - WELLS FARGO	1,351.06
1829	SHI INTERNATIONAL CORP.	882.20
1835	INC4INC, INC.	7,500.00
1846	AWCPD	100.00
1879	HOLMBERG COMPANY	3,628.70
1889	WILLIAMS, KASTNER & GIBBS PLLC	23,354.54
1900	ASPECT CONSULTING LLC	690.56
1901	NORTH COAST ELECTRIC COMPANY	157.91
1930	T-MOBILE USA, INC.	1,576.55
1944	OHNO CONSTRUCTION	5,454.03
1948	MULTICARE CENTERS OF OCCUPATIONAL MEDICINE	615.00
1962	BANNER BANK SKROGH	2,034.00
1964	EARTHWORKS	14,167.65
1978	GOVDELIVERY, LLC	13,005.91

Vendor Purchasing Report

For Date Range 01/01/2019 - 03/22/2019

Vendor Set: Vendor Set 01

Vendor	Name	Volume
1979	MSPT XXII, LLC	10,954.00
1980	HRA VEBA TRUST	15,707.55
1985	CONTRACT LAND STAFF LLC	505.00
1993	HYAS GROUP, LLC	7,500.00
1994	LAKE CITY PARTNERS ENDING HOMELESSNESS	2,000.00
1998	JOHNSTON GROUP, LLC	8,745.00
1999	KING COUNTY POLICE CHIEFS ASSOCIATION	50.00
2004	RED BARN ENGINEERING, INC.	4,719.00
2007	HYDROPOINT DATA SYSTEMS, INC.	235.00
2024	DFR LAW GROUP, LLC	300.00
2048	SMS CLEANING, INC.	11,400.00
2064	Bud Clary Dodge/Chevrolet	66,956.52
2081	SHANNON & WILSON, INC.	13,138.25
2095	TRANSPO GROUP USA INC.	85.00
2113	WA ASSOC. OF SHERIFFS & POLICE CHIEFS	180.00
2114	NC Machinery	109,120.85
2126	SCHWARZWALTER, MARK	54.68
2128	SUNDANCE ENERGY SERVICES	619.27
2129	CHELIN, KELLY	84.87
2132	FUELCARE	660.00
2138	HORVATH, PETER	185.25
2142	ICMA RETIREMENT C/O ALLFIRST BANK - 109964	93,351.25
2147	SOD SPOT LLC	10,950.00
2148	Town and Country Fence Inc.	2,337.51
2157	SOUND SAFETY PRODUCTS CO.	1,255.50
2159	TRAILER BOSS	8,181.90
2160	ALLWEST UNDERGROUND INC.	1,980.60
2161	BENNETT-GOLD, TOBIN	282.17
2162	ESWO, LLC	15,000.00
2163	CORNERSTONE ARCHITECTUAL GROUP	10,460.00
2164	RANKIN, BRUCE	418.95
2166	BARKER MARTIN, P.S.	5,610.50
2167	APWA-WA CHAPTER	1,500.00
2168	FRED PRYOR SEMINARS	149.00
2169	ETC INSTITUTE	13,731.90
2171	BELRED ENERGY SOLUTIONS	329.28
2172	TCF ARCHITECTURE	2,500.00
2173	TRI-COUNTY LAND SURVEYING	3,800.00
2174	TUCKER, NATHAN	300.00
2177	ELYSIUM DEVELOPMENT, LLC	7,500.00
2178	STRIPE-A-LOT	2,822.88
2179	NC CAT RENTAL	3,553.00
2180	BUNTTING INC.	61,690.16
2181	CONNER HOMES AT SOLIRE LLC	179,741.00
2182	CUZ CONCRETE PRODUCTS	909.13
2183	SISKUN POWER EQUIPMENT	4,752.88
2184	DIVERSIFICATION INC.	1,866.70
2185	CRIMINAL JUSTICE TRAINING COMMISSION	1,450.00
2189	OFFICE TEAM	79.20
2190	PACIFIC INDUSTRIAL SUPPLY	984.39
2192	STEWART TITLE	102,731.20
2193	FENCING COMPANY, LLC	1,265.00
2194	CONFLUENCE ENVIRONMENTAL COMPANY	1,685.00
Vendor Set Vendor Set 01 Total:		3,112,378.14

**City of Kenmore
City Council Regular Meeting
Minutes
March 11, 2019**

CALL TO ORDER - Mayor David Baker called the meeting to order at 7:00 p.m.

ROLL CALL

Mayor David Baker (Excused)
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik (Excused)
Councilmember Stacey Denuski
Councilmember Brent Smith (Excused)

FLAG SALUTE

AGENDA APPROVAL

MOTION: Councilmember Denuski made a motion to approve the agenda, Councilmember Curtis seconded the motion. The motion passed unanimously.

PRESENTATION

State of College - Eric W. Murray, Ph.D., President, Cascadia College - Bothell

2019 Hydroplane Cup Event – Anna Cappelletti, Seattle Outboard Association

CITIZEN COMMENTS

Joanna Crocker
7301 NE 175th Street #324
Kenmore, Washington 98028

Ms. Crocker thanked the staff and Council for listening to all of the concerns regarding the mobile home parks.

Kylin Parks
4515 176th Street SW #43
Lynnwood, Washington 98037

City of Kenmore - City Council Meeting Minutes
March 11, 2019

Ms. Parks also thanked the Council and staff and echoed Ms. Crocker's comments.

Stacey Valenzuela
Lakewood Villa

Ms. Valenzuela thanked the Council for the preservation of the mobile homes and affordable housing.

Carol Myers
Lakewood Villa

Ms. Myers thanked the Council for all the work for the citizens 55 and older in affordable housing.

CONSENT AGENDA

MOTION: Councilmember Denuski made a motion to approve the consent agenda, Deputy Mayor Herbig seconded the motion. The motion passed unanimously.

Total Check #s 41757 through 41845 in the amount of \$398,270.99.

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic

Deposits Dated: 2/15/19 in the amount of \$141,063.76.

Payroll Check #10119 in the amount of \$2,546.91.

Authorize City Manager to Execute Contract 19-C2011 with King County to Accept 2019-2020 Waste Reduction & Recycling Grant Funds

Council Meeting Minutes of January 28, 2019

Authorize the City Manager to Execute an Interlocal Agreement with the City of Bothell to Administer and Construct the Portion of SR522 Stage 3 Project Within Kenmore City Limits and Reimburse the City of Bothell for Project Costs Not to Exceed \$100,000

BUSINESS AGENDA

Mobile Home Park Zoning Code Amendments - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Director Bent explained that Planner Anderson could not be here this evening. She provided background to the Council and explained that on September 17, 2018, the City Council directed both short-term and long-term approaches to preservation of the City's six mobile

City of Kenmore - City Council Meeting Minutes
March 11, 2019

home parks (MHPs). In December 2018, the City Council approved Comprehensive Plan amendments designating the two mobile home parks on NE 175th Street for long-term preservation (Option 1). Council directed that the other four mobile home parks, north of SR-522, be preserved for a 10-year period (Option 7). After 10 years, increased densities with affordability requirements should be applied to those properties.

The most significant policy changes are as follows:

- Creation of a new Manufactured Housing Community (MHC) zoning district that would be applied over all of the existing mobile home parks. This new designation includes an “exception” that would allow a property-owner to propose another use or zoning if certain criteria could be met.
- Amendments to Chapter 18.77 that would allow opportunities for “alternative compliance” when affordable housing is required for a development proposal but the project applicant would prefer to take an approach that does not build the affordable housing units on-site. Alternative compliance options could include purchase of existing affordable housing (perhaps in the mobile home parks), as well as payment of a fee-in-lieu that could be used to preserve existing affordable units in a mobile home park, as long as the future affordability of those units is guaranteed.
- Changes to Chapter 18.80, Residential Density Incentives, to specify that a transfer of density credits is authorized for landowners of the mobile home parks. As described, the transfer of credits would be a private transaction (between the landowner and a willing purchaser of credits) until such time as a formalized transfer of development rights (TDR) program is established. A Regional Coalition for Housing (ARCH) is not available at this time to take on responsibility for a TDR program. Staff will be meeting with the director of King County’s TDR program to discuss future participation in their program. For each unit less than the allowable density on the mobile home park property at the time of ordinance adoption, 2.5 units could be sold to a willing purchaser of density credits as long as the landowner agreed to place a preservation covenant over the existing mobile home park.
- Addition of a new requirement for a “relocation plan” when existing mobile home parks are proposed to be converted to another use.

For the four mobile home parks north of SR-522, “phased zoning” would need to be applied. Initially, the MHC zoning would protect the parks for 10 years (until 2029). After that time, new zoning with increased densities and corollary affordability requirements would be applied.

The City Attorney recommends that the Council adopt a resolution directing the Planning Commission to consider supporting Comprehensive Plan and Zoning Code amendments for the phased zoning this year. Descriptions of the recommended future zoning (see

City of Kenmore - City Council Meeting Minutes
March 11, 2019

Attachment 4) are provided and preliminary direction from the Council on these approaches is requested.

Staff hopes to receive preliminary direction from the Council on all of the recommended amendments tonight. As the current moratorium on mobile home park redevelopment ends on April 8, 2019, staff has scheduled a public hearing on the amendments for 3/25/19. After the public hearing, the Council may adopt new regulations.

If adoption is not possible on 3/25/19, a short extension of the moratorium is recommended by staff. An extension ordinance (and associated public hearing) will be placed on the 3/25/19 agenda after the public hearing and the deliberations on the Zoning Code amendments. If no extension is needed, the Council should still hold the public hearing, but could then reject the extension ordinance.

Council and staff engaged in a discussion and provided feedback. The public hearing(s) will be held on March 25, 2019.

A Regional Coalition for Housing (ARCH) 2019 Administrative Budget and Work Program - Nancy Ousley, Assistant City Manager

Assistant City Manager Ousley explained that increasing affordable housing opportunities is a priority for the City Council, as one of the top five Council Goals for 2019. The City of Kenmore is a long-time member of A Regional Coalition for Housing (ARCH).

ARCH is comprised of fifteen East King County cities and King County. Through the technical assistance to its members on housing policy and plan development, combined with ARCH Housing Trust Fund investments, ARCH helps local jurisdictions meet the obligations of the Growth Management Act to provide for housing opportunities that are affordable to a wide range of incomes. The City of Kenmore approved an Amended and Restated Interlocal Agreement with ARCH in March 2010 (Contract No. 10- C866).

Under the terms of the ARCH Interlocal Agreement, each member jurisdiction must annually approve the ARCH Administrative Budget. Each member jurisdiction contributes annually to ARCH to provide administrative and technical support for the organization's housing activities. The ARCH Executive Board has approved the Administrative Budget (see Attachment) and has forwarded it to members for approval. This year 's ARCH proposed administrative budget is \$724,400, an increase of 3.59% from the 2018 approved budget. Kenmore's share of the ARCH Administrative Budget is \$29,793, which is a 3.55% increase from the 2017 share of \$28,771.

Under the terms of the ARCH Interlocal Agreement, each member jurisdiction must annually approve the ARCH Work Program. The ARCH Executive Board has approved the 2019 Work Program and forwarded to the member jurisdictions for approval.

City of Kenmore - City Council Meeting Minutes
March 11, 2019

ARCH Executive Director Lindsay Masters briefed the Council on recent agency efforts and provided an update on the ARCH Trust Fund.

Staff recommends Council approval of the ARCH 2019 Administrative Budget and Work Program.

MOTION: Councilmember Curtis made a motion to approve the ARCH 2019 Administrative Budget and Work Program, Councilmember Denuski seconded the motion. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 7:54 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk

**City of Kenmore
City Council Regular Meeting
Minutes
March 14, 2019**

7:00 p.m. - CALL SPECIAL MEETING TO ORDER

Mayor David Baker
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik
Councilmember Stacey Denuski
Councilmember Brent Smith

RECESS TO EXECUTIVE SESSION

Confidential Session of the Council - Pursuant to RCW 42.30.110(1)(i), Potential Litigation.
There will be no action.

At 7:20 p.m. the executive session was extended to 7:40 p.m.

RECONVENE TO REGULAR SESSION

ADJOURN SPECIAL MEETING

The meeting adjourned at 7:40 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk

Subject/Topic:

For Council Meeting Agenda of: 4/15/19

Department: Public Works

Prepared by: Ben Yazici

Initial & Date

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Proposed Council Action/Motion:

Authorize the City Manager to Sign the Interlocal Cooperative Purchasing and Reciprocal Staff Services Agreement with the City of Kirkland.

Exhibits/Attachments:

Interlocal Agreement with the City of Kirkland

INFORMATION/BACKGROUND:

The City had hired Capital Asset and Pavement Services (CAPS), a pavement management consultant, in 2017, to review the conditions of our streets and to recommend types of pavement management strategies to extend the useful life of city streets. CAPS had primarily recommended three different actions for us to consider; 1) seal the cracks on the streets, 2) slurry seal the streets after the crack seal and 3) overlay the streets if their useful life cannot be extended with crack sealing and slurry sealing. The consultant's report and its recommendations were shared with the Council. The Council allocated resources in their 2019 and 2020 budgets to implement the recommendations.

Last year we crack sealed the streets to be slurry sealed this year.

What is slurry seal? A slurry seal is a type of paving method that is best used to extend the life of a road that has a modest level of wear. It is more economical than an overlay. Some roads, however, are poor candidates for a slurry seal for their condition and merit an overlay. Over the years, the City of Kirkland has developed expertise in designing and implementing a slurry seal program. Kirkland has also refined its public information process about what a slurry seal is, why it's used, and what the public should expect in both the days and years after application.

We contacted the City of Kirkland to tell them we were planning to follow their practice in initiating a regular slurry seal program for our qualifying streets. Aware of their expertise, we asked if we could consult with them and learn how to administer a slurry seal program, including public outreach, from their staff. We offered to

reimburse Kirkland for its staff time. We also explored the possibility of the two cities bidding their respective programs together this year. Due to the greater volume of the combined programs, it would be our hope that we can obtain better pricing, which would benefit both cities.

The attached Interlocal Agreement has a provision for the reimbursement of staff time in the event more help is needed than can be provided as a courtesy, and that such a provision should be reciprocal. If two cities pursue a combined bid request and potential contract, then a cooperative purchasing agreement would be needed.

Attached Interlocal Agreement:

- 1) Authorizes the two cities to jointly bid for any goods and services and/or to provide reciprocal staff services when there is a mutual interest.
- 2) Requires the parties to pay for only what benefits the respective party.
- 3) Allows the parties to provide reciprocal staff services at no cost, when there is a mutual interest, but that the parties may agree in advance for staff services to be provided at a cost agreed to by each city administration.

The duration of the agreement is until it is cancelled in writing by either party. The Kirkland City Council has already approved this agreement during their April 2nd Council Meeting.

FISCAL CONSIDERATION:

There is no financial impact to Kenmore for executing this Interlocal Agreement.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

To focus on and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle and other means of travel.

Street Fund budget objective: Management of annual overlay program

INTERLOCAL COOPERATIVE PURCHASING AND RECIPROCAL STAFF SERVICES AGREEMENT

THIS AGREEMENT is between the CITY of KENMORE, a municipal corporation of the State of Washington, and the CITY of KIRKLAND, a municipal corporation of the State of Washington.

WITNESSETH:

WHEREAS, the Interlocal Cooperation Act, as amended, and codified in Chapter 39.34 of the Revised Code of Washington, provides for interlocal cooperation between governmental agencies; and

WHEREAS, the parties desire to utilize each other's procurement agreements when it is in their mutual interest; and

WHEREAS, the parties desire to lend staff to each other from time to time on projects or capital improvements where the parties have a mutual interest;

NOW, THEREFORE, the parties agree as follows:

1. PURPOSES: One purpose of this agreement is to acknowledge the parties' mutual interest to jointly bid the acquisition of goods and services and to authorize the purchase or acquisition of goods and services under contract where a price is extended by either party's bidder to other governmental agencies. Another purpose of this agreement is to authorize the parties to provide reciprocal staff services for projects or capital improvements of mutual interest to the parties.
2. ADMINISTRATION: No new or separate legal or administrative entity is created to administer the provisions of this agreement.
3. SCOPE: This agreement shall allow the following activities:
 - A. Purchase or acquisition of goods and services by each party acting as agent for either or both parties when agreed to in advance, in writing;
 - B. Purchase or acquisition of goods and services by each party where provision has been provided in contracts for other governmental agencies to avail themselves of goods and services offered under the contract; and
 - C. Providing reciprocal staff services for projects or capital improvements of mutual interest to the parties.
4. DURATION AGREEMENT—TERMINATION: This agreement shall remain in force until canceled by either party in writing.
5. RIGHT TO CONTRACT INDEPENDENT ACTION PRESERVED: Each party reserves the right to contract independently for the acquisition of goods or services or disposal of any property without notice to the other party and shall not bind or otherwise obligate the other party to participate in the activity.
6. COMPLIANCE WITH LEGAL REQUIREMENTS: Each party accepts responsibility for compliance with federal, State, or local laws and regulations including, in particular, bidding requirements applicable to its acquisition of goods and services or disposal of property.

7. FINANCING: The method of financing for the purchase or acquisition of goods and services shall be through budgeted funds or other available funds of the party for whose use the good or service is actually purchased or acquired. Each party accepts no responsibility for the payment of the purchase or acquisition price of any goods or services intended for use by the other party.
8. RECIPROCAL STAFF SERVICES: Where the parties have a mutual interest in a project or capital improvement, the parties may agree to provide reciprocal staff services for the project or capital improvement without cost to either party; provided, that before commencement of reciprocal staff services, the parties may agree that all or a portion of any staff services be provided for cost, in a manner and at a cost agreed to by the parties. The city managers or designees of the parties shall have authority to enter into the agreements of this Section 8.
9. FILING: Executed copies of this agreement shall be filed or posted on a website as required by Section 39.34.040 of the Revised Code of Washington prior to this agreement becoming effective.
10. INTERLOCAL COOPERATION DISCLOSURE: Each party may insert in its solicitations for goods a provision disclosing that other authorized governmental agencies may also wish to procure the goods being offered to the party and allowing the bidder the option of extending its bid to other agencies at the same bid price, terms and conditions.
11. NON-DELEGATION/NON-ASSIGNMENT: Neither party may delegate the performance of any contractual obligation to a third party, unless mutually agreed in writing. Neither party may assign this agreement without the written consent of the other party.
12. HOLD-HARMLESS: Each party shall be liable and responsible for the consequence of any negligent or wrongful act or failure to act on the part of itself and its employees. Neither party assumes responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not a party to this agreement.
13. SEVERABILITY: Any provision of this agreement, which is prohibited or unenforceable, shall be ineffective to the extent of such prohibition or enforceability, without involving the remaining provisions or affecting the validity or enforcement of such provisions.

CITY OF KENMORE

CITY OF KIRKLAND

By: _____
Rob Karlinsey, City Manager

By: _____
Kurt Triplett, City Manager

Approved as to form:

Approved as to form:

By: _____
Kenmore City Attorney

By: _____
Kirkland City Attorney

ATTEST:
Kenmore City Clerk

ATTEST:
Kirkland City Clerk

DATE _____

DATE _____



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: PACE Engineers, Inc. Consulting Contract Proposed Council Action/Motion: Authorize City Manager to execute Contract No. 19-C2021 with PACE Engineering, Inc. to perform development review services	For Council Meeting Agenda of: <u>April 15, 2019</u> Department: <u>Development Services</u> Prepared by: <u>Bryan Hampson</u> <table style="width: 100%;"> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: center;"><u>Initial & Date</u></td> </tr> <tr> <td>Approved by Department Head:</td> <td style="text-align: center;"><u>BA 4/3/19</u></td> </tr> <tr> <td>Approved by City Attorney:</td> <td></td> </tr> <tr> <td>Approved by Finance Director:</td> <td style="text-align: center;"><u>me 4/3/19</u></td> </tr> <tr> <td>Approved by City Manager:</td> <td style="text-align: center;"><u>POK</u></td> </tr> </table> Exhibits/Attachments: <u>Contract No. 19-C2021</u>		<u>Initial & Date</u>	Approved by Department Head:	<u>BA 4/3/19</u>	Approved by City Attorney:		Approved by Finance Director:	<u>me 4/3/19</u>	Approved by City Manager:	<u>POK</u>
	<u>Initial & Date</u>										
Approved by Department Head:	<u>BA 4/3/19</u>										
Approved by City Attorney:											
Approved by Finance Director:	<u>me 4/3/19</u>										
Approved by City Manager:	<u>POK</u>										
<u>INFORMATION/BACKGROUND:</u> In addition to the general consultant work for engineering and planning, the City needs engineering support due to the vacancy of its Development Review Engineer. PACE Engineering, Inc. will provide this support to the City on an as needed basis. Specific tasks include but are not limited to review of grading plans, erosion control plans, stormwater systems, traffic review, parking review, and other activities associated with the review and approval of proposed development projects within the City.											
<u>FISCAL CONSIDERATION:</u> The 2019-2020 Biennial Budget included a full-time development review engineer position and \$50,000 general consultant expenditure. This contract, of a not to exceed amount of \$150,000, is funded by both the salary savings from the vacant development review engineer position and the general consultant expenses budgeted. It is not expected to exceed the 2019-2020 budgeted amounts; additional expenditures are not being requested.											
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> These services address City Council Goal #'s 1 & 10: 1. Focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel. 10. Protect and enhance the climate, water, air and forest environment.											

City of Kenmore Contract No. 19-C2021

CONSULTANT CONTRACT

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and PACE Engineers, Inc., ("Consultant") whose principal office is located at 11255 Kirkland Way, Suite 300, Kirkland, WA 98033.

WHEREAS, the City desires to have certain services performed for its citizens; and

WHEREAS, the City has selected the Consultant to perform such services pursuant to certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

1. Scope of Services to be Performed by Consultant. The Consultant shall perform the services described in Exhibit "A" of this Agreement. In performing the services, the Consultant shall comply with all federal, state and local laws and regulations applicable to the services. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

[Check applicable method of payment]

☐ According to the rates set forth in Exhibit "B."

☒ A sum not to exceed \$150,000

☐ Other (describe): _____

The Consultant shall complete and return to the City Exhibit "D," federal tax Form W-9, prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on March 25, 2019 and ending December 31, 2019 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents. Any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials produced by the Consultant in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

5. Independent Consultant. The Consultant and the City agree that the Consultant is an independent Consultant with respect to the services provided pursuant to this Agreement. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, subconsultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties.

6. Indemnification.

A. Consultant shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

C. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

D. The provisions of this section shall survive the expiration or termination of this Agreement.

7. Insurance. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent Consultants and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance. Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provision. The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A-VII.

E. Verification of Coverage. The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

F. Notice of Cancellation. The Consultant shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.

G. Failure to Maintain Insurance. Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

H. No Limitation. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

8. Record Keeping and Reporting.

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement, unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

9. Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City during the performance of this Agreement. All work products, data, studies, worksheets, models, reports and other materials in support of the performance of the service, work products, or outcomes fulfilling the contractual obligations are the products of the City.

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon seven (7) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than fourteen (14) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

11. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, presence of any sensory, mental or physical disability, or other circumstance prohibited by federal, State or local law or ordinance, except for a bona fide occupational qualification.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

13. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

15. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which

funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

16. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. If there is a conflict between the terms and conditions of this Agreement and the attached exhibits, then the terms and conditions of this Agreement shall prevail over the exhibits. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

17. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Clerk
City of Kenmore
18120 68th Ave. NE
Kenmore, Washington 98028-0607

Notices to the Consultant shall be sent to the following address:

Ken Nilsen, PE
11255 Kirkland Way, Suite 300
Kirkland WA, 98033
Phone No.: 425-827-2014

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

19. Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

CONSULTANT

By: _____

Title: _____

Date: _____

CITY OF KENMORE

By: _____

Title: _____

Date: _____

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following:

During the term of this Agreement, PACE Engineers, Inc., (CONSULTANT) shall perform professional services for the City of Kenmore (CITY) to provide on-call services related Development Review/Inspection and City Planning support services or any other engineering/planning services requested by the City.

This SCOPE is purposefully written broadly to cover a variety of project types whose specific needs are not known at the present time.

The CONSULTANT will begin work immediately and shall complete the CITY requested work in a timely manner upon receiving either verbal or written authorization from CITY staff.

SCOPE OF WORK

Task 1 - PROJECT MANAGEMENT/GENERAL ASSISTANCE

The CONSULTANT will meet with the CITY as requested as well as: meet with property owners, attend public meetings, represent the CITY's interest at regional meetings, and attend Council meetings if requested. Included in this task is overall project management and coordination.

Task 2 - PRIVATE DEVELOPMENT ASSISTANCE

The CONSULTANT will provide engineering and planning support for private development review and permitting as requested by the CITY. Private development assistance may include, but is not limited to:

- Review of land-use permits for compliance with Kenmore Municipal Code (KMC) and applicable regulations.
- Review of construction permits for compliance with KMC and applicable regulations.
- Construction inspection for civil related items associated with new private development projects, as needed.
- Assistance with management and enforcement of delinquent performance and maintenance agreements, guarantees, and/or bonds associated with private developments.

It is anticipated that the Consultant may be at the City two days per week (Tuesday and Thursday) for "Stand-up meetings" in the morning and working at the permit counter in the afternoon. This schedule will be evaluated at various

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:



WASHINGTON
2019 MUNICIPAL (ENGINEER OF RECORD)
HOURLY RATE SCHEDULE
 Effective January 1, 2019

Engineers | Planners | Surveyors

DESCRIPTION	HOURLY RATE
1. Office Tech I, Expediter I	\$ 47.00
2. Office Tech II, Expediter II	\$ 60.00
3. Office Tech III, Intern, Jr. CAD Tech, Jr. Inspector, Engineer Tech, Survey Tech I	\$ 70.00
4. GPS Assistant, Jr. Planner, CAD Tech, Sr. Office Tech, Inspector, Designer, Engineer Tech I, Survey Tech II	\$ 88.00
5. Jr. Engineer, Designer I, Inspector I, CAD Tech I, GIS Tech, Project Administrator, Planner, Survey Tech III	\$ 104.00
6. Engineer I, Planner I, GIS Analyst I, Designer II, CAD Tech II, Inspector II, Survey Tech IV, Sr. Project Administrator	\$ 115.00
7. Engineer II, Planner II, GIS Analyst II, Designer III, CAD Tech III, Inspector III, Survey Tech V, Jr. Party Chief	\$ 125.00
8. Engineer III, Project Designer, Planner III, GIS Analyst III, Sr. Survey Tech, Sr. CAD Tech, Sr. Inspector, Party Chief	\$ 137.00
9. Sr. Engineer, Project Designer I, Sr. Planner, Project Surveyor, Robotic & Operator, Project CAD Tech, Sr. GIS Analyst, Sr. Project Inspector, Sr. Party Chief, BIM/CAD Mgr	\$ 150.00
10. Project Engineer, Project Designer II, Project Planner, Sr. Project Surveyor, Sr. Project GIS Analyst, Structural Engineer, GPS & Operator	\$ 162.00
11. Sr. Project Engineer, Sr. Structural Engineer, Sr. Project Designer, Sr. Project Planner, IT Manager, Survey Project Manager, 3D Scanning & Operator	\$ 172.00
12. Project Manager, Principal Surveyor, Planning Project Manager	\$ 182.00
13. Sr. Project Manager, Sr. Principal Surveyor, Two-Person Crew	\$ 195.00
14. Principal Engineer, Principal Planner, Sr. Two-Person Crew	\$ 212.00
15. Senior Principal Engineer, Senior Principal Planner	\$ 230.00
REIMBURSABLES	
A. Subconsultants, Professional and Technical	Cost + 15%
B. Maps, reports, materials, permit fees, express delivery and messenger, pass-through bills, and similar items necessary for work in progress	Cost + 15%
C. Technology expenses associated with computers, software, electronic distance measuring devices, telephone, cell phone, photo copies, standard survey supplies and transportation and standard postage will be invoiced as a Technology Charge	N / A
D. Out-of-Town travel per diem and cost of commercial transportation	Cost + 10%
E. Transportation within 30 Mile Radius *	No Charge
Transportation beyond 30 Mile Radius – Automobile	\$ 0.60 per mile
* On job inspection mileage will be billed	\$ 0.60 per mile
F. Special Equipment/Software	
Special Software for Modeling/Analysis	\$ 10/hour
Large Format Blueprints and Reproduction – Bond	\$ 0.50/sq foot
Large Format Blueprints and Reproduction – Mylar	\$ 1.50/sq foot
Color Copies – In-house (8 1/2 x 11)	\$ 0.25/page
G. Expert Witness	Rate x 1.5

Notes: ¹ All payment is due within 30 days from date of invoice.

² The foregoing schedule of charges is incorporated into the agreement for the services provided effective January 1, 2019. After December 31, 2019, invoices will reflect the schedule of charges in effect at that time.

³ PACE's rates include professional liability insurance coverage for claims up to \$2 million. Clients can purchase additional coverage for cost and upfront payment of \$5,000 per additional \$1 million of insurance up to a maximum of \$5 million.

Rev. 11/29/2018

PACE Engineers, Inc.
 11255 Kirkland Way, Suite 300
 Kirkland, Washington 98033-6715
 p. 425.827.2014 | f. 425.827.5043
 www.paceengr.com

EXHIBIT C

**City of Kenmore
Billing Invoice**

To: City of Kenmore
18120 68th Ave. NE
Kenmore, Washington 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

Invoice Number: _____ Date of Invoice: _____

Consultant: _____

Mailing Address: _____

Telephone: () _____

Contract Period: _____ Reporting Period: _____

Amount requested this invoice: \$ _____

Attach itemized description of services provided.

Specific Program: _____

Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount \$ _____

Previous payments \$ _____

Current request \$ _____

Balance remaining \$ _____

Approved for Payment by: _____ Date: _____

Authorized Signature (Required)

EXHIBIT D

Form <b style="font-size: 1.5em;">W-9 (Rev. December 2014) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.
Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: Individual/sole proprietor or single-member LLC C Corporation S Corporation Partnership Trust/estate Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. Other (see instructions) ▶	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) Exemption from FATCA reporting code (if any) <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	
Part I Taxpayer Identification Number (TIN)		
Social security number		



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: NE 153rd Place Safe Routes to School Project

For Council Meeting Agenda of: April 15, 2019

Department: Public Works

Prepared by: Kent Vaughan

Proposed Council Action/Motion:

To Be Presented By: N/A

Authorize the City Manager to execute a contract with low bidder Kamins Construction for an amount up to \$611,000 (includes 10% construction contingency) to construct the NE 153rd Place Safe Routes to School (SRTS) Sidewalk Project.

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director: ✓

Approved by City Manager:

Initial & Date

[Signature] 4/11/19

N/A

[Signature] 4/21/19

[Signature] FOX

Exhibits/Attachments:

Exhibit A: Proposed Detour

INFORMATION/BACKGROUND:

The NE 153rd Place Safe Routes to School Sidewalk Project includes the construction of approximately 800 feet of sidewalk on the south side of NE 153rd Place between Juanita Drive NE and 70th Avenue NE. Project components include but are not limited to curb and gutter, ADA ramps, sidewalk, storm drainage, cast-in-place feature wall, landscaping, irrigation, channelization striping, traffic control and paving. On-street angled parking stalls (6) were added to the project scope during the design phase.

The estimated contract duration is 60 working days (approximately 3 months) from July through September 2019 to complete the work. Notice to proceed will not be granted until school is out of session, starting the week of July 1, 2019.

Bid Results: The City received 5 bids on March 21st, 2019. Bid results are summarized below.

Contractor	Bid Amount	Bid Rank
Kamins Construction	\$555,458.86	1
Pro Grade Enterprises, Inc	\$590,965.64	2
Welwest Construction Inc	\$626,954.48	3
CA Carey Corp	\$655,190.09	4
A-1 Landscaping and Construction	\$718,682.40	5

The low bid amount exceeded the engineer's estimate by 14% (refer to fiscal consideration section below for project budget summary).

Traffic Control Plan: The eastbound lane of NE 153rd Place between Juanita Drive NE and 70th Avenue NE will be closed during construction (see Exhibit A). A detour will re-route eastbound vehicles to use NE 155th Place / 70th Avenue NE to bypass the work zone. Local access to residents and businesses will be provided.

Public Outreach: An open house was held in July 2018. During project development, staff visited neighboring residents and businesses along the project limits, Arrowhead school staff, and had several meetings with the Guest House restaurant owners. Additional public outreach will be completed as construction approaches including city website updates, e-releases, citywide newsletter, mailed notifications within 1,000 feet of project limits, posted project sign and notification email to stakeholder agencies (City of Kenmore Public Works Operations & Reception, City Police, King County Metro, Northshore School District, Northshore Fire District and Northshore Utility District).

FISCAL CONSIDERATION:

The NE 153rd Place SRTS project budget with estimated expenditures and revenues are outlined below:

Estimated Revenues	
WSDOT Safe Routes to School (SRTS) Program	\$ 673,594
City Traffic Impact Fees	\$76,271
City Surface Water Funds	\$40,700
ESTIMATED REVENUE	\$790,565
Estimated Expenditures	
Design	\$ 143,070
Right-of-Way	\$0
Construction Contract	\$ 555,458
Construction Management Consultant Services	\$ 65,000
Construction Staff Time/ Expenses	\$15,000
Construction Contingency (10%)	\$55,545
ESTIMATED COST	\$834,073
DELTA	(\$43,508)

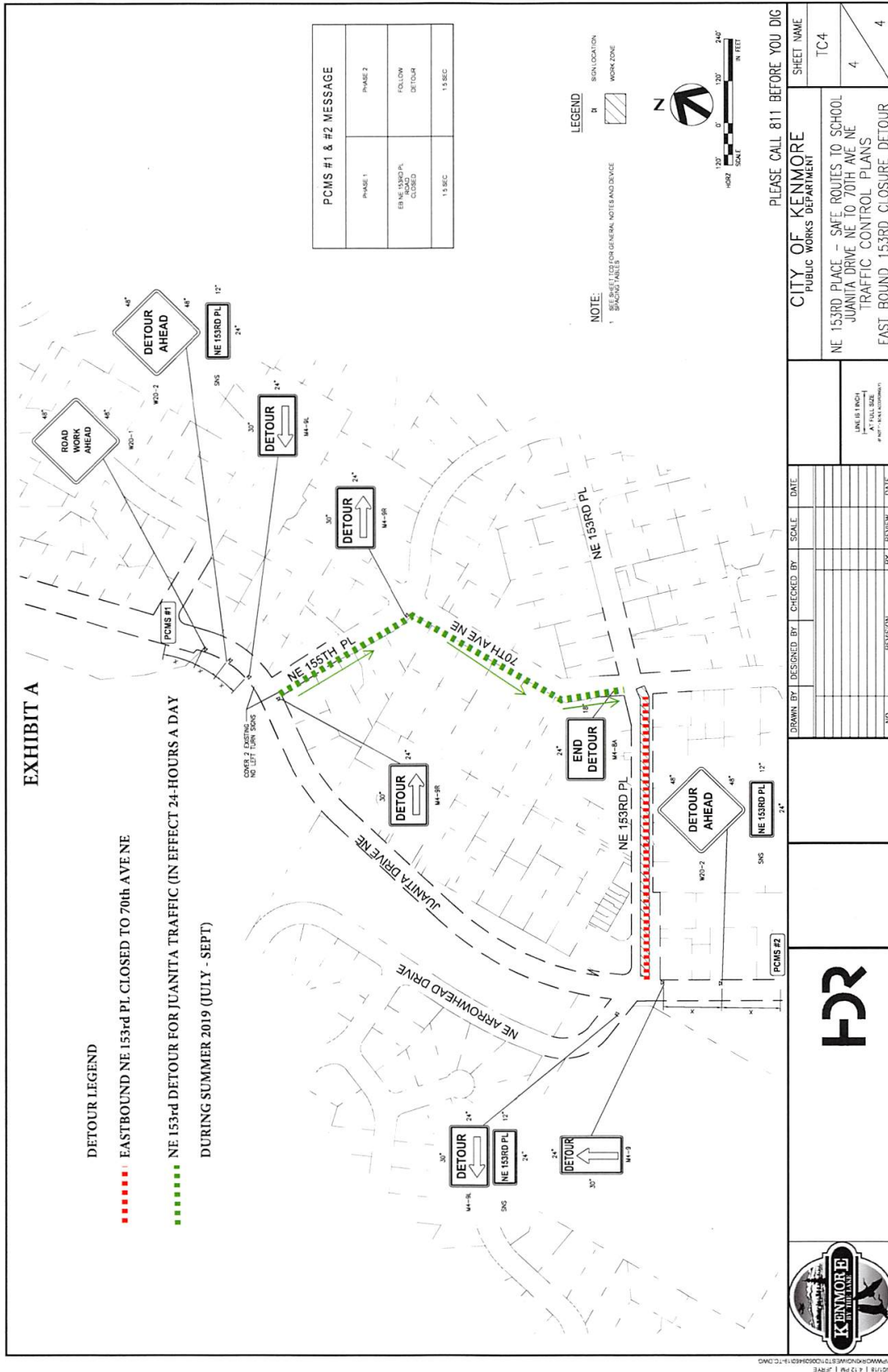
The total project cost with construction contingency exceeds project revenues by \$43,508. A budget amendment to appropriate additional local funds to this project may be required later this year depending on how much construction contingency is expended.

RECOMMENDATION: Staff recommends that the City Council authorize the City Manager to execute a contract with low bidder Kamins Construction for an amount up to \$611,000 (includes 10% construction contingency) to construct the NE 153rd Place Safe Routes to School (SRTS) Sidewalk Project.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

City Council Goal #1: Focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.

