City of Kenmore

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

City of Kenmore
Planning Commission Meeting Agenda

April 20, 2021 @ 7 p.m. via Zoom

Log-in Information for the Commission Meeting:
Please click the link below to join the webinar or copy and put this link in your address bar in your web browser:
https://us02web.zoom.us/j/89982223806
Or One tap mobile :
US: +12532158782,,89982223806# or +13462487799,,89982223806#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 253 215 8782 or +1 346 248 7799 or +1 669 900 9128 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656
Webinar ID: 899 8222 3806
International numbers available: https://us02web.zoom.us/u/kdcoR3xGni

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please email Rita Moreno at rmoreno@kenmorewa.gov.

1. **CALL TO ORDER**

2. **CITIZEN COMMENTS**
   This is an opportunity to express your views on issues that are important to you and to the community. Please email comments to Rita Moreno at rmoreno@kenmorewa.gov by 5:00 p.m. on Tuesday, April 20, 2021. All comments received will be forwarded to the Planning Commission for consideration. You also may use the "raise hand" feature in Zoom during the Citizen Comment portion of the meeting or call in at the number listed above. A 3-minute comment limit applies.

3. **APPROVAL OF MINUTES**

   March 2, 2021 Planning Commission Meeting Minutes
   April 7, 2021 planning Commission Meeting Minutes

4. AGENDA ITEMS

Discussion of Joe Minicozzi
Book list and background information from Joe Minicozzi

Land Use and Housing Elements Update, including Public Participation Plan and Community Survey
042021 Staff Memo 1
Attachment 1 to Memo 1 - VacantResidentialParcelsMap (002)
Attachment 2 to Memo 1 - RedevelopableResidentialParcelsMap (002)
Attachment 3 to Memo 1 - CommercialDevelopableParcelsMap (003)
Attachment 4 to Memo 1 - MFTE Municipal Code Section

Countywide Planning Policies, including capacity analysis and targets
042021 Staff Memo 2

5. ADJOURNMENT

6. UPCOMING MEETINGS:

May 4, 2021, 7:00 p.m.

City of Kenmore
Planning Commission Meeting
March 2, 2021 @ 7:00 p.m.

Planning Commission Members – In Attendance (the meeting was held virtually using the Zoom online platform)

Mark Ohrenschall, Chair
Tracy Banaszynski
Suzanne Greathouse
Nathan Loutsis
Dennis Olson
Dwight Thompson
Mike Vanderlinde, Vice Chair

Consultants & Staff

Lauri Anderson, Principal Planner
Debbie Bent, Community Development Director
Rita Moreno, Administrative Assistant

1. CALL TO ORDER

The meeting was called to order by Chair Ohrenschall at 7:00 p.m.

2. CITIZEN COMMENTS

David Morton from Redmond expressed concerns about what comes out of the stack of Cadman's hot mix asphalt plant in Kenmore.

Vicki Grayland, Kenmore resident, expressed support of David Morton's message. She encouraged the Planning Commission to fast track issues of the tree canopy.

3. APPROVAL OF MINUTES

February 16th, 2021 Meeting Minutes – A motion to approve was made by Commissioner Greathouse. Commissioner Thompson asked for the minutes to be amended for his absence due to technical difficulties. Commissioner Vanderlinde seconded the motion. The motion passed 6-0 by roll call vote.

4. AGENDA ITEMS

- Land Use and Housing Elements updates, including “Missing Middle”

City Staff gave background information related to missing middle housing, TOD, development intensity, and follow up information that had been requested at the last meeting.

Staff gave an overview of two potential approaches for missing middle housing. Commissioners had questions on Kenmore townhomes using conditional use permits and how many townhomes currently exist in single family zoning districts. Staff asked if commissioners had thoughts or questions on the two potential approaches. There was a discussion about the two approaches and which they initially preferred.