- Implement the Sidewalk Plan





City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: West Sammamish River Bridge Preconstruction Agreement Proposed Council Action/Motion: Authorize the City Manager to increase the contract authority with KBA to \$75,000 to complete the preconstruction services and secure office space for the West Sammamish River Bridge.	For Council Meeting Agenda of: 04/15/2019 Department: <u>PW Engineering</u> Prepared by: <u>John Vicente, P.E.</u> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Initial & Date</th> </tr> </thead> <tbody> <tr> <td>Approved by Department Head:</td> <td style="text-align: right;">@ 3/29/19</td> </tr> <tr> <td>Approved by City Attorney:</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Approved by Finance Director:</td> <td style="text-align: right;">✓ [Signature] 3/29/19</td> </tr> <tr> <td>Approved by City Manager:</td> <td style="text-align: right;">[Signature]</td> </tr> </tbody> </table> Exhibits/Attachments: NA		Initial & Date	Approved by Department Head:	@ 3/29/19	Approved by City Attorney:	NA	Approved by Finance Director:	✓ [Signature] 3/29/19	Approved by City Manager:	[Signature]
	Initial & Date										
Approved by Department Head:	@ 3/29/19										
Approved by City Attorney:	NA										
Approved by Finance Director:	✓ [Signature] 3/29/19										
Approved by City Manager:	[Signature]										
<u>INFORMATION/BACKGROUND:</u> <u>Background:</u> On September 25, 2017, Staff advertised for preconstruction services and construction management services during construction for the West Sammamish River Bridge Project. Two firms were interviewed and KBA was selected as the firm to provide both services to the City for the project. A contract for \$47,299 was executed with KBA on March 12, 2018. Preconstruction services were contracted with KBA in March 2018. This contract with KBA provided for assistance in: 1) Plan set constructability review, 2) specification review, 3) material quantity and bid item review, 4) creation of a communication plan for construction, 4) creating the record of materials for tracking all construction materials used for the project, 5) securing construction office space. In the summer of 2018, KBA began the search for office space in anticipation of construction starting in April 2019. Several locations were scouted but only 3 spaces were identified that were available for rent and provided the necessary space for housing the KBA team during construction of the project. KBA selected an office space that is low cost and on the project site. With office space being a premium in Kenmore, the relative low cost of rent for the space, the close proximity to the project site, and the project construction delay, KBA would like to secure this space now and avoid the risk of not obtaining a space that is a good location and value. With the construction start delayed until early next year, an additional 10 months of rental fees would be assessed prior to starting construction. The proposed cost for the next 10 months would be approximately \$1,500 per month or \$15,000 over the course of 10 months. Some additional preconstruction review will be requested of KBA due to the delay in the project and the need to revise the bid documents. <u>Design Status:</u> The design team will be working towards revising the bid documents to update to fall 2019 conditions and also incorporate questions/comments received by prospective bidders during the initial bid period in February/March. Permits and right of way documentation are also be revised due to the delay in construction.											

S:\Public Works Projects\0184 West Sammamish River Bridge\100 Project Administration\130 Council\April 15 2019\Increase KBA contract_W Sammamish Bridge_20190415.docx

It is estimated that revised plans, specification, permits and property documents will be completed in September 2019.

RECOMMENDATION:

Staff recommends Council Authorize the City Manager to increase the contract authority with KBA to \$75,000 to complete the preconstruction services and secure office space for the West Sammamish River Bridge.

FISCAL CONSIDERATION:

The recommended increase in the KBA contract (\$27,701) is within the approved project budget. Below is a breakdown on the projected expenditures and the approved budget:

EXPENDITURES

Design:			
	Staff and other Direct Expenses	\$380,250	
	Consultant Design Contracts	\$2,630,825	
	Total Design		\$3,011,075
Right of Way Acquisition:			
	Staff and other Direct Expenses	\$22,300	
	Property Acquisition Cost	\$976,800	
	Consultant Right of Way Contract	\$133,470	
	Total Right of Way Acquisition		\$1,132,570
Construction:			
	Staff and other Direct Expenses	\$585,000	
	Engineering Consultant Services	\$65,000	
	Construction Management Services	\$4,100,000	
	Construction Contract	\$23,745,000	
	Future years plant establishment	\$70,000	
	Total Construction		\$28,565,000
	Contingency		\$2,583,000
	Total Project Cost		\$35,291,645

REVENUE

Federal Highway Bridge Program (BRAC)	\$12,000,000
Connecting Washington (CWA)	\$8,000,000
Transportation Improvement Board (TIB)	\$6,900,000
Surface Transportation Program (STP)	\$1,063,994
Northshore Utility District	\$2,232,929
Other Utility/Agencies	\$667,493
Surface Water Fund	\$1,200,000
Transportation Fund	\$1,769,000
Other City Capital Funds	\$2,000,000
Total Revenue	\$35,833,416

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Goal #1: To focus on and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Deliberation on the Manufactured Housing Community Municipal Code Amendments, Ordinance 19-0481 Proposed Council Action/Motion: After deliberation, consider adoption of Ordinance 19-0481.	For Council Meeting Agenda of: 4/15/19 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner</u> Initial & Date Approved by Department Head: <u>DB 3/28/19</u> Approved by City Attorney: <u>SS, 3/28/19</u> Approved by Finance Director: <u>✓ Anne 4/1/19</u> Approved by City Manager: <u>Per</u> Exhibits/Attachments: 1. Ordinance 19-0481
<u>INFORMATION/BACKGROUND:</u> On March 25, 2019, the City Council held a public hearing and began deliberations on draft Municipal Code amendments related to the City's existing manufactured housing communities. An ordinance reflecting those amendments is attached (see Attachment I). After discussion, the Council tabled consideration of the ordinance to April 15. The ordinance would create a new Manufactured Housing Community (MHC) zoning district that would be applied over all of the existing mobile home parks. This new designation includes an "exception" that would allow a property-owner to propose another use or zoning if certain criteria could be met. A companion resolution related to future upzoning for the manufactured housing communities north of SR-522 also is on your agenda. <u>FISCAL CONSIDERATION:</u> None at this time. <u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Council Goal 3: Increase and preserve the options for affordable housing stock. Comprehensive Plan Housing Element Objective H-3.1: "Encourage retention of the existing housing stock in Kenmore as a source of affordable housing." Comprehensive Plan Housing Element Policy H-3.1.2: "Consider measures to preserve and maintain existing manufactured housing communities."	

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 19-0481**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, RELATING TO THE CITY'S
MANUFACTURED HOUSING COMMUNITIES;
AMENDING CHAPTERS 18.15, 18.20, 18.21, 18.22, 18.23,
18.24, 18.25, 18.25A, 18.25B, 18.26, 18.29, 18.30, 18.35, 18.40,
18.42, 18.45, 18.50, 18.60, 18.77, 18.80, AND 19.25 OF THE
KENMORE MUNICIPAL CODE; AMENDING THE
ZONING MAP; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, over the past year and a half, the City's Planning Commission has reviewed and recommended options related to the preservation of existing mobile home parks, consistent with the City's Housing Strategy Plan and RCW 36.70A.070(2)(c) which requires that sufficient land be available for all types of housing including manufactured housing; and

WHEREAS, on July 9, 2018, the Planning Commission presented recommended options to the City Council related to preservation of existing mobile home parks; and

WHEREAS, on July 9, July 16, July 23, and September 17, 2018 the City Council reviewed the Planning Commission's recommendations, received additional background information, and requested the formulation of new policy options; and

WHEREAS, on September 17, 2018, the City Council requested that amendments be prepared for consideration that would preserve the existing mobile home parks and plan for future growth and housing affordability needs in the City; and

WHEREAS, on October 16, the Planning Commission reviewed Comprehensive Plan amendments to the Land Use Element, including the Land Use Plan Map, the Downtown Sub-Element, and the Housing Element to support preservation of existing mobile home parks; and

WHEREAS, throughout the mobile home park project, a concerted effort has been made to generate public involvement, including holding public open houses; advertising public meetings; providing an interpreter; and creating comprehensive and regularly-updated web pages; and

WHEREAS, the Planning Commission held a public hearing on the related Comprehensive Plan amendments on November 6, 2018; and

WHEREAS, on November 19, 2018, the Planning Commission's recommendations for the proposed Comprehensive Plan amendments were presented to the City Council, and

WHEREAS, the City Council adopted the Comprehensive Plan amendments on November 26, 2018, which created the Manufactured Housing Community (MHC) land use district and

assigned the MHC designation to existing manufactured housing communities within the City proposed for long-term preservation; and

WHEREAS, on March 11, 2019, the City Council reviewed Municipal Code amendments to codify the MHC zoning designation in the zoning code and to rezone the existing manufactured housing communities to the MHC zoning designation; and

WHEREAS, the City's Responsible Official under the State Environmental Policy Act has issued a determination of non-significance for the proposal; and

WHEREAS, the Washington State Department of Commerce was notified of the proposed amendments pursuant to RCW 36.70A.106; and

WHEREAS, the City Council held a public hearing on the Municipal Code amendments on March 25, 2019; and

WHEREAS, the City Council finds that the proposed amendments meet the criteria found in KMC Section 19.20.090; and

WHEREAS, in *Laurel Park Community, LLC v. City of Tumwater*, 698 F.3d 1180 (9th Cir. 2012) the Ninth Circuit Court of Appeals held that Tumwater could similarly preserve existing mobile home parks by rezoning the properties as "Manufactured Home Parks" with permissible land uses consistent with the operation of a mobile home park because the city had a valid public interest in preserving affordable housing and the rezone did not infringe upon the park owners' property rights, was not an unconstitutional taking of property without just compensation, and was not unlawful spot zoning. The Court held:

- "As a general rule, zoning laws do not constitute a taking, even though they affect real property interests: This Court has upheld land-use regulations that destroy or adversely affect recognized real property interests. Zoning laws are, of course, the classic example, which have been viewed as permissible government action even when prohibiting the most beneficial use of the property."

- "... the submission that [the mobile home park property owners] may establish a 'taking' simply by showing that they have been denied the ability to exploit a property interest that they heretofore had believed was available for development is quite simply untenable ... [the owners] retain the ability to continue operating the properties as manufactured home parks. So the law does not interfere with what must be regarded as [the owners'] primary expectation concerning the use of the parcel."

- "The [zoning] ordinances restrict to some extent the owners' ability to *use* their properties, because they can no longer build multi-family housing, for example. But imposing *use* restrictions on property – as distinct from restrictions on alienation – is the essence of zoning." And;

WHEREAS, the City Council desires to adopt the amendments to address preservation of existing mobile home parks;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings Adopted. The City Council adopts the foregoing recitals as findings, which are incorporated herein as if set forth in full.

Section 2. Amendments to the Kenmore Municipal Code. The City Council amends Chapters 18.15, 18.20, 18.21, 18.22, 18.23, 18.24, 18.25, 18.25A, 18.25B, 18.26, 18.29, 18.30, 18.35, 18.40, 18.42, 18.45, 18.50, 18.60, 18.77, 18.80, and 19.25 of the Kenmore Municipal Code, as set forth in Exhibit A, attached hereto and incorporated by reference.

Section 3. Amendments to the Zoning Map. The City Council amends the Zoning Map, as set forth in Exhibit B, attached hereto and incorporated by reference.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE ____TH DAY OF _____, 2019.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.:
Date of Publication:
Effective Date:

Exhibit A

PROPOSED ZONING CODE CHANGES**CREATE THE “MANUFACTURED HOUSING COMMUNITY” ZONING DISTRICT:**

- Amend Chapter 18.15 Zones, Maps and Designations

18.15.010 Zones and map designations established.

In order to accomplish the purposes of this title, the following zoning designations and zoning map symbols are established:

ZONING DESIGNATIONS	MAP SYMBOL
Residential	R (base density in dwellings per acre)
Manufactured Housing Community	MHC
Neighborhood Business	NB
Community Business	CB
Downtown Residential	DR
Downtown Commercial	DC
Urban Corridor	UC
Waterfront Commercial	WC
Regional Business	RB
Public and Semi-Public	PSP
Parks	P
Golf Course	GC
Property-Specific Development Standards	P-suffix
Special District Overlay	SO

Exhibit A

18.15.040 Residential zones.

A. The purpose of the residential zones (R and MHC) is to implement comprehensive plan goals and policies for housing quality, diversity and affordability, and to efficiently use residential land, public services and energy. These purposes are accomplished by:

1. Providing, in the R-1 through R-6 zones, for a mix of predominantly *single detached dwelling units*, with a variety of densities and sizes in locations appropriate for residential use;
2. Providing, in the R-12 through R-48 zones, for a mix of predominantly *apartment and townhouse dwelling units*, with a variety of densities and sizes in locations appropriate for residential use;
3. Providing, in the MHC zone, for continuation of existing *manufactured housing communities*;
34. Allowing only those accessory and complementary nonresidential *uses* that are compatible with residential communities; and
45. Establishing density designations to facilitate advanced area-wide planning for public facilities and services, and to protect environmentally critical sites from overdevelopment.

B. Use of this zone is appropriate as follows:

1. The R-1 zone on or adjacent to lands with area-wide environmental constraints where *development* is required to cluster away from *critical areas*;
2. The R-4 through R-6 zones on lands that are predominantly environmentally unconstrained and are served at the time of *development* by adequate public sewers, water supply, *streets* and other needed public facilities and services; and
3. The R-12 through R-48 zones next to commercial centers, in areas that are served at the time of *development* by adequate public sewers, water supply, *streets* and other needed public facilities and services; and
4. The MHC zone on existing *manufactured housing communities* planned for either short-term or long-term preservation.

- Amend Chapter 18.21 Residential Zones

18.21.045 Residential zone MHC – Use allowances.

Exhibit A

The following uses listed in Table D are identified as *permitted*, conditionally permitted, or *prohibited* uses in residential zone MHC:

Table D. MHC Zone Use Allowances

PERMITTED	CONDITIONALLY PERMITTED	PROHIBITED
<i>Day care</i> ¹	<i>Community residential facility</i>	<i>Adult entertainment business</i>
<i>Family child-care home</i> ²	<i>Cemetery, columbarium or mausoleum</i>	<i>Air transportation service</i>
<i>Manufactured housing community</i> ³	<i>Educational service</i> ⁶	<i>Ambulatory surgery center</i>
<i>Park</i> ⁴	<i>Religious institution</i>	<i>Animal kennel/shelter</i>
<i>Single detached dwelling unit</i> ^{4,5}	<i>Supportive living facility</i>	<i>Arts, entertainment, indoor</i>
	<i>Temporary lodging</i> ⁷	<i>Arts, entertainment, outdoor</i>
		<i>Auction house</i>
		<i>Automotive sales and service, marine</i>
		<i>Automotive sales and service, non-marine</i>
		<i>Business service, intensive</i>
		<i>Business service, standard</i>
		<i>College/university</i>
		<i>Construction and trade</i>
		<i>Eating and drinking place</i>
		<i>Fire or police facility</i>
		<i>Funeral home/crematory</i>
		<i>Health care and social assistance</i>
		<i>Hospital</i>
		<i>Laboratory</i>

Exhibit A

Table D. MHC Zone Use Allowances

<u>PERMITTED</u>	<u>CONDITIONALLY PERMITTED</u>	<u>PROHIBITED</u>
		<u>Manufacturing, heavy</u>
		<u>Manufacturing, light</u>
		<u>Marijuana business</u>
		<u>Marijuana cooperative</u>
		<u>Mobile food service</u>
		<u>Multiple-family dwelling</u>
		<u>Office</u>
		<u>Personal service</u>
		<u>Recreational facility, indoor</u>
		<u>Recreational facility, outdoor</u>
		<u>Regional land use</u>
		<u>Resource land use</u>
		<u>Retail sales</u>
		<u>Retail sales, bulk</u>
		<u>Secure facility</u>
		<u>Standalone parking</u>
		<u>Transportation</u>
		<u>Utility facility</u>
		<u>Vehicle or equipment rental</u>
		<u>Vehicle refueling station</u>
		<u>Warehousing</u>
		<u>Wholesale trade</u>

Exhibit A

1. *Day care I* is permitted. *Day care II* is permitted only as an *accessory use* to a *religious institution, park* or public housing administered by a *public agency*, and:

- a. Outdoor play areas shall be completely enclosed by a solid wall or *fence*, with no openings except for gates and have a minimum height of six feet;
- b. Outdoor play equipment shall maintain a minimum distance of 20 feet from property lines adjoining residential zones;
- c. Direct access to a developed arterial *street* shall be required in any residential zone; and
- d. Hours of operation may be restricted to assure compatibility with surrounding *development*.

Otherwise, *day care II* requires a *conditional use permit*.

2. A *family child-care home* is subject to the requirements established by the Washington State Department of Early Learning (DEL) in WAC Title 170. The *family child-care home* shall meet the following requirements:

- a. The family child-care provider shall be licensed by DEL to operate a *family child-care home*;
- b. A safe passenger loading area shall be provided;
- c. The *family child-care home* shall comply with all applicable building, fire, safety, and health codes enforced by the *City*;
- d. The *family child-care home* shall comply with all applicable development standards of the *City*, unless determined to be legally nonconforming;
- e. All signage shall conform to the applicable requirements of Chapter 18.42 KMC; and
- f. The *City* has the authority to limit the hours of operation to facilitate neighborhood compatibility.

3. The following conditions and limitations shall apply, where appropriate:

- a. Lighting for *structures* and fields shall be directed away from residential areas;

Exhibit A

b. Structures or service yards shall maintain a minimum distance of 50 feet from property lines adjoining residential zones.

4. One single detached dwelling unit only per existing legal lot as of insert effective date of ordinance.

5. Manufactured homes and mobile homes are allowed only in manufactured housing communities. Designated manufactured homes are not restricted to manufactured housing communities.

6. K-12 facilities only. All other educational service uses are prohibited.

7. Bed and breakfast guesthouse only, subject to the following conditions:

a. The guesthouse shall be owner-occupied;

b. Meals shall be served to paying guests only (no restaurant use permitted);

c. The number of guestrooms shall not be greater than that authorized by the International Building and Fire Codes;

d. Parking shall be provided as required by this title; and

e. The guesthouse shall be compatible with the neighborhood character as determined by the city manager, and shall not create significant adverse neighborhood effects that cannot be mitigated.

8. For properties continuing in an existing manufactured housing community use after insert effective date of ordinance, a transfer of density credits shall be permitted. See KMC Chapter 18.80.

18.21.050 Residential zones R-12, R-18, R-24, and R-48, and MHC – Development standards.

The following zone-specific development standards in Table DE apply in the R-12, R-18, R-24, and R-48, and MHC residential zones:

Exhibit A

Table DE. R-12, R-18, R-24, and R-48, and MHC Residential Zones Development Standards

STANDARDS	Z O N E S	R-12	R-18	R-24	R-48	MHC ¹²
Base Density: <i>Dwelling Unit/Acre</i> ¹		12 du/ac	18 du/ac	24 du/ac	48 du/ac	12 du/ac
Maximum Density: <i>Dwelling Unit/Acre</i> ²		18 du/ac	27 du/ac	36 du/ac	72 du/ac	18 du/ac
Minimum Density ¹¹		80%	75%	70%	65%	80%
Minimum Lot Width ⁴		30 ft.	30 ft.	30 ft.	30 ft.	--
Minimum <i>Street Setback</i>		10 ft. ⁶	10 ft. ⁶	10 ft. ⁶	10 ft. ⁶	10 ft.
Minimum <i>Side Setback</i> ^{3,5}		5 ft. ⁷	5 ft. ⁷	5 ft. ⁷	5 ft. ⁷	5 ft.
Minimum <i>Rear Setback</i> ^{3,5}		5 ft. ⁷	5 ft. ⁷	5 ft. ⁷	5 ft. ⁷	5 ft.
Base Height ⁸		60 ft.	60 ft. 80 ft. ⁹	60 ft. 80 ft. ⁹	60 ft. 80 ft. ⁹	35 ft.
Maximum <i>Impervious Surface</i> : Percentage ¹⁰		85%	85%	85%	90%	85%
Minimum Lot Size		--	--	--	--	--

¹ Density applies only to *dwelling units* and not to sleeping units.

² This maximum density may be achieved only through the application of residential density incentives pursuant to Chapter [18.80](#) KMC or *transfers of density credits*, or any combination of density incentive or density transfer. Maximum density may only be exceeded pursuant to KMC [18.80.040\(E\)\(1\)\(f\)](#).

³ These standards may be modified under the provisions for *zero-lot-line developments*.

⁴ The *building envelope* is determined through meeting minimum lot size and minimum lot width measurement requirements (KMC [18.30.110](#)).

⁵ Vehicle access points from garages, carports or fenced parking areas shall be set back from the property line on which a *joint use driveway* is located to provide a straight line length of at

Exhibit A

least 26 feet as measured from the centerline of the garage, carport or fenced parking area, from the access point to the opposite side of the *joint use driveway*.

⁶ At least 20 linear feet of driveway shall be provided between any garage, carport or other fenced parking area and the *street* property line. The linear distance shall be measured along the centerline of the driveway from the access point to such garage, carport or fenced area to the *street* property line.

⁷ a. For *developments* consisting of three or more single detached dwellings located on a single parcel, the *setback* shall be 10 feet along any property line abutting R-1 through R-6, except for *structures* in on-site recreation areas required in KMC [18.30.130](#), which shall have a *setback* of five feet.

b. For *townhouse* and *apartment development*, the *setback* shall be 20 feet along any property line abutting R-1 through R-6, except for *structures* in on-site recreation areas required in KMC [18.30.130](#), which shall have a *setback* of five feet, unless the *townhouse* or *apartment development* is adjacent to property upon which an existing *townhouse* or *apartment development* is located.

⁸ In the R-12, R-18, R-25 and R-48 zones, height limits may be increased when portions of the *structure* which exceed the base height limit provide one additional foot of *street* and interior *setback* for each foot above the base height limit, provided the maximum height may not exceed 75 feet. Netting or fencing and support *structures* for the netting or fencing used to contain golf balls in the operation of golf courses or golf driving ranges are exempt from the additional interior *setback* requirements; provided, that the maximum height shall not exceed 75 feet.

⁹ The base height to be used only for projects as follows:

a. In R-18, R-24 and R-48 zones using residential density incentives and *transfer of density credits* pursuant to this title.

¹⁰ Applies to each individual *lot*. *Impervious surface* area standards for:

a. Regional *uses* shall be established at the time of permit review;

b. Nonresidential *uses* in residential zones shall comply with KMC [18.21.060](#) and [18.30.170](#);

Exhibit A

c. *Lots* may be increased beyond the total amount permitted in this chapter subject to approval of a *conditional use permit*.

¹¹ Minimum density is determined by multiplying the allowable number of *dwelling units*, as calculated using KMC [18.30.020](#), by the percentage shown for each zone.

¹² See also the standards in KMC 18.50.140.

CREATE A ZONING EXCEPTION FOR THE MANUFACTURED HOUSING COMMUNITY ZONING DISTRICT

- Add new section 18.21.055 MHC Zoning Exception

18.21.055 MHC zoning exception.

A. A *manufactured housing community* landowner may request an exception from the application of the MHC zoning to their property through a Type 4 permit process as described in KMC Chapter 19.25.

B. Along with other information required by the *department*, the application shall include information demonstrating that:

1. There is no *reasonable use* of the MHC property under the MHC zoning;
2. The *uses* authorized by the MHC zoning are not economically viable at the property's location; and
3. The proposal meets the zone reclassification criteria in KMC 18.115.060.

If, based on the information provided, the request is granted by the city council, the property shall revert to the zoning designation in place on insert effective date of ordinance without further action by the council. If necessary, a comprehensive plan map amendment to recognize that zoning designation shall be initiated by the *City*.

MAKE EXISTING MANUFACTURED HOUSING COMMUNITIES “CONFORMING” IN THEIR FUTURE ZONING DISTRICT:

- Amend KMC Section 18.25.020 (DC, Downtown Commercial zone use allowances) and KMC Section 18.24.020 (DR, Downtown Residential

Exhibit A

zone use allowances) to make “manufactured housing community” a permitted rather than a prohibited use with the following footnote:

XX. Limited to *manufactured housing communities* in existence as of insert effective date of ordinance.

CONSOLIDATE AND REVISE AFFORDABLE HOUSING CODE SECTIONS, INCLUDING DISCUSSION OF FEE-IN-LIEU AND NEW OPPORTUNITY FOR PRESERVATION OF EXISTING AFFORDABLE HOUSING:

- Delete KMC Section 18.23.055—Affordable housing - Juanita subarea and amend KMC Section 18.23.040 as follows:

Table B. Community Business Zone Development Standards

STANDARD	REQUIREMENT
Base Density: <i>Dwelling Units/Gross Acre</i>	24
Minimum Density: <i>Dwelling Units/Gross Acre</i>	18
Maximum Density: <i>Dwelling Units/Gross Acre</i> :	
West Subarea	36 for <i>mixed use development</i> .
Juanita Subarea	36 if affordable housing <u>or a fee-in-lieu</u> is provided as described in KMC <u>18.23.055 Chapter 18.77</u> .

* * *

- Amend KMC Section 18.29.060, Affordable housing requirements as follows:

18.29.060 Affordable housing requirements.

For properties choosing to develop under the TOD district overlay, *development* shall provide affordable housing as described in KMC Chapter 18.77. *Development* choosing to develop under the TOD district

Exhibit A

overlay shall not utilize the provisions of residential density incentives found in Chapter [18.80](#) KMC to achieve maximum densities.

A. Definitions. For purposes of the TOD district overlay, the following affordable housing definitions shall apply:

1. "Affordable housing unit" means housing reserved for occupancy by eligible households and affordable to households whose annual income does not exceed the percentage of median income types described in the subsections below, adjusted for household size, and no more than 30 percent of the monthly household income is paid for monthly housing expenses. (Housing expenses for ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowners dues. Housing expenses for rental housing include rent and appropriate utility allowance.)
2. "Bonus units" means dwelling units achieved through the TOD district overlay that exceed the number of units allowed by the base density of the underlying zoning district.
3. Moderate Income Affordable Housing. For rental housing, "moderate income affordable housing" is defined as affordable at 70 percent of median income, adjusted for household size. For ownership housing, "moderate income affordable housing" is defined as affordable at 80 percent of median income, adjusted for household size.
4. Low Income Affordable Housing. For rental housing, "low income affordable housing" is defined as affordable at 50 percent of median income, adjusted for household size. For ownership housing, "low income affordable housing" is defined as affordable at 65 percent of median income, adjusted for household size.
5. Very Low Income Affordable Housing. For rental housing, "very low income affordable housing" is defined as affordable at 35 percent of median income, adjusted for household size. For ownership housing, "very low income affordable housing" is defined as affordable at 50 percent of median income, adjusted for household size.
6. "Median income" means the median income for the Seattle MSA as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under said Section 8(f)(3) are terminated, median income is determined under the method used by the Secretary prior to such termination. In the event that HUD no longer publishes median income figures for the Seattle MSA or King County, the

Exhibit A

City may use any other method for determining the King County median income, adjusted for household size.

Pursuant to the authority of RCW 36.70A.540, the City finds that the higher income levels specified in the definition of "affordable housing" under this subsection A, rather than those stated in the definition of "low-income households" in RCW 36.70A.540, are needed to address local housing market conditions in the City.

B. Cap on Total Number of Affordable Housing Units Required. Affordable housing requirements shall be capped at 10 percent of the total number of dwelling units being provided.

C. Number of Affordable Housing Units Required. Affordable housing units shall be provided for any development exceeding the base density of the underlying zone as follows:

1. Tier 1: If the number of bonus units is less than or equal to 30 percent of the total number of dwelling units, then for every three bonus units, one dwelling unit shall be a moderate income affordable housing unit and two bonus dwelling units may be bonus market rate dwelling units.
2. Tier 2: If the number of bonus units is greater than 30 percent of the total number of dwelling units and if the overall project density is less than or equal to 120 dwelling units per acre, then a combination of low income affordable housing units and moderate income affordable housing units shall be provided as follows: for every four bonus units allowed beyond that needed to achieve the 10 percent moderate income affordable housing units, one of the moderate income affordable housing units shall be made into a low income affordable housing unit up to a maximum of 33 percent of the affordable housing units (or 3.3 percent of the total dwelling units in the development).
3. Tier 3: If the overall development density is greater than 120 dwelling units per acre, a combination of very low income affordable housing units, low income affordable housing units and moderate income affordable housing units shall be provided as follows: the required numbers of low income affordable housing units and moderate income affordable housing units shall be equivalent to those that would be required under Tier 2 assuming that the project were to be developed at a density of 120 dwelling units per acre. An amount of very low income affordable housing shall be required so that the total combined amount of very low income, low income and moderate income affordable housing units is equal to 10 percent of the total number of dwelling units in the development.

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4. Determination of Number of Affordable Housing Units Required. See KMC 18.30.020(D) for method of rounding to determine the number of affordable housing units required.

5. Affordable Housing Example. Example is a one-and-one-half-acre property with a base density of 48 dwelling units (du)/acre. Without the TOD district overlay, the property could achieve up to 72 dwelling units.

Tier 1 example: Proposed TOD development would achieve 93 dwelling units on site for 62 du/acre. This provides 21 "bonus" dwelling units above the 48 du/acre base density of the zone. Since the number of bonus units (21) is less than 30 percent of the total units (93), seven of the 21 bonus units must be affordable to moderate income households, meeting Tier 1 affordability requirements.

Tier 2 example: Proposed TOD development would achieve 113 dwelling units on site for 75 du/acre. This provides 41 "bonus" dwelling units above the 48 du/acre base density of the zone.

Since the number of bonus units (41) is greater than 30 percent of the total units (113), 11 of the 41 bonus units must be affordable, meeting the 10 percent affordability cap. Nine of these are affordable to moderate income households and two are affordable to low income households (33 of the bonus units used toward achieving 10 percent affordable units (11×3) plus eight of the bonus units applied toward making two of the affordable units low income affordable units $(8 \times .25 = 2)$.

Tier 3 example: Proposed TOD development would achieve 210 dwelling units on site for 140 du/acre. The first step is to determine how many affordable units would have been required assuming 120 du/acre using the Tier 2 formula. This calculation results in 13 moderate income affordable housing units and five low income affordable housing units. To achieve the requirement that 10 percent of the total units in the development be affordable, three additional affordable housing units would be needed $(21 - 18 = 3)$. These three units would be required to be very low income affordable housing units. In summary, the development would provide 13 moderate income affordable housing units, five low income affordable housing units, and three very low income affordable housing units.

D. Alternative Compliance. The city manager may approve a request for satisfying all or part of the affordable housing requirements with alternative compliance methods if they meet the following requirements:

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1. The project proponent may propose an off-site alternative, and must demonstrate that any alternative compliance method achieves a result equal to or better than providing affordable housing on-site.
2. Affordable housing units provided through the alternative compliance method must be the same type of units as the units in the project which gave rise to the requirement.
3. Affordable housing units may be provided off site if the location chosen does not lead to undue concentration of affordable housing in any particular area of the transit oriented development district or downtown.
4. Priority is for the project to be located within the transit oriented development district. However, the city manager may approve a project located outside the transit oriented development district if the location has access to commercial uses, transit, and does not result in an undue concentration of affordable housing.
5. The proposal must demonstrate that the affordable units provided off site will be completed before or within the same time period as the development generating the affordable housing requirement, or provide such other assurances as approved by the city manager.

Applications for alternative compliance shall be submitted at the time of application, and must be approved prior to issuance of any building permit. The proposal must describe a specific location, type, and amount of affordable housing and how and when it will be developed. Any proposal for providing off-site affordable housing must also address the timing for providing the off-site housing, which, unless otherwise approved by the City, shall be built simultaneously with or prior to the construction of housing for the subject property. For projects approved for off-site affordable housing, there will be a recorded agreement on both the "sending" property and the "receiving" property. The covenant on the sending site will be released once the affordable housing is completed on the receiving property.

E. Affordability Agreement. Prior to issuing any building permit, an agreement in a form approved by the city manager that addresses price restrictions, homebuyer or tenant qualifications, phasing of construction, monitoring of affordability, duration of affordability, and any other applicable topics of the affordable housing units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant. The City may agree, at its sole discretion, to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for development of the property.

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F. Implementation Provisions. The following requirements shall be met for all affordable units:

1. Duration. Housing shall serve only income-eligible households for a minimum period of 50 years from the latter of the date when the affordability agreement between the housing owner and the City, as referenced in subsection E of this section, is recorded, or the date when the affordable housing becomes available for occupancy as determined by the City.

2. Designation of Affordable Housing Units. Prior to the issuance of any permit(s), the City shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

a. Location. The location of the affordable housing units shall be approved by the City, with the intent that they generally be intermingled with all other dwelling units in the development.

b. Tenure. The tenure of the affordable housing units (ownership or rental) shall be the same as the tenure for the rest of the housing units in the development.

c. Size (bedroom). The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall development.

d. Size (square footage). The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the development, shall be approved by the city manager. If there is a proposal that the affordable units be smaller than the market rate units, in no case shall the affordable housing units be less than 500 square feet for a studio unit, 600 square feet for a one bedroom unit, 800 square feet for a two bedroom unit, or 1,000 square feet for a three bedroom unit.

e. Design. The exterior design of the affordable housing units shall be compatible and comparable with the rest of the dwelling units in the development and shall comply with design standards specified in KMC ~~18.29.080~~. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the City.

3. Timing/Phasing. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

G. Monitoring and Fees. The City reserves the right to establish, in the affordability agreement referred to in subsection E of this section, monitoring fees for the affordable housing unit, which can be adjusted over time to account for inflation. The purpose of any monitoring fee is for the review and processing of

Exhibit A

documents to maintain compliance with income and affordability restrictions of the affordability agreement.

- Amend Figure 18.29.020.1 to remove the existing manufactured housing community from the TOD overlay.

- Amend Chapter 18.77, Affordable Housing

Sections:

18.77.010 Affordable housing – Purpose and intent.

18.77.015 General provisions.

18.77.020 Applicability Downtown Residential and Downtown Commercial zones.

18.77.030 Requirements Transit Oriented Development (TOD) District Overlay.

18.77.040 Community Business zone, Juanita Subarea.

18.77.045 Alternative compliance.

18.77.050 Affordability agreement.

18.77.010 Affordable housing – Purpose and intent.

The purpose of this chapter is to implement, through regulations, the responsibility of the *City* under the Washington State Growth Management Act to consider the housing needs of all economic segments of the community, and to assure an adequate affordable housing supply in the *City*. The *City* recognizes that the marketplace is the primary supplier of adequate housing for those in the upper economic groups, but that some combination of appropriately zoned land, regulatory incentives, innovative planning techniques, and requirements will be necessary to make adequate provisions for the needs of households whose incomes are at or below median income.

18.77.015 General provisions.

A. Determination of number of affordable housing units required – Rounding. See KMC 18.30.020(D) for method of rounding to determine the number of affordable housing units required.

B. Adjacent developments. Adjacent *developments* by the same or affiliated *developer* will be considered as a single *development* for the purpose of applying the thresholds for compliance.

C. Designation of Affordable Housing Units. Prior to the issuance of any permit(s), the *City* shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

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1. Location. The location of the affordable housing units shall be approved by the *City*, with the intent that they generally be intermingled with all other *dwelling units* in the *development*.
2. Tenure. The tenure of the affordable housing units (ownership or rental) shall be the same as the tenure for the rest of the housing units in the *development*.
3. Size (~~B~~bedroom). The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall *development*.
4. Size (~~S~~square ~~F~~footage). The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the *development*, shall be approved by the *city manager*. If there is a proposal that the affordable units be smaller than the market rate units, in no case shall the affordable housing units be less than 500 square feet for a studio unit, 600 square feet for a one-bedroom unit, 800 square feet for a two-bedroom unit, or 1,000 square feet for a three-bedroom unit.
5. Design. The exterior design of the affordable housing units shall be compatible and comparable with the rest of the *dwelling units* in the *development* and shall comply with any applicable design standards. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the *City*.

D. Duration. Housing shall serve only income-eligible households for a minimum period of 50 years from the latter of the date when the affordability agreement between the housing owner and the *City*, as ~~referenced in subsection D of this section~~ described in KMC 18.77.050, is recorded, or the date when the affordable housing becomes available for occupancy as determined by the *City*.

E. Timing/Phasing. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the *dwelling units* in the *development*.

18.77.020 Applicability Downtown Residential and Downtown Commercial zones.

The provisions of this ~~chapter~~section shall apply to multifamily residential *developments* proposed on property four acres or greater in size within the downtown residential or downtown commercial zones that lie west of 68th Avenue NE, and which are providing for more than 20 *multiple-family dwelling units*.

18.77.030 Requirements.

- A. Affordable housing units amounting to ~~25~~Twenty-five (25) percent of the total number of units in the *development* shall be ~~provided~~moderate income affordable housing units. Housing shall be

Exhibit A

affordable to those who make equal to or less than 85 percent of the King County median household income adjusted for household size.

B. Unit size mix shall be comparable to the market mix, units shall be integrated into the whole *development*, and affordable units shall match the tenure of the whole *development*, unless otherwise authorized by the *City*.

CB. Subject to *City* authorization, the affordable units need not be provided within the *development*, but must be provided within the downtown commercial, downtown residential, urban corridor, waterfront commercial, or regional business zone. Units may be either rented or sold. Off-site affordable housing may be provided if the *City* finds that:

1. The location chosen does not lead to undue concentration of affordable housing in any particular area of the *City*; and
2. The *site* is within close proximity to employment opportunities and/or transit services; and
3. Adequate infrastructure and municipal services can be provided.

D. Monthly rents, including utilities where applicable, shall be no greater than 30 percent of the monthly income for households earning up to 85 percent of the King County median household income adjusted for household size. Home prices considered affordable for buyers earning up to 85 percent of the King County median household income adjusted for household size shall be determined by the *City*. Covenants shall be established which guarantee the fulfillment of this obligation.

18.77.030 Transit Oriented Development (TOD) District Overlay.

A. Properties developed under the TOD district overlay, KMC Chapter 18.29, shall include affordable housing units.

B. Cap on Total Number of Affordable Housing Units Required. Affordable housing requirements shall be capped at 10 percent of the total number of *dwelling units* being provided.

C. Number of Affordable Housing Units Required. Affordable housing units shall be provided for any *development* exceeding the base density of the underlying zone as follows:

1. Tier 1: If the number of bonus units is less than or equal to 30 percent of the total number of *dwelling units*, then for every three bonus units, one *dwelling unit* shall be a *moderate income affordable housing unit* and two bonus *dwelling units* may be bonus market rate *dwelling units*.

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2. Tier 2: If the number of bonus units is greater than 30 percent of the total number of *dwelling units* and if the overall project density is less than or equal to 120 *dwelling units* per acre, then a combination of *low income affordable housing units* and *moderate income affordable housing units* shall be provided as follows: for every four bonus units allowed beyond that needed to achieve the 10 percent *moderate income affordable housing units*, one of the *moderate income affordable housing units* shall be made into a *low income affordable housing unit* up to a maximum of 33 percent of the affordable housing units (or 3.3 percent of the total *dwelling units* in the *development*).

3. Tier 3: If the overall development density is greater than 120 *dwelling units* per acre, a combination of *very low income affordable housing units*, *low income affordable housing units* and *moderate income affordable housing units* shall be provided as follows: the required numbers of *low income affordable housing units* and *moderate income affordable housing units* shall be equivalent to those that would be required under Tier 2 assuming that the project were to be developed at a density of 120 *dwelling units* per acre. An amount of *very low income affordable housing* shall be required so that the total combined amount of *very low income*, *low income* and *moderate income affordable housing units* is equal to 10 percent of the total number of *dwelling units* in the *development*.

4. Affordable Housing Example. Example is a one-and-one-half-acre property with a base density of 48 *dwelling units* (du)/acre. Without the TOD district overlay, the property could achieve up to 72 *dwelling units*.

Tier 1 example: Proposed TOD *development* would achieve 93 *dwelling units* on site for 62 du/acre. This provides 21 “bonus” *dwelling units* above the 48 du/acre base density of the zone. Since the number of bonus units (21) is less than 30 percent of the total units (93), seven of the 21 bonus units must be affordable to moderate income households, meeting Tier 1 affordability requirements.

Tier 2 example: Proposed TOD *development* would achieve 113 *dwelling units* on site for 75 du/acre. This provides 41 “bonus” *dwelling units* above the 48 du/acre base density of the zone.

Since the number of bonus units (41) is greater than 30 percent of the total units (113), 11 of the 41 bonus units must be affordable, meeting the 10 percent affordability cap. Nine of these are affordable to moderate income households and two are affordable to low income households (33 of the bonus units used toward achieving 10 percent affordable units (11*3))

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plus eight of the bonus units applied toward making two of the affordable units low income affordable units ($8 \times .25 = 2$).

Tier 3 example: Proposed TOD *development* would achieve 210 *dwelling units* on site for 140 du/acre. The first step is to determine how many affordable units would have been required assuming 120 du/acre using the Tier 2 formula. This calculation results in 13 *moderate income affordable housing units* and five *low income affordable housing units*. To achieve the requirement that 10 percent of the total units in the *development* be affordable, three additional affordable housing units would be needed ($21 - 18 = 3$). These three units would be required to be *very low income affordable housing units*. In summary, the *development* would provide 13 *moderate income affordable housing units*, five *low income affordable housing units*, and three *very low income affordable housing units*.

18.77.040 Community Business zone, Juanita Subarea.

A. For properties choosing to develop at higher residential densities in the CB Juanita subarea, **KMC Chapter 18.23**, affordable housing units shall be provided for any *development* exceeding the base density of 24 *dwelling units* per acre as follows:

1. For every four bonus units, one bonus *dwelling unit* shall be a *moderate income affordable housing unit* and three bonus *dwelling units* may be bonus market rate *dwelling units*.
2. Each *low income affordable housing unit* provided counts as two *moderate income affordable housing units* for the purpose of satisfying the affordable unit requirement under subsection (A)(1) of this section.

Example: Proposed *development* would achieve 36 *dwelling units* on a 1-acre *site* for a density of 36 du/acre. This provides 12 "bonus" *dwelling units* above the 24 du/acre base density of the zone. Three of the 12 bonus units must be *moderate income affordable housing units*. Alternatively, the project could provide two *low income affordable housing units* (rounded).

18.77.045 Alternative compliance.

A. Alternative Compliance. The *city manager* may approve a request for satisfying all or part of the affordable housing requirements with alternative compliance methods **if they meet the following requirements as follows**:

B. **Application.** Applications for alternative compliance shall be submitted at the time of **permit** application, and must be approved prior to issuance of any building permit.

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C. Off-site Provision. A project proponent may propose to satisfy all or part of affordable housing requirements off-site.

1. The project proponent ~~may propose an off-site alternative, and~~ must demonstrate that ~~any alternative compliance method~~ off-site provision of new affordable housing achieves a result equal to or better than providing affordable housing on site.

2. Affordable housing units provided through ~~the alternative compliance~~ this method must be the same type of units as the units in the project which gave rise to the requirement.

3. Priority is for the project to be located within the ~~transit-oriented developments~~ same zoning district as the development responsible for providing affordable housing. However, the *city manager* may approve a project located outside the ~~transit-oriented development~~ zoning district if the location has access to commercial uses, and transit, and does not result in an undue concentration of affordable housing, and has adequate infrastructure.

4. The proposal must demonstrate that the affordable units provided off site will be completed before or within the same time period as the *development* generating the affordable housing requirement, ~~or provide such other assurances as approved by the city manager.~~ For projects approved for off-site affordable housing, there will be a recorded agreement on both the "sending" property and the "receiving" property. The covenant on the sending site will be released once the affordable housing is completed on the receiving property.

D. Contribution to Preservation of Existing Affordable Housing. A project proponent may propose to satisfy all or part of affordable housing requirements through purchase and long-term preservation of existing affordable housing, particularly in the City's manufactured housing communities. The applicant shall provide information demonstrating affordability of the units to be preserved and a long-term covenant shall be placed over the preserved units, ensuring preservation and maintenance of the affordable units.

E. Fee-in-Lieu. Cash payments in lieu of providing actual housing units may be proposed and, if approved by the City, ~~will~~ shall be used only for the subsequent preservation or provision of affordable housing units by the City or other housing provider approved by the *city manager*. Payments in lieu shall be based on the difference between the cost of construction for a prototype affordable housing unit on the subject property, including land costs and development fees, and the revenue generated by an affordable housing unit. The payment obligation will be established at the time of issuance of building permits for the project.

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18.77.050 Affordability agreement.

A. Prior to issuing any building permit, an agreement in a form approved by the *city manager* that addresses price restrictions, homebuyer or tenant qualifications, phasing of construction, monitoring of affordability, duration of affordability, and any other applicable topics of the affordable housing units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the *applicant*. The *City* may agree, at its sole discretion, to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for *development* of the property.

B. Monitoring and Fees. The *City* reserves the right to establish, in the affordability agreement referred to in subsection **EA** of this section, monitoring fees for the affordable housing unit, which can be adjusted over time to account for inflation. The purpose of any monitoring fee is for the review and processing of documents to maintain compliance with income and affordability restrictions of the affordability agreement.

REQUIRE A RELOCATION PLAN AT THE TIME OF PARK CLOSURE:

- Add a new section to Chapter 18.30 Development Standards - General

18.30.290 Relocation plan for manufactured housing communities.

Any development proposal to convert an existing manufactured housing community to another use shall include a relocation plan, detailing, at a minimum, the pertinent laws related to manufactured housing community closure (city, county or state), an explanation of tenants' rights according to state law, a list of potential sources of assistance (governmental, financial, etc.), a list of nearby manufactured housing communities with available spaces, and a list of companies that move manufactured, designated manufactured or mobile homes. The time period for the required state notice of closure of a manufactured housing community shall not commence until the relocation plan is approved by the city manager and copies are distributed to each tenant household in the manufactured housing community. An affidavit verifying such distribution shall be submitted to the City.

CREATE A TRANSFER OF DENSITY OPTION FOR THE MANUFACTURED HOUSING COMMUNITIES:

- Amend Chapter 18.80, Residential Incentives and Transfer of Density

Exhibit A

Chapter 18.80

RESIDENTIAL DENSITY INCENTIVES **AND TRANSFER OF DENSITY**

Sections:

- 18.80.010 Purpose.**
- 18.80.020 Permitted locations of residential density incentives.**
- 18.80.030 Maximum densities permitted through residential density incentive review.**
- 18.80.040 Public benefits and density incentives.**
- 18.80.050 Rules for calculating total permitted dwelling units.**
- 18.80.060 Review process.**
- 18.80.070 Minor adjustments in final site plans.**
- 18.80.080 Applicability of development standards.**
- 18.80.090 Transfer **rules of density credits.****

18.80.010 Purpose.

The purpose of this chapter is to:

A. Provide density incentives to *developers* of residential property, in exchange for public benefits to help achieve comprehensive plan goals of affordable housing, *open space* protection, and parkland acquisition, by:

A1. Defining in quantified terms the public benefits that can be used to earn density incentives;

B2. Providing rules and formulae for computing density incentives earned by each benefit;

CB. Providing a method to realize the development potential of:

1. Sites containing *critical areas* or of unique features of size, topography, environmental features or shape;

2. Specific sites preserved in order to achieve comprehensive plan goals as identified by the city council; and

DC. Providing a review process to allow evaluation of proposed density increases using residential density incentives and the public benefits offered to earn them, and to give the public opportunities to review and comment.

18.80.020 Permitted locations of residential density incentives.

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Residential density incentives (RDIs) shall be used only on *sites* served by public sewers and only in the following zones:

- A. In R-4 through R-24 and downtown residential zones; and
- B. In DC, NB, CB, UC, WC, and RB zones when part of a *multiple-family dwelling* or *mixed use development*.

18.80.030 Maximum densities permitted through residential density incentive review.

The maximum density permitted through RDI review shall be **150 percent of the base density of as specified in** the underlying zone of the *development site*.

18.80.040 Public benefits and density incentives.

A. The public benefits eligible to earn increased densities, and the maximum incentive to be earned by each benefit, are in subsection E of this section. The density incentive is expressed as additional bonus *dwelling units*, or fractions of *dwelling units*, earned per amount of public benefit provided.

B. Bonus *dwelling units* may be earned through any combination of the listed public benefits.

C. Bonus *dwelling units* may also be earned and transferred to the project *site* through the *transfer of density credit (TDC)* process **by providing any of the open space, park site public benefits set forth in subsection (E)(2) of this section on from** *sites* other than that of the RDI *development*.

D. Residential *development* in R-4 through R-24 and downtown residential zones with property-specific development standards requiring any public benefit enumerated in this chapter shall be eligible to earn bonus *dwelling units* in accordance with subsection E of this section if the public benefits provided exceed the basic development standards of this title. If a *development* is located in a special overlay district, bonus units may be earned if the *development* provides public benefits exceeding corresponding standards of the special district.

E. The following are the public benefits eligible to earn density incentives through RDI review:

BENEFIT	DENSITY INCENTIVE
1. AFFORDABLE HOUSING	
a. Benefit units consisting of rental housing permanently priced to serve low-income households (i.e., no greater than 30 percent of gross income for households at or	2.0 bonus units per benefit unit.

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BENEFIT	DENSITY INCENTIVE
below 50 percent of King County median income, adjusted for household size). A covenant on the <i>site</i> that specifies the income level being served, rent levels and requirements for reporting to the <i>City</i> shall be recorded at final approval.	
b. Benefit units consisting of assisted housing units 600 square feet or less.	1.0 bonus unit per benefit unit.
c. Benefit units consisting of rental housing permanently priced to serve moderate-income households (i.e., no greater than 30 percent of gross income for households at or below 70 percent of King County median income, adjusted for household size). A covenant on the <i>site</i> that specifies the income level being served, rent levels and requirements for reporting to the <i>City</i> shall be recorded at final approval.	1.0 bonus unit per benefit unit.
d. Benefit units consisting of moderate income housing reserved for income- and asset-qualified home buyers (total household income at or below 80 percent of King County median, adjusted for household size). Benefit units shall be limited to owner-occupied housing, with prices restricted to same income group, based on current underwriting ratios and other lending standards for 30 years from date of first sale. A covenant on the <i>site</i> that specifies the income level and other aspects of buyer eligibility, price levels and requirements for reporting to the <i>City</i> shall be recorded at final approval.	1.0 bonus unit per benefit unit.
e. Projects in which units are reserved for moderate-income- and asset-qualified buyers (total household income at or below 50 percent of the King County median, adjusted for household size). All units shall be limited to owner-occupied housing with prices restricted	2.0 bonus units per benefit unit.

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BENEFIT	DENSITY INCENTIVE
based on current underwriting ratios and other lending standards, and with prices restricted to same income group, for 30 years from date of first sale. Final approval conditions shall specify requirements for reporting to the City on both buyer eligibility and housing prices.	
f. Benefit units consisting of mobile home <u>parkmanufactured housing community</u> space or pad reserved for the relocation of an insignia or noninsignia <i>mobile home</i> , that has been or will be displaced due to closure of a mobile home parkmanufactured housing community located in the City.	1.0 bonus unit per benefit unit.
2. OPEN SPACE, TRAILS AND PARKS	
a. Dedication of <i>park</i> site or <i>trail</i> right-of-way meeting the City location and size standards for neighborhood, community or regional <i>park</i> , or <i>trail</i> , and accepted by the <i>department</i> .	0.5 bonus unit per acre of <i>park</i> area or quarter-mile of <i>trail</i> exceeding the minimum requirement of Chapter <u>18.30</u> KMC for on-site recreation space or <i>trail</i> corridors, computed on the number of <i>dwelling units</i> permitted by the <i>site's</i> base density.
b. Improvement of dedicated <i>park</i> site to City standards for developed <i>parks</i> .	0.75 bonus unit per acre of <i>park</i> improvement. If the <i>applicant</i> is dedicating the site of the improvements, the bonus units earned by improvements shall be added to the bonus units earned by the dedication.
c. Improvement of dedicated <i>trail</i> segment to City standards.	1.8 bonus units per quarter-mile of <i>trail</i> constructed to City standard for pedestrian <i>trails</i> ; or 2.5 bonus units per quarter-mile of <i>trail</i> constructed to City standard for multipurpose <i>trails</i> (pedestrian/bicycle/equestrian). Shorter segments shall be awarded bonus units on a pro rata basis. If the <i>applicant</i> is dedicating the site of the improvements, the bonus units earned by

Exhibit A

BENEFIT	DENSITY INCENTIVE
	improvements shall be added to the bonus units earned by the dedication.
d. Dedication of <i>open space</i> , meeting <i>City</i> acquisition standards to the <i>City</i> or a qualified public or <i>private</i> organization such as a nature conservancy.	0.5 bonus unit per acre of <i>open space</i> .

18.80.050 Rules for calculating total permitted dwelling units.

A. The formula for calculating the total number of *dwelling units* permitted through RDI review is as follows:

$$\begin{array}{rclcl}
 \text{DUs} & + & \text{Bonus} & + & \text{DUs} & = & \text{TOTAL} \\
 \text{allowed} & & \text{DUs} & & \text{allowed by} & & \text{RDI} \\
 \text{by RDI} & & & & \text{sending} & & \text{DUs} \\
 \text{site base} & & & & \text{site density} & & \\
 \text{Density} & & & & \text{(if any)} & &
 \end{array}$$

B. The total *dwelling units* permitted through RDI review shall be calculated using the following steps:

1. Calculate the number of dwellings permitted by the base density of the *site* in accordance with Chapter 18.30 KMC;
2. Calculate the total number of bonus *dwelling units* earned by providing the public benefits listed in KMC 18.80.040;
3. Add the number of bonus *dwelling units* earned to the number of *dwelling units* permitted by the base density;
4. Add the number of *dwelling units* permitted by the base density of the *site* sending *TDCs*, if any;
5. Round fractional *dwelling units* to the nearest whole number; 0.49 or less *dwelling units* are rounded down; and
6. On *sites* with more than one zone or zone density, the maximum density shall be calculated for the *site area* of each zone. Bonus units may be reallocated within the zones in the same manner set forth for base units.

Exhibit A

18.80.060 Review process.

A. All RDI proposals shall be reviewed concurrently with a primary proposal to consider the proposed site plan and methods used to earn extra density as follows:

1. For the purpose of this section, a "primary proposal" is defined as a proposed subdivision, short subdivision of more than four lots, conditional use permit or commercial building permit;

12. When the primary proposal requires a public hearing under this code or KMC Title 17, the public hearing on the primary proposal shall serve as the hearing on the RDI proposal, and the reviewing authority shall make a consolidated decision on the proposed *development* and use of RDI;

23. When the primary proposal does not require a public hearing under this code or KMC Title 17, the RDI proposal shall be processed as a Type 2 land use decision subject to the decision criteria for *conditional use permits* outlined in Chapter 18.115 KMC and to the procedures set forth for city manager/hearing examiner review in this title; and

34. The notice for the RDI proposal also shall include the *development's* proposed density and a general description of the public benefits offered to earn extra density.

B. RDI applications which propose to earn bonus units by dedicating real property or public facilities shall include a letter from the receiving agency certifying that the proposed dedication qualifies for the density incentive and will be accepted by the agency or other qualifying organization.

18.80.070 Minor adjustments in final site plans.

When issuing building permits in an approved RDI *development*, the *department* may allow minor adjustments in the approved site plan involving the location or dimensions of *buildings* or *landscaping*, provided such adjustments shall not:

- A. Increase the number of *dwelling units*;
- B. Decrease the amount of perimeter *landscaping* (if any);
- C. Decrease residential parking facilities (unless the number of *dwelling units* is decreased);
- D. Locate *structures* closer to any *site* boundary line; or
- E. Change the locations of any points of ingress and egress to the *site*.

18.80.080 Applicability of development standards.

Exhibit A

A. RDI *developments* shall comply with dimensional standards of the zone with a base density most closely comparable to the total approved density of the RDI *development*; provided, that an RDI proposal in the R-4 through R-6 zones shall conform to the height requirements of the underlying zone in which it is located.

B. RDI *developments* in the R-4 through R-6 zones shall be landscaped as follows:

1. When 75 percent or more of the units in the RDI *development* consist of *townhouses* or *apartments*, the *development* shall provide perimeter *landscaping* and *tree* retention in accordance with Chapters 18.35 and 18.57 KMC for *townhouse* or *apartment* projects.
2. When less than 75 percent of the units in the RDI consist of *townhouses* or *apartments*, the *development* shall provide *landscaping* and *tree* retention in accordance with Chapters 18.35 and 18.57 KMC for *townhouses* or *apartments* on the portion(s) of the *development* containing such units; provided, that if *buildings* containing such units are more than 100 feet from the *development's* perimeter, the required *landscaping* may be reduced by 50 percent.
3. All other portions of the RDI shall provide *landscaping* or retain *trees* in accordance with Chapters 18.35 and 18.57 KMC.

C. RDI *developments* in all other zones shall be landscaped or retain *trees* in accordance with Chapters 18.35 and 18.57 KMC.

D. RDI *developments* shall provide parking as follows:

1. Projects with 100 percent affordable housing shall provide one off-street *parking space* per unit. The *city manager* may require additional parking, up to the maximum standards for attached *dwelling units*, which may be provided in common parking areas.
2. All other RDI proposals shall provide parking for:
 - a. Market rate/bonus units at levels consistent with Chapter 18.40 KMC; and
 - b. Benefit units at:
 - (1) One or two bedrooms: one *parking space* per unit;
 - (2) Three bedrooms: 1.5 *parking spaces* per unit;

Exhibit A

(3) Parking may be further reduced if a parking demand analysis is provided per KMC 18.40.030(B).

E. RDI *developments* shall provide on-site recreation space as follows:

1. Projects with 100 percent affordable housing shall provide recreation space at 50 percent of the levels required in Chapter 18.30 KMC.
2. All other RDI proposals shall provide recreation space for:
 - a. Market rate/bonus units at levels consistent with Chapter 18.30 KMC; and
 - b. Benefit units at 50 percent of the levels required for market rate/bonus units.

18.80.090 Transfer rules of density credits.

In order to realize the development potential of sites containing critical areas or of unique size or shape, or sites preserved in order to attain comprehensive plan goals, an opportunity to transfer unused density from one site to another shall be provided. Transfer of density credit transactions shall be handled between the private parties, with documentation provided to the City, until such time as the City enters into a formalized transfer of development rights (TDR) process through King County or another agency.

A. Transfer of density from sites constrained by critical areas or of unique size and shape. A development proponent may apply to transfer unused density from a site constrained by critical areas or of unique size or shape to another site through a Type 2 land use decision.

1. The number of density credits that a *sending site* is eligible to send to a *receiving site* shall be determined by applying the base density of the zone the *sending site* is located in to the total *sending site area*, less any portion of the *sending site* already in a conservation easement or other encumbrance, or any land area already used to calculate residential density for other *development* on the *sending site*. A plot plan showing *critical areas* and *buffers*, conservation easements or other encumbrances shall be submitted as part of the development application to demonstrate compliance with the density calculation rules set forth in Chapter 18.30 KMC.

B2. *Sending sites* with *critical areas* that have been declared unbuildable under Chapter 18.30 KMC shall be considered to have a base density calculated in accordance with that chapter, except that the areas of the *sending* and *receiving sites* shall be combined to calculate the overall *site* percentage of *critical areas* and *buffers* necessary for determining the allowable density credit as set forth in Chapter 18.55 KMC.

Exhibit A

D3. When the *sending site* consists only of a portion(s) of an unsubdivided parcel, said portion(s) shall be segregated from the remainder of the *lot* pursuant to KMC Title 17 or deed restrictions documenting the density credit transfers shall be recorded with the title to both the *sending* and *receiving sites*. A parcel need not segregate a *sending site* from the remainder of the parcel when the entire parcel is subject to a conservation easement pursuant to subsection **E5** of this section.

E4. Conservation easements shall be required for land contained in the *sending site*, whether or not such land is dedicated, as follows: a conservation easement as defined in the open space plan shall be recorded on the *sending site* to indicate development limitations on the *sending site*.

B. Transfer of density from *sites* in order to attain comprehensive plan goals. A development proponent may apply to transfer unused density from a *sending site* to a *receiving site* to achieve comprehensive plan goals as specified by the city council. The city council shall identify by ordinance circumstances in which this code section may be applied.

1. As of insert effective date of ordinance, the city council has determined that unused density may be transferred from a property zoned MHC to a *receiving site* if long-term preservation of the *manufactured housing community* is assured. Unused density shall be defined as the number of *dwelling units* allowable under existing zoning as of insert date prior to effective date of ordinance less the number of existing *dwelling units* on the property as of insert effective date of ordinance multiplied by 2.5.

2. Density shall not be transferred to projects in the R-1, R-4 or R-6 zoning districts.

C. Density credits from one *sending site* may be allocated to more than one *receiving site*. The credit from each segment shall be allocated to a specified *receiving site*.

D. The transfer of density request shall be processed as part of the underlying permit for the project on the *receiving site*.

EE. Upon submitting an application to develop a *receiving site* under the provisions of this chaptersection, the applicant shall provide evidence of ownership or full legal control of all *sending sites* the density credits proposed to be used in calculating total density on the *receiving site*. It shall be the applicant's responsibility, prior to application, to ascertain what form of permanent protection of the *sending site* will be acceptable to the City.

GF. Density credits from a *sending site* shall be considered transferred to a *receiving site* when the *sending site* is permanently protected by a completed and recorded land dedication, or conservation

Exhibit A

easement or preservation agreement submitted to and approved by the *city manager*. This document shall be recorded with King County prior to approval of the *receiving site permit*.

HC. *TDC developments* shall comply with dimensional standards of the zone with a base density most closely comparable to the total approved density of the *TDC development*.

MAKE MISCELLANEOUS AMENDMENTS THROUGHOUT THE ZONING CODE TO ENSURE CONSISTENCY:

- Replace the term “mobile home park” with “manufactured housing community” throughout the Zoning Code (KMC Sections 18.20.2325, 18.21.020, 18.21.030, 18.21.040, 18.22.010, 18.23.020, 18.23.025, 18.25A.030, 18.25A.040, 18.25B.020, 18.26.030, 18.26.040, 18.26.050, 18.29.040, 18.35.030, 18.40.030, 18.45.090, 18.45.100, 18.50.140, 18.50.150, 18.50.160).

- Amend Chapter 18.20 Definitions

18.20.17601675.1 Manufactured housing communitymobile home park.

“Manufactured housing communitymobile home park” means a *development* with two or more improved pads or spaces designed to accommodate *mobile homes, manufactured homes, or designated manufactured homes*.

18.20.098 Affordable housing unit.

“Affordable housing unit” means housing reserved for occupancy by eligible households and **having monthly housing expenses less than or equal to 30 percent of the monthly household income affordable to households whose annual income does not exceed the percentage of median income types** described in the subsections below, adjusted for household size, **and no more than 30 percent of the monthly household income is paid for monthly housing expenses.** (Housing expenses for ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowner's dues. Housing expenses for rental housing include rent and appropriate utility allowance.)

1. **For rental housing:**

Exhibit A

- a. A "moderate income affordable housing unit" is affordable at 70 percent of median income, adjusted for household size.
 - b. A "low income affordable housing unit" is affordable at 50 percent of median income, adjusted for household size.
 - c. A "very low income affordable housing unit" is affordable at 35 percent of median income, adjusted for household size.
2. For ownership housing:
- a. A "moderate income affordable housing unit" is affordable at 80 percent of median income, adjusted for household size.
 - b. A "low income affordable housing unit" is affordable at 65% of median income, adjusted for household size.
 - c. A "very low income affordable housing unit" is affordable at 50% of median income, adjusted for household size.

Pursuant to the authority of RCW 36.70A.540, the City finds that the higher income levels specified in the definition of "affordable housing" under this subsection, rather than those stated in the definition of "low-income households" in RCW 36.70A.540, are needed to address local housing market conditions in the City.

18.20.308 Bonus unit

"Bonus units" means a dwelling units achieved that exceeds the number of units allowed by the base density of the ~~CB Juanita subarea~~ underlying zoning district.

18.20.1690. Median income.

"King County Median income" means the median family income for the Seattle-Bellevue, WA HUD Metro FMR AreaMSA as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under said Section 8(f)(3) are terminated, median family income is determined under the method used by the Secretary prior to such termination. In the event that HUD no longer publishes median family income figures for the Seattle-Bellevue, WA HUD Metro FMR AreaMSA or King County, the City may use any other method for determining the King County median income, adjusted for household size.

Exhibit A

- Amend miscellaneous code sections to address new MHC zone (18.21.075 and 18.21.078—residential zones; 18.30.230.B, G—structures in setbacks; 18.42.090—signs; 18.60—wireless communication facilities):

18.21.075 Drive-through service.

Drive-through service is prohibited in ~~this~~these zoning districts.

18.21.078 Outdoor storage.

Outdoor storage is prohibited in ~~this~~these zoning districts.

18.30.230 Setbacks – Projections and structures allowed.

Provided that the required *setbacks* from *regional utility corridors* of KMC 18.30.200, the adjoining half-street or designated arterial *setbacks* of KMC 18.30.220 and the sight distance requirements of KMC 18.30.240 are maintained, *structures* may extend into or be located in required *setbacks*, including *setbacks* as required by KMC 18.21.060(B), as follows:

* * *

B. Uncovered porches and decks which exceed 18 inches above the finished grade may project:

1. Eighteen inches into interior *setbacks* in the NB, CB, DR, DC, UC, WC, RB, PSP, P, and GC zones;
2. Eighteen inches into side *setbacks* in the R and MHC zones;
3. Eighteen inches into rear *setbacks* in the R-12 through R-24 and MHC zones;
4. Five feet into rear *setbacks* in the R-1 through R-6 zones; and
5. Five feet into *street setbacks*;

* * *

G. Rockeries, *retaining walls* and curbs may project into or be located in any *setback*, provided these *structures*:

1. Do not exceed a height of six feet in the R-1 through R-18, parks and golf course zones;

Exhibit A

2. Do not exceed a height of eight feet in the R-24, R-48, **MHC** and downtown residential zones;
and

3. Do not exceed the building height for the zone in commercial and public/semi-public zones,
measured in accordance with the standards established in the *City* building code, KMC Title [15](#);

* * *

18.42.090 Residential zone signs.

Signs in the downtown residential, **MHC** and **R** and **MHC** zones are limited as follows:

A. Nonresidential *Use*.

1. One *sign* identifying nonresidential *uses*, not exceeding 25 square feet and not exceeding six feet in height, is permitted;
2. Schools are permitted one *sign* per school or school facility entrance, which may be located in the *setback*. Two additional *wall signs* attached directly to the school or school facility are permitted;
3. *Home occupation* and *home industry signs* are limited to *wall signs* not exceeding six square feet.

B. Residential *Use*.

1. One residential identification *sign* not exceeding two square feet is permitted; and
2. One *permanent residential development identification sign* not exceeding 32 square feet is permitted per *development*. The maximum height for the *sign* shall be six feet. The *sign* may be freestanding or mounted on a wall, *fence*, or other *structure*.

18.60.050 Wireless communication facility review processes and maximum allowable heights.

P – Permitted Use

C – Conditional Use – reviewed through Type 2 process outlined in KMC [19.25.020](#).

X – Prohibited Use^o

Exhibit A

Type of wireless communication facility	Residential zones R-1 through R-6 and MHC	Residential zones R-12 through R-24, and DR	Nonresidential zones RB, UC east, DC, CB Juanita, and NB	Nonresidential zones UC west, WC, and CB west (view zones)	Other nonresidential zones PSP, P, and GC
Antenna collocation on an existing conforming tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower	P Maximum height: same as existing tower
Rooftop antenna	X, C ^{1,2} , P ^{1,7} Maximum height: 15' above the roof height at the antenna location	P Maximum height: 15' above the roof height at the antenna location	P Maximum height: 15' above the roof height at the antenna location	X	P Maximum height: 15' above the roof height at the antenna location
Facade antenna	X, C ^{1,2} , P ^{1,7} Maximum height: 2' above the roofline or parapet wall	P Maximum height: 2' above the roofline or parapet wall	P Maximum height: 2' above the roofline or parapet wall	P Maximum height: May not extend above the roofline or parapet wall	P Maximum height: 2' above the roofline or parapet wall
Amateur (ham) radio facilities	P Maximum height ³ :	P Maximum height ³ :	P	P Maximum height: 35'	P

Exhibit A

Type of wireless communication facility	Residential zones R-1 through R-6 and MHC	Residential zones R-12 through R-24, and DR	Nonresidential zones RB, UC east, DC, CB Juanita, and NB	Nonresidential zones UC west, WC, and CB west (view zones)	Other nonresidential zones PSP, P, and GC
	Ground-mounted facility – 65'. Rooftop facility – 30' above the roof height at the antenna location	Ground-mounted facility – 65'. Rooftop facility – 30' above the roof height at the antenna location	Maximum height ³ : Ground-mounted facility – 65'. Rooftop facility – 30' above the roof height at the antenna location		Maximum height ³ : Ground-mounted facility – 65'. Rooftop facility – 30' above the roof height at the antenna location
Antennas on utility or light poles. (Nearest abutting zone is used to determine process if in the right-of-way.)	C ² , P ⁷ Maximum height: 55'	P Maximum height: 55'	P Maximum height: 55'	C ² , P ⁸ Maximum height: up to the building height limit as specified in the underlying zoning district	P Maximum height: 55'
Satellite dish	C ² if no more than 2 meters (6.6') in diameter; otherwise X Maximum height: Ground-	P if no more than 2 meters (6.6') in diameter and limited to a maximum of 1 dish per site; otherwise C ²	P if no more than 2 meters (6.6') in diameter and limited to a maximum of 3 dishes per site; otherwise C ²	P if ground-mounted; otherwise X Maximum height: Ground-mounted dishes – 15'	C ² Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location

Exhibit A

Type of wireless communication facility	Residential zones R-1 through R-6 and MHC	Residential zones R-12 through R-24, and DR	Nonresidential zones RB, UC east, DC, CB Juanita, and NB	Nonresidential zones UC west, WC, and CB west (view zones)	Other nonresidential zones PSP, P, and GC
	mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location	Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location	Maximum height: Ground-mounted dishes – 15'. Rooftop dishes – 15' above the roof height at the dish location		
Tower ^a	X	X	X in the DC zone; otherwise C ^{2,4} Maximum height: up to the building height limit as specified in the underlying zoning district	X	C ^{2,4} Maximum height: up to the building height limit as specified in the underlying zoning district

^aIf on a nonresidential *building* such as a *religious institution*, school, or *utility facility*, or on a multifamily or mixed use *building*.

²In addition to satisfying the criteria listed in KMC [18.115.040](#), the *conditional use permit* shall be granted by the *City* only if the *applicant* also demonstrates that:

- a. Alternative *sites*, or facilities with less impact to the community have been considered and have been determined to be not feasible per KMC [18.60.080](#); and

Exhibit A

- b. Visual impacts of the facility are minimized and the proposal does not significantly impact views to Lake Washington.

³*Amateur (ham) radio facilities* exceeding 65 feet in height may be permitted only through a *conditional use permit*. In addition to satisfying the criteria listed in KMC 18.115.040, the *conditional use permit* shall be granted by the *City* only if the *applicant* also demonstrates that:

- a. The proposal in the proposed location is necessary to support *emergency* radio operations in Kenmore; and
- b. Smaller facilities, with less impact to the community, have been considered and have been determined to be infeasible per KMC 18.60.080; and
- c. Visual impacts of the facility are minimized and the proposal does not significantly impact views to Lake Washington.

⁴Prohibited on properties within the jurisdiction of the Shoreline Management Act as set forth in KMC Title 16, Division 1.

⁵Unless a major adjustment has been granted pursuant to KMC 18.60.200.

⁶*Lattice towers* shall not be permitted.

⁷*Small cells* only, limited to a maximum of three antennas per utility/light pole, facade or rooftop. A *conditional use permit* will be required to locate more than three small cell antennas on a utility/light pole, facade or rooftop, including any additional requirements in applicable footnotes.

⁸*Small cells* only, limited to a maximum of three antennas per utility/light pole. A *conditional use permit* will be required to locate more than three small cell antennas on a utility/light pole, including the additional requirements in the applicable footnote.

18.60.110 Landscaping requirements.

A *wireless communication facility site*, with the exception of an *amateur (ham) radio facility*, shall provide *landscaping* as follows:

A. When the facility is located in:

- 1. The NB, CB, PSP, RB, WC, UC, DC, or DR zone, the base of any *tower* and any ground equipment, whether or not in a *structure* or cabinet, shall be landscaped with eight feet of Type II *landscaping* as defined by KMC 18.35.040(B). This landscaped area shall be increased to 10 feet

Exhibit A

of Type I *landscaping* as defined by KMC [18.35.040\(A\)](#) in areas adjacent to residential development as described in KMC [18.35.030\(A\)](#). For *satellite dishes*, the visual screen may be reduced to the height of the center of the dish on the transmitting side.

2. The R, **MHC**, GC, and P zones, the base of any *tower* and any ground equipment, whether or not in a *structure* or cabinet, shall be landscaped with 10 feet of Type I *landscaping* as defined by KMC [18.35.040\(A\)](#). For *satellite dishes*, the visual screen may be reduced to the height of the center of the dish on the transmitting side.

B. When a security *fence* is used to prevent access to a *tower* or ground equipment, any *landscaping* required pursuant to subsection A of this section shall be placed outward of such security *fence*.

In the R **and MHC** zones, climbing *evergreen* shrubs or vines capable of growing on the *fence* shall supplement any *landscaping* required pursuant to subsection A of this section.

* * *

- Amend 18.21.060 Nonresidential land uses in residential zones.

18.21.060 Nonresidential land uses in residential zones.

Except for *utility facilities*, *regional land uses*, and nonresidential *uses* regulated by KMC [18.21.070](#), all nonresidential *uses* located in the R zones shall be subject to the following requirements:

A. *Impervious surface* coverage shall not exceed:

1. Seventy percent of the *site* in the R-1 through R-6 zones.
2. Eighty percent of the *site* in the R-12 through R-48 **and MHC** zones.

B. *Buildings* and *structures*, except *fences* and wire or mesh backstops, shall not be closer than 30 feet to any property line, except as provided in subsection C of this section.

C. A single detached dwelling allowed as accessory to a church or school shall conform to the *setback* requirements of the zone.

D. Parking areas are permitted within the required *setback* area from property lines, provided such parking areas are located outside of the required landscape area.

Exhibit A

E. *Sites* shall abut or be accessible from at least one public *street* functioning at a level consistent with the *City street* design standards. New *high school sites* shall abut or be accessible from a public *street* functioning as an arterial per the *City* design standards.

F. The base height shall conform to the zone in which the *use* is located.

G. *Building* illumination and lighted *signs* shall be designed so that no direct rays of light are projected into neighboring residences or onto any *street* right-of-way.

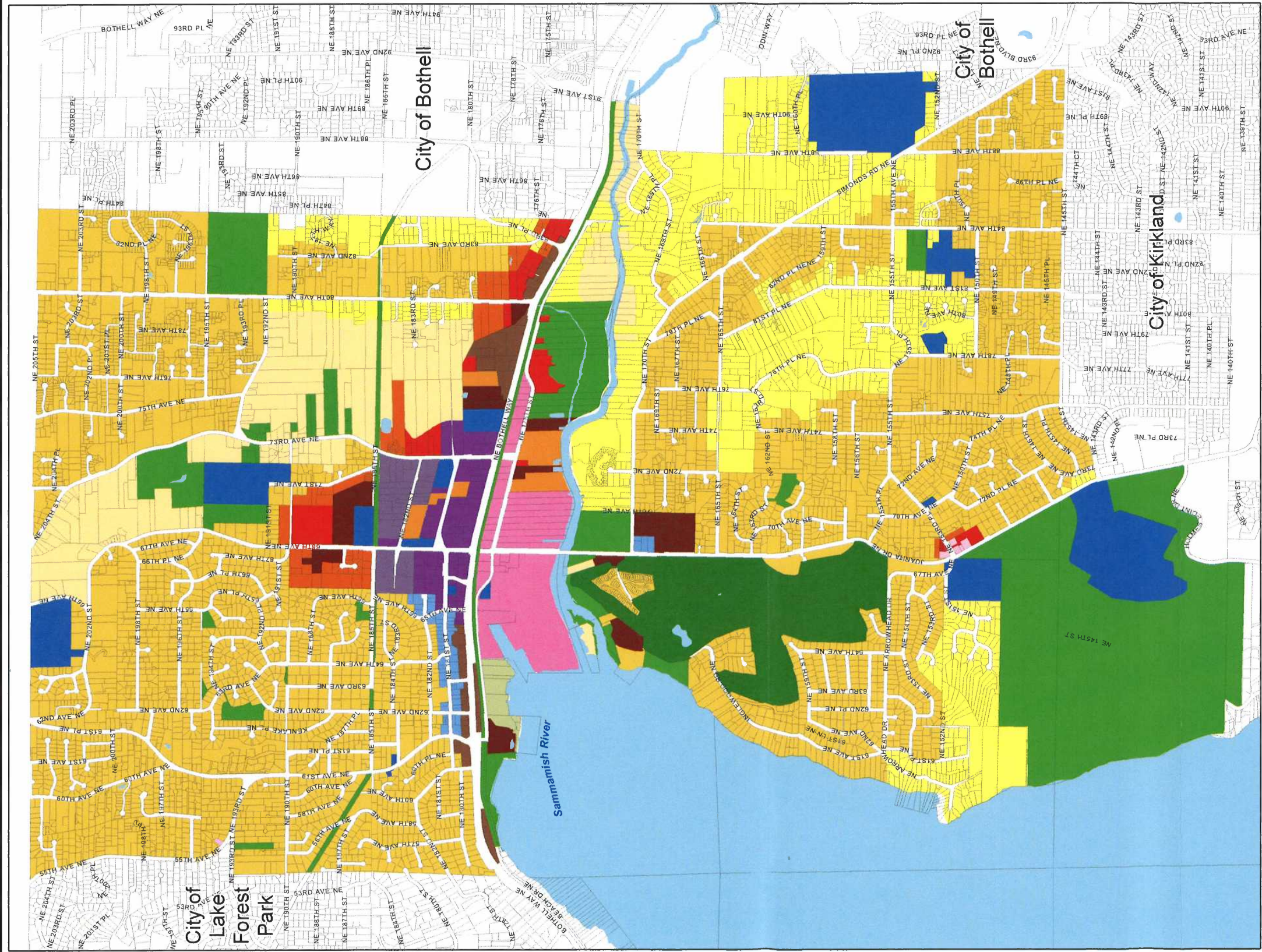
- Amend 19.25.020 Classifications of Land Use Decision Processes

Exhibit A

LAND USE DECISION TYPES

TYPE 2	Decision by <i>city manager</i> ; appealable to <i>hearing examiner</i> ; no further administrative appeal ^{1.5}	Home industry; short subdivision; preliminary short subdivision revision; short plat alteration; zoning variance; conditional use permit; shoreline substantial development permit; shoreline variance; shoreline conditional use permit; site plan review for uses allowed by zone; wireless communication facility minor adjustment under Chapter 18.60 KMC; approval of residential density incentives under KMC 18.80.060.A.2 or transfer of development credits under KMC 18.80.090.A ; reuse of public schools; reasonable use exceptions under KMC 18.55.180 ; public agency and utility exceptions under KMC 18.55.160 ; other critical areas exceptions, variances and decisions to require studies or to approve, condition or deny a development proposal based on Chapter 18.55 KMC.
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Exhibit B

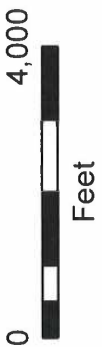


Official Zoning Map | City of Kenmore



 Regional Business	 Downtown Residential	 Parks*	 R-6 (Residential 6 Dwellings Per Acre)
 Urban Corridor	 Community Business	 Golf Course	 Manufactured Housing Community
 Waterfront Commercial	 Neighborhood Business	 R-1 (Residential 1 Dwelling Per Acre)	 R-12 (Residential 12 Dwellings Per Acre)
 Downtown Commercial	 Public/Semi-Public	 R-4 (Residential 4 Dwellings Per Acre)	 R-18 (Residential 18 Dwellings Per Acre)
			 R-24 (Residential 24 Dwellings Per Acre)

* Portions of the Burke-Gilman Trail & Tolt Pipeline occur in rights-of-way and not as separate parcels. However, these facilities are considered to be Parks along their full length.