Staff gave background info on TOD. Commissioners had questions about the level of TOD interest from developers. Commissioners also mentioned wanting to determine what is the long term goal. Staff provided a little more explanation about the tax advantage (multifamily tax exemption). A link to the Municipal Code will be provided for more information. Commissioners also questions on zoning patterns. The discussion on TOD continued.

Staff provided information on how density is controlled in Kenmore and in other places. Staff also gave a brief explanation of floor area ratio or FAR. There was a discussion on the use of FAR in Kenmore and other areas.

There was follow up on information that commissioners had requested from the previous meeting. This information was provided in their packets.

There was a discussion on the number of residents that live and work in Kenmore. Commissioners had questions about whether this is a trend happening in surrounding communities? What are the numbers? What are people looking for when working in Kenmore and living in Kenmore?

Staff gave a follow up on financial implications of various land use patterns. Staff would like to schedule a presentation from Joe Minicozzi. This would be in place of the regularly scheduled Planning Commission meeting.

7. ADJOURNMENT

Chair Ohrenschall adjourned the meeting at 8:40 p.m.

____
Planning Commission
Approved by Planning Commission on: _________________________

City of Kenmore
Planning Commission Meeting
April 7, 2021 @ 6:00 p.m.

Planning Commission Members – In Attendance (the meeting was held virtually using the Zoom online platform)

Mark Ohrenschall, Chair
Tracy Banaszynski
Suzanne Greathouse
Nathan Loutsis
Dennis Olson
Dwight Thompson
Mike Vanderlinde, Vice Chair

Consultants & Staff

Lauri Anderson, Principal Planner
Debbie Bent, Community Development Director
Rita Moreno, Administrative Assistant
Joe Minicozzi, AICP, Principal with Urban3

1. CALL TO ORDER

The meeting was called to order by Chair Ohrenschall at 6:00 p.m.

2. AGENDA ITEMS

The Planning Commission heard a special presentation on how land use and zoning affect a City's economic health by Joe Minicozzi, AICP, Principal with Urban3. Commissioners and City Manager Rob Karlinsey asked questions. Mr. Minicozzi agreed to provide a reading list that might be of interest.

7. ADJOURNMENT

Chair Ohrenschall adjourned the meeting at 7:24 p.m.

____
Planning Commission
Approved by Planning Commission on: ________________________

Book list and background information from Joe Minicozzi

Triumph of the City by Ed Glaesar

Doughnut Economics by Kate Raworth

Design With Nature by Ian McHarg

Misbehaving by Richard Thaler

Predictably Irrational by Daniel Airley

Link for presentation https://youtu.be/Qhi7Ca5Q6hk

From Joe: “Here's a video of Design With Nature from 1969. It gets weird in spots, and some of it is painfully dated, but it's worth muscling through to the end. There are plenty of things that we've learned since he put this out there, but it's crazy that it'd take decades for computer software design to catch up to his drawings/thinking.”

https://www.youtube.com/watch?v=5nBFkARCP0I

City Of Kenmore, Washington

Memorandum

Date: April 13, 2021

To: Planning Commission

From: Debbie Bent, Community Development Director
Lauri Anderson, Principal Planner

Regarding: Land Use and Housing Element Updates, including Public Participation Plan and Community Survey

At your March 2 meeting, Commissioners requested additional information. That information is provided below, along with some information on Missing Middle housing in Bothell. Updated information on the Public Participation Plan and Community Survey is provided at the end of this memo.

Additional Kenmore Information

1. **Question: How many homeless individuals are there in Kenmore?**

   Response: Kenmore-specific information is not available.

   The Lake Washington School District identified 271 homeless schoolchildren in the 2018-2019 school year.

   For the One Night Count of the homeless, Kenmore is in "North County" along with Shoreline, Lake Forest Park, Bothell, and Woodinville. Here is the most recent information.

Table 1 Individuals Experiencing Homelessness (Sheltered) by Region, 2017-2020

	Sheltered							
	2017		2018		2019		2020	
	%	N	%	N	%	N	%	N
East County	11%	660	11%	636	10%	569	9%	586
North County	1%	71	4%	215	3%	192	3%	204
Northeast County	1%	68	1%	43	1%	35	1%	61
Seattle	71%	4,392	69%	4,000	71%	4,239	72%	4,428
Southeast County	1%	30	1%	34	1%	56	1%	72
Southwest County	15%	937	15%	864	15%	880	13%	822
TOTAL	100%	6,158	100%	5,792	100%	5,971	100%	6,173

Table 2 Individuals Experiencing Homelessness (Unsheltered) by Region, 2017-2020

	Street (Unsheltered)							
	2017		2018		2019		2020	
	%	*N*	%	*N*	%	*N*	%	*N*
East County	5%	319	6%	393	6%	337	8%	446
North County	1%	53	4%	251	2%	85	1%	56
Northeast County	2%	119	2%	137	2%	99	3%	167
Seattle	70%	3,857	71%	4,488	68%	3,558	67%	3,738
Southeast County	1%	70	1%	77	1%	65	1%	56
Southwest County	20%	1,102	15%	974	21%	1,084	20%	1,115
TOTAL	100%	5,485	100%	6,320	100%	5,228	100%	5,578

2. Question: What is the age of Kenmore's housing stock?

Response:

1939 or earlier	4%
1940 to 1949	1%
1950 to 1959	11%
1960 to 1969	14%
1970 to 1979	17%
1980 to 1989	18%
1990 to 1999	15%
2000 to 2009	12%
2010 to 2013	3%
2014 or later	5%

3. Question: How do Kirkland/Bothell household income bands compare with Kenmore's?

Response: Below is information for Kenmore and the income bands for Bothell and Kirkland. The Kenmore numbers are slightly revised from the information provided on February 16.

2013-2017	Kenmore	Bothell	Kirkland
$\leq$ to 30% HAMFI*	10%	9%	9%
>30% to $\leq$50%	8%	9%	8%
>50% to $\leq$ 80%	10%	11%	9%
>80% to $\leq$ 100%	9%	12%	7%
>100%	63%	58%	66%

* HUD Area Median Family Income

4. Question: What is the income distribution of the 60% of Kenmore's households that have an above-median income?

Response: This information is unavailable. Below is household income distribution in dollars. The 4-person AMI in 2017 was $96,000, but the income level of a 2-person household making $100K would be 130% AMI and a 5-person household would be 96% AMI. Without knowing the household sizes, we can't determine the AMI levels.

Household Incomes

Region	2006 - 2010	2013 - 2017	2015 - 2019
EKC cities	**7,874**	**8,644**	**8,858**
Kenmore	**7,874**	**8,644**	**8,858**
Less than $10,000	351	479	330
$10,000 to $14,999	270	141	243
$15,000 to $19,999	140	55	68
$20,000 to $24,999	280	262	92
$25,000 to $29,999	177	202	189
$30,000 to $34,999	269	169	186
$35,000 to $39,999	208	224	147
$40,000 to $44,999	405	284	303
$45,000 to $49,999	345	162	190
$50,000 to $59,999	474	563	461
$60,000 to $74,999	776	682	841
$75,000 to $99,999	1,144	1,276	1,109
$100,000 to $124,999	996	945	713
$125,000 to $149,999	599	877	894
$150,000 to $199,999	876	1,149	1,398
$200,000 or more	564	1,174	1,694
Total	**7,874**	**8,644**	**8,858**

5. Question: Where is the vacant or redevelopable land in Kenmore?

Response: Attachments 1-3 provide information on vacant and redevelopable land in Kenmore. The commercial land information came from the 2018 Economic Development Study produced by CAI.