This map is intended for planning purposes only and is not guaranteed to show accurate measurements.

Map Date: March 2019



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Consideration of a resolution that would direct the Planning Commission to consider future zoning for four existing Manufactured Housing Communities, Resolution 19-319 Proposed Council Action/Motion: Adopt Resolution 19-319.	For Council Meeting Agenda of: 4/15/19 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner</u> Initial & Date Approved by Department Head: <u>DB 3/29/19</u> Approved by City Attorney: <u>SS, 3/29/19</u> Approved by Finance Director: <u>[Signature]</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: 1. Resolution 19-319 2. 2018 redevelopment scenarios
<u>INFORMATION/BACKGROUND:</u> On March 25, 2019, the City Council reviewed the draft Municipal Code amendments related to the City's existing manufactured housing communities and tabled further discussion until April 15. A motion to table also was passed for the companion resolution (see Attachment 1). During the initial discussion on the Municipal Code amendments, Council considered the need for future zoning changes after a 10-year preservation period for four of the existing manufactured housing communities. Consideration of this future upzone with affordability requirements was directed by the Council at the September 17, 2018 meeting. To address the future zoning, Comprehensive Plan amendments may be needed, and those amendments must be considered by the City's Planning Commission. At the same time, the Commission could consider appropriate levels of increased density and affordable housing requirements. (Upzoning with affordability requirements was one of the approaches recommended by the Planning Commission in their initial recommendations on the manufactured housing communities last year.) The resolution directs the Planning Commission to tackle this topic in 2019 in order to finish the manufactured housing community project. Attachment 2 is an analysis of redevelopment and replacement affordable housing prepared by ARCH in 2018 (part of the City Council packet on July 9, 2018). The conclusion of that analysis was that to replace units at a moderate-income level, a higher percentage of affordable units would be required (from 13-18%) and densities would have to increase to as much as 105 dwelling units per acre. To replace units at a low-income level, a lower percentage of affordable units would be required (9-12%), but densities would increase to as much as 163 dwelling units per acre. This is the type of analysis that the Planning Commission could consider in their review. To give the Planning Commission flexibility to consider higher densities as they consider options, staff is recommending a change to the previous version of the resolution. The previous version read as follows: <u>Section 2. Planning Commission Consideration and Recommendations.</u> The City Council desires that the Planning Commission consider and make recommendations on Comprehensive Plan and Municipal Code amendments related to future rezones, with increased density and affordability requirements, for the four existing manufactured housing communities north of SR-522. Future densities of up to 100 dwelling units per acre as a base density should be considered. The new version of the resolution (attached) eliminates the following statement, "Future densities of up to 100 dwelling units per acre as a base density should be considered."	

!:/City Clerk/Agenda Items/Templates

<u>FISCAL CONSIDERATION:</u>
None at this time.
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u>
Council Goal 3: Increase and preserve the options for affordable housing stock.

I:/City Clerk/Agenda Items/Templates

**CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 19-319**

**A RESOLUTION OF THE CITY COUNCIL OF KENMORE,
WASHINGTON, RELATING TO FUTURE ZONING OF
FOUR OF THE CITY'S EXISTING MANUFACTURED
HOUSING COMMUNITIES.**

WHEREAS, on April 15, 2019, the City Council adopted new Manufactured Housing Community (MHC) zoning through Ordinance 19-0481 and applied the MHC zoning designation to the City's existing manufactured housing communities; and

WHEREAS, the MHC zoning established in Ordinance 19-0481 was based on thorough examination and frequent public engagement by the City Council and the Planning Commission on the need to preserve affordable housing in the City while also respecting the property rights of property owners. A comparable zoning scheme implemented by the City of Tumwater was expressly authorized by the Ninth Circuit Court of Appeals in *Laurel Park Community, LLC v. City of Tumwater*, 698 F.3d 1180 (9th Cir. 2012); and

WHEREAS, the Kenmore Comprehensive Plan contemplates future growth in the Downtown area north of SR-522, which includes four existing manufactured housing communities zoned MHC, and provides for possible future rezones based on increased density needs: "The existing manufactured housing communities in the Downtown provide higher density single-family housing that is more affordable for seniors and lower-income residents. Some of the communities may be appropriate for long-term preservation; others may not be compatible with the future Downtown vision, particularly as high capacity transit comes to the City," and

WHEREAS, the City Council desires that the Planning Commission develop recommendations on Comprehensive Plan amendments and Municipal Code amendments that would codify a future rezone of the four existing manufactured housing communities in the Downtown area north of SR-522, due to the projected growth and need for additional affordable housing in those areas; and

WHEREAS, the Planning Commission previously considered similar future rezones with affordability requirements as an option for the manufactured housing communities during their deliberations on the project in 2018;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Findings Adopted. The City Council adopts the foregoing recitals as findings, which are incorporated herein as if set forth in full.

Section 2. Planning Commission Consideration and Recommendations. The City Council desires that the Planning Commission consider and make recommendations on Comprehensive Plan and Municipal Code amendments related to future rezones, with increased density and affordability requirements, for the four existing manufactured housing communities north of SR-522.

Section 3. Effective Date. This resolution shall be directed to the Planning Commission and shall take effect and be in force immediately.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON,
AT A REGULAR MEETING THEREOF THIS ____ DAY OF _____, 2019.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

ANALYSIS OF REDEVELOPMENT / REPLACEMENT AFFORDABLE HOUSING

MHC Location	A. Existing Homes	B. Zoning Dist. (Density)	C. Unit Estimate (Existing Zoning)	Moderate Income (70% Median)			Low Income (50% median)		
				D. Estimate of Bonus Units *	Total Units (C + D) (Density)	Aff Units as % of Total Units	E. Estimate of Bonus Units *	Total Units (C + E) (Density)	Aff Units as % of Total Units
7000 NE 181 st St	11	DT Comm/Res (48)	51	33	84 (79)	13%	66	117 (110)	9%
7021 NE 181 st St	20	DT Comm (48)	67	60	127 (91)	16%	120	187 (134)	11%
7614 NE Bothell Way	27	TOD Overlay (24)	72	81	153 (51)	18%	162	234 (78)	12%
6837 NE 182 nd Street	63	DT Res (48)	158	189	347 (105)	18%	378	536 (163)	12%

* Number of bonus units needed to provide a number of affordable units equal to existing homes
Number of Bonus Units for Each Moderate Affordable Unit: 3
(Two market rate units, one Affordable unit)
Number of Bonus Units for Each Low Affordable Unit: 6



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Extend Multifamily Tax Exemption to the Transit Oriented Development District Overlay

Proposed Council Action/Motion:
Motion to adopt Ordinance No. 19-0479 designating the transit oriented development district overlay as a residential targeted area and amending Chapter 3.65 of the Kenmore Municipal Code.

For Council Meeting Agenda of: April 15, 2019

Department: Development Services

Prepared by: Bryan Hampson

Initial & Date

Approved by Department Head: [Signature] 4/2/19

Approved by City Attorney: [Signature] R.C.

Approved by Finance Director: [Signature]

Approved by City Manager: [Signature]

Exhibits/Attachments:

Attachment 1: Ordinance No. 19-0479 with Exhibit A

Attachment 2: January 3, 2019 Council Retreat Memo

Attachment 3: October 29, 2018 Memo Analyzing Multi-Family Property Tax Exemption in the Transit Oriented Development District and Exhibits

INFORMATION/BACKGROUND:

To help further encourage multi-family development and redevelopment in our transit-oriented development (TOD) district overlay, City staff recommends City Council increase the incentives available in the TOD area by designating the TOD as a *residential targeted area*, to be eligible to take advantage of the Multifamily Tax Exemption (MFTE) as allowed by the codified Ordinance, Chapter 3.65 KMC.

Although there may appear to be many changes to Chapter 3.65 KMC (Exhibit A to Attachment 1) most of the changes are minor, needed to align with the City's and A Regional Coalition for Housing's (ARCH's) practices.

The two substantive changes to Chapter 3.65 KMC are designating the TOD as a residential targeted area and lowering the level of affordability, associated to the 12-year tax exemption, from 85% to 60% of King County median income level.

Summary of the recommended changes to Chapter 3.65 KMC:

1. 3.65; Italicized defined words throughout 3.65.
2. 3.65.020 A; Definition of affordable housing. Applied the 30% of monthly income to both types, owner or renter occupied, affordable housing. Aligns the definition with the affordable housing definition in the zoning code.

3. 3.65.020 C; Similar to other changes to “city manager” in the KMC, changed director to city manager’s designee to prevent having to revise the code if the position or person responsible for administering the code changes.
4. 3.65.020 D; Revised the definition of eligible household for clarity and consistency.
5. 3.65.020 G; Revised the definition of median income to align with more appropriate agencies and to align with the zoning code.
6. 3.65.030 D; Designated the TOD as a residential targeted area.
7. 3.65.050 B; Moved the timing of the final certificate fee to the appropriate section, KMC 3.65.090 A and revised the fee amount to the actual fee amount.
8. 3.65.100 A; Revised section to define level of affordability required for 12-year tax exemption, to 60% of King County median income, as directed by Council.
9. 3.65.105; Added new section outlining affordable housing requirements.
10. 3.65.110; Clarified existing properties benefiting from this Chapter are vested to the rules in effect at the time the tax exemption was issued.
11. 3.65.110 I; Added a section to allow the City to receive a monitoring fee to manage the affordable unit program.

Background:

On January 3, 2019, at the City Council retreat, Council directed staff to revise the level of affordability for the 12-year tax exemption with regards to MFTE, low or moderate income from equal to or less than 85% to 60%.

The October 29, 2018 Memo Analyzed Multi-Family Property Tax Exemption in the Transit Oriented Development District (Attachment 3). It provides history and demonstrates different possible property tax and housing unit scenarios, including affordable units, and one-time revenues to the City if there is no redevelopment, a townhome development, or a TOD product with or without an MFTE.

On November 13, 2018 a public hearing was held for this topic.

FISCAL CONSIDERATION:

There is no fiscal impact by establishing a residential target area. The fiscal impact will occur if a project is approved for tax exemption following the adoption of this Ordinance.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Promote economic development and implement the Economic Development Plan and to increase the affordable housing stock.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 19-0479**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, DESIGNATING THE TRANSIT
ORIENTED DEVELOPMENT DISTRICT OVERLAY AS A
RESIDENTIAL TARGETED AREA; AMENDING
CHAPTER 3.65 OF THE KENMORE MUNICIPAL CODE;
AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, Chapter 84.14 RCW provides for exemption from ad valorem property taxation for the value of eligible improvements associated with qualifying multifamily housing located in residential targeted areas within urban centers; and

WHEREAS, the Kenmore City Council approved Ordinance No. 07-0271 authorizing a multifamily housing property tax exemption program, Chapter 3.65 KMC; and

WHEREAS, Chapter 3.65 KMC allows the City Council to designate one or more residential targeted areas; and

WHEREAS, the City Council determined that the City's Transit Oriented Development District Overlay area, as established in Ordinance No. 15-0406, is within an urban center as defined by Chapter 84.14 RCW; and

WHEREAS, the City Council recognizes the Transit Oriented Development District Overlay lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if affordable, desirable, attractive and livable residences were available; and

WHEREAS, the City Council recognizes providing additional housing opportunity, including affordable housing, in the residential targeted area will assist in achieving one or more of the following purposes:

- a. Encourage increased residential opportunities, including affordable housing opportunities, within the City; or
- b. Stimulate the construction of new multifamily housing; or
- c. Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing; and

WHEREAS, the City Council recognizes that additional financial incentives are required in certain areas of the city to facilitate the development of multifamily housing; and

WHEREAS, the City has complied with the notice and public hearing requirements of RCW 84.14.040 and KMC 3.65.030A in order to designate a residential target area under Chapter 84.14 RCW and Chapter 3.65 KMC;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amended Chapter. Chapter 3.65 of the Kenmore Municipal Code is amended to read as stated on **Exhibit A**, attached hereto and incorporated herein by this reference.

Section 2. Summary Publication and Effective Date. This Ordinance, or a summary thereof consisting of the title, shall be published in the official newspaper of the City. It shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 15th DAY OF APRIL, 2019.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
ORDINANCE NO.: 19-0479
DATE OF PUBLICATION:
EFFECTIVE DATE:

Exhibit A

Chapter 3.65
MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION

Sections:

- 3.65.010 Purpose.**
- 3.65.020 Definitions.**
- 3.65.030 Residential targeted areas – Criteria – Designation – Rescission.**
- 3.65.040 Project eligibility.**
- 3.65.050 Application procedure – Fee.**
- 3.65.060 Application review – Issuance of conditional certificate – Denial – Appeal.**
- 3.65.070 Amendment of contract.**
- 3.65.080 Extension of conditional certificate.**
- 3.65.090 Final certificate – Application – Issuance – Denial and appeal.**
- 3.65.100 Exemption – Duration – Limits.**
- 3.65.105 Affordable Housing Requirements.**
- 3.65.110 Annual certification – Cancellation of exemption.**
- 3.65.120 Appeals to hearing examiner.**
- 3.65.130 Annual reporting.**

3.65.010 Purpose.

A. The purposes of this chapter are:

1. To encourage more **multifamily housing** opportunities, including **affordable housing**, within the City;
2. To stimulate the construction of new **multifamily housing**, including **affordable housing**, and the rehabilitation of existing vacant and underutilized buildings for **multifamily housing**;
3. To increase the supply of **multifamily housing** opportunities within the City for low and moderate income **households**; and
4. To accomplish the planning goals required under the Growth Management Act, Chapter 36.70A RCW, as implemented by the City's comprehensive plan.

B. Any one or a combination of these purposes may be furthered by the designation of a residential targeted area under this chapter.

3.65.020 Definitions.

A. "Affordable housing" means: (1) for an owner-occupied dwelling unit, housing reserved for occupancy by a low or moderate income household, and (2) for a renter-occupied dwelling unit, housing reserved for occupancy by a low or moderate income household and whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household's monthly income. Housing reserved for occupancy by **eligible households** having monthly housing expenses less than or equal to 30 percent of the monthly **household income**, adjusted for **household size**. Housing expenses for ownership housing include mortgage and

Exhibit A

mortgage insurance, property taxes, property insurance, and homeowner's dues. Housing expenses for rental housing include rent and appropriate utility allowance.

B. "Assessor" means the King County assessor.

C. "Director" means the director of the City's community development department, or any other City office, department or agency that shall succeed to its functions with respect to this chapter, or the director's designee. "City manager" means the City of Kenmore city manager or his or her designee(s).

D. "Eligible household" means a *household* that certifies that its household monthly income or household annual income at time of initial occupancy, as applicable, does not exceed the income maximums, and that certifies that it meets all qualifications for *eligibility occupying affordable housing* as set forth in the agreement referenced in KMC 3.65.040 F, including limits on *household annual income at the time of initial occupancy* and, if applicable, any requirements for recertification ~~on~~ of income eligibility.

E. "Household" means a single person, family, or unrelated persons living together.

F. "Household annual income" means the aggregate annual income of all persons in the *household* over 18 years of age for a period of at least four months.

G. "Low or moderate income household" means a household whose adjusted income is equal to or less than 85 percent of the King County median family income adjusted for family size, as reported by the United States Department of Housing and Urban Development. If HUD no longer publishes median family income figures for King County, the City may use or determine such other method as it may choose to determine the King County family median income adjusted for household size. "King County median income" means the median family income for the Seattle-Bellevue, WA HUD Metro FMR Area as most recently determined by the Secretary of Housing and Urban Development ("HUD") under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under said Section 8(f)(3) are terminated, median family income is determined under the method used by the Secretary prior to such termination. In the event that HUD no longer publishes median family income figures for the Seattle-Bellevue, WA HUD Metro FMR Area or King County, the City may use any other method for determining the King County median income, adjusted for *household size*.

H. "Multifamily housing" means a building or townhouse project having four or more dwelling units designed for *permanent residential occupancy* resulting from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings.

I. "Owner" means the owner of the real property on which the project proposed for tax exemption is located, and its successors and assigns. If tax exemption is requested or authorized for 12 years pursuant to this chapter, "owner" also means a nonprofit corporation that will own or owns the *affordable housing* units.

J. "Permanent residential occupancy" means *multifamily housing* that provides either rental or *owner* occupancy for a period of at least one month, and excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

K. "Rehabilitation improvements" means:

Exhibit A

1. Modifications to an existing structure, the residential portion of which has been vacant for at least 12 months prior to application for exemption under this chapter, that are made to achieve a condition of *substantial compliance* with the applicable building and construction codes contained in KMC Title 15; or
 2. Modifications to an existing occupied residential structure or mixed use structure that contains occupied residential units and that adds at least four multifamily dwelling units.
- L. “Residential targeted area” means an area within an urban center as defined by Chapter 84.14 RCW that has been so designated by the city council pursuant to this chapter.
- M. “Substantial compliance” means compliance with the applicable building and construction codes contained in KMC Title 15 that is typically required for rehabilitation as opposed to new construction.

3.65.030 Residential targeted areas – Criteria – Designation – Rescission.

A. Following notice and public hearing as prescribed in RCW 84.14.040, the city council may designate one or more *residential targeted areas*, in addition to the area stated in subsection (D) of this section, upon a finding by the city council that the residential targeted area meets the following criteria:

1. The residential targeted area is within an urban center as defined by Chapter 84.14 RCW;
2. The residential targeted area lacks sufficient available, desirable and convenient residential housing, including *affordable housing*, to meet the needs of the public who would be likely to live in the urban center if affordable, desirable, attractive and livable residences were available; and
3. Providing additional housing opportunity, including *affordable housing*, in the residential targeted area will assist in achieving one or more of the following purposes:
 - a. Encourage increased residential opportunities, including *affordable housing* opportunities, within the City; or
 - b. Stimulate the construction of new *multifamily housing*; or
 - c. Encourage the rehabilitation of existing vacant and underutilized buildings for *multifamily housing*.

B. In designating a residential targeted area, the city council may also consider other factors, including:

1. Whether additional housing in the residential targeted area will attract and maintain an increase in the number of permanent residents;
2. Whether providing additional housing opportunities for low and moderate income *households* would meet the needs of citizens likely to live in the area if *affordable housing* was available;
3. Whether an increased permanent residential population in the residential targeted area will help to achieve the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the City’s comprehensive plan; or

Exhibit A

4. Whether encouraging additional housing in the residential targeted area supports better jobs and housing balance.
- C. At any time the city council may, by ordinance, amend or rescind the designation of a residential targeted area pursuant to the same procedural requirements as set forth in this chapter for original designation.
- D. The following areas meet the criteria of this chapter on *residential targeted areas* and are designated as such:
 1. Kenmore Village. The parcels lying northwest of the intersection of Northeast 181st Street and 68th Avenue Northeast, which are shown on the map attached to ~~the~~ Ordinance No. 07-271; and codified in this chapter, meet the criteria of this chapter on residential targeted areas and are designated as such.
 2. Transit Oriented Development District. The parcels lying within the Transit Oriented Development District Overlay, which are shown on the map attached to Ordinance No. 15-0406.

3.65.040 Project eligibility.

To be eligible for exemption from property taxation under this chapter, the property shall satisfy all of the following requirements:

- A. The property must be located in a residential targeted area.
- B. A building or buildings in the project on the property shall have at least four dwelling units. Any project may be proposed in phases. If applicable, the affordable housing units may be located in all or some of the buildings in the project.
- C. For new construction, a minimum of four new dwelling units must be created; for rehabilitation or conversion of existing occupied structures, a minimum of four additional dwelling units must be added.
- D. Existing dwelling units proposed for rehabilitation shall have been unoccupied for a minimum of 12 months prior to submission of an application and shall fail to comply with one or more requirements the building code as set forth in KMC Title 15.
- E. No application may result in the net loss of existing affordable housing which receives housing assistance through federal low or moderate income housing programs (e.g., HUD Section 8 program).
- F. Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the city attorney that addresses eligible household qualifications and any other applicable topics of the affordable housing units shall be recorded with King County department of records and elections. This agreement shall be a covenant running with the land and shall be binding on the assigns and successors of the owners.
- G. The project shall comply with all applicable zoning, land use, building and housing requirements contained in this code.

Exhibit A

H. New construction of *multifamily housing* and *rehabilitation improvements* shall be scheduled to be completed within three years from the date of approval of the application, or within an authorized extension of this time limit.

3.65.050 Application procedure – Fee.

A. The *owner* of property applying for exemption under this chapter shall submit an application to the *director/city manager*, on a form established by the *director/city manager*. The *owner* shall verify the application by oath or affirmation. The application shall contain such information as the *director/city manager* may deem necessary or useful, and shall include:

1. A brief written description of the project, including phasing if applicable, and preliminary schematic site and floor plans of the multifamily units and the structure(s) in which they are proposed to be located;
2. A statement from the *owner* acknowledging the potential tax liability when the property ceases to be eligible for exemption under this chapter;
3. In the case of rehabilitation of an existing vacant structure, verification of noncompliance with applicable building and housing codes, and an affidavit from the *owner* verifying that the existing dwelling units have been vacant for a period of 12 months prior to filing the application; and
4. If tax exemption for 12 years is proposed, and the *owner* of the *affordable housing* units will be different from the *owner* applying for the exemption, a description of the person or entity that will own the *affordable housing* units and an explanation of the financing plan for such units.

B. At the time of application under this section, the *owner* shall pay an initial application fee as established by resolution and pursuant to the provisions of RCW 84.14.080. ~~In addition, at the time of application under this section, the owner shall pay a fee of \$150.00 to cover the county assessor's administrative costs. If the director approves the application, the City shall forward the fee for the county assessor's administrative costs to the county assessor. If the director denies the application, the City shall refund the fee for the assessor's administrative costs to the applicant.~~

C. The *director/city manager* shall notify the *owner* within 28 days of the application being filed if the *director/city manager* determines that an application is not complete, and shall identify what additional information is required before the application will be complete. Within 14 days of receiving additional information, the *director/city manager* shall notify the *owner* in writing if the *director/city manager* determines that the application is still not complete, and what additional information is necessary. An application shall be deemed to be complete if the *director/city manager* does not notify the applicant in writing by the deadlines in this section that the application is incomplete; however, a determination of completeness does not preclude the *director/city manager* from requiring additional information during the review process if more information is needed to evaluate the application according to the criteria in this chapter.

D. The application shall be submitted any time before, but no later than, the date the building or other construction permit is issued under KMC Title 15.

Exhibit A**3.65.060 Application review – Issuance of conditional certificate – Denial – Appeal.**

A. The **directorcity manager** shall approve or deny an application under this chapter. If the application is approved, the **owner** shall enter into a contract with the City, subject to approval by resolution of the city council regarding the terms and conditions of the project and eligibility for exemption under this chapter. If tax exemption for 12 years is requested, the **owner** of the **affordable housing** units, if different from the **owner** of the other **multifamily housing** units, also shall enter into such contract. The city council's resolution to approve the **owner's** contract with the City shall be adopted within 90 days of the **director'scity manager's** receipt of the completed application. Upon city council approval of the contract, the **directorcity manager** shall execute the contract which shall be substantially in the form of the contract as approved by the city council, and shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire three years from the date of approval unless an extension is granted as provided in this chapter.

B. If the application is denied, the **directorcity manager** shall state in writing the reasons for the denial and send notice of denial to the **owner's** last known address within 10 days of the denial.

C. An **owner** may appeal the **director'scity manager's** denial of the application to the city council by filing a notice of appeal with the city clerk along with the appeal fee as established by resolution within 30 days of the date of the denial. The appeal before the city council shall be based upon the record before the **directorcity manager**, and the **director'scity manager's** decision shall be upheld unless the **owner** can show that there is no substantial evidence on the record to support the **director'scity manager's** decision. The city council's decision on appeal is final.

3.65.070 Amendment of contract.

A. Any **owner** seeking an amendment to the contract may do so by submitting a request in writing to the **directorcity manager** at any time within three years of the date of the city council's approval of the contract.

B. The **directorcity manager** shall have authority to approve amendments to the contract that are reasonably within the scope and intent of the contract approved by the city council. Amendments that are not reasonably within the scope and intent of the approved contract, as determined by the **directorcity manager**, shall be submitted to the city council for approval by resolution.

C. Any **owner** seeking amendments to the contract, which in the sole discretion of the **directorcity manager** require approval by the city council, shall pay to the City an amendment application fee as established by resolution.

D. The date for expiration of the conditional certificate shall not be extended by contract amendment unless: (1) all the conditions for extension set forth in KMC 3.65.080 are met, or (2) the conditions set forth in KMC 3.65.080(A) and (B) are met and the city council specifically approves the extension.

3.65.080 Extension of conditional certificate.

Exhibit A

The conditional certificate may be extended by the **directorcity manager** for a period not to exceed 24 consecutive months. The **owner** shall submit a written request stating the grounds for the extension together with a fee as established by resolution. The **directorcity manager** may grant an extension if the **directorcity manager** determines that:

- A. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the **owner**;
- B. The **owner** has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
- C. All the conditions of the original contract between the applicant and the City will be satisfied upon completion of the project.

3.65.090 Final certificate – Application – Issuance – Denial and appeal.

A. Upon completion of the **rehabilitation improvements** or new construction as provided in the contract between the applicant and the City, and upon issuance of a certificate of occupancy, the **owner** may request a final certificate of tax exemption. The **owner** shall file with the **directorcity manager** such information as the **directorcity manager** may deem necessary or useful to evaluate eligibility for the final certificate, and shall include:

- 1. A statement of expenditures made with respect to each **multifamily housing** unit and to each **affordable housing** unit, and the total expenditures made with respect to the entire property;
- 2. A description of the completed work and a statement of qualification for the exemption;
- 3. A statement that the work was completed within the required three-year period or any approved extension; and
- 4. If applicable, a statement that the project meets the **affordable housing** unit requirements.

In addition, at the time of application for final certificate under this section, the **owner** shall pay a fee in the amount necessary to cover the **assessor's** administrative costs. If the **city manager** approves the application, the City shall forward the fee for the **assessor's** administrative costs to the **assessor**. If the **city manager** denies the application, the City shall refund the fee for the **assessor's** administrative costs to the **owner**.

B. Within 30 days of receipt of all materials required for a final certificate, the **directorcity manager** shall determine whether the completed work is consistent with the application and contract approved by the city council and is qualified for exemption under Chapter 84.14 RCW, and which specific improvements completed meet the requirements of this chapter and the required findings of RCW 84.14.060.

C. If the **directorcity manager** determines that the project has been completed in accordance with subsection (A) of this section, the City shall file a final certificate of tax exemption with the **assessor** within 10 days of the expiration of the 30-day period provided under subsection (B) of this section.

D. The **directorcity manager** is authorized to cause to be recorded, or to require the **owner** to record, in the real property records of the King County department of records and elections, the

Exhibit A

contract with the City required under KMC 3.65.060(A), and such other documents as will identify such terms and conditions of eligibility for exemption under this chapter as the **director/city manager** deems appropriate for recording, including requirements under this chapter relating to affordability of units.

E. The **director/city manager** shall notify the **owner** in writing that the City will not file a final certificate if the **director/city manager** determines (1) that the project was not completed within the required three-year period or any approved extension or was not completed in accordance with subsection (B) of this section or (2) that the **owner's** property is not otherwise qualified under this chapter.

F. Within 30 days of the date of notice of denial of final certificate, the **owner** may file a notice of appeal with the city clerk along with the appeal fee as established by resolution specifying the factual and legal basis for the appeal. The appeal shall be heard by the City's hearing examiner pursuant to KMC 3.65.120.

3.65.100 Exemption – Duration – Limits.

A. The value of new housing construction and **rehabilitation improvements** qualifying under this chapter shall be exempt from ad valorem property taxation:

1. For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or
2. For 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if (a) the **owner** commits to renting or selling at least 25 percent of the **multifamily housing** units as **affordable housing units to low and moderate-income households whose adjusted income is equal to or less than 60 percent of the King County medium income** and (b) the **owners** and renters of the **affordable housing** units meet the income and eligibility requirements of this chapter. If the original **owner** of the property transfers title to the portion of the property on which the **affordable housing** units are located to the nonprofit corporation that owns such units, such transfer shall not affect the 12-year tax exemption for the new housing construction and **rehabilitation improvements** qualifying under this chapter.

B. The exemptions in subsections (A)(1) and (2) of this section do not apply to the value of land or to the value of improvements not qualifying under this chapter, to increases in assessed valuation of land and nonqualifying improvements, or to increases made by lawful order of the King County board of equalization, Washington State Department of Revenue, State Board of Tax Appeals, or King County, to a class of property throughout the county or a specific area of the county to achieve uniformity of assessment or appraisal as required by law. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter.

3.65.105 Affordable Housing Requirements.

The following shall apply to any affordable housing required under this chapter.

Exhibit A

A. *Affordable housing* units shall remain affordable for the life of the project from the date of initial occupancy.

B. The mix and configuration of *affordable housing* units (e.g., studios, one-bedroom units, two-bedroom units, etc.) shall be substantially proportional at each affordability level to the mix and configuration of the units in the entire project, unless otherwise approved by the *city manager*.

C. The locations of the *affordable housing* units shall be approved by the *city manager*, with the intent that they generally be intermingled with all other dwelling units in the development.

D. If the percentage of affordable units results in a fraction, the number of affordable units shall be rounded up to the next whole number.

3.65.110 Annual certification – Cancellation of exemption.

A. A property that receives a tax exemption under this chapter shall continue to comply with the contract and the requirements of this chapter, as this chapter existed on the date the final certificate of tax exemption was issued, in order to retain its property tax exemption.

B. Thirty days after the anniversary of the date the City filed the final certificate of tax exemption and each year for the tax exemption period, the *owner* shall file a certification with the ~~director~~*city manager*, verified upon oath or affirmation, which shall contain such information as the ~~director~~*city manager* may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the previous year;
2. Information demonstrating compliance of the *owners* and renters of the *affordable housing* units with the requirements of KMC 3.65.100(A)(2), this chapter as it existed on the date the final certificate of tax exemption was issued, and the contract with the City, if applicable;
3. A certification that the property has not changed use since the date of filing of the final certificate of tax exemption;
4. A description of any improvements or improvements constructed after the filing of the final certificate or last declaration;
5. The income of each renter *household* at the time of initial occupancy and the income of each initial purchaser of *owner*-occupied units at the time of purchase for each of the units receiving a tax exemption; and
6. Any additional information requested by the City in regards to the units receiving a tax exemption.

C. Failure to submit the annual declaration may result in cancellation of the tax exemption.

D. For the duration of the exemption granted under this chapter, the property shall have no violation of applicable zoning, land use and building and housing code requirements of this code for which the designated City department or contract agency shall have issued a notice of violation or notice of civil infraction that is not resolved by a certificate of compliance, certificate of release, or withdrawal within the time period for compliance provided in such

Exhibit A

notice of violation or notice of civil infraction and any extension of the time period for compliance granted by the directorcity manager.

E. For owner-occupied affordable housing units, in addition to any other requirements in this chapter, the affordable owner-occupied units must continue to meet the income eligibility conditions of this chapter, as it existed on the date the final certificate of tax exemption was issued. In the event of a sale of an affordable owner-occupied unit to a household other than an eligible household, the property tax exemption for that affordable owner-occupied unit shall be cancelled pursuant to this section.

F. For renter-occupied affordable housing units, in addition to any other requirements in this chapter, the affordable renter-occupied units must continue to meet the income eligibility conditions of this chapter, as it existed on the date the final certificate of tax exemption was issued. In the event of a rental of an affordable renter-occupied unit to a household other than an eligible household, the property tax exemption for the property shall be cancelled pursuant to this section.

G. If the owner converts the multifamily housing to another use, the owner shall notify the directorcity manager and the assessor within 60 days of the change in use. Upon such change in use, the tax exemption shall be cancelled and additional taxes, interest and penalty imposed pursuant to State law.

H. The directorcity manager shall cancel the tax exemption for any property or individual unit that no longer complies with the terms of the contract or with the requirements of this chapter. Upon cancellation, additional taxes, interest and penalties may be imposed pursuant to State law. Upon determining that a tax exemption shall be cancelled, the directorcity manager shall notify the owner by certified mail, return receipt requested. The owner may appeal the determination by filing a notice of appeal with the city clerk along with the appeal fee established by resolution within 30 days of the date of notice of cancellation, specifying the factual and legal basis for the appeal. The appeal shall be heard by the hearing examiner pursuant to KMC 3.65.120.

I. The city reserves the right to establish in the affordable housing agreement referred to in KMC 3.65.040 fees for monitoring the affordable housing units and the owner's compliance with the agreement. The purpose of any monitoring fee is for the review and processing of documents to maintain compliance with income and affordability restrictions of the Affordable Housing Agreement. The city may adjust the monitoring fee over time to account for inflation.

3.65.120 Appeals to hearing examiner.

A. The City's hearing examiner is provided jurisdiction to hear appeals of the decisions of the directorcity manager on the final certificate of tax exemption and cancellation thereof.

B. The hearing examiner's procedures shall apply to hearings under this chapter to the extent they are consistent with the requirement of this chapter and Chapter 84.14 RCW. The hearing examiner shall give substantial weight to the directorcity manager's decision and the burden of overcoming the weight shall be on the appellant. The decision of the hearing examiner constitutes the final decision of the City. An aggrieved party may appeal the decision to superior

Exhibit A

court under RCW 34.05.510 through 34.05.598 if the appeal is properly filed within 30 days of the date of the notification by the City to the appellant of that decision.

3.65.130 Annual reporting.

A. If the City issues tax exemption certificates pursuant to this chapter, the directorcity manager shall submit annually by December 31st of each year to the Department of Community, Trade and Economic Development the report required by RCW 84.14.100.

B. Annually, beginning in 2010, the directorcity manager shall review the program established by this chapter and provide a report to the city council outlining development activity, types and numbers of units produced and their locations, rent and sales prices, information regarding the number of low and moderate income households benefiting from the program, and other appropriate factors. The report may include recommendations on whether any neighborhoods should be added or removed and whether affordability limits should be changed in certain areas, and shall analyze any issues related to the use of the program for home-ownership units. The annual report shall be submitted to the city council no later than March 30th of each year the program is in effect, starting in 2010. Each report shall include information for the previous year.

Attachment 2



City of Kenmore, Washington

Memorandum

Date: January 3, 2019

To: Rob Karlinsey, City Manager

From: Bryan Hampson, Development Services Director

Re: Affordable Level for 12-Year Multi Family Tax Exemption

In preparation of creating a Residential Target Area in our Transit Oriented Development District (TOD) for consideration a Multi-Family Tax Exemption (MFTE), we have heard Council desires to change the level of affordability for the 12-year tax exemption.

As you recall, our MFTE Ordinance provides two exemption scenarios; an 8-year or a 12-year ad valorem property tax exemption. The 8-year exemption does not require an affordable housing component. The 12-year exemption requires at least 25% of the total units to be low or moderate income affordable. Currently, with regards to MFTE, low or moderate income is equal to or less than 85% of the King County area median income (AMI).

Mike Stanger, from ARCH, put some numbers together to get a better understanding what different levels of affordability could look like (Exhibit A). Keep in mind there are countless variations possible. We asked ARCH to look at a 100-unit multi-family project with 25% of the units at low or moderate affordable using different levels of affordability. The attached analysis looked at 40%, 50%, 60%, 70%, 85%, and a TOD project at 70%. It appears, without a subsidy, levels of affordability less than 60% AMI probably will not provide enough incentives to request a 12-year tax exemption.

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EXHIBIT A

SUMMARY						
	TOD only ¹	12-year MFTE ²				
Affordability	70% AMI	40% AMI	50% AMI	60% AMI	70% AMI	85% AMI
Total units	100	100	100	100	100	100
Affordable Units	10	25	25	25	25	25
Tax exemption per affordable unit ³	\$0	\$84,138	\$84,138	\$84,138	\$84,138	\$84,138
Public value of MFTE-affordable unit ⁴	\$0	\$283,227	\$247,032	\$194,067	\$153,725	\$77,000
Sub-total ⁵	\$0	(\$199,089)	(\$162,894)	(\$109,929)	(\$69,587)	\$7,138
Land use benefit per affordable unit ⁶	\$120,841	\$120,841	\$120,841	\$120,841	\$120,841	\$120,841
Public value of land use-affordable unit ⁷	\$153,725	\$0	\$0	\$0	\$0	\$0
Grand total ⁸	(\$32,884)	(\$78,249)	(\$42,054)	\$10,911	\$51,254	\$127,979

Positive grand totals pencil out for the developer

1. "TOD only" project: 100-unit project on 1.5-acre parcel, similar to example provided in TOD code (18.29.060.C.5 KMC). "Tier 1" would require 10% of the units to be affordable at 70% AMI and provide 28 bonus units.
2. "12-year MFTE" projects: same projects but requiring 25% of the units to be affordable, from 40% AMI to 85% AMI.
3. "Tax exemption per affordable unit" includes assumptions for the value of residential improvements that would be exempt from property taxation for 12 years, a discount rate to calculate a present value per affordable unit, and 2018 tax rate.
4. "Public value of MFTE-affordable unit" represents the weighted average gap between market rents and affordable rents for the given MFTE program. Current market rents from newer mid-rise apartments in Kenmore were used, and a capitalization rate of 5% to estimate the value of the rent gap over the life of the project.
5. "Sub-total" is the net benefit (or loss) per affordable unit to the developer. In the case of MFTE programs, this is the value to the developer if no TOD density bonus is included; i.e., if the programs are kept separate.
6. "Land use benefit per affordable unit" assumes residential land costs \$40,000 per unit, based on recent land sales across East King County. The value 28 bonus units is compared to gaining additional land at \$40,000 each, or \$112,000 for each affordable unit. \$8,841 was added for the value of impact fee waiver per affordable unit.
7. "Public value of land use-affordable unit" represents the weighted average gap between market rents and affordable rents for the TOD incentive.
8. "Grand total" is the net benefit (or loss) per affordable unit to the developer by combining the TOD and MFTE programs; that is, if the MFTE-affordable units are allowed also to count for the TOD incentive.

Note: ARCH Staff is reasonably confident that these figures represent circumstances in Kenmore of 2018-2019, but the results are subject to change if Kenmore's position in the local market changes.

Conclusions: If MFTE-affordable units are allowed to satisfy the TOD program as well, the program may work with 25% of the units affordable at 60% AMI; however, the margin is not great. The TOD incentive alone and MFTE programs requiring 25% of units affordable at 50% AMI or lower appear at this time to return losses for developers rather than incentivizing TOD development. Staff can perform selected variations on this analysis, such as different project sizes and lower affordable unit requirements (e.g., 10%, 20%) to see whether they would be likely to produce more incentive for developers to develop TOD projects with affordable housing.

Attachment 3



City of Kenmore, Washington

Memorandum

Date: October 29, 2018

To: Rob Karlinsey, City Manager

From: Bryan Hampson, Development Services Director

Re: Analyzing Multi-Family Property Tax Exemption in the Transit Oriented Development District

Executive Summary

To help further encourage multi-family development and redevelopment in our transit-oriented development (TOD) district overlay, City staff recommends City Council increases the incentives available in the TOD area by designating the TOD as a *residential targeted area*, to be eligible to take advantage of the Multifamily Tax Exemption (MFTE) as allowed by the codified Ordinance, Chapter 3.65 KMC.

This memorandum provides history and demonstrates different possible property tax and housing unit scenarios, including affordable units, and one-time revenues to the City if there is no redevelopment, a townhome development, or a TOD product with or without an MFTE.

Kenmore's vision is to attract multi-family residential development close to transit, including affordable housing, in the downtown area. To help facilitate this, in 2015 the City established a TOD district overlay.

In 2007, the City established an MFTE Ordinance. An MFTE is an economic development incentive that many cities have successfully used to encourage multi-family development, including affordable housing, particularly in situations where the market has not produced sufficient housing. The MFTE is specifically authorized by state law, Chapter 84.14 RCW, for the purpose of encouraging residential opportunities, including affordable housing, where the requirements of the statute are met.

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Background

Since the adoption of the TOD, the City has yet to receive a TOD application. We are hearing from developers, currently building multifamily townhomes in the TOD, that parcels in the TOD are small and the economic risks associated with assembling multiple parcels to build a TOD project, outweigh the incentives.¹ Developers are choosing to build the low-risk townhome options instead of assembling multiple parcels for a TOD project. As such, the TOD area continues to lack sufficient residential opportunities, including affordable units.

The TOD is within an urban center as defined by Chapter 84.14 RCW and it lacks sufficient desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if affordable, desirable, attractive and livable residences were available. Providing additional housing opportunity, including affordable housing in this area, will assist in achieving one or more of the following purposes:

- a. Encourage increased residential opportunities, including affordable housing opportunities, within the City; or
- b. Stimulate the construction of new multifamily housing; or
- c. Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

TOD Ordinance

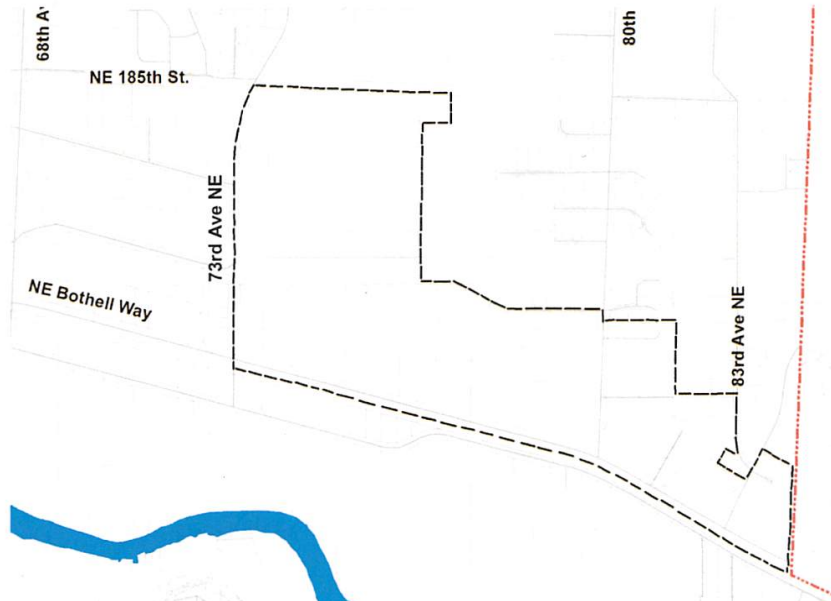
In 2015 the Kenmore City Council established a transit-oriented development (TOD) district overlay, Ordinance No. 15-0406, (**EXHIBIT B**), with the purpose of reinforcing the City's planned concentration of pedestrian-oriented mixed-use development at intensities that support and are supported by multi-modal transportation options, including high capacity transit. The TOD district overlay enhances the City's core by creating incentives and opportunities for a mix of jobs and residences, cultivates a respectful relationship among development within the district, the natural environment, and nearby traditional neighborhoods, and provides a framework for future infrastructure and service decisions. The TOD district overlay provides public benefits in the form of encouraging housing that is affordable to all economic groups, increased pedestrian connectivity, quality design, and incentive to preserve significant tree groves where they exist.

To be eligible to develop under the TOD district overlay regulations, a development application shall meet the following criteria:

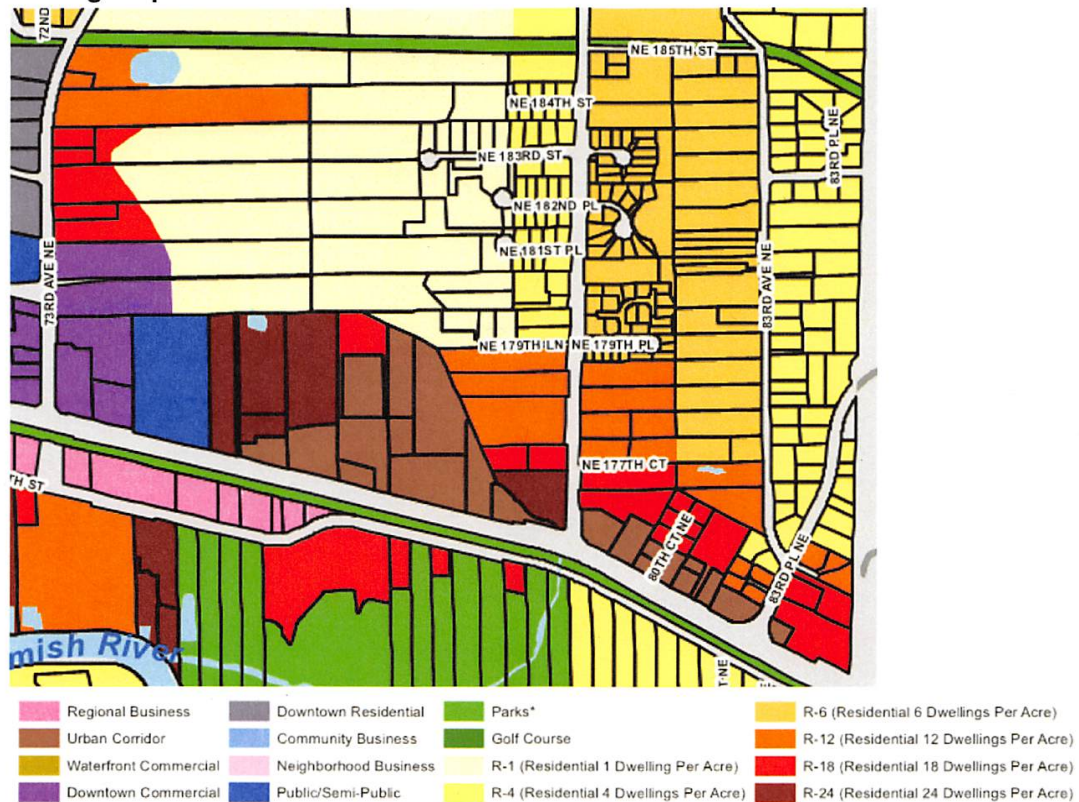
1. The property must be located within the TOD district overlay;
2. The proposed development must either:
 - a. Be considered a mixed-use development; or
 - b. Be a residential-only development or mixed-use development with commercial permitted only on the ground floor if located in the R-12, R-18, or R-24 underlying zones, which are areas designated as primarily residential.

¹ Reference JKChan Development Memo dated May 14, 2018 (**EXHIBIT A**)

Dashed lines delineate TOD area



Zoning map of TOD Area



Comparison between Underlying Zoning and TOD Densities

Table 1		Underlying Zoning			
<i>Zones in TOD</i>	Min Density du/ac	Max Density du/ac Must Use RDI*	Base Height	Max Height w/ RDI	Commercial Required
<i>R-24</i>	17	36	60	60	No
<i>R-18</i>	14	27	60	80	No
<i>R-12</i>	10	18	60	80	No
<i>Public/Semi-Public</i>	0	0	NA	NA	No
<i>Downtown Commercial</i>	36	72	35	65	Yes
<i>Urban Corridor- East</i>	0	72	55	55	No

* Residential Density Incentives (RDI) are a way to receive higher densities (bonus units) by providing additional affordable housing or dedicated open space

Table 2		TOD Standards		
<i>Zones using TOD Alternatives</i>	Min Density du/ac	Max Density du/ac	Max Height	Max Height w/in 50' of SFR
<i>R-24</i>	60	150	65	35
<i>R-18</i>	60	150	65	35
<i>R-12</i>	60	150	65	35
<i>Public/Semi-Public</i>	60	150	65	35
<i>Downtown Commercial</i>	60	150	65	35
<i>Urban Corridor- East</i>	60	150	65	35

For property owners choosing to develop under the TOD district overlay, developments shall provide affordable housing. For TOD purposes, 10% of the units exceeding the base density of the underlying zone is required to be affordable. Affordable housing in the TOD has three tiers of affordable moderate, low and very low-income levels. The type of affordable required, is based on how many total units exceeds the base density of the underlying zone.

For purposes of the TOD district overlay, the following affordable housing definitions apply:

“Affordable housing unit” means affordable to households whose annual income does not exceed the percentage of median income types described in the subsections below, adjusted for household size, and no more than 30 percent of the monthly household income is paid for monthly housing expenses. (Housing expenses for ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowner’s dues. Housing expenses for rental housing include rent and appropriate utility allowance.)

Moderate Income Affordable Housing

- For rental housing, “moderate income affordable housing” is defined as affordable at 70 percent of median income, adjusted for household size.
- For ownership housing, “moderate income affordable housing” is defined as affordable at 80 percent of median income, adjusted for household size.

Low Income Affordable Housing

- For rental housing, “low income affordable housing” is defined as affordable at 50 percent of median income, adjusted for household size.
- For ownership housing, “low income affordable housing” is defined as affordable at 65 percent of median income, adjusted for household size.

Very Low Income Affordable Housing

- For rental housing, “very low income affordable housing” is defined as affordable at 35 percent of median income, adjusted for household size.
- For ownership housing, “very low income affordable housing” is defined as affordable at 50 percent of median income, adjusted for household size.

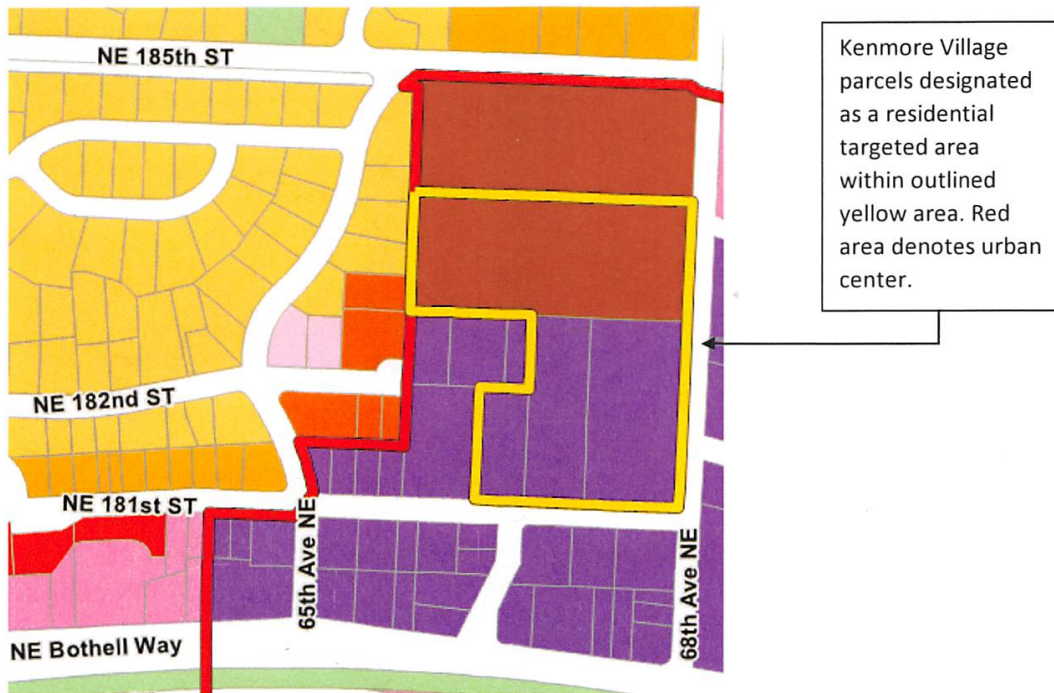
MFTE Ordinance

In 2007 the Kenmore City Council established a Multifamily Tax Exemption (MFTE) Ordinance, Ord. No. 07-0271, (**EXHIBIT C**) with the purposes:

1. To encourage more multifamily housing opportunities, including affordable housing, within the City;
2. To stimulate the construction of new multifamily housing, including affordable housing, and the rehabilitation of existing vacant and underutilized buildings for multifamily housing;
3. To increase the supply of multifamily housing opportunities within the City for low and moderate-income households; and
4. To accomplish the planning goals required under the Growth Management Act, Chapter 36.70A RCW, as Implemented by the City’s comprehensive plan.

Tax abatement is one economic development incentive that cities have successfully used to encourage multi-family development, including affordable housing, in urban centers. The City’s MFTE Ordinance was adopted in accordance with the requirements of Chapter 84.14 RCW, which authorizes this tax exemption.

The MFTE Ordinance allows the City Council to designate one or more residential targeted areas. Ord. No. 07-0271 designated the parcels lying northwest of the intersection of NE 181st St and 68th Ave NE, aka Kenmore Village as a *residential targeted area*. These parcels have been mostly redeveloped by the MainStreet Property Group LLC.



The MFTE Ordinance also provides two exemption scenarios; an 8-year or a 12-year ad valorem property tax exemption. The 8-year exemption does not require an affordable housing component. The 12-year exemption requires at least 25% of the total units to be affordable. The affordable housing requirements for MFTE are very different than those required for TOD projects. For Example:

TOD = 10% of the units exceeding the base density of the underlying zone; and
MFTE w/12-year Tax Exemption = 25% of total units.

A project in the TOD receiving a 12-year tax exemption would need to satisfy the TOD level of affordability (without exceeding the established affordability level in the MFTE), the remainder, up to 25% would need to meet the MFTE requirement.

City Ordinance No. 07-0271, for the Kenmore Village project, relating to MFTE, originally defined a moderate-income household as a household whose adjusted income is 80% of the King County median family income.

In 2013, following the economic crisis of 2008, via City Ordinance No. 13-0363, (**EXHIBIT D**), relating to MFTE, the Council revised the low or moderate-income level from 80% income to equal or less than 85% of the King County median family income. Ordinance No. 13-0363, relating to 12-year tax exemption, also changed the amounts of affordable units from 20% to 25% of the total units.

Ordinance No. 13-0363, relating to the specific zoning requirements for the Kenmore Village project, also revised the affordable housing from 50% of the King County median household income to 85% of the King County median household income.

Analysis

Analyzing property taxes over a 20-year period and residential units, including affordable units, for the following five scenarios:

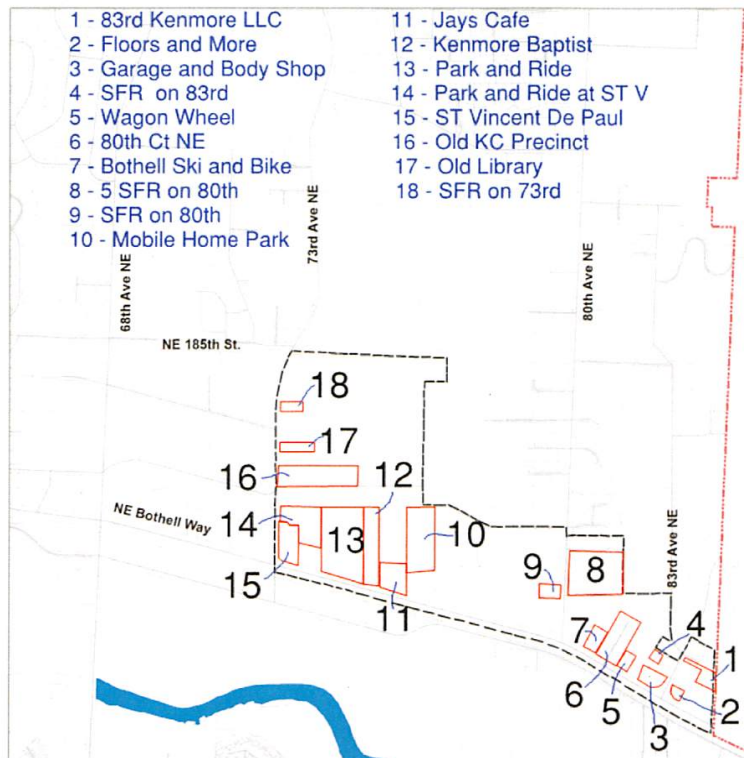
- No development, continued use;
- Townhouse development without MFTE;
- TOD development with 8-year MFTE;
- TOD development with 12-year MFTE; and
- TOD development without MFTE.

Reviewed each parcel in the TOD (approximately 75), for the probability of being redeveloped.

Excluded:

- New construction;
- Existing large multi-family buildings;
- Parcels in critical areas; and
- Large commercial businesses.

Identified 18 properties or groups of properties within the TOD, that have a high possibility of being redeveloped. The 18 parcels identified are as follows:



For this development scenario:

- Unit and square footage assumptions are based on average net present value costs and sizes;
- Townhouses are based on 2,000 sf;
- Multi-family apartments are based on 1,000 sf;
- The land and total improvement assessed value (AV) assumptions are based on King County Department of Assessments data;
- The AVs and improvements are assumed to increase at a rate of 3% per year;
- For this analysis, the 18 projects would theoretically receive their certification of occupancy at the end of 2018 and the multi-family tax exemption would begin in 2019;
- Only the taxes from new multi-family construction is foregone during the exemption period;
- Property tax benefits from the land and other new construction (e.g. retail) are still received;
- During construction, taxing jurisdictions receive property taxes on the value of the partial improvements;
- The taxing exemption begins January 1st of the year following the calendar year of issuance of a certificate of occupancy;
- At the end of the tax exemption period all the improvements become taxable, at the present assessed value, and are counted as new construction which increases local taxing authority;
- Residential Density Incentives were not considered. RDIs are a way to receive higher densities (bonus units) by providing additional affordable housing or dedicated open space;
- The middle of the TOD density of 105 dwelling units per acres was used (reference Table 2 above, TOD densities are 60-150 du/ac).

Figure 1
Total Levy Rate Distribution

Tax Year: 2018 Levy Code: 1442 Total Levy Rate: \$11.70767 Total Senior Rate: \$6.37480

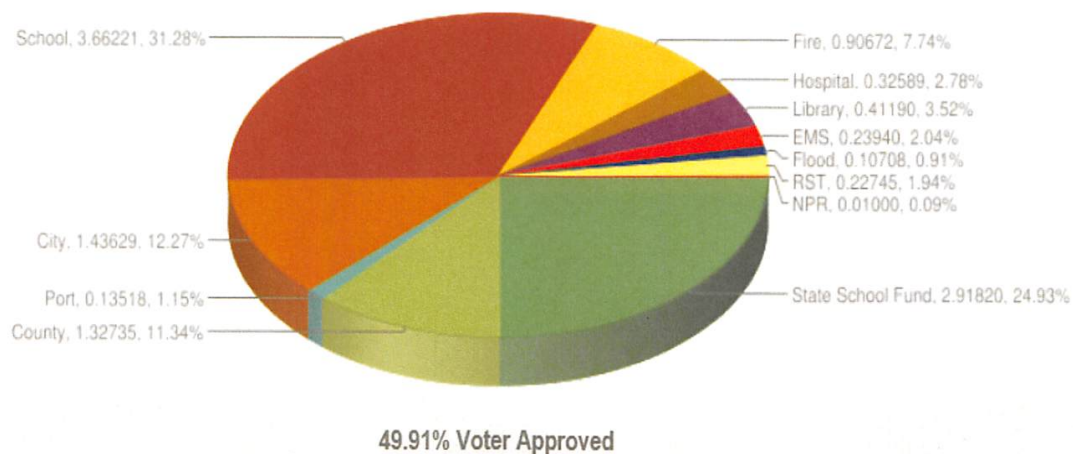


Figure 2

Total Property Taxes over 20-Year Period on the 18 Properties

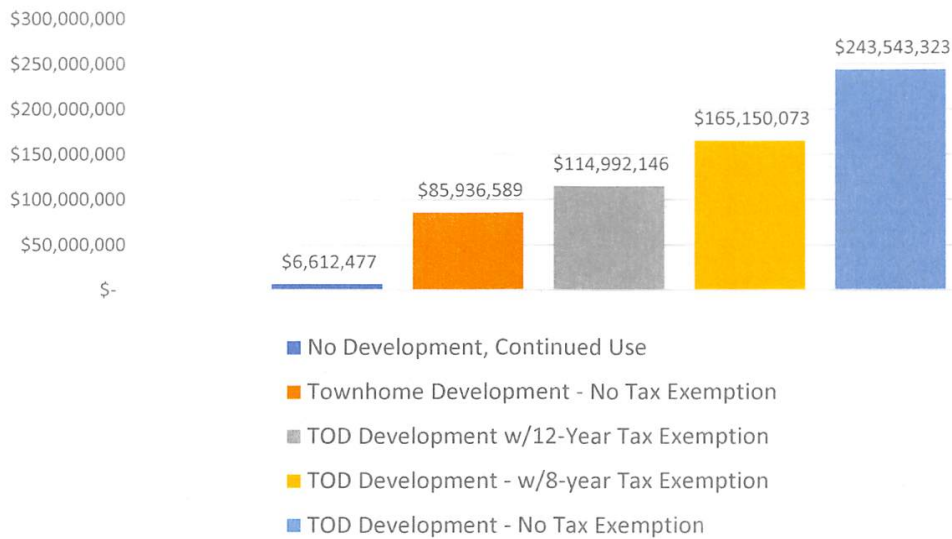


Figure 3

City of Kenmore's Portion of Property Taxes over 20-Year Period

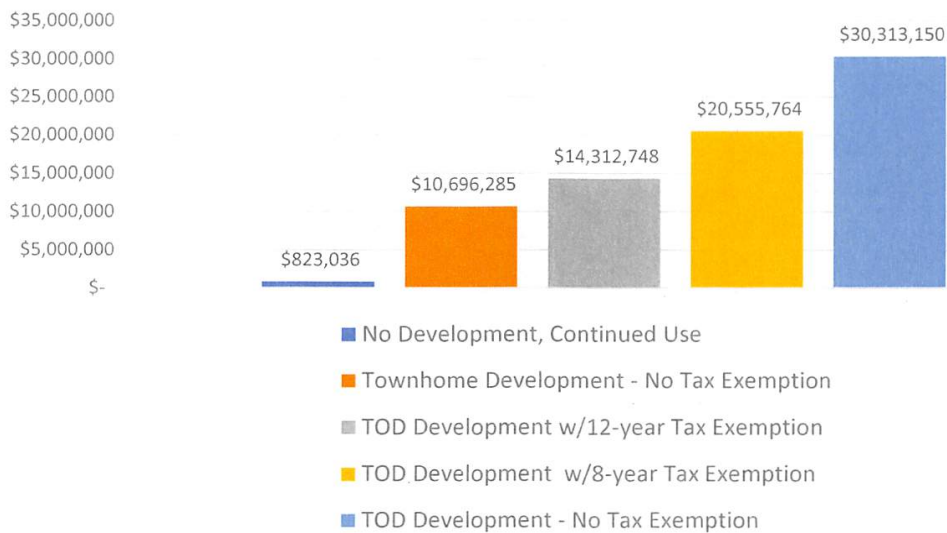


Figure 4

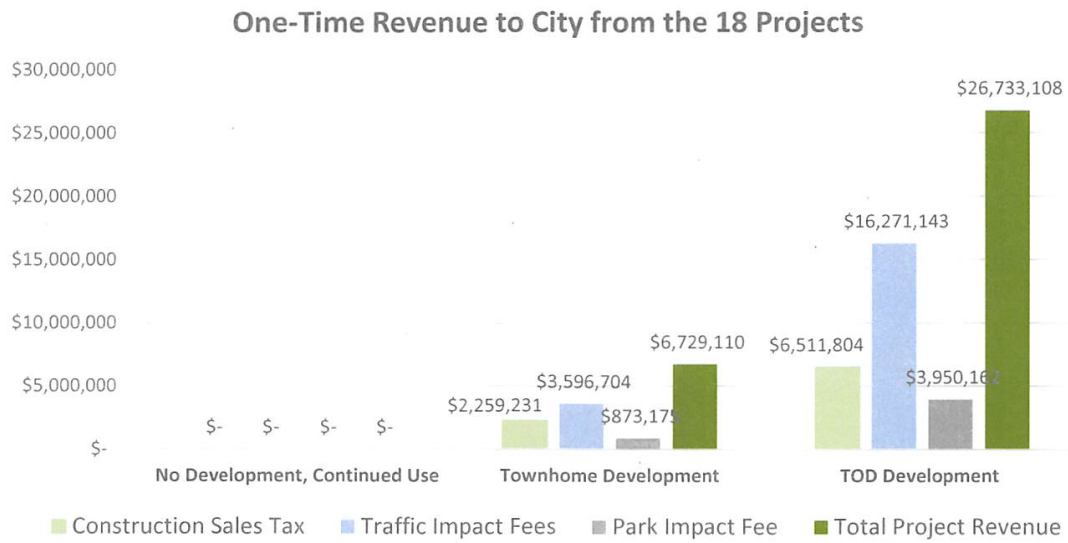
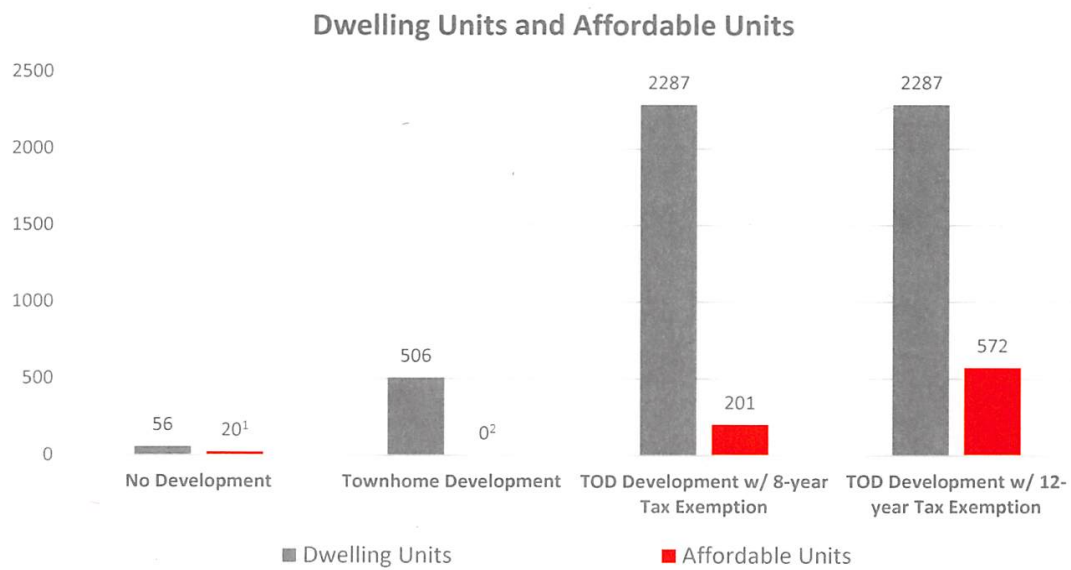


Figure 5



- 1) 20 existing manufactured homes
- 2) Residential density incentives not considered

Figure 6

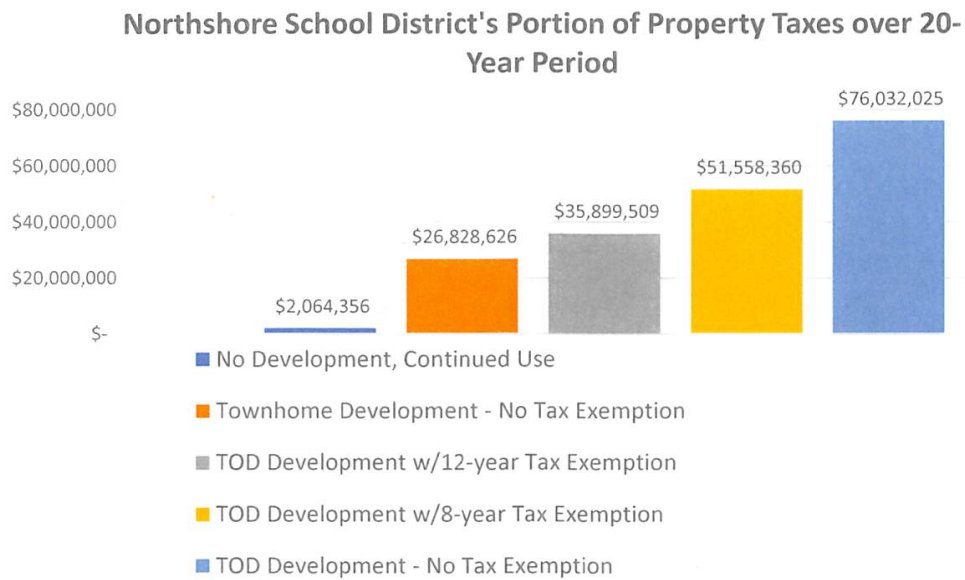
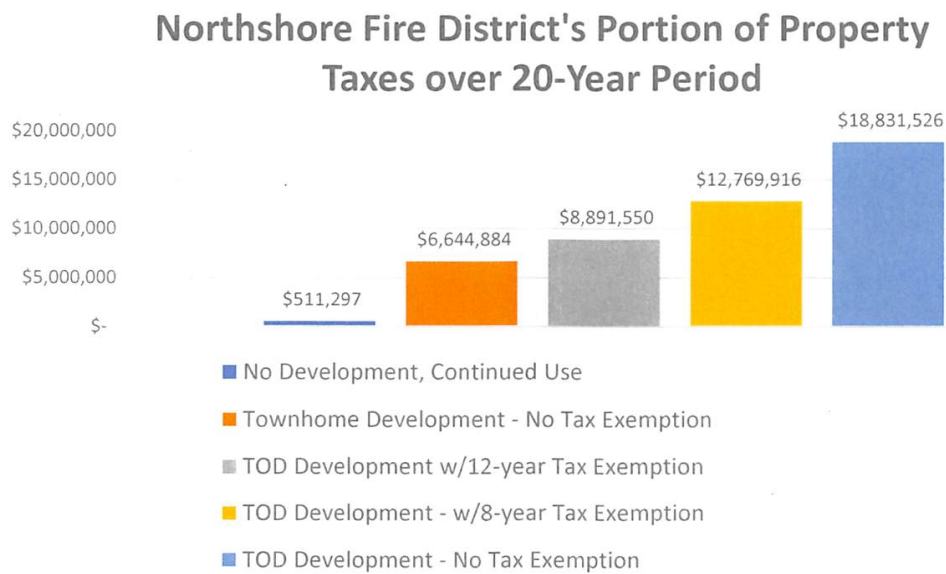


Figure 7



Summary of Findings and Recommendation

After analyzing the five different scenarios:

- No development, continued use;
- A townhouse development without MFTE;
- A TOD development with 8-year MFTE;
- A TOD development with 12-year MFTE; and
- A TOD development without MFTE,

it is obvious that a TOD project will provide substantially more dwelling units, including affordable units, than no development or a townhouse development. However, it is unlikely, without additional incentives, that a TOD product will be produced. Therefore, it is staff's recommendation that Council expand the MFTE to the TOD for additional incentives to facilitate a TOD product.

The TOD is in the City's urban core and has been zoned high density residential. The tax exemption could provide that added incentive to get the high density the City is looking for and meet the City's vision to attract multi-family residential development close to transit, including affordable housing, in the downtown area.

While the TOD product without a tax exemption appears to generate more taxes than an exempt product, the probability is that without a tax exemption incentive, a townhouse development would occur. Compared to the overall revenues and taxes that a TOD product, with a tax exemption, would produce, a townhouse product will produce far fewer dwelling units, probably with no affordable units.

EXHIBIT A



83RD KENMORE LLC

MEMORANDUM

Date: May 14, 2018

To: Kenmore City Council
Rob Karlinsey: Kenmore City Manager
Bryan Hampson: Kenmore Development Services Director
Debbie Bent: Kenmore Community Development Director
Lauri Anderson: Kenmore Senior Planner
Samantha Loyuk: Kenmore Associate Planner

From: Jenkins K. Chan – 83rd Kenmore LLC: Member / JKChan Development LLC: Owner
Eric Clarke – 83rd Kenmore LLC: Member / REO Consultants LLC: Owner

RE: City of Kenmore Transit Oriented Development Opportunities

Dear City Council Members,

My partners and I are local real estate developers with a collective 50+ years of experience, specializing in residential development. We started work on a project located at 17520 83rd Place NE, Parcel #011410154 ("Property") last summer and have been impressed with your city staff and development services.

We entered into negotiations with the previous owner of the Property in the spring of 2017. In the early stages of our feasibility study, we learned about the potential use of the Transit Oriented Development Overlay (KMC 18.29) ("TOD"). Although interested in a multi-family project, our initial financial analysis heavily favored the development of the Property as a for-sale, townhome project. We held our first pre-application meeting with city staff on September 14, 2017, where we discussed the TOD, but spent the majority of our time on a 10-unit townhome concept.

We purchased and closed on the Property on November 28, 2017, still with no true intent to pursue the TOD option because of the relatively high cost, risk, and inefficiency of a small multi-family building. We applied for our townhome engineering permit and resubmitted the corrections on May 3, 2018 and believe we could start construction as early as July 2018.

We are fortunate to have stakeholders who are not only interested in maximizing profits, but who are also very in tune with current social issues. Despite having a profitable townhome

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project that could start this year, our stakeholders have been willing to spend time and resources to research deeper into the TOD. Thus, even while our townhome project was moving forward, we worked on a few rounds of conceptual massing studies and held a second pre-application meeting with City Staff on March 1, 2018 to specifically talk about a TOD project.

What we are currently evaluating is a conceptual 62-unit apartment building, which could start construction in 2019. The alternative is a 10-unit for-sale townhome project that could start this summer. Unfortunately, as-is, we would most likely not be able to utilize the TOD and would move forward with the townhome project to not lose this construction season.

We appreciate the TOD concept and would like to use it; however, the current incentives behind the TOD are not enough to offset the risks. We believe this to be true across the entire TOD overlay, and not just for our specific property. The TOD ordinance was adopted on October 12, 2015 and there has yet to be a single project to utilize it. In addition, a review of each TOD parcel of current and recent projects indicates that other property owners and developers are reaching the same conclusion that we are.

Outside of a commercial property being developed as a child care facility, five residentially zoned properties have recently developed or are developing for-sale townhomes. Using just the minimum density calculation under the TOD for these parcels, what would be a minimum of approximately 829 multi-family residential units will instead be just 60 townhome units. Please see the list below:

	Project Name	Address	Brief Description	Status	TOD Min Density
1.	Lake Harrison	18254 73 rd Ave NE	16-unit townhome development.	Starting site development work (ENG permit).	~325 Units
2.	Basalt	18234 – 18244 73 rd Ave NE	18-unit townhouse development	Completed; occupied.	~300 Units
3.	Kiddie Academy	7760 NE Bothell Way	New child care facility.	Site development work underway (ENG permit).	58 Units
4.	Dwell80 Townhomes	17720 80th Ave NE	8-unit townhome development	Land use application under review.	40 Units
5.	Beechwood Townhomes	17722 80th Ave NE	10-unit townhome development	Engineering permit under review.	80 Units
6.	Northlake Townhomes	17516 83 rd PL NE	8-unit townhome development	Buildings under construction (BLD permit)	26 Units

The opportunity to develop under Kenmore's TOD ordinance is rapidly evaporating. Once these parcels are developed as subdivided townhomes, there will be no future opportunity to

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later convert them into more housing units.