6. Question: Why did the Kenmore Urban project change from a TOD proposal to townhouses?

Response: The owner gave two reasons: (1) lenders are hesitant to provide financing for mixed use buildings, and (2) people prefer to live in their own buildings and not in an "apartment" style with elevators and people above them. Given the success of recent apartment development downtown, Bryan Hampson, the Development Services Director, has suggested that there may be other underlying reasons for the change. He will be meeting with the owner to continue to recommend the TOD product.

7. Question: How is the Multifamily Housing Property Tax Exemption (MFTE) regulated?

Response: Attachment 4 contains the Municipal Code section addressing MFTE.

8. Question: How many and what kind of businesses are home-based businesses in Kenmore?

Response: 729 home-occupations are reported out of 1066 registered businesses in the City. In September 2020, the top 10 home-occupations were:

- New Single-Family Housing Construction (38)
- Residential Remodelers (30)
- Administrative Management & General Management Consulting Services (31)
- Miscellaneous Store Retailers (24)
- Custom Computer Programming Services (18)
- Landscaping Services (17)
- Assisted Living Facilities for the Elderly (17)
- Independent Artists, Writers, and Performers (15)
- Lessors of Residential Buildings and Dwellings (17)
- Other Scientific and Technical Consulting Services (15)

9. Question: How does the number of Kenmore residents who work in Kenmore compare with those numbers in Kirkland and Bothell? Is Kenmore's work from home percentage comparable to these surrounding jurisdictions?

Response: From the 2019 American Community Survey 5 year estimates:

Kenmore	Work in place of residence	13.9%
	Work from home	8.4%
Kirkland	Work in place of residence	25.2%
	Work from home	7.2%
Bothell	Work in place of residence	21.0%
	Work from home	6.6%

Missing Middle Housing in Bothell

The City of Bothell recently amended their zoning code to allow duplexes on corner lots. See: https://www.theurbanist.org/2021/03/03/bothell-legalizes-duplexes-on-corner-lots-and-trims-red-tape/. The article also discussed their platting regulations and an increase in the number of lots permitted through the short plat process. Kenmore has allowed short plats with the maximum number of lots allowed by State law (9) for several years.

Public Participation Plan and Survey

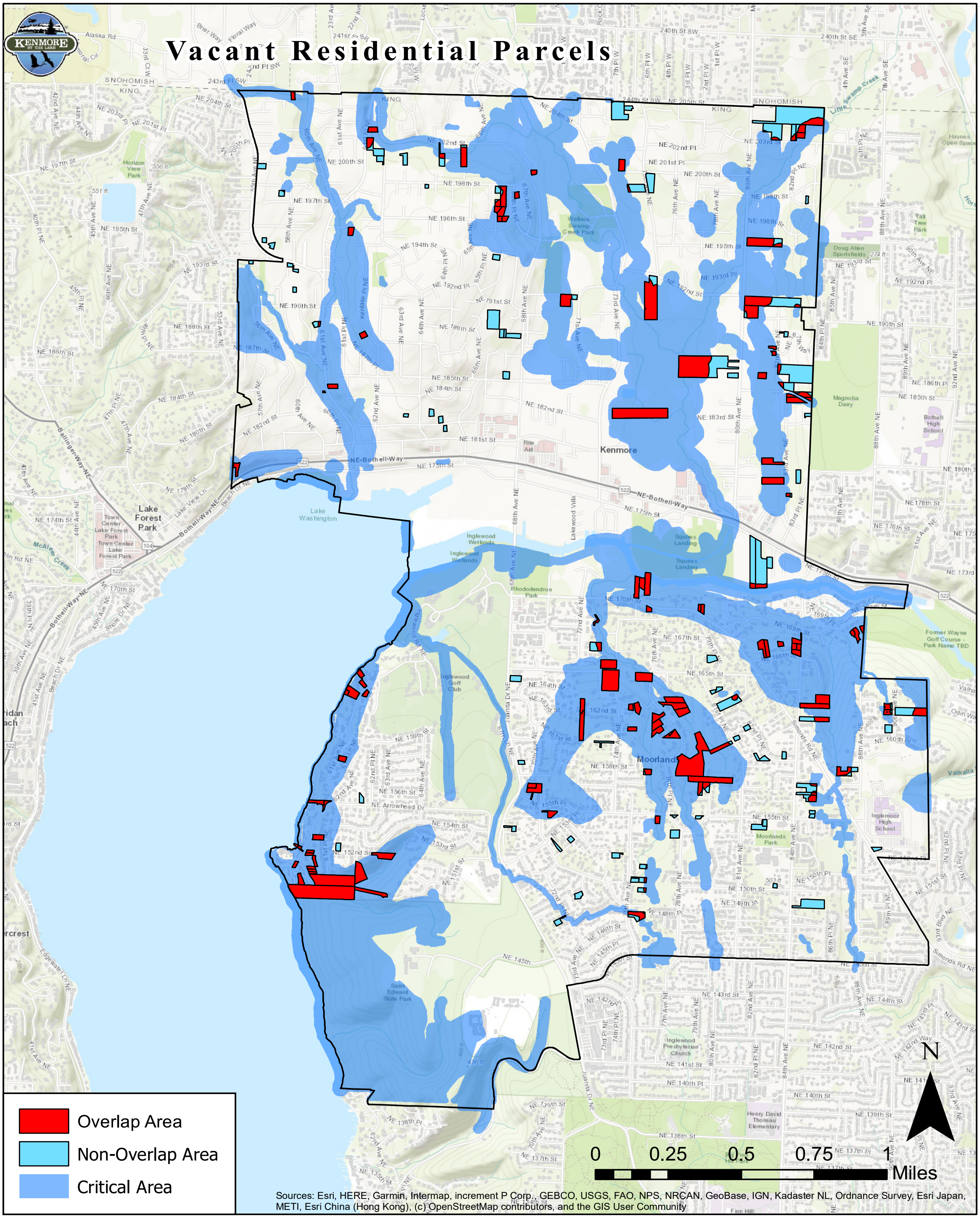
The City is hiring PRR, Inc. as the consultant to brand the Comprehensive Plan Update project, conduct the statistically valid community survey and prepare the public participation plan. Approval of the PRR contract is on the April 19 City Council meeting agenda.