In order to offset the higher construction costs and economic risks in developing multifamily projects, we believe the TOD needs stronger incentives. We believe a natural solution would be to offer a 12-year Multi-Family Tax Exemption (“MFTE”) in exchange for affordable housing above and beyond the current TOD affordable housing requirements. Other potential incentives might include expedited reviews or minor zoning variances.

We also believe that the stronger incentives (particularly the MFTE/affordable housing incentive) will make it more likely that the smaller parcels in the TOD overlay will be developed. Of the roughly 100 parcels in the TOD area, about 26 parcels (totaling approximately 7 acres) are smaller than 0.5 acres each and about 64 parcels (totaling 18 acres) are less than one acre each. It is more challenging to develop TOD projects on these smaller parcels because of economies of scale for construction and the operation of income-producing property.

It is our understanding that the TOD was implemented with thoughts that developers would create assemblages from these smaller parcels to utilize the TOD. Unfortunately, what history has shown since the TOD implementation is that developers are simply choosing the low-risk townhome option, as assemblages can take additional months and years to coordinate. So, it is especially the smaller parcels that need more developer incentives to make TOD projects viable. If the City of Kenmore wants to fully take advantage of its TOD ordinance it must take measures to make these smaller parcels developable as TOD projects.

We have an imminent deadline for a decision between a townhome and a TOD project, as we would not want to lose this construction season for a townhome project. If no additional incentives would be considered for the TOD, it would be challenging for our stakeholders to undertake the risk of a multifamily project in lieu of a relatively straightforward for-sale townhome project. We hope the City Council can quickly consider adopting additional incentives to the TOD, particularly an MFTE/affordable housing incentive. As it is currently constructed in our region’s economy, we do not believe the TOD is viable and will quickly become irrelevant as more development occurs.

Regardless of the outcome for our current project, we are very interested in continuing the TOD conversation and how we can help be a part of the solution to our region’s housing supply challenge.

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EXHIBIT B

CITY OF KENMORE WASHINGTON ORDINANCE NO. 15-0406

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AMENDING TITLE 18 OF THE MUNICIPAL CODE TO ADD A TRANSIT-ORIENTED DEVELOPMENT DISTRICT OVERLAY OPPORTUNITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, between 2008 and 2010, the Downtown Task Force reviewed and recommended amendments to Title 18 of the Municipal Code to add a Transit-Oriented Development District Overlay opportunity; and

WHEREAS, after reviewing the Downtown Task Force recommendations and holding a public hearing, the City Council on February 28, 2011 deferred action on the recommendation until such time as the Planning Commission could make a recommendation on boundaries for the overlay district in conjunction with their work on the Regional Business Zoning District review; and

WHEREAS, on June 16, 2014 the Planning Commission recommended a revised boundary for the Transit-Oriented Development District Overlay to the City Council; and

WHEREAS, the City's Responsible Official under the State Environmental Policy Act has issued a determination of non-significance for the amendments; and

WHEREAS, the Washington State Department of Commerce was notified of the proposed amendments pursuant to RCW 36.70A.106; and

WHEREAS, on July 20, 2015 and September 21, 2015, the City Council reviewed and discussed the Transit-Oriented Development District Overlay recommendations; and

WHEREAS, on October 12, 2015, the City Council held a public hearing on the revised Transit-Oriented Development District Overlay recommendations to obtain public input before taking their final action; and

WHEREAS, the City Council desires to adopt regulations to reinforce a concentration of pedestrian-oriented, mixed-use, transit-oriented development, at intensities that support and are supported by multimodal transportation options, including high capacity transit along SR-522;

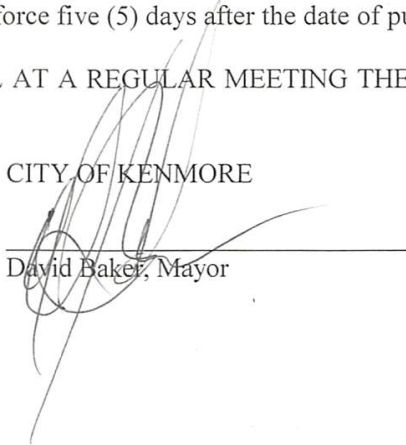
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Adoption of Amendments to Title 18 of the Kenmore Municipal Code. The City Council adopts Transit-Oriented Development District Overlay amendments to Title 18 of the Kenmore Municipal Code to read as set forth in Attachment A, attached hereto and incorporated herein by reference.

Section 2. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 12th DAY OF October, 2015.

CITY OF KENMORE



David Baker, Mayor

ATTEST/AUTHENTICATED:



Patty Safrin, City Clerk

Approved as to form:



Rod P. Kaseguma, City Attorney

Filed with the City Clerk: October 2, 2015
Passed by the City Council: October 12, 2015
Ordinance No.: 15-0406
Date of Publication: October 16, 2015
Effective Date: October 21, 2015

**City of Kenmore
Ordinance No. 15-0406**

Attachment A

ADD A NEW CODE CHAPTER AS FOLLOWS:

Chapter 18.29 Transit Oriented Development (TOD) District Overlay

18.29.010 Intent

The purpose of the Transit Oriented Development (TOD) District Overlay is to reinforce the City's planned concentration of pedestrian-oriented mixed-use development at intensities that support and are supported by multi-modal transportation options, including high capacity transit. The TOD District Overlay revitalizes the City's core by creating incentives and opportunities for a mix of jobs and residences, cultivates a respectful relationship among development within the District, the natural environment, and nearby traditional neighborhoods, and provides a framework for future infrastructure and service decisions. The TOD District Overlay provides public benefits in the form of encouraging housing affordable to all economic groups, increased pedestrian connectivity, quality design, and incentive to preserve significant tree groves where they exist.

18.29.020 Area

The area of the TOD District Overlay is shown on Figure 18.29.020.1. In order to develop under the TOD District Overlay, at least 50% of a parcel shown on Figure 18.29.020.1 shall be located within the TOD District Overlay.

TOD District Overlay

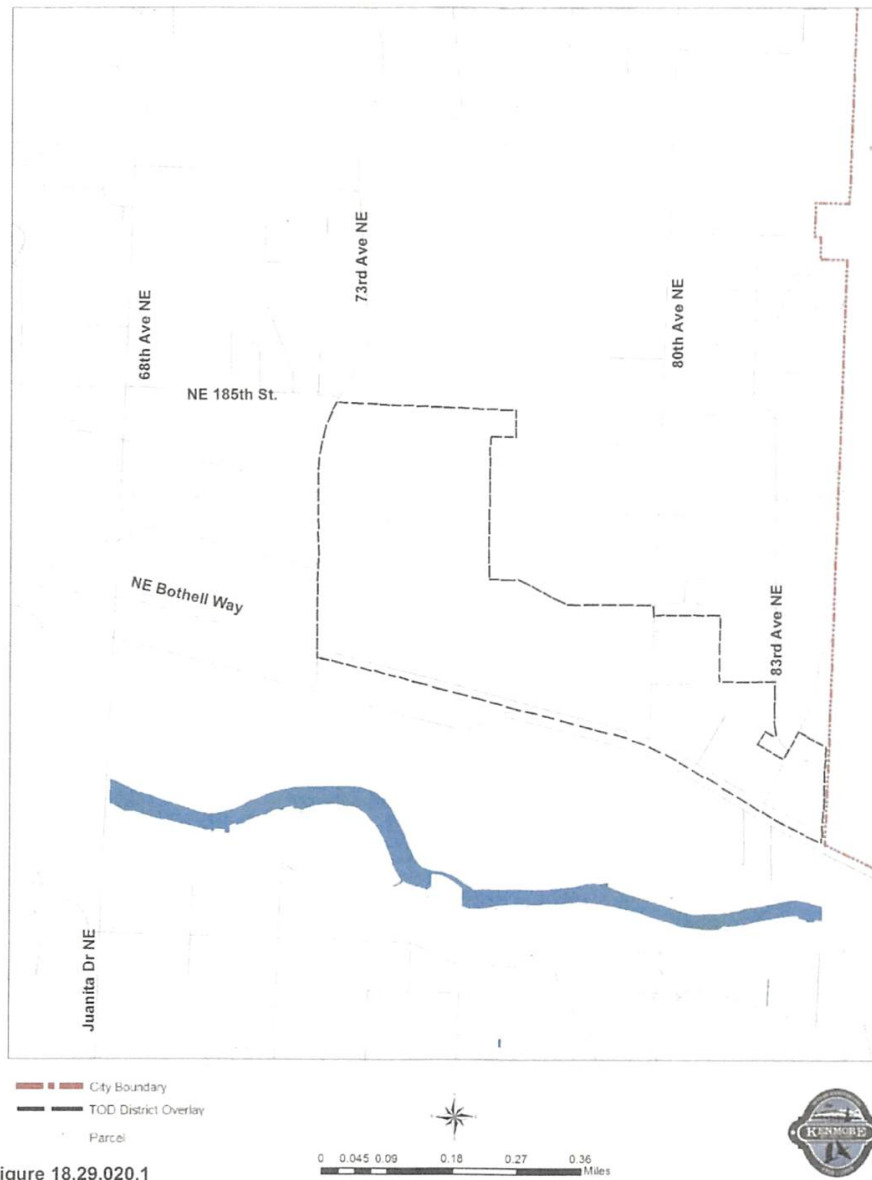


Figure 18.29.020.1

18.29.030 Applicability

- A. The TOD District Overlay is an incentive-based zoning overlay. Applicants who elect to develop under the provisions of the TOD District Overlay shall adhere to all development standards set forth in this Chapter; except that development standards not addressed in this Chapter shall be governed by provisions of the underlying zone.
- B. In order to be eligible to develop under the TOD District Overlay regulations, a development application shall meet the following criteria:
 - 1. The property must be located within the TOD District Overlay area as described in KMC 18.29.020;
 - 2. The proposed development must either:
 - i. Be considered a mixed-use development as defined in KMC 18.20.1740; or
 - ii. Be a residential-only development or mixed-use development with commercial permitted only on the ground floor if located in the R-12, R-18, or R-24 underlying zones, which are areas designated as primarily residential.
- C. Eligible properties within the TOD District Overlay that do not choose to develop under the provisions of this Chapter shall comply with the provisions of the underlying zone in their entirety.

18.29.040 Use allowances

The following uses listed in Table A are identified as permitted, conditionally permitted or prohibited uses for properties electing to develop under provisions of the TOD District Overlay.

All uses not specifically listed in this section shall be prohibited.

Table A. TOD District Overlay Use Allowances

Permitted	Conditionally Permitted	Prohibited
Arts, entertainment, indoor ^{1,3}	Ambulatory surgery center ²	Adult entertainment business
Business service, standard ^{1,3}	Animal kennel/shelter ^{2,5}	Air transportation service
Day-care	College/university ²	Arts, entertainment, outdoor
Eating and drinking place ¹	Communication facility	Auction house
Educational service ¹	Fire or police facility ²	Automotive sales and service, marine
Health care and social assistance ^{1,3}	Laboratory ²	Automotive sales and service, non-marine
Manufacturing, light ^{1,3,5}	Park	Business service, intensive
Mobile food service ⁴	Regional land use	Cemetery, columbarium or mausoleum
Multiple family dwelling	Religious institution ²	Community residential facility
Office ¹	Supportive living facility ²	Construction and trade

Permitted	Conditionally Permitted	Prohibited
Personal service ^{1,3}		Family child-care home
Recreational facility, indoor ^{1,3}		Funeral home/crematory
Retail sales ^{1,3,5}		Hospital
Temporary lodging ^{1,3}		Manufacturing, heavy
		Marijuana business
		Mobile home park
		Recreational facility, outdoor
		Resource land use
		Retail sales, bulk
		Secure facility
		Single detached dwelling unit
		Standalone parking
		Transportation
		Utility facility
		Vehicle or equipment rental
		Vehicle refueling station
		Warehousing
		Wholesale trade

- ¹ Commercial use limitations in residentially-oriented underlying zones: If these uses are proposed for property with underlying zoning of R-12, R-18, or R-24, then each use is limited to maximum 5,000 square feet per use and 15,000 square feet total contiguous non-residential area within the development.
- ² Conditional use permit required in underlying Urban Corridor, Downtown Commercial, and Public/Semi-Public zones. Prohibited in all other underlying zones within the TOD District Overlay area.
- ³ Conditional use permit required in underlying R-12, R-18, R-24 zones. Permitted in underlying Urban Corridor, Downtown Commercial, and Public/Semi-Public zones within the TOD District Overlay area.
- ⁴ Mobile food vendors are permitted subject to the following requirements:
 - a. For a stand, location shall be on a sidewalk or near a storefront consistent with barrier-free regulations;
 - b. For a stand, location on the sidewalk or near a storefront shall provide for at least four feet of unobstructed sidewalk between the stand and the sidewalk edge for pedestrian movement;
 - c. No permanent fencing, walls, or other structures are installed which hinder removal of the structure from the site;
 - d. No required parking stall shall be blocked or rendered unusable as a result of the mobile vendor;

- e. Safe ingress and egress to the site shall be maintained. Visibility for transportation and pedestrian access shall be maintained;
 - f. The limited duration of the mobile vendor shall be established as a condition of approval of any applicable permits; if accessory to a use, such operation is removed daily at the time of or prior to the close of business hours;
 - g. A sign permit is required for exterior signage in accordance signage in accordance with the sign code, KMC Chapter 18.42.
- ⁵ No outdoor storage of materials shall be permitted.

18.29.050 Zoning standards

The following development standards in Table B apply to properties electing to develop under provisions of the TOD District Overlay:

Table B. TOD Overlay District Development Standards

STANDARD	REQUIREMENT
Minimum Density: Dwelling Units/Gross Acre	60 ¹
Maximum Density: Dwelling Units/Gross Acre	150 ¹
Maximum Height	65' ²

- ¹ Portions of any property developing under the TOD District Overlay regulations with an underlying zoning of R-1 shall cluster development away from critical areas or corridors such as urban separators or the wildlife habitat network to the extent possible and the open space shall be placed in a separate tract that includes at least 50 percent of the site. The open space tract shall be permanent and meet the provisions of KMC 17.20.130.B.
- ² Portions of any property developing under the TOD District Overlay regulations that are within 50 feet of a single family zone (R-1, R-4, R-6) shall have a maximum height of 35 feet within that area to provide a transition in height to the lower intensity uses.

18.29.060 Affordable housing requirements.

For properties choosing to develop under the TOD District Overlay, development shall provide affordable housing. Development choosing to develop under the TOD District Overlay shall not utilize the provisions of Residential Density Incentives found in KMC Chapter 18.80 to achieve maximum densities.

- A. Definitions: For purposes of the TOD District Overlay, the following affordable housing definitions shall apply:
 - 1. Affordable Housing Unit: Housing reserved for occupancy by eligible households and affordable to households whose annual income does not exceed the percentage of Median Income types

described in the Subsections below, adjusted for household size, and no more than thirty percent of the monthly household income is paid for monthly housing expenses (Housing expenses for ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowners dues. Housing expenses for rental housing include rent and appropriate utility allowance.)

2. **Bonus units:** Dwelling units achieved through the TOD District Overlay that exceed the number of units allowed by the base density of the underlying zoning district.
3. **Moderate Income Affordable Housing.** For rental housing, moderate income affordable housing is defined as affordable at 70% of Median Income, adjusted for household size. For ownership housing, moderate income affordable housing is defined as affordable at 80% of Median Income adjusted for household size.
4. **Low Income Affordable Housing.** For rental housing, low income affordable housing is defined as affordable at 50% of Median Income, adjusted for household size. For ownership housing, low income affordable housing is defined as affordable at 65% of Median Income adjusted for household size.
5. **Very Low Income Affordable Housing.** For rental housing, very low income affordable housing is defined as affordable at 35% of Median Income, adjusted for household size. For ownership housing, very low income affordable housing is defined as affordable at 50% of Median Income adjusted for household size.
6. **Median Income** means the median income for the Seattle MSA as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under said Section 8(f)(3) are terminated, median income is determined under the method used by the Secretary prior to such termination. In the event that HUD no longer publishes median income figures for the Seattle MSA or King County, the City may use any other method for determining the King County median income, adjusted for household size.

Pursuant to the authority of RCW 36.70A.540, the City finds that the higher income levels specified in the definition of Affordable Housing under Subsection 18.29.060.A, rather than those stated in the definition of "low-income households" in RCW 36.70A.540, are needed to address local housing market conditions in the City.

- B. **Cap on Total Number of Affordable Housing Units Required:** Affordable housing requirements shall be capped at 10% of the total number of dwelling units being provided.
- C. **Number of Affordable Housing Units Required:** Affordable housing units shall be provided for any development exceeding the base density of the underlying zone as follows:
 1. **Tier 1:** If the number of bonus units is less than or equal to thirty percent of the total number of dwelling units, then for every three bonus units, one dwelling unit shall be a moderate income affordable housing unit and two bonus dwelling units may be bonus market rate dwelling units.
 2. **Tier 2:** If the number of bonus units is greater than thirty percent of the total number of dwelling units and if the overall project density is less than or equal to 120 dwelling units per acre, then a combination of low income affordable housing units and moderate income

affordable housing units shall be provided as follows: For every four bonus units allowed beyond that needed to achieve the 10% moderate income affordable housing units, one of the moderate income affordable housing units shall be made into a low income affordable housing unit up to a maximum of 33% of the affordable housing units (or 3.3% of the total dwelling units in the development).

3. Tier 3: If the overall development density is greater than 120 dwelling units per acre, a combination of very low income affordable housing units, low income affordable housing units and moderate income affordable housing units shall be provided as follows: The required numbers of low income affordable housing units and moderate income affordable housing units shall be equivalent to those that would be required under Tier 2 assuming that the project were to be developed at a density of 120 dwelling units per acre. An amount of very low income affordable housing shall be required so that the total combined amount of very low income, low income and moderate income affordable housing units is equal to 10% of the total number of dwelling units in the development.
4. Determination of Number of Affordable Housing Units Required: See KMC 18.30.020.D for method of rounding to determine the number of affordable housing units required.
5. Affordable housing example:

Example is a 1.5-acre property with a base density of 48 dwelling units (du)/acre. Without the TOD District Overlay, the property could achieve up to 72 dwelling units.

Tier 1 example: Proposed TOD development would achieve 93 dwelling units on site for 62 du/acre. This provides 21 "bonus" dwelling units above the 48 du/acre base density of the zone. Since the number of bonus units (21) is less than 30% of the total units (93), seven of the 21 bonus units must be affordable to moderate income households, meeting Tier 1 affordability requirements.

Tier 2 example: Proposed TOD development would achieve 113 dwelling units on site for 75 du/acre. This provides 41 "bonus" dwelling units above the 48 du/acre base density of the zone. Since the number of bonus units (41) is greater than 30% of the total units (113), 11 of the 41 bonus units must be affordable, meeting the 10% affordability cap. Nine of these are affordable to moderate income households and 2 are affordable to low income households (33 of the bonus units used toward achieving 10% affordable units (11×3) plus 8 of the bonus units applied toward making two of the affordable units low income affordable units $(8 \times .25 = 2)$).

Tier 3 example: Proposed TOD development would achieve 210 dwelling units on site for 140 du/acre. The first step is to determine how many affordable units would have been required assuming 120 du/acre using the Tier 2 formula. This calculation results in 13 moderate income affordable housing units and 5 low income affordable housing units. To achieve the requirement that 10% of the total units in the development be affordable, 3 additional affordable housing units would be needed $(21 - 18 = 3)$. These 3 units would be required to be very low income affordable housing units. In summary, the development would provide 13 moderate income affordable housing units, 5 low income affordable housing units, and 3 very low income affordable housing units.

D. **Alternative Compliance.** The city manager may approve a request for satisfying all or part of the affordable housing requirements with alternative compliance methods if they meet the following requirements:

1. The project proponent may propose an off-site alternative, and must demonstrate that any alternative compliance method achieves a result equal to or better than providing affordable housing onsite.
2. Affordable Housing Units provided through the alternative compliance method must be the same type of units as the units in the project which gave rise to the requirement.
3. Affordable Housing Units may be provided offsite if the location chosen does not lead to undue concentration of affordable housing in any particular area of the Transit Oriented Development District or Downtown.
4. Priority is for the project to be located within the Transit Oriented Development District. However, the city manager may approve a project located outside the Transit Oriented Development District if the location has access to commercial uses, transit, and does not result in an undue concentration of affordable housing,
5. The proposal must demonstrate that the affordable units provided off-site will be completed before or within the same time period as the development generating the affordable housing requirement, or provide such other assurances as approved by the city manager.

Applications for alternative compliance shall be submitted at the time of application, and must be approved prior to issuance of any building permit. The proposal must describe a specific location, type, and amount of affordable housing and how and when it will be developed. Any proposal for providing off-site affordable housing must also address the timing for providing the off-site housing, which, unless otherwise approved by the City, shall be built simultaneously with or prior to the construction of housing for the subject property. For projects approved for off-site affordable housing, there will be a recorded agreement on both the "sending" property and the "receiving" property. The covenant on the sending site will be released once the affordable housing is completed on the receiving property.

E. **Affordability Agreement.** Prior to issuing any building permit, an agreement in a form approved by the city manager that addresses price restrictions, homebuyer or tenant qualifications, phasing of construction, monitoring of affordability, duration of affordability, and any other applicable topics of the Affordable Housing Units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant. The City may agree, at its sole discretion, to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for development of the property.

F. **Implementation Provisions.** The following requirements shall be met for all affordable units:

1. **Duration.** Housing shall serve only income-eligible households for a minimum period of 50 years from the latter of the date when the Affordability Agreement between the housing owner and the City, as referenced in Subsection E is recorded, or the date when the affordable housing becomes available for occupancy as determined by the City.

2. **Designation of Affordable Housing Units.** Prior to the issuance of any permit(s), the City shall review and approve the location and unit mix of the Affordable Housing Units consistent with the following standards:
 - a. **Location.** The location of the Affordable Housing Units shall be approved by the City, with the intent that they generally be intermingled with all other dwelling units in the development.
 - b. **Tenure.** The tenure of the Affordable Housing Units (ownership or rental) shall be the same as the tenure for the rest of the housing units in the development.
 - c. **Size (bedroom).** The Affordable Housing Units shall consist of a range of number of bedrooms that are comparable to units in the overall development.
 - d. **Size (square footage).** The size of the Affordable Housing Units, if smaller than the other units with the same number of bedrooms in the development, shall be approved by the city manager. If there is a proposal that the affordable units be smaller than the market rate units, in no case shall the Affordable Housing Units be less than 500 square feet for a studio unit, 600 square feet for a one bedroom unit, 800 square feet for a two bedroom unit, or 1,000 square feet for a three bedroom unit.
 - e. **Design.** The exterior design of the Affordable Housing Units shall be compatible and comparable with the rest of the dwelling units in the development and shall comply with design standards specified in KMC 18.29.080. The interior finish and quality of construction of the Affordable Housing Units shall at a minimum be comparable to entry level rental or ownership housing in the City.
3. **Timing/Phasing.** The Affordable Housing Units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

G. **Monitoring and fees.** The City reserves the right to establish in the Affordability Agreement referred to in Subsection E, monitoring fees for the Affordable Housing Unit, which can be adjusted over time to account for inflation. The purpose of any monitoring fee is for the review and processing of documents to maintain compliance with income and affordability restrictions of the Affordability Agreement.

18.29.070 Parking.

Parking in the TOD District Overlay should be sufficient to support local businesses and residential development, while at the same time promoting transit ridership, walkable streets, and efficient use of land. Proposed development choosing to develop under the TOD District Overlay shall provide parking as follows:

- A. Minimum parking requirements for non-residential uses may be reduced to 75% of the minimum requirement computed according to the provisions of KMC 18.40.030.
- B. Minimum residential parking shall be supplied at the following ratios:

1. 1.0 parking spaces per market-rate dwelling unit, except as follows:
 - a. Pioneer Project Incentive. For purposes of this code section, a pioneer project consists of the first 100 bonus housing units provided in the city under the TOD District Overlay regulations. The first 100 bonus housing units in a pioneer project(s) may elect to provide parking spaces for market rate bonus units at 0.6 parking spaces per dwelling unit.
2. 1.0 additional parking space per every five (5) market rate dwelling units shall be provided and designated as guest parking for use by all guests.
3. 0.6 parking spaces per dwelling unit for affordable or senior dwelling units.
4. Affordable housing shall be as defined under KMC 18.29.060. Senior housing shall be defined as housing restricted to those meeting the definition of senior citizen as found in KMC 18.20.2500.
- C. The following factors shall count towards minimum parking standards for residential and nonresidential development:
 - a. On-street parking immediately adjoining a property proposed for development or provided as part of the proposed development may be counted toward the minimum parking requirement.
 - b. Minimum on-site parking may be reduced further by provisions of KMC 18.40.090B for properties within the TOD District Overlay that meet the requirements of KMC 18.40.090B for accessibility to high frequency transit service.
 - c. Shared parking among uses is encouraged within the TOD District Overlay. Developments that propose shared parking arrangements shall submit a parking management plan as defined in KMC 18.20.1995 that describes the terms and conditions of shared parking arrangements on site.
- D. Parking Provided in Excess of Minimum: Provision of parking in excess of the minimum parking requirements outlined in subsections A. and B. above, shall require the excess parking be included in a structured parking garage, or under building and screened from the street frontage, unless the additional parking is associated with a phased, mixed use development, is interim in nature, and is temporarily located on land reserved for future phases not yet built.
- E. Maximum parking within the TOD District Overlay shall not exceed 100% of the minimum requirement calculated under the provisions of KMC 18.40.030.
 - a. Applicants may be allowed to exceed the maximum parking if the applicant can produce a parking study that demonstrates probable on-site parking needs that are significantly higher than similar uses. This traffic study shall be subject to review by the city manager before approval for additional parking is granted. All parking granted in excess of the maximum shall be provided in a structured parking garage or under building and screened from the street frontage.
- F. All other parking requirements shall be as provided in KMC Chapter 18.40.

18.29.080 Design Requirements.

Development within the TOD District Overlay shall comply with Standard 1 provisions of the Downtown Design Standards, as set forth in KMC Chapter 18.52.

In addition, the following design requirements shall apply:

- A. Relational Setback Requirements: Any proposed development within the TOD District Overlay adjacent to an existing single-family zone (R-1, R-4, or R-6) shall be required to provide an interior

ground-level setback of 15 feet on the side of the property facing the single-family zone, unless a larger setback is required in the underlying zone. In that event, the larger of the two setback requirements shall govern. The setback required by this Subsection shall be landscaped with Type II landscaping as defined in KMC 18.35.040B to provide a visual buffer.

18.29.090 Connectivity Requirements.

The TOD District Overlay should remove impediments to pedestrian use of the district and the downtown area by fostering the creation of an extensive network of sidewalks and pedestrian walkways.

Development proposals within the boundaries of the TOD District Overlay that elect to develop under the provisions of KMC Chapter 18.29 shall:

- A. Provide any direct pedestrian connections between proposed development and transit facilities, or arterials providing transit access in order to minimize walking distances to transit.
- B. Comply with the Downtown Design Standards pertaining to pedestrian walkways, as set forth in KMC 18.52.100.
- C. Properties abutting water bodies (i.e., wetlands, rivers, lakes, or streams) shall provide a public access trail paralleling the water body from one property line to the next with setbacks that are consistent with the requirements of KMC Title 16, Division I, and KMC Chapter 18.55. The public access trail shall connect to a public right-of-way.
 1. Where a development proposal abuts a property with a public access trail segment, the public access segment on the subject property shall connect to abutting property public access segment(s).
 2. The public access easement for public access trails shall be documented on the face of the plat or plan and recorded with the King County Department of Records and Elections. Public access easements shall run with the land in perpetuity.

18.29.100 Significant Tree Grove Retention

A. Definitions:

1. **Significant Tree Grove Definition:** A significant tree grove shall consist of 2 or more trees with a minimum of 5.5 tree units total. A qualifying tree has 2 tree units minimum. The maximum distance measured in feet between qualifying trees shall be equal to 2 times the critical root zone in order to be defined as a significant tree grove. For example a 24-inch d.b.h. tree must be within 24 feet of another tree in the grove to be included in the significant tree grove. A tree of any size that is topped or considered a "hazard tree" as defined in KMC 18.20.3084 may not qualify as part of a significant tree grove as herein defined. For purposes of this chapter, a significant tree grove may not contain trees that are located within a critical area or critical area buffer protected under KMC Chapter 18.55. A significant tree grove is not the same as a "grove," as defined in KMC 18.20.1273.
2. **Tree Units:** See KMC 18.57.060.A for translation of diameter at breast height (d.b.h.) to tree units.

B. Applicability:

1. If the underlying zone within the TOD District Overlay requires tree retention as provided in KMC Chapter 18.57, then the provisions of KMC Chapter 18.57 shall be retained. If KMC Chapter 18.57 exempts a property from tree retention then it shall remain exempt.
 2. Development proposals within the boundaries of the TOD District Overlay that elect to develop under the provisions of KMC Chapter 18.29 shall be eligible to benefit from providing less parking or more dwelling units or any combination of the two if the development retains one or more significant tree grove(s) as defined in this Section in perpetuity. A development may be able to benefit from both reduced parking and additional dwelling units by preserving a significant tree grove so long as the same tree credits are not counted towards both reductions in parking and additional bonus dwellings. Trees or groves retained through the provision of KMC Chapter 18.57 may count towards the significant tree grove retention if they meet the definitions found in KMC 18.29.100.A.
 3. Tree on Property Line: In instances where one or more trees that would qualify as part of a significant tree grove is located on a property line such that the tree is on more than one property, and the properties are in separate ownerships, the tree shall qualify to be counted as part of a separate tree grove by each property owner.
- C. Reduced Parking: In order to retain qualifying significant tree groves, required parking may be reduced at the maximum rate of one stall per each 5.5 Tree Units. Parking quantities may be reduced up to a maximum of 20% from the parking requirement after other reductions are applied, if any.
- D. Residential Bonus Units:
1. In order to retain qualifying significant tree groves, residential units are offered at the rate of one bonus unit per each 11 Tree Units preserved. Grove bonus units are not included in maximum unit density calculations. Grove bonus units are not subject to the affordability requirements of KMC 18.29.060.
- E. Significant Tree Grove Preservation Requirements:
1. Tree Protection Plan Required. A tree protection plan as identified in KMC 18.57.050 shall be required for any development application proposing to protect one or more significant tree groves through this Section.
 2. Recorded on Title. The map of significant tree groves preserved through this Section, along with a covenant preventing removal, shall be recorded and shown on the property title.
 3. Subject to Tree Protection Measures of KMC Chapter 18.57. Significant tree groves protected under this Section shall be subject to the tree protection measures during construction found in KMC 18.57.090, the post-construction replacement, financial guarantee, and maintenance requirements of KMC 18.57.100, and the penalties and enforcement of KMC 18.57.110.

ADD A NEW DEFINITION TO CHAPTER 18.20 AS FOLLOWS:

18.20.1995 Parking management plan.

"Parking Management Plan" means a plan developed by a property owner or applicant that clearly identifies the short- and long-term parking management methods used to ensure that on-site parking provided on a property is adequate to meet anticipated parking demands. Parking management methods can include but are not limited to transportation demand methods that include on-site parking enforcement, signage, and parking fees.

AMEND THE FOLLOWING SECTIONS OF CHAPTER 18.52, DOWNTOWN DESIGN STANDARDS, AS FOLLOWS:

18.52.070 Applicability.

A. Design standards shall apply as depicted in Figure 18.52.070.A.1.

B. A property owner or developer electing to develop under KMC Chapter 18.29, Transit-Oriented Development District Overlay, shall comply with Standard 1 as described in Subsection C. below.

~~B-C.~~ The components of the design standards shall apply as follows: (X = design component required under the specific standard)

(Relabel remaining subsections in consecutive order...)

18.52.100 Pedestrian walkways.

A. Intent.

1. Pedestrian Network. To create on-site pedestrian networks from streets and drives to building entrances, through parking lots to connect buildings to the street (see surface parking location standards), and between sites.

2. Through Block Connections. To create through block connections between blocks of development, between streets, and connecting streets to public spaces.

B. Standards – Required.

1. Locations. Clear and visible pedestrian walkways shall be provided in the following locations:

a. Through Block Connections.

(1) Northwest Quadrant. If the property abuts a proposed pedestrian route designated in the Northwest Quadrant circulation plan, see KMC 18.52.110. In areas not identified on the circulation plan, one pedestrian walkway shall be provided for an average of every 300 feet

or less of street frontages in the north-south and east-west directions to create a linked pedestrian walkway system around and through the Northwest Quadrant. Distances may vary from exactly 300 feet to accommodate linking adjacent development on a case-by-case basis.

- (a) Public spaces shall be linked to adjacent streets and developments.
- (b) Exact locations of pedestrian walkways shall be determined at the time of development to accommodate linkages between adjacent developments.

(2) Northeast Quadrant and TOD District Overlay. In the Northeast Quadrant and for properties electing to develop under KMC Chapter 18.29 in the TOD District Overlay, one pedestrian walkway shall be provided between the north and south end of the property, spaced an average of every 300 feet or less of street frontages. The walkway must connect with walkways located on other properties established in accordance with this condition. Distances may vary from exactly 300 feet to accommodate linking adjacent developments on a case-by-case basis. The comprehensive plan downtown circulation concept shall be a general guide to priority pedestrian links.

- (a) Public spaces shall be linked to adjacent streets and developments.
- (b) Exact locations of pedestrian walkways shall be determined at the time of development to accommodate linkages between adjacent developments.

- b. Street to Building Entrances. Between a public right-of-way and building entrances where the building is set back from the street, sidewalk, or parking area.
- c. Parking Lots to Building Entrances. Between parking lots and building entrances.
- d. Building to Building. Between buildings where multiple structures are a part of a single development project.
- e. As identified on the Northwest Quadrant circulation plan, which is located in KMC 18.52.110.

(Remaining subsections remain unchanged)

EXHIBIT C

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 07-0271

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, AUTHORIZING A MULTI-FAMILY HOUSING
PROPERTY TAX EXEMPTION PROGRAM, AND ADDING A
NEW CHAPTER 3.60 TO THE KENMORE MUNICIPAL CODE.**

WHEREAS, Chapter 84.14 RW provides for exemption from ad valorem property taxation for the value of eligible improvements associated with qualifying multifamily housing located in residential targeted areas within urban centers; and

WHEREAS, by Ordinance No. 07-0262, passed on July 9, 2007, the City Council approved a Development Agreement with Kenmore Partners, LLC, for the development of Kenmore Village; and

WHEREAS, pursuant to the Development Agreement, the City agreed to consider designation of the Kenmore Village parcels as a residential target area for purposes of exemption from ad valorem taxation under Chapter 84.14 RCW; and

WHEREAS, the City Council considered a memorandum by Berk & Associates regarding the financial impact of tax exemption for the multifamily housing in Kenmore Village; and

WHEREAS, the City Council recognizes that additional financial incentives are required in certain areas of the city to facilitate the development of multifamily housing;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON,
DO ORDAIN AS FOLLOWS:

Section 1. A new chapter 3.60, to be titled "Multifamily Housing Property Tax Exemption," is added to the Kenmore Municipal Code as follows:

3.60.010 Purpose.

A. The purposes of this chapter are:

1. To encourage more multifamily housing opportunities, including affordable housing, within the city;
 2. To stimulate the construction of new multifamily housing, including affordable housing, and the rehabilitation of existing vacant and underutilized buildings for multifamily housing;
 3. To increase the supply of multifamily housing opportunities within the city for low and moderate income households; and
 4. To accomplish the planning goals required under the Growth Management Act, Chapter 36.70A RCW, as implemented by the city's comprehensive plan.
- B. Any one or a combination of these purposes may be furthered by the designation of a residential targeted area under this chapter.

3.60.020 Definitions.

- A. "Affordable housing" means: (1) for an owner-occupied dwelling unit, housing reserved for occupancy by moderate-income households, and (2) for a renter-occupied dwelling unit, housing reserved for occupancy by a moderate income household and whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household's monthly income.
- B. "Assessor" means the King County assessor.
- C. "Director" means the director of the city's community development department, or any other city office, department or agency that shall succeed to its functions with respect to this chapter, or the director's designee.
- D. "Eligible household" means a household that certifies that its household monthly income or household annual income at time of initial occupancy, as applicable, does not exceed the income maximums, and that certifies that it meets all qualifications for eligibility, including, if applicable, any requirements for recertification on income eligibility.
- E. "Household" means a single person, family, or unrelated persons living together.
- F. "Household annual income" means the aggregate annual income of all persons in the household over 18 years of age for a period of at least four months.
- G. "Moderate-income household" means a household whose adjusted income is 80 percent of the King County median family income adjusted for family size, as reported by the United States Department of Housing and Urban Development. If HUD no longer publishes median family income figures for King County, the city may use or determine such other method as it may choose to determine the King County family median income adjusted for household size.
- H. "Multifamily housing" means a building or townhouse project having four or more dwelling units designed for permanent residential occupancy resulting from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings.
- I. "Owner" means the owner of the real property on which the project proposed for tax exemption is located, and its successors and assigns. If tax exemption is requested or authorized for 12 years pursuant to this chapter, "owner" also means a non-profit corporation that will own or owns the affordable housing units.
- J. "Permanent residential occupancy" means multifamily housing that provides either rental or owner occupancy for a period of at least one month, and excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.
- K. "Rehabilitation improvements" means:
 - 1. Modifications to an existing structure, the residential portion of which has been vacant for at least 12 months prior to application for exemption under this chapter, that are made to achieve a condition of substantial compliance with the applicable building and construction codes contained in Title 15 of this code; or
 - 2. Modifications to an existing occupied residential structure or mixed use structure that contains occupied residential units and that adds at least four multifamily dwelling units.
- L. "Residential targeted area" means an area within an urban center as defined by Chapter 84.14 RCW that has been so designated by the city council pursuant to this chapter.
- M. "Substantial compliance" means compliance with the applicable building and construction codes contained in Title 15 of this code that is typically required for rehabilitation as opposed to new construction.