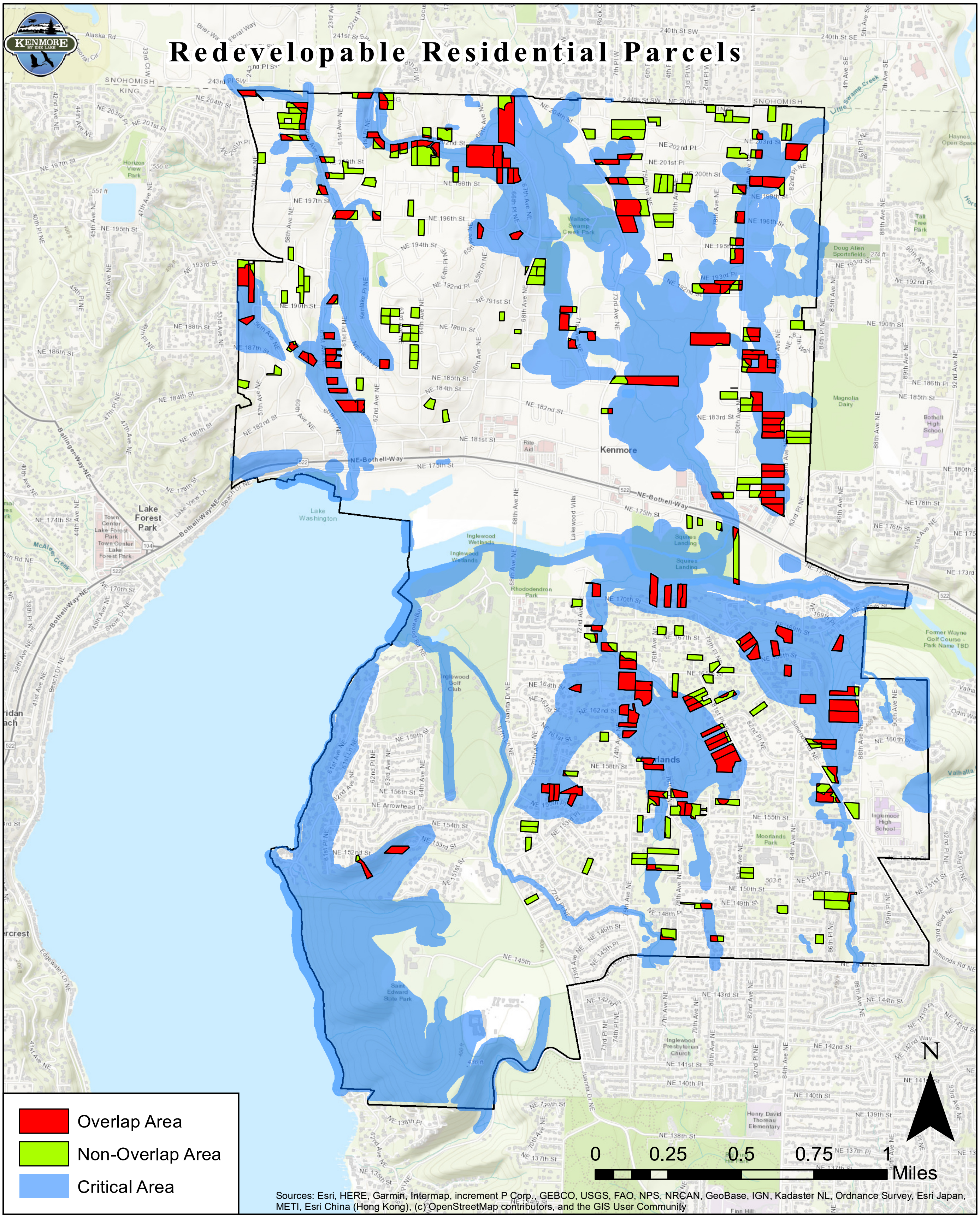
After much discussion with these experts, the conclusion was that the survey should occur as a first step in the Comprehensive Plan update process. The survey results could then be used to determine where additional education and outreach are needed, and to refine the public participation plan. Requests to participate in the survey will be mailed to all households in Kenmore. Both an online survey and a call-in telephone option will be provided.

A draft of the public participation plan will be provided to the Planning Commission for review and input this summer. The plan will include an emphasis on involving historically under-represented communities.

Attachments
Attachment 1: Vacant Residential Parcels
Attachment 2: Redevelopable Residential Parcels
Attachment 3: Vacant and Redevelopable Commercial Parcels in the Downtown Core
Attachment 4: Multifamily Housing Property Tax Exemption (MFTE)

18120 68th Ave NE, Kenmore, WA 98028
Office: (425) 398-8900 · Fax: (425) 481-3236 · cityhall@kenmorewa.gov · www.kenmorewa.gov


Vacant Residential Parcels
KENMORE BY THE LAKE
Kenmore
Lake Forest Park
Lake Washington
Moorland
Overlap Area
Non-Overlap Area
Critical Area
0 0.25 0.5 0.75 1
Miles
N
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community


Redevelopable Residential Parcels
KENMORE
BY THE LAKE
Kenmore
Lake Washington
Overlap Area
Non-Overlap Area
Critical Area
N
0
0.25
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1
Miles
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

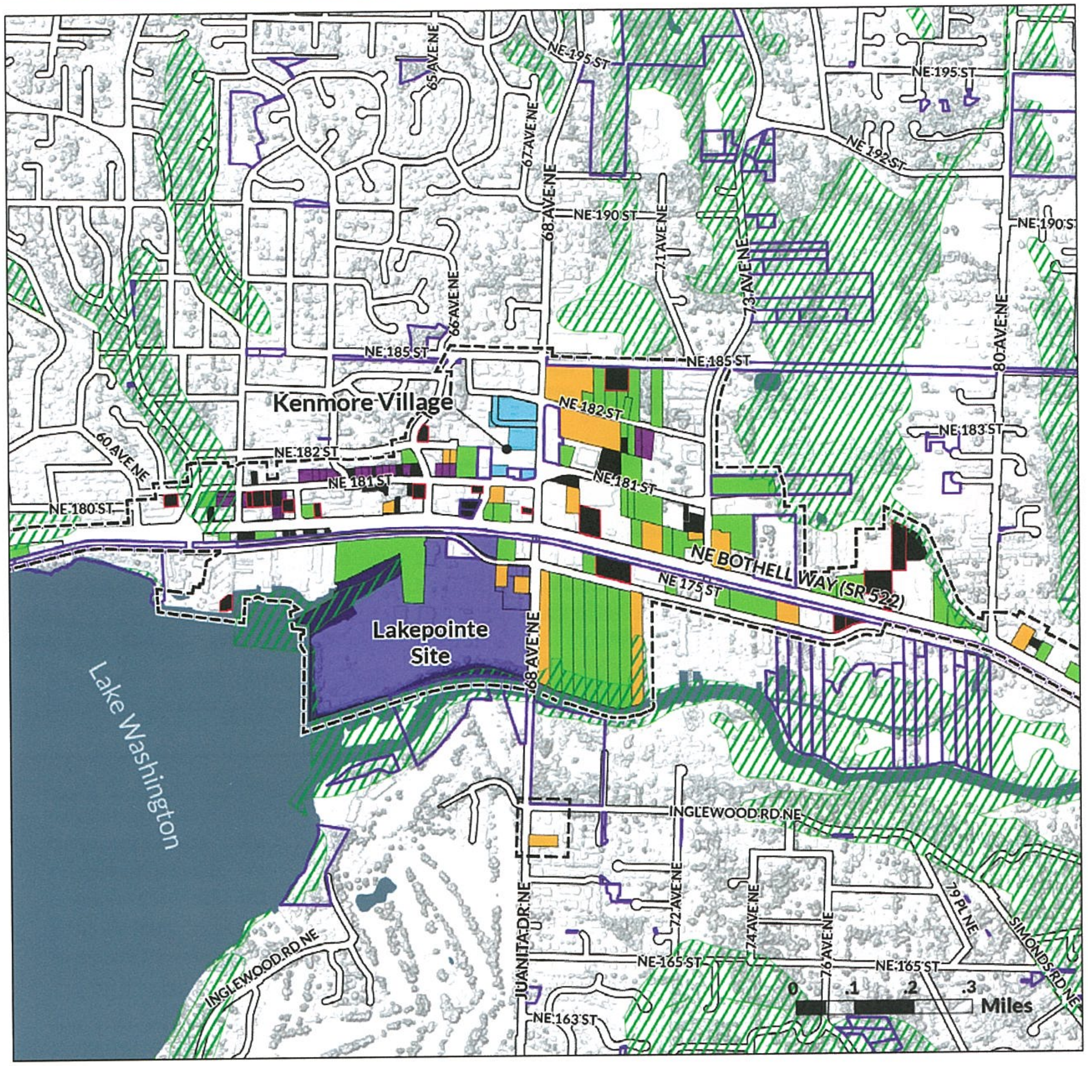

Exhibit 13. Vacant and Redevelopable Land, City of Kenmore

Exhibit 13 illustrates the results of the buildable lands analysis across the City's core commercial area and includes the City's adopted zoning designations.

City of Kenmore

Commercial Redevelopable Land Supply (DRAFT)

- Publicly-Owned Parcels (All)
- Downtown Commercial & Mixed Use Zones
- Merged Critical Areas*

Redevelopable Lands by Type

- Vacant ($>$.001 Impr. Value