3.60.030 Residential targeted areas—Criteria—Designation—Rescission.

A. Following notice and public hearing as prescribed in RCW 84.14.040, the city council may designate one or more residential targeted areas, in addition to the area stated in subsection D of this section, upon a finding by the city council that the residential targeted area meets the following criteria:

1. The residential targeted area is within an urban center as defined by Chapter 84.14 RCW;

2. The residential targeted area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if affordable, desirable, attractive and livable residences were available; and

3. Providing additional housing opportunity, including affordable housing, in the residential targeted area will assist in achieving one or more of the following purposes:

a. Encourage increased residential opportunities, including affordable housing opportunities, within the city; or

b. Stimulate the construction of new multifamily housing; or

c. Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

B. In designating a residential targeted area, the city council may also consider other factors, including:

1. Whether additional housing in the residential targeted area will attract and maintain an increase in the number of permanent residents;

2. Whether providing additional housing opportunities for low and moderate income households would meet the needs of citizens likely to live in the area if affordable housing was available;

3. Whether an increased permanent residential population in the residential targeted area will help to achieve the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the city's comprehensive plan; or

4. Whether encouraging additional housing in the residential targeted area supports better jobs and housing balance.

C. At any time the city council may, by ordinance, amend or rescind the designation of a residential targeted area pursuant to the same procedural requirements as set forth in this chapter for original designation.

D. The parcels lying Northwest of the intersection of Northeast 181st Street and 68th Avenue Northeast, which are shown on Map 1 in this Section, meet the criteria of this chapter on residential targeted areas and are designated as such.

3.60.040 Project eligibility.

To be eligible for exemption from property taxation under this chapter, the property shall satisfy all of the following requirements:

A. The property must be located in a residential targeted area.

B. A building or buildings in the project on the property shall have at least four dwelling units. Any project may be proposed in phases. If applicable, the affordable housing units may be located in all or some of the buildings in the project.

C. For new construction, a minimum of four new dwelling units must be created; for rehabilitation or conversion of existing occupied structures, a minimum of four additional dwelling units must be added.

D. Existing dwelling units proposed for rehabilitation shall have been unoccupied for a minimum of 12 months prior to submission of an application and shall fail to comply with one or more requirements the building code as set forth in Title 15 of this code.

E. No application may result in the net loss of existing affordable housing which receives housing assistance through federal low or moderate income housing programs (e.g., HUD Section 8 program).

F. Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the city attorney that addresses eligible household qualifications and any other applicable topics of the affordable housing units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns and successors of the owners.

G. The project shall comply with all applicable zoning, land use, building and housing requirements contained in this code.

H. New construction of multifamily housing and rehabilitation improvements shall be scheduled to be completed within 3 years from the date of approval of the application, or within an authorized extension of this time limit.

3.60.050 Application procedure—Fee.

A. The owner of property applying for exemption under this chapter shall submit an application to the director, on a form established by the director. The owner shall verify the application by oath or affirmation. The application shall contain such information as the director may deem necessary or useful, and shall include:

1. A brief written description of the project, including phasing if applicable, and preliminary schematic site and floor plans of the multifamily units and the structure(s) in which they are proposed to be located;

2. A statement from the owner acknowledging the potential tax liability when the property ceases to be eligible for exemption under this chapter;

3. In the case of rehabilitation of an existing vacant structure, verification of non-compliance with applicable building and housing codes, and an affidavit from the owner verifying that the existing dwelling units have been vacant for a period of 12 months prior to filing the application; and

4. If tax exemption for 12 years is proposed, and the owner of the affordable housing units will be different from the owner applying for the exemption, a description of the person or entity that will own the affordable housing units and an explanation of the financing plan for such units.

B. At the time of application under this section, the owner shall pay an initial application fee as established by resolution and pursuant to the provisions of RCW 84.14.080. In addition, at the time of application under this section, the owner shall pay a fee of 150 dollars to cover the county assessor's administrative costs. If the director approves the application, the city shall forward the fee for the county assessor's administrative costs to the county assessor. If the director denies the application, the city shall refund the fee for the assessor's administrative costs to the applicant.

C. The director shall notify the owner within 28 days of the application being filed if the director determines that an application is not complete and shall identify what additional information is required before the application will be complete. Within 14 days of receiving additional information, the director shall notify the owner in writing if the director determines that the application is still not complete, and what additional information is necessary. An application shall be deemed to be complete if the director does not notify the applicant in writing by the deadlines in this section that the application is incomplete; however, a determination of completeness does not preclude the director from requiring additional information during the review process if more information is needed to evaluate the application according to the criteria in this chapter.

D. The application shall be submitted any time before, but no later than, the date the building or other construction permit is issued under Title 15 of this code.

3.60.060 Application review—Issuance of conditional certificate—Denial—Appeal.

A. The director shall approve or deny an application under this chapter. If the application is approved, the owner shall enter into a contract with the city, subject to approval by resolution of the city council regarding the terms and conditions of the project and eligibility for exemption under this chapter. If tax exemption for 12 years is requested, the owner of the affordable housing units, if different from the owner of the other multifamily housing units, also shall enter into such contract. The city council's resolution to approve the owner's contract with the city shall be adopted within 90 days of the director's receipt of the completed application. Upon city council approval of the contract, the director shall execute the contract which shall be substantially in the form of the contract as approved by the city council, and shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire 3 years from the date of approval unless an extension is granted as provided in this chapter.

B. If the application is denied, the director shall state in writing the reasons for the denial and send notice of denial to the owner's last known address within 10 days of the denial.

C. An owner may appeal the director's denial of the application to the city council by filing a notice of appeal with the city clerk along with the appeal fee as established by resolution within 30 days of the date of the denial. The appeal before the city council shall be based upon the record before the director, and the director's decision shall be upheld unless the owner can show that there is no substantial evidence on the record to support the director's decision. The city council's decision on appeal is final.

3.60.070 Amendment of contract.

A. Any owner seeking an amendment to the contract may do so by submitting a request in writing to the director at any time within 3 years of the date of the city council's approval of the contract.

B. The director shall have authority to approve amendments to the contract that are reasonably within the scope and intent of the contract approved by the city council. Amendments that are not reasonably within the scope and intent of the approved contract, as determined by the director, shall be submitted to the city council for approval by resolution.

C. Any owner seeking amendments to the contract, which in the sole discretion of the director require approval by the city council, shall pay to the city an amendment application fee as established by resolution.

D. The date for expiration of the conditional certificate shall not be extended by contract amendment unless: (1) all the conditions for extension set forth in Section 3.60.080 are met, or (2) the conditions set forth in Section 3.60.080(A) and (B) are met and the city council specifically approves the extension.

3.60.080 Extension of conditional certificate.

The conditional certificate may be extended by the director for a period not to exceed 24 consecutive months. The owner shall submit a written request stating the grounds for the extension together with a fee as established by resolution. The director may grant an extension if the director determines that:

A. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner;

- B. The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
- C. All the conditions of the original contract between the applicant and the city will be satisfied upon completion of the project.

3.60.090 Final certificate—Application—Issuance—Denial and appeal.

A. Upon completion of the rehabilitation improvements or new construction as provided in the contract between the applicant and the city, and upon issuance of a certificate of occupancy, the owner may request a final certificate of tax exemption. The owner shall file with the director such information as the director may deem necessary or useful to evaluate eligibility for the final certificate, and shall include:

- 1. A statement of expenditures made with respect to each multifamily housing unit and to each affordable housing unit, and the total expenditures made with respect to the entire property;
- 2. A description of the completed work and a statement of qualification for the exemption;
- 3. A statement that the work was completed within the required 3-year period or any approved extension; and
- 4. If applicable, a statement that the project meets the affordable housing unit requirements.

B. Within 30 days of receipt of all materials required for a final certificate, the director shall determine whether the completed work is consistent with the application and contract approved by the city council and is qualified for exemption under Chapter 84.14 RCW, and which specific improvements completed meet the requirements of this chapter and the required findings of RCW 84.14.060.

C. If the director determines that the project has been completed in accordance with subsection A of this section, the city shall file a final certificate of tax exemption with the Assessor within 10 days of the expiration of the 30-day period provided under subsection B of this section.

D. The director is authorized to cause to be recorded, or to require the owner to record, in the real property records of the King County Department of Records and Elections, the contract with the city required under Section 3.60.060(A), and such other documents as will identify such terms and conditions of eligibility for exemption under this chapter as the director deems appropriate for recording, including requirements under this chapter relating to affordability of units.

E. The director shall notify the owner in writing that the city will not file a final certificate if the director determines (1) that the project was not completed within the required three-year period or any approved extension or was not completed in accordance with subsection B of this section or (2) that the owner's property is not otherwise qualified under this chapter.

F. Within 30 days of the date of notice of denial of final certificate, the owner may file a notice of appeal with the city clerk along with the appeal fee as established by resolution specifying the factual and legal basis for the appeal. The appeal shall be heard by the city's hearing examiner pursuant to Section 3.60.120.

3.60.100 Exemption—Duration—Limits.

A. The value of new housing construction and rehabilitation improvements qualifying under this chapter shall be exempt from ad valorem property taxation:

- 1. For 8 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or

2. For 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if (1) the owner commits to renting or selling at least 20 percent of the multifamily housing units as affordable housing units and (2) the owners and renters of the affordable housing units meet the income and eligibility requirements of this chapter. If the original owner of the property transfers title to the portion of the property on which the affordable housing units are located to the nonprofit corporation that owns such units, such transfer shall not affect the 12-year tax exemption for the new housing construction and rehabilitation improvements qualifying under this chapter.

B. The exemptions in subsections A and B do not apply to the value of land or to the value of improvements not qualifying under this chapter, to increases in assessed valuation of land and nonqualifying improvements, or to increases made by lawful order of the King County Board of Equalization, Washington State Department of Revenue, State Board of Tax Appeals, or King County, to a class of property throughout the county or a specific area of the county to achieve uniformity of assessment or appraisal as required by law. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter.

3.60.110 Annual certification—Cancellation of exemption.

A. A property that receives a tax exemption under this chapter shall continue to comply with the contract and the requirements of this chapter in order to retain its property tax exemption.

B. Thirty days after the anniversary of the date the city filed the final certificate of tax exemption and each year for the tax exemption period, the owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the previous year;
2. Information demonstrating compliance of the owners and renters of the affordable housing units with the requirements of Section 3.60.100(A)(2), this chapter and the contract with the city, if applicable;
3. A certification that the property has not changed use since the date of filing of the final certificate of tax exemption; and
4. A description of any improvements or improvements constructed after the filing of the final certificate or last declaration.
5. The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption.
6. Any additional information requested by the city in regards to the units receiving a tax exemption.

C. Failure to submit the annual declaration may result in cancellation of the tax exemption.

D. For the duration of the exemption granted under this chapter, the property shall have no violation of applicable zoning, land use and building and housing code requirements of this code for which the designated city department or contract agency shall have issued a notice of violation or notice of civil infraction that is not resolved by a certificate of compliance, certificate of release, or withdrawal within the time period for

compliance provided in such notice of violation or notice of civil infraction and any extension of the time period for compliance granted by the director.

E. For owner-occupied affordable housing units, in addition to any other requirements in this chapter, the affordable owner-occupied units must continue to meet the income eligibility conditions of this chapter. In the event of a sale of an affordable owner-occupied unit to a household other than an eligible household, the property tax exemption for that affordable owner-occupied unit shall be cancelled pursuant to this section

F. For renter-occupied affordable housing units, in addition to any other requirements in this chapter, the affordable renter-occupied units must continue to meet the income eligibility conditions of this chapter. In the event of a rental of an affordable renter-occupied unit to a household other than an eligible household, the property tax exemption for the property shall be cancelled pursuant to this section

G. If the owner converts the multifamily housing to another use, the owner shall notify the director and the Assessor within 60 days of the change in use. Upon such change in use, the tax exemption shall be canceled and additional taxes, interest and penalty imposed pursuant to state law.

H. The director shall cancel the tax exemption for any property or individual unit that no longer complies with the terms of the contract or with the requirements of this chapter. Upon cancellation, additional taxes, interest and penalties may be imposed pursuant to state law. Upon determining that a tax exemption shall be canceled, the director shall notify the owner by certified mail, return receipt requested. The owner may appeal the determination by filing a notice of appeal with the city clerk along with the appeal fee established by resolution within 30 days of the date of notice of cancellation, specifying the factual and legal basis for the appeal. The appeal shall be heard by the hearing examiner pursuant to Section 3.60.120.

3.60.120 Appeals to hearing examiner.

A. The city's hearing examiner is provided jurisdiction to hear appeals of the decisions of the director on the final certificate of tax exemption and cancellation thereof.

B. The hearing examiner's procedures shall apply to hearings under this chapter to the extent they are consistent with the requirement of this chapter and Chapter 84.14 RCW. The hearing examiner shall give substantial weight to the director's decision and the burden of overcoming the weight shall be on the appellant. The decision of the hearing examiner constitutes the final decision of the city. An aggrieved party may appeal the decision to superior court under RCW 34.05.510 through 34.05.598 if the appeal is properly filed within 30 days of the date of the notification by the city to the appellant of that decision.

3.60.130 Annual reporting.

A. If the city issues tax exemption certificates pursuant to this chapter, the director shall submit annually by December 31st of each year to the Department of Community, Trade and Economic Development the report required by RCW 84.14.100.

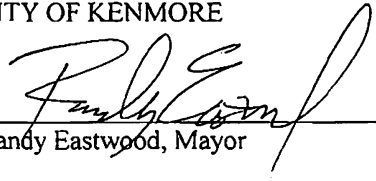
B. Annually, beginning in 2010, the director shall review the program established by this chapter and provide a report to the city council outlining development activity, types and numbers of units produced and their locations, rent and sales prices, information regarding the number of moderate income households benefiting from the program, and other appropriate factors. The report may include recommendations on whether any neighborhoods should be added or removed and whether affordability limits should be changed in certain areas, and shall analyze any issues related to the use of the program for homeownership units. The annual report shall be submitted to the city

council no later than March 30th of each year the program is in effect, starting in 2010.
Each report shall include information for the previous year.

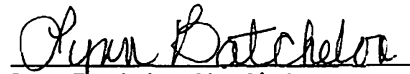
Section 2. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 10TH DAY OF DECEMBER, 2007.

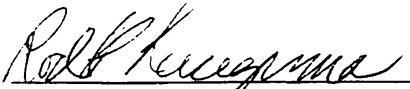
CITY OF KENMORE


Randy Eastwood, Mayor

ATTEST/AUTHENTICATED:


Lynn Batchelor, City Clerk

Approved as to form:


Rod P. Kaseguma, City Attorney

Filed with the City Clerk:	December 7, 2007
Passed by the City Council:	December 10, 2007
Ordinance No.	07-0271
Date of Publication:	December 14, 2007
Effective Date:	December 20, 2007

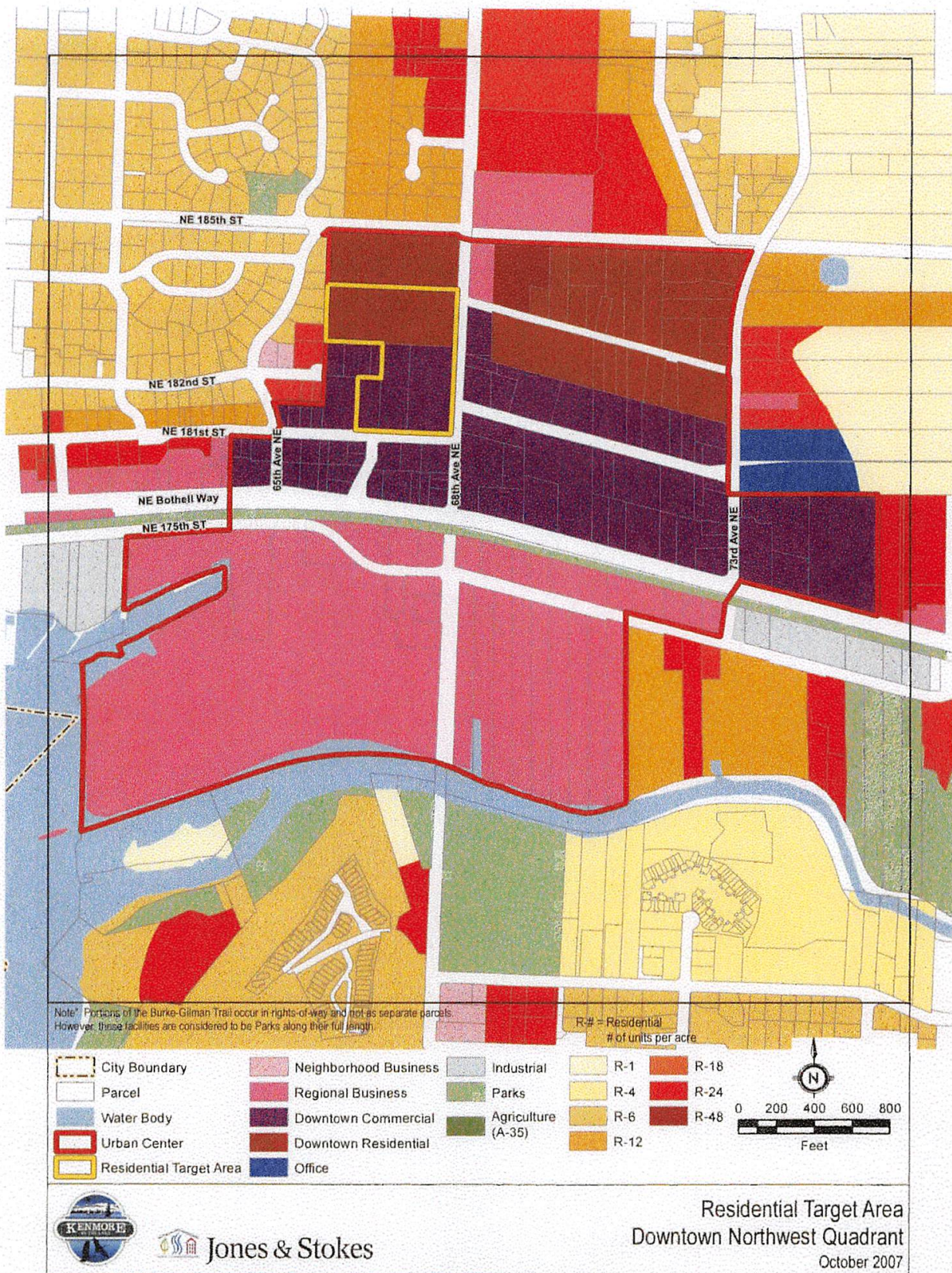


EXHIBIT D

CITY OF KENMORE WASHINGTON ORDINANCE NO. 13-0363

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, RELATING TO AFFORDABLE HOUSING AND MULTIFAMILY HOUSING PROPERTY TAX EXEMPTIONS; AMENDING SECTIONS 3.65.020(A), 3.65.020(G), 3.65.100, 3.65.130 AND 18.77.030 OF THE KENMORE MUNICIPAL CODE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 23, 2013 the City provided notice to the Washington State Department of Commerce regarding the proposed amendments pursuant to RCW 36.70A.106 and received no comments; and

WHEREAS, on May 31, 2013 the City's Responsible Official under the State Environmental Policy Act issued a determination of non-significance for the proposed amendments and received no public comments; and

WHEREAS, on June 24, 2013, the City Council held a public hearing on the proposed amendments; and

WHEREAS, the City Council has considered public testimony and comments, City staff input, and certain documents and information, including: 1) Definitions of low- and moderate-income households in RCW 84.14.010 and RCW 43.63A.510; 2) Kenmore Comprehensive Plan policies related to affordable housing; 3) Vision 2040 and the King County Countywide Planning Policies; and 3) the SEPA Determination of Nonsignificance; and

WHEREAS, the City Council finds that proposed amendments continue to provide for and support provision of low and moderate income housing units within the City; now therefore,

THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. KMC 3.65.020(A) is amended to read as follows:

A. "Affordable housing" means: (1) for an owner-occupied dwelling unit, housing reserved for occupancy by a low or moderate income households, and (2) for a renter-occupied dwelling unit, housing reserved for occupancy by a low or moderate income household and whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household's monthly income.

Section 2. Amendment. KMC 3.65.020(G) is amended to read as follows:

G. "Low or Moderate income household" means a household whose adjusted income is equal to or less than 80 85 percent of the King County median family income adjusted for family size,

as reported by the United States Department of Housing and Urban Development. If HUD no longer publishes median family income figures for King County, the city may use or determine such other method as it may choose to determine the King County family median income adjusted for household size.

Section 3. Amendment. KMC 3.65.100(A)2 is amended to read as follows:

2. For 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if (a) the owner commits to renting or selling at least ~~20~~ 25 percent of the multifamily housing units as affordable housing units and (b) the owners and renters of the affordable housing units meet the income and eligibility requirements of this chapter. If the original owner of the property transfers title to the portion of the property on which the affordable housing units are located to the nonprofit corporation that owns such units, such transfer shall not affect the 12-year tax exemption for the new housing construction and rehabilitation improvements qualifying under this chapter.

Section 4. Amendment. KMC 3.65.130(B) is amended to read as follows:

B. Annually, beginning in 2010, the director shall review the program established by this chapter and provide a report to the city council outlining development activity, types and numbers of units produced and their locations, rent and sales prices, information regarding the number of low and moderate income households benefiting from the program, and other appropriate factors. The report may include recommendations on whether any neighborhoods should be added or removed and whether affordability limits should be changed in certain areas, and shall analyze any issues related to the use of the program for home-ownership units. The annual report shall be submitted to the city council no later than March 30th of each year the program is in effect, starting in 2010. Each report shall include information for the previous year.

Section 5. Amendment. KMC 18.77.030 is amended to read as follows:

18.77.030 Requirements.

A. Affordable housing units amounting to 25 percent of the total number of units in the *development* shall be provided. ~~Rents~~ Housing shall be affordable to those who make equal to or less than ~~50~~ 85 percent of the King County median household income adjusted for household size; ~~or~~.

~~B. In lieu of meeting the requirements of subsection A of this section, a comparable level of benefit may be provided as determined by the city; for example, providing ownership housing affordable to those earning equal to or less than 80 percent of the median income at rates recognizing the difficulty in providing the units at the particular affordability level.~~

~~C.~~ B. Unit size mix shall be comparable to the market mix, units shall be integrated into the whole *development*, and affordable units shall match the tenure of the whole *development*, unless otherwise authorized by the *city*.

DC. Subject to *city* authorization, the affordable units need not be provided within the *development*, but must be provided within the downtown commercial, downtown residential, or regional business zone. Units may be either rented or sold. Off-site affordable housing may be provided if the *city* finds that:

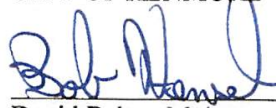
1. The location chosen does not lead to undue concentration of affordable housing in any particular area of the *city*; and
2. The *site* is within close proximity to employment opportunities and/or transit services; and
3. Adequate infrastructure and municipal services can be provided.

ED. Monthly rents, including utilities where applicable, shall be no greater than 30 percent of the monthly income for households earning ~~50 up to 85~~ percent of the King County median household income adjusted for household size. ~~Sold units shall be sold to buyers earning equal to or less than 80 percent of the King County median income.~~ Home prices considered affordable for buyers earning up to 85 percent of the King County median household income adjusted for household size shall be determined by the *city*. Covenants shall be established which guarantee the fulfillment of this obligation.

Section 6 Effective Date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 24TH DAY OF JUNE, 2013.

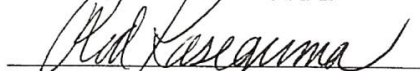
CITY OF KENMORE


David Baker, Mayor

ATTEST/AUTHENTICATED:


Patty Safrin, City Clerk

APPROVED AS TO FORM:


Rod P. Kasaguma, City Attorney

FILED WITH THE CITY CLERK: June 14, 2013
PASSED BY THE CITY COUNCIL: JUNE 24, 2013
DATE OF PUBLICATION: June 28, 2013
EFFECTIVE DATE: July 3, 2013
ORDINANCE NO. 13-0363



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Update and Discussion on Puget Sound Regional Council's (PSRC's) Vision 2050 Growth Alternatives

Proposed Council Action/Motion:

Direct staff on comments to be provided on the Vision 2050 Supplemental Environmental Impact Statement (SEIS)

For Council Meeting Agenda of: 4/15/19

Department: Community Development

Prepared by: Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Initial & Date
Approved by Department Head: DB 4/11/19
Approved by City Attorney:
Approved by Finance Director: [Signature] 4/11/19
Approved by City Manager: [Signature]

Exhibits/Attachments:

1. PSRC Draft SEIS Executive Summary

INFORMATION/BACKGROUND:

Puget Sound Regional Council (PSRC) has released the draft SEIS (Supplemental Environmental Impact Statement) on three growth alternatives for Vision 2050 (considered the Multicounty Planning Policies). As you know, the City's Comprehensive Plan must be updated to reflect these policies at the time of the next mandatory update in 2023. After review of the SEIS, staff recommends that the City Council endorse the Transit Focused Growth alternative.

Attachment 1 is the Executive Summary of the SEIS. The full document can be reviewed at: <https://www.psrc.org/vision/seis>. Comments are due to PSRC by April 29, 2019.

The three alternatives under consideration in the SEIS are the "Stay the Course" alternative, the "Transit Focused Growth" alternative and the "Reset Urban Growth" alternative. According to the Executive Summary, "All alternatives assume that all types of communities will grow and accommodate forecast growth (1.8 million additional people and 1.2 million additional jobs by 2050), though at different rates by geography and by county." The following chart from the Executive Summary most clearly outlines the growth expectations for each growth alternative. Kenmore is classified as a High Capacity Transit (HCT) Community.

Topic	Stay the Course	Transit Focused Growth	Reset Urban Growth
What would the growth pattern look like?	Compact growth focused in Metropolitan and Core cities with regional growth centers. Extends current growth plan.	More compact growth focused in high-capacity transit areas in Metropolitan, Core and HCT Communities. Less growth in outlying areas.	Growth is more distributed throughout the urban growth area, while still assuming a large share of growth to Metropolitan and Core cities. More growth in outlying areas.
Where would population growth go?	Metropolitan Cities: 35% Core Cities: 28% HCT Communities: 18% Cities & Towns: 9% Urban Unincorporated: 5% Rural: 5%	Metropolitan Cities: 36% Core Cities: 29% HCT Communities: 23% Cities & Towns: 6% Urban Unincorporated: 4% Rural: 2%	Metropolitan Cities: 31% Core Cities: 25% HCT Communities: 18% Cities & Towns: 8% Urban Unincorporated: 12% Rural: 6%
Where would employment growth go?	Metropolitan Cities: 44% Core Cities: 36% HCT Communities: 12% Cities & Towns: 5% Urban Unincorporated: 3% Rural: 1%	Metropolitan Cities: 44% Core Cities: 35% HCT Communities: 13% Cities & Towns: 4% Urban Unincorporated: 2% Rural: 1%	Metropolitan Cities: 41% Core Cities: 32% HCT Communities: 12% Cities & Towns: 6% Urban Unincorporated: 6% Rural: 2%

I:/City Clerk/Agenda Items/Templates

Although as stated earlier, staff recommends that the Council endorse the Transit Focused Growth alternative, there are pros and cons to each alternative, described below:

Stay the Course

In this alternative, Kenmore would continue to be treated as a larger city and its allocated percentage of future growth would not change significantly. Projected growth for Kenmore is less in this alternative than in the Transit Focused Growth alternative.

Pros: The general trajectory of growth expectations from the 2015 Comprehensive Plan update could continue.

Although population and employment would grow, there may not be a need to address regional expectations for development near transit stations. The City could choose to focus new growth to support a transit- and pedestrian-friendly community, but there may be no regional expectations to satisfy.

Cons: This approach does not acknowledge the new role Kenmore could assume with establishment of BRT (or even light rail) along SR-522.

Transit Focused Growth

Under this alternative, Kenmore as a High Capacity Transit Community, would be expected to take on a larger percentage of regional growth than would previously have been expected. The alternative focuses 75% of new regional growth—both jobs and housing—within one-quarter to a half-mile from current and planned high-capacity transit station areas, including light rail, bus rapid transit and ferries. This approach would focus most new growth into the metropolitan communities (Seattle and Bellevue), the core communities (such as Bothell, Redmond, and Kirkland in our area), and communities that are going to be served by high capacity transit such as Kenmore.

Pros: This alternative supports Kenmore's evolving role as a community directly served by high capacity transit.

Regional acknowledgement of this role could help the City take its place at the table with other HCT Communities and would support new growth in both jobs and housing units in the City. Regionally, this alternative would result in a slight reduction in greenhouse gas emissions compared to Stay the Course, as well as less impervious surface added to the region.

Cons: Regional growth expectations could require changes in the City's growth pattern along the SR-522 corridor. Increased residential densities within one-quarter to one-half mile of the stations could be one outcome, including potential impacts to nearby single-family residential areas. Regionally, there would be an elevated risk of housing displacement compared to Stay the Course.

Reset Urban Growth

This alternative spreads growth more evenly over the four Puget Sound counties (King, Pierce, Snohomish, and Kitsap)--extending it outward toward the urban growth boundary. The alternative would continue to allocate the largest shares of growth to metropolitan communities and core cities, although the overall growth to these geographies and to HCT Communities like Kenmore would be less than in the other two alternatives.

Pros: This alternative would potentially reduce new growth expectations for Kenmore. Regionally, there would be a lower risk of housing displacement.

Cons: This alternative does not recognize the significant investment the region has made in transit and it does not as clearly support the idea that a strategy focused on centers to support transit is important. This alternative would result in a slight increase in greenhouse gas emissions compared to Stay the Course and would add more impervious surface to the region.

FISCAL CONSIDERATION:

None at this time.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan Land Use Element Policy LU-2.7.1: Plan in partnership with special districts, private service providers, neighboring municipalities, King and Snohomish Counties, and the State of Washington. The City should strive to balance the differing needs identified by planning partners at various geographic levels, and ensure that planning partners honor Kenmore's needs.

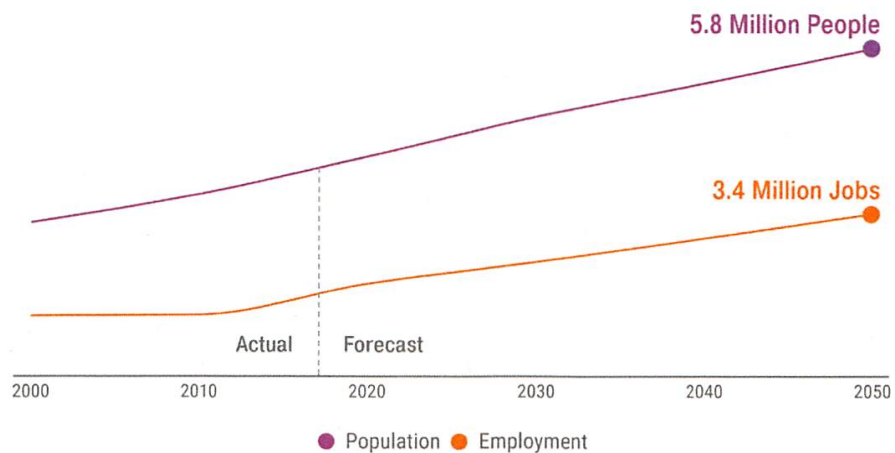


Source: PSRC

Executive Summary

VISION 2050 is a shared and integrated strategy for how and where the central Puget Sound region should grow. Population in the region has grown to 4.1 million, with more than 376,000 new residents added since 2010. More growth is coming. Forecasts show the region needs to plan for 1.8 million additional people and 1.2 million new jobs by 2050 (Figure ES-1).

Figure ES-1. Historical and Forecasted Regional Population and Employment



Source: PSRC

VISION 2040 is the region's current plan for managing growth forecasted through the year 2040. The plan includes overarching goals, an environmental framework, a strategy to sustainably guide growth in the region, and multicounty planning policies as required by the state Growth Management Act (GMA) (RCW 36A.70.210). The plan also includes implementation actions at the regional, county, and local levels. VISION 2040 policy chapters address the environment, development patterns, housing, the economy, transportation, and public services.

The region has had important successes implementing VISION 2040, which helps fulfill the goals of the GMA. Considerable economic gains in recent years have made the region among the fastest-growing in the country. The plan has helped coordinate state and regional initiatives and support local decisions. Regionally, growth is shifting toward more compact, sustainable development occurring within urban areas and cities, with cost-effective and efficient services, reduced impacts on the environment, and positive health outcomes.

At the same time, the region continues to face challenges, including the climbing cost of housing. Congestion from rapid growth is reducing access to jobs, services, and housing. While recent economic growth has been strong, prosperity has not benefited everyone or all parts of the region. Finally, pressing environmental issues such as climate change, the health of Puget Sound, and open space preservation require more collaborative, long-term action.

PSRC is updating the region's vision to reflect changes since it was adopted in 2008, and to consider new information and changes that have occurred in the growing region. Local governments have been implementing the region's growth strategy through population and employment targets and comprehensive land use planning. As the region plans for another decade of growth:

- How should it accommodate new population and employment through 2050?
- Should the region's long-term strategy for growth change?

VISION 2050 is an opportunity to refocus the region's long-range plan to address these concerns and prepare for future growth. This plan will guide anticipated growth in ways that support regional objectives for thriving communities, a strong economy, and a healthy environment.

What is the Regional Growth Strategy?

Under GMA, counties, in consultation with cities, are responsible for adopting 20-year growth targets. These population and employment growth targets are a key input to local comprehensive plans, ensuring that each county is accommodating population and employment growth. Jurisdictions use growth targets to inform land use, transportation, and capital facilities in their 20-year comprehensive plans.

The Regional Growth Strategy defines roles for different types of places in accommodating the region's population and employment growth, which inform the countywide growth target-setting process. The Regional Growth Strategy also serves an important role as a coordinated

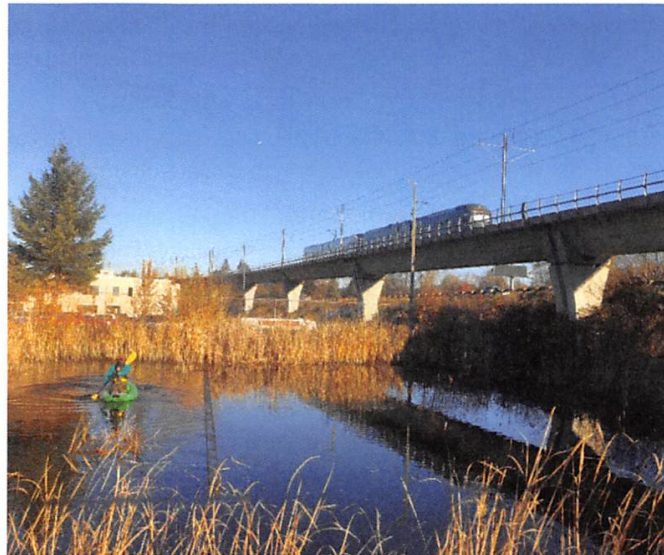
regional statement of the long-range land use development assumptions that underlie the Regional Transportation Plan, required by both GMA and federal transportation planning regulations.

Counties, cities, and towns implemented VISION 2040's Regional Growth Strategy through their countywide growth targets and local comprehensive plans following the adoption of VISION 2040 in 2008. The Regional Growth Strategy Background Paper, which is included in Appendix E, outlines data trends since 2000 and the adoption of VISION 2040 in 2008 (PSRC 2018a).

This Draft Supplemental Environmental Impact Statement (Draft SEIS) reviews the environmental effects of three distinct regional growth alternatives that are being considered for VISION 2050:

- Stay the Course
- Transit Focused Growth
- Reset Urban Growth

Each of these three alternatives is intended to help preserve resource lands, protect rural lands from urban-type development, and promote infill and redevelopment within urban areas to create more compact, walkable, and transit-friendly communities. However, they distribute growth in unique patterns that have different trade-offs. This Draft SEIS shows a range of land use, transportation, environmental, and other impacts that would likely occur with each of these alternatives and identifies opportunities to mitigate them.



Source: Parametrix

PSRC is seeking feedback on these alternatives during the public comment period, which runs through April 29, 2019.

Why is PSRC doing an environmental review of the plan?

The Washington State Environmental Policy Act (SEPA) requires that public agencies identify environmental impacts likely to result from plans and projects. PSRC will use the environmental review process to analyze the effects of continued growth in the region, and alternative ways of responding to and accommodating that growth. Just as VISION 2050 will build upon VISION 2040, the VISION 2040 Final Environmental Impact Statement (FEIS) provides a foundation for the environmental review of VISION 2050. This Draft SEIS updates the VISION 2040 FEIS and provides additional information for consideration. The information presented in this Draft SEIS will help with the selection of a preferred growth alternative.

The scoping process for VISION 2050 in early 2018 provided an opportunity to have a conversation with the public about how the region should grow. PSRC staff had contact with many individuals, organizations, and local jurisdictions throughout the region during the comment period, and received more than 1,300 individual comments. The top five categories of comments included land use and development patterns, transportation, Regional Growth Strategy, environment, and housing. The engagement process and comments received during scoping are summarized in the VISION 2050 Scoping Report (PSRC 2018b) and are reflected in the following desired outcomes for the plan:

- **Climate.** Meaningful steps have been taken to reduce carbon emissions and minimize the region's contribution to climate change.
- **Community and Culture.** Distinct, unique communities are supported throughout the region, cultural diversity is maintained and increased, and displacement due to development pressure is mitigated.
- **Economy.** Economic opportunities are open to everyone, and the region competes globally and has sustained a high quality of life. Industrial and manufacturing opportunities are maintained.
- **Environment.** The natural environment is restored, protected, and sustained, preserving and enhancing natural functions and wildlife habitats.
- **Equity.** All people can attain the resources and opportunities to improve their quality of life and enable them to reach their full potential.
- **Health.** Communities promote physical, social, and mental well-being so that all people can live healthier and more active lives.
- **Housing.** Healthy, safe, and affordable housing for all people is available and accessible throughout the region.
- **Innovation.** The region has a culture of innovation and embraces and responds to change.

- **Mobility and Connectivity.** A safe, clean, integrated, affordable, and highly efficient multimodal transportation system reduces travel times, promotes economic and environmental vitality, connects people, and supports the Regional Growth Strategy.
- **Natural Resources.** Natural resources are permanently protected, supporting the continued viability of resource-based industries such as forestry, agriculture, and aquaculture.
- **Public Facilities and Services.** Public facilities and services support local and regional growth plans in a coordinated, efficient, and cost-effective manner.
- **Resilience.** The region's communities plan for and are prepared to respond to potential impacts from natural hazards and other adverse events.
- **Rural Areas.** Rural communities and character are strengthened, enhanced, and sustained.

This Draft SEIS will help inform how regional planning can best achieve these outcomes. Chapter 1 contains more information on the purpose and need for this SEIS.

How has the region changed since VISION 2040 was adopted?

The central Puget Sound region continues to be a desirable major metropolitan area, attracting new residents, employers, and visitors. It is known as a clean, healthy, safe, and diverse place with a vibrant economy and temperate climate.

The region has a remarkably beautiful natural setting, including snowcapped peaks, abundant waterways and shorelines, and lush forests and greenery. The natural environment provides habitat for a wide variety of fish and wildlife, and at the same time creates economic opportunity through industries such as fishing and timber harvest, and



Source: Parametrix

and provides numerous recreational and tourism opportunities. These features have all made the region a magnet for growth.

Key changes in the last decade:

- Technology industry employment is experiencing rapid growth, particularly in Seattle and central King County
- Job growth has been strong in recent years but has been uneven across the region and by industry
- Population and housing growth continues at a rapid pace
- Regional demographics are changing as the population is becoming older and more ethnically and racially diverse
- Rent and home prices have been increasing dramatically, causing a crisis of housing affordability
- Transit infrastructure around the region is expanding, and transit ridership is increasing
- Climate change is of growing urgency, and intersects with many resources including air quality, ecosystems, and water

Chapter 2 details changes to the environmental baseline since the publication of the VISION 2040 FEIS in 2008. VISION 2050 will address these issues through the Regional Growth Strategy and regional policies and actions.

The current regional population is 4.1 million, an increase of 376,000 people—or 10 percent—from 2010 to 2017 (Figure ES-1). The VISION 2040 FEIS forecast a population of 5.0 million by 2040, whereas current forecasts have updated this to 5.3 million in 2040. By 2050, it is estimated the regional population will have grown to 5.8 million people.

Consistent with VISION 2040, the vast majority of the region's population, employment, and housing is contained inside the region's designated urban growth areas. From 2005 to 2017, the percentage of population within the urban growth area increased from 85 to 87 percent and the percentage of employment remained constant at 96 percent.

VISION 2040's Regional Growth Strategy focuses growth not only in urban areas, but more specifically in regionally designated urban centers. Between 2010 and 2017, 12 percent of the region's population growth occurred in centers. From 2010 to 2017, 37 percent of regional job growth was located in regional growth centers and 8 percent was located in manufacturing/industrial centers. Chapter 2 contains information on existing conditions for land use, population, employment, housing, and other resources.

Alternatives evaluated in this SEIS

At the heart of VISION 2040 is a shared vision of how and where the region should grow. The Regional Growth Strategy provides a description of a planned physical development pattern that the central Puget Sound region will evolve into over time. This environmental analysis includes three distinct alternative patterns of future growth that were developed after a public comment and scoping process, extensive review by PSRC's Growth Management Policy Board, and input from regional staff and other stakeholders. These three alternatives allow the environmental analysis to consider the effects of extending the current growth strategy to 2050 and the potential effects of changes to that strategy.



Source: Parametrix

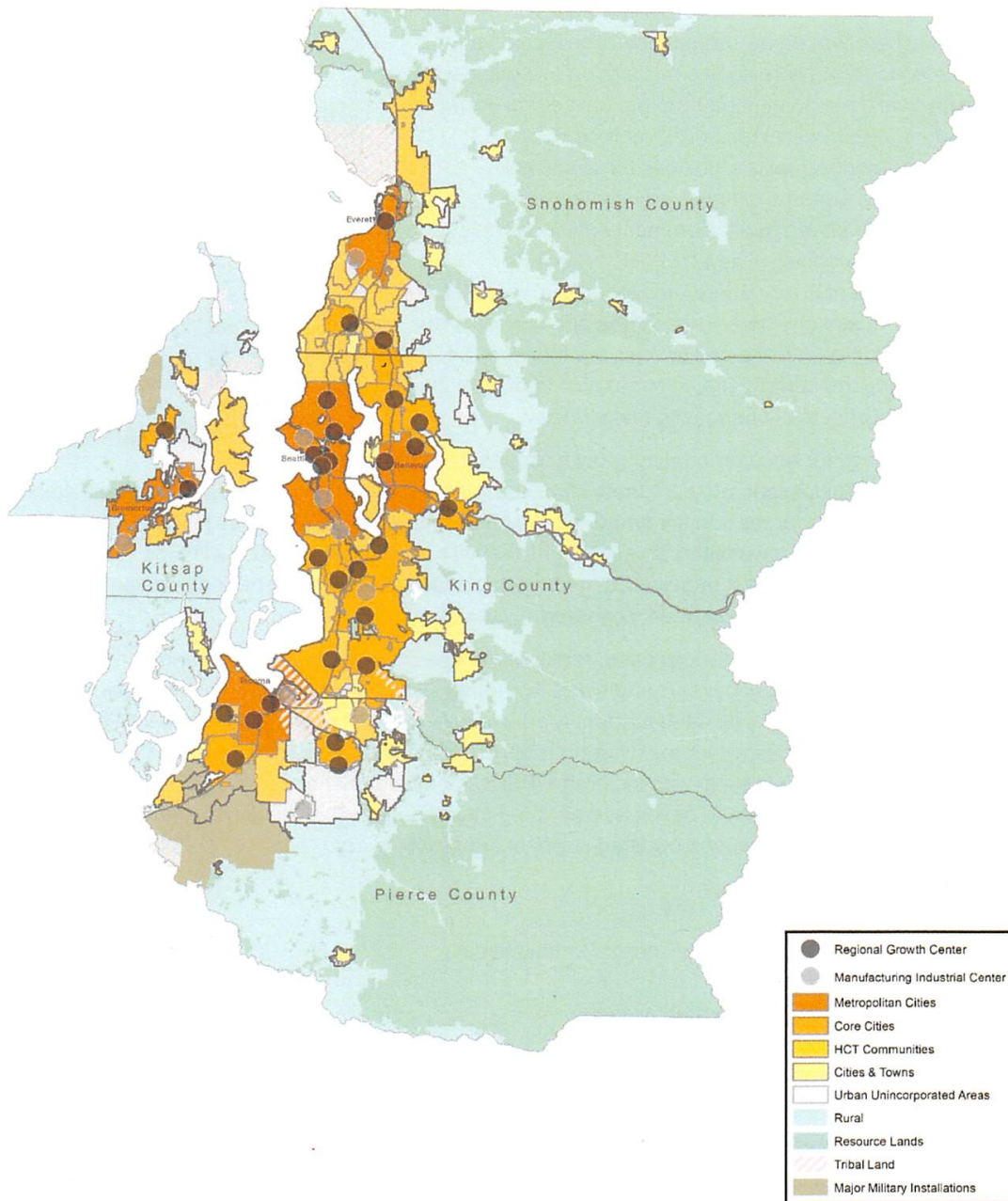
The strategy for accommodating growth asserts that the region will sustain and grow a variety of places such as active centers and central cities, small towns, and rural areas into the future. Other than in natural resource lands and military installations, all growth alternatives assume that all types of communities will grow and accommodate forecast growth (1.8 million additional people and 1.2 million additional jobs by 2050), though at different rates by geography and by county.

The Regional Growth Strategy uses "regional geographies" to classify cities and unincorporated areas by roles and types. Grouping cities and other place types provides flexibility to counties and cities to identify appropriate growth targets for individual cities in each category, while acknowledging differing roles for accommodating growth. Based on scoping comments and discussion with the board, PSRC identified changes to the VISION 2040 regional geographies and developed updated classifications for cities and unincorporated urban areas. The proposed updated regional geographies are:

- Metropolitan Cities
- Core Cities
- HCT (High-Capacity Transit) Communities
- Cities & Towns
- Urban Unincorporated Areas
- Rural
- Resource Lands
- Major Military Installations

Locations of regional geographies are depicted in Figure ES-2. Proposed regional geography changes are discussed in more detail in Chapter 3, in addition to the three alternatives summarized below.

Figure ES-2. Regional Geographies



Source: PSRC

VISION 2050 | February 2019
Draft Supplemental Environmental Impact Statement

ES-8

Stay the Course (No Action) Alternative

The Stay the Course alternative is a direct extension of the VISION 2040 Regional Growth Strategy and assumes a compact growth pattern, focused in the largest and most transit-connected cities in the region within the region's 29 designated regional growth centers. This alternative serves as the required no action alternative that must be evaluated in accordance with SEPA.

This alternative continues to direct the largest share of future growth to the region's five major Metropolitan Cities: Seattle, Bellevue, Everett, Bremerton, and Tacoma. Growth is also focused in the region's Core Cities—those other cities with regional growth centers that are concentrations of growth and serve as economic and transportation hubs for the region.

Compared to historical trends, this alternative allocates less growth in urban unincorporated and rural areas and more growth in cities. Growth in urban unincorporated growth areas is envisioned as occurring in areas affiliated with cities for annexation, and growth in rural areas is minimized when compared to past trends.

This alternative maintains the current Regional Growth Strategy allocation of shares of growth. For this analysis, Stay the Course and subsequent data measures use the revised regional geographies. PSRC developed model inputs for Stay the Course using the existing VISION 2040 regional geographies and then calculated inputs and results based on the revised system of regional geographies.

Transit Focused Growth Alternative

The Transit Focused Growth alternative considers a compact growth pattern based on the VISION 2040 Regional Growth Strategy that assumes accelerated growth near the region's existing and planned transit investments.

The Transit Focused Growth alternative assumes an explicit goal for 75 percent of the region's population and employment growth to occur within a quarter- to a half-mile from current and planned high-capacity transit station areas, including light rail, bus rapid transit, commuter rail, ferries, and streetcar. This would result in the largest shares of growth to Metropolitan Cities, Core Cities, and HCT Communities.

The alternative also assumes a greater role in accommodating future growth for areas served by high-capacity transit outside of Metropolitan and Core Cities. Growth in unincorporated urban growth areas with existing or planned high-capacity transit and planned for annexation or incorporation would be similar to cities with high-capacity transit.

The remaining share of population and employment growth would be distributed largely within the urban growth area among areas not served by high-capacity transit based on the broad objectives for the Regional Growth Strategy. Growth in rural areas and unincorporated areas without access to high-capacity transit and unaffiliated unincorporated areas is the lowest in this alternative.

Reset Urban Growth Alternative

The Reset Urban Growth alternative shares similarities with actual growth patterns that occurred from 2000 to 2016 and assumes a more dispersed growth pattern throughout the urban area.

The Reset Urban Growth alternative assumes a more distributed pattern throughout the urban area. This alternative would continue to allocate the largest shares of growth to Metropolitan Cities and Core Cities, although the overall growth to these geographies and HCT Communities would be less compared to Stay the Course or Transit Focused Growth.

Growth allocations for Cities & Towns and Urban Unincorporated areas are based on land use capacities identified in currently adopted comprehensive plans. Growth in urban unincorporated areas without access to high-capacity transit and unaffiliated urban unincorporated areas is the highest in this alternative. Growth in rural areas would be slightly higher than Stay the Course.

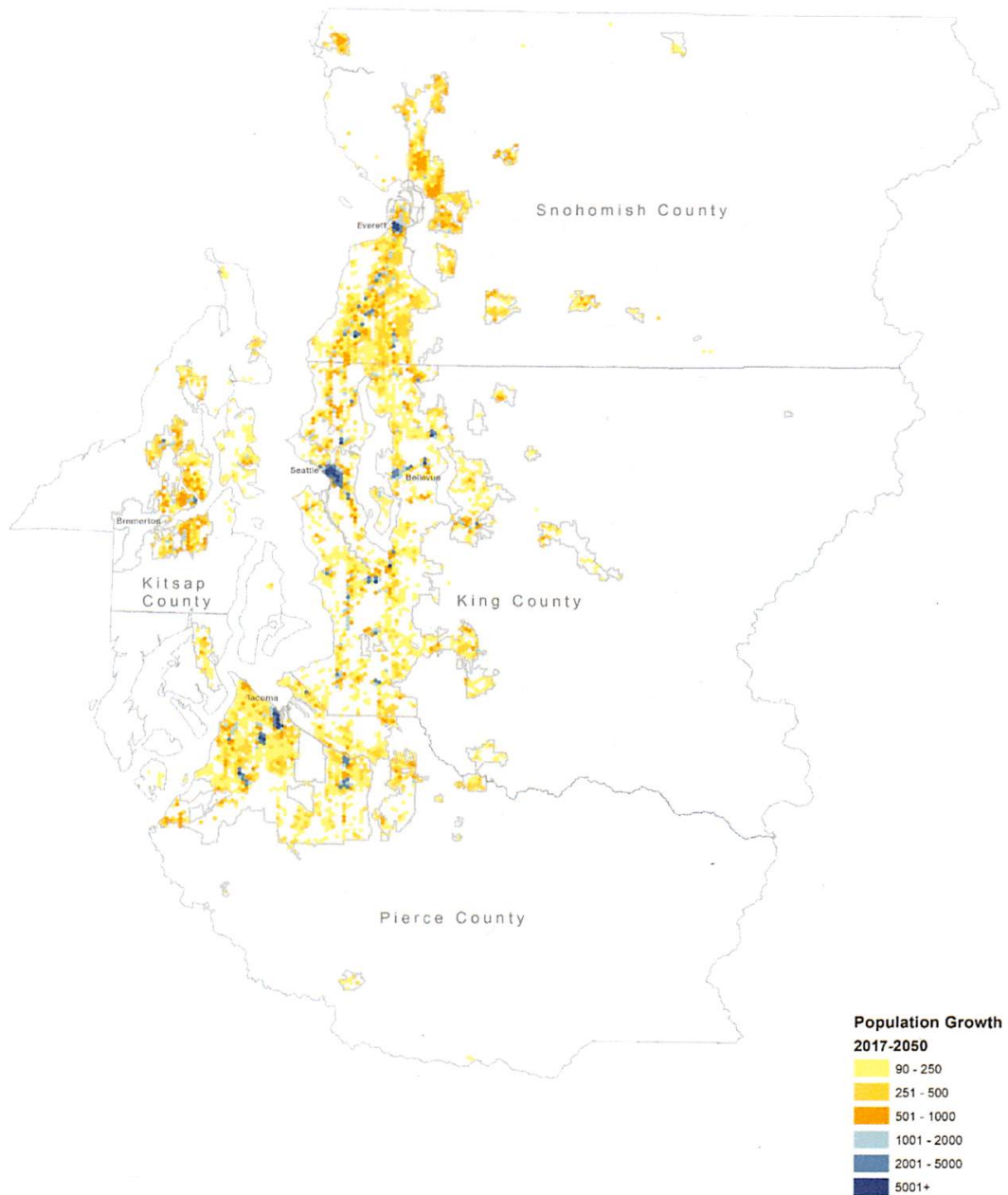
Comparison of Alternatives

A high-level summary comparing the distribution of growth between the alternatives is presented in Table ES-1. It describes the Stay the Course (no action) alternative, and then compares the Transit Focused Growth and Reset Urban Growth alternatives to Stay the Course. Following the table, maps of each alternative's distribution of population growth throughout the region are shown in Figures ES-3 through ES-5.

Table ES-1. Summary Comparison of Alternatives to Stay the Course

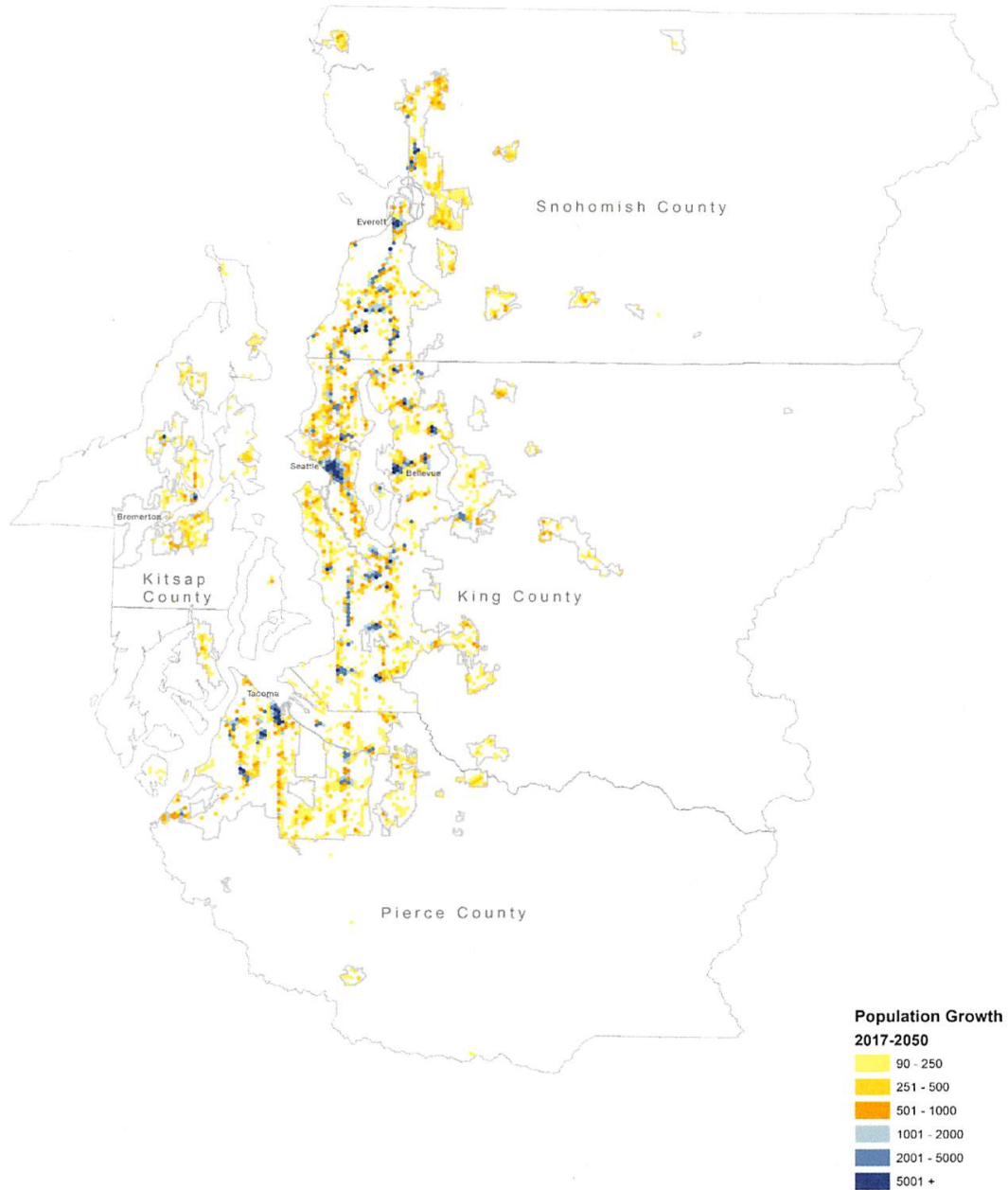
Topic	Stay the Course	Transit Focused Growth	Reset Urban Growth
What would the growth pattern look like?	Compact growth focused in Metropolitan and Core cities with regional growth centers. Extends current growth plan.	More compact growth focused in high-capacity transit areas in Metropolitan, Core and HCT Communities. Less growth in outlying areas.	Growth is more distributed throughout the urban growth area, while still assuming a large share of growth to Metropolitan and Core cities. More growth in outlying areas.
Where would population growth go?	Metropolitan Cities: 35% Core Cities: 28% HCT Communities: 18% Cities & Towns: 9% Urban Unincorporated: 5% Rural: 5%	Metropolitan Cities: 36% Core Cities: 29% HCT Communities: 23% Cities & Towns: 6% Urban Unincorporated: 4% Rural: 2%	Metropolitan Cities: 31% Core Cities: 25% HCT Communities: 18% Cities & Towns: 8% Urban Unincorporated: 12% Rural: 6%
Where would employment growth go?	Metropolitan Cities: 44% Core Cities: 36% HCT Communities: 12% Cities & Towns: 5% Urban Unincorporated: 3% Rural: 1%	Metropolitan Cities: 44% Core Cities: 35% HCT Communities: 13% Cities & Towns: 4% Urban Unincorporated: 2% Rural: 1%	Metropolitan Cities: 41% Core Cities: 32% HCT Communities: 12% Cities & Towns: 6% Urban Unincorporated: 6% Rural: 2%

Figure ES-3. Stay the Course: Population Growth Distribution 2017–2050



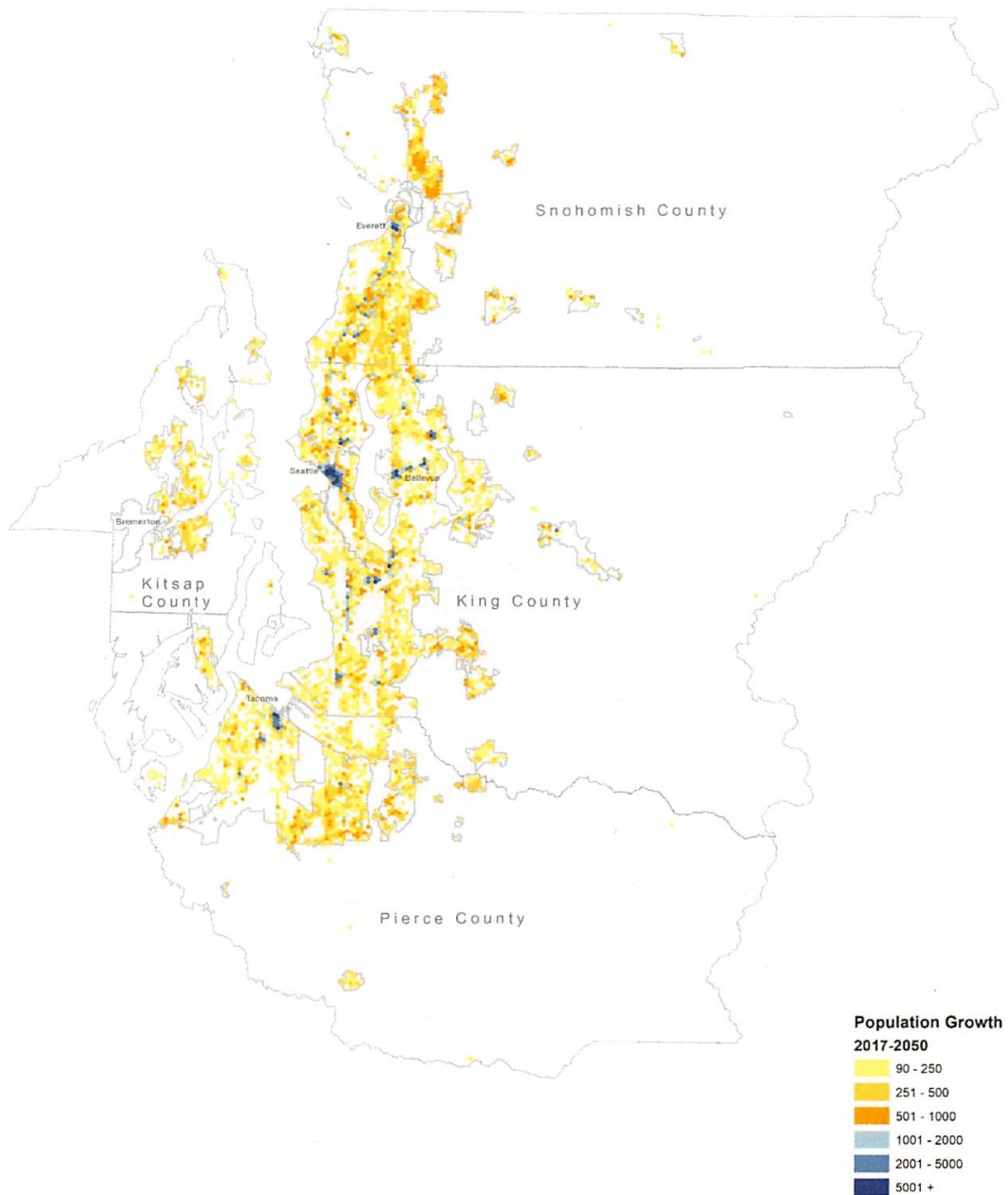
Source: PSRC

Figure ES-4. Transit Focused Growth: Population Growth Distribution 2017–2050



Source: PSRC

Figure ES-5. Reset Urban Growth: Population Growth Distribution 2017–2050



Source: PSRC

All alternatives assume the same amount of regional growth in population and employment from 2017 to 2050—1.8 million additional people and 1.2 million additional jobs. As described above, the difference between alternatives is how the growth is allocated among the regional geographies—Metropolitan Cities, Core Cities, HCT Communities, Cities & Towns, Urban Unincorporated, and Rural areas—and among the region's four counties. This distribution of additional growth throughout the region results in environmental impacts. Some impacts are similar across all alternatives, and some impacts show differences between alternatives. Key impacts common to all alternatives are summarized in Table ES-2. Key differences between alternatives are summarized in Table ES-3. Comprehensive discussion of all impacts can be found in Chapters 4 and 5. See Appendix C for discussion of the modeling process and results.

The results summarized here are the result of analysis of the growth distribution patterns for each alternative. Local plans that will be updated in accordance with GMA are not included. These results also do not include planning and improvements that may occur at transit station areas or the effects of other upcoming subarea plans.

Table ES-2. Impacts Common to All Alternatives

Resource	Impacts Common to All Alternatives
Population, Employment, Housing, and Land Use	- Population and employment growth directed toward built areas will increase density and encourage infill and redevelopment - Population and employment growth in less-developed and rural areas would result in lower-density land uses and potential development pressures on natural resource lands - There is potential for displacement unless affordable housing opportunities and/or other support is provided
Transportation	Compared to current conditions: - The average distance people drive and the amount of time spent in a vehicle each day would be reduced - The average time people spend in congestion each year is forecast to increase - Overall transit ridership is forecast to more than double - Generally, the percentage of trips made by driving alone would decrease, while walking, biking, and transit use would increase - Substantially more jobs would be accessible by transit, walking, or biking
Air Quality	There would be a marked reduction in all pollutants, including CO₂e (a measure used for reporting greenhouse gases)
Ecosystems	Activities associated with development, including clearing, grading, vegetation removal, and conversion of land to impervious surface would have adverse impacts to ecosystem resources such as fragmentation and degradation of habitat
Water Quality and Hydrology	Amount of impervious surface would increase as a result of added development, which may alter stormwater hydrology, reduce aquatic habitat, and degrade water quality
Public Services and Utilities	- Demand for additional utilities including energy, solid waste, sanitary sewer, water, and stormwater would be anticipated - General service expansions of fire and police services, health and medical services, and schools would be anticipated

Table ES-2. Impacts Common to All Alternatives (continued)

Resource	Impacts Common to All Alternatives
Parks and Recreation	For both local and regional parks, recreation, and open space resources, growth would lead to increased use, which could lead to degradation of the recreational experience, potential degradation of natural and open space resources, and increased conflicts between users
Environmental Health	- Development or redevelopment could occur in contaminated areas and expose construction workers or people living near construction activities to contamination or pollution; however, growth in contaminated areas would result in a beneficial impact through cleanup activities - Human health would experience beneficial impacts from increased walking, biking, and transit and increased access to open spaces - Increasing density of the urban environment could cause localized air quality and noise impacts if not properly planned for and mitigated
Historic, Cultural, and Archaeological Resources	Development could alter landscapes and properties with archaeological, cultural, or historic resources through damage and destruction
Visual Quality	- Development in existing urban areas would result in an increase in density, height, and scale of new and redeveloped areas, which could impede viewsheds and increase shading but may provide beneficial impacts through redevelopment of aging infrastructure and poorly maintained properties - Development in existing outlying and rural areas would potentially convert undeveloped spaces to other uses and may not be consistent with community visual character
Earth	Impacts from earthquakes, landslides, volcanic activities, and floods could result in damage to buildings and infrastructure, disruptions to utilities, economic losses, and injuries and loss of life
Noise	Growth in urban areas would likely increase localized noise impacts through the replacement of vegetation with paved surfaces and buildings, an increase in the number of noise sources (e.g., vehicles, construction equipment, and emergency vehicles), and an increase in population density

Table ES-3. Summary Comparison of Alternatives Impacts

Topic	2050 Growth Alternatives		
	Stay the Course	Transit Focused Growth	Reset Urban Growth
POPULATION, EMPLOYMENT, HOUSING			
What would the balance of jobs and housing be? In 2014, King County subareas: 1.19 to 1.32. Kitsap, Pierce, and Snohomish counties: 0.71 to 0.78. (jobs-housing ratios indexed to the regional average)	Generally improves job-housing ratios compared to baseline (2014). In King County subareas: 1.12 to 1.37. Kitsap, Pierce, and Snohomish counties: 0.65 to 0.77.	 Improves jobs housing ratios compared to Stay the Course. King County subareas: 1.03 to 1.29. Kitsap, Pierce, and Snohomish counties: 0.80 to 0.81.	 Improves jobs housing ratios compared to Stay the Course. King County subareas: 1.02 to 1.27. Kitsap, Pierce, and Snohomish counties: 0.79 to 0.81.
How dense would housing be? Regional housing stock in 2017: 16% high-density 20% moderate-density 64% low-density (regional housing stock by density)	Less moderate-density housing compared to baseline (2017). Moderate-density housing tends to provide more affordable housing choices. Regional housing stock growth (2017-2050): 46% high-density 15% moderate-density 39% low-density	 More moderate density housing compared to Stay the Course. Regional housing stock growth (2017-2050): 57% high-density 19% moderate-density 24% low-density	 Less moderate density housing compared to Stay the Course. Regional housing stock growth (2017-2050): 44% high-density 13% moderate-density 43% low-density
LAND USE			
How close would growth be to rural and resource lands? Population and employment growth in proximity to urban growth boundary (2017-2050)	9% of growth (2017-2050) throughout region occurs in proximity to the urban growth boundary.	 6% of growth throughout the region occurs in proximity to urban growth boundary, a decrease compared to Stay the Course.	 10% of growth throughout the region would occur in proximity to urban growth boundary, an increase compared to Stay the Course.
How much land would be needed for development? Acres of developed land (2017-2050)	322,000 acres of land developed.	 285,000 acres of land developed, a decrease compared to Stay the Course.	 331,000 acres of land developed, an increase compared to Stay the Course.
How close would transit be? Population and employment growth in proximity to high-capacity transit service (2017-2050)	48% of population and employment growth (2017-2050) occurs near high-capacity transit.	 75% of population and employment growth occurs near high-capacity transit, an increase compared to Stay the Course.	 44% of population and employment growth occurs near high-capacity transit, a decrease compared to Stay the Course.

KEY:  Increased impacts compared to Stay the Course  Similar impacts to Stay the Course / Neutral  Reduced impacts compared to Stay the Course

Table ES-3. Summary Comparison of Alternatives Impacts (continued)

Topic	2050 Growth Alternatives		
	Stay the Course	Transit Focused Growth	Reset Urban Growth
TRANSPORTATION			
How much would the average person drive? 38 minutes, 16.1 miles in 2014 (average daily drive time and drive distance, per person)	35 minutes, 13.4 miles, in 2050, a decrease compared to baseline (2014).	 33 minutes, 12.8 miles, a slight decrease compared to Stay the Course.	 35 minutes, 13.6 miles, similar to Stay the Course.
How long would the average person be stuck in traffic each year? 21 hours in 2014 (average annual time spent in congestion, per person)	31 hours in congestion in 2050, an increase compared to baseline (2014).	 29 hours, a decrease compared to Stay the Course.	 32 hours, an increase compared to Stay the Course.
How many transit trips would be taken? 194 million trips in 2014 (annual transit boardings)	476 million trips in 2050, a substantial increase compared to baseline (2014).	 502 million trips in 2050, an increase compared to Stay the Course.	 490 million trips in 2050, an increase compared to Stay the Course.
How many jobs would be accessible by walking, biking, or transit? Job accessibility varies by county and mode (jobs accessible by walking, biking, or transit)	In 2050, substantial increase in number of jobs accessible by transit, walking, and biking across all four counties compared to baseline (2014).	 Increases number of jobs accessible by transit, walking, and biking compared to Stay the Course.	 Reduces number of jobs accessible by transit, walking, and biking compared to Stay the Course.
AIR QUALITY			
What would be the contribution to climate change and air pollution? Pollutant emissions: 47,200 tons per day CO ₂ e in 2014, see Section 4.4 for other pollutants. (CO ₂ e is a measure used for reporting greenhouse gas emissions)	Reduction in greenhouse gas emissions compared to baseline (41,000 tons per day CO ₂ e). Substantial reduction in emissions of other pollutants compared to baseline (2014).	 Slight reduction in greenhouse gas emissions compared to Stay the Course (39,600 tons per day CO ₂ e). Slight reduction in emissions of other pollutants compared to Stay the Course.	 Slight increase in greenhouse gas emissions compared to Stay the Course (41,400 tons per day CO ₂ e). Slight increase in emissions of other pollutants compared to Stay the Course.
ECOSYSTEMS			
How much land would be needed for development? Development and land cover (2017-2050)	322,000 acres would be needed for development. Some would occur on previously undeveloped lands where ecosystem impacts would be likely.	 285,000 acres needed for development, a decrease compared to Stay the Course.	 331,000 acres needed for development, an increase compared to Stay the Course.
Would important habitat be harmed? Development in areas of regionally-significant habitat	Growth would occur in areas with regionally significant habitat. Development to accommodate this growth would impact regionally significant habitat.	 Less growth to areas with regionally significant habitat, reduced impacts compared to Stay the Course.	 Increased growth to areas with regionally significant habitat, increased impacts compared to Stay the Course.

KEY:  Increased impacts compared to Stay the Course  Similar impacts to Stay the Course / Neutral  Reduced impacts compared to Stay the Course

Table ES-3. Summary Comparison of Alternatives Impacts (continued)

Topic	2050 Growth Alternatives		
	Stay the Course	Transit Focused Growth	Reset Urban Growth
WATER			
How much hardened surface would be added by growth? New impervious surface added to undeveloped areas (2017–2050)	23,200 acres impervious surface added to region (2017–2050).	 19,600 acres, less impervious surface added to region compared to Stay the Course.	 24,300 acres, more impervious surface added to region compared to Stay the Course.
How much would redevelopment improve old stormwater systems? Redevelopment (2017–2050)	Redevelopment of 22,800 acres of impervious surface in areas with outdated stormwater controls by 2050, resulting in potential water quality benefit.	 Redevelopment of 17,200 acres of impervious surface in areas with outdated stormwater controls.	 Redevelopment of 26,000 acres of impervious surface in areas with outdated stormwater controls.
PUBLIC SERVICES, UTILITIES, AND ENERGY			
How much new infrastructure would be needed?	Strong growth focus in urban areas would require service expansion or new infrastructure. Additional growth in outlying and rural areas may require new infrastructure.	 Less growth in outlying and rural areas may reduce the need to construct or expand facilities near open spaces, decreasing impacts compared to Stay the Course. Similar service expansion anticipated in urban areas as Stay the Course.	 Greater growth in outlying and rural areas may increase the need to construct or expand infrastructure in areas not currently served, increasing impacts compared to Stay the Course. Similar service expansion anticipated in urban areas as Stay the Course.
PARKS AND RECREATION			
Would parks be nearby? 59% of population was located near parks providing local urban access in 2017 (urban population in proximity to parks providing local urban access)	55% of population would be near parks in 2050.	 59% of population would be near parks in 2050, an increase compared to Stay the Course.	 55% of population would be near parks in 2050, similar to Stay the Course.
VISUAL QUALITY			
How would areas change visually?	Some development in outlying and rural areas could result in negative visual impacts in these areas.	 Less development in outlying and rural areas would slightly reduce negative impacts to these areas.	 More development in outlying and rural areas would slightly increase negative impacts to these areas.

KEY:  Increased impacts compared to Stay the Course  Similar impacts to Stay the Course / Neutral  Reduced impacts compared to Stay the Course

Table ES-3. Summary Comparison of Alternatives Impacts (continued)

Topic	2050 Growth Alternatives		
	Stay the Course	Transit Focused Growth	Reset Urban Growth
ENVIRONMENTAL JUSTICE ¹			
How would communities of color and low-income communities be affected by changes in jobs and housing?	Communities of color and low-income communities compared to the region as a whole: - Jobs-housing ratios indicate housing may become more unaffordable or unavailable - Moderate-density housing growth is reduced compared to the region as a whole which may reduce the availability of affordable housing stock	Compared to Stay the Course, for communities of color and low-income communities: - Improved balance of jobs and housing - Moderate-density housing growth is similar to Stay the Course and reduced compared to the region as a whole which may reduce the availability of affordable housing stock	Compared to Stay the Course: - Worsened balance of jobs and housing for low-income communities; improved balance for communities of color - Moderate-density housing growth is similar to Stay the Course and reduced compared to the region as a whole which may reduce the availability of affordable housing stock
Would communities of color and low-income communities benefit from changes to land use and transportation?	Greater proximity to high-capacity transit for communities of color and low-income communities compared to baseline.	 Greater proximity to high-capacity transit for communities of color and low-income communities compared to Stay the Course.	 Reduced proximity to high-capacity transit for communities of color and low-income communities compared to Stay the Course.
Would access to parks change for communities of color and low income communities?	Slightly greater access to local parks in communities of color and low-income communities compared to the region as a whole.	 Greater access to local parks in communities of color and low-income communities compared to Stay the Course.	 Greater access to local parks in low-income communities compared to Stay the Course. Similar access to local parks in communities of color compared to Stay the Course.
Would the risk of displacement increase? Displacement has been occurring in the region (2017-2050 growth in areas of higher displacement risk)	18% of population growth would occur in areas of higher displacement risk.	 23% of population growth would occur in areas of higher displacement risk, an elevated displacement risk compared to Stay the Course.	 16% of population growth would occur in areas of higher displacement risk, a slightly reduced displacement risk compared to Stay the Course.

¹ Communities of color are census tracts that are greater than 50 percent people of color. Low-income communities are census tracts that are greater than 50 percent people with low incomes (households earn less than 200 percent of the federal poverty level).

KEY:  Increased impacts compared to Stay the Course  Similar impacts to Stay the Course / Neutral  Reduced impacts compared to Stay the Course

Multicounty Planning Policies

VISION 2040 includes the multicounty planning policies for the four-county region. Multicounty planning policies provide a common, coordinated policy framework for local plans and other large-scale planning efforts in the region. They are designed to support implementation of the Regional Growth Strategy, including concentrating growth within the region's designated urban growth area and limiting development in resource and rural areas. The policies provide an integrated framework for addressing planning for the environment, land use, housing, the economy, transportation, and public services.

For each topic area, Chapter 7 of the VISION 2040 FEIS summarizes the multicounty planning policies and describes their purpose and environmental effects. Input to date indicates that VISION 2040's policies provide a strong foundation and should be largely retained, with select updates for emerging policy areas and changing conditions. Some changes are also proposed to strengthen or clarify policies. The multicounty planning policies will be revised to be consistent with the preferred Regional Growth Strategy alternative selected by the Growth Management Policy Board and will be included with the draft plan when it is released in summer 2019. Environmental effects of the multicounty planning policies will be included in the Final SEIS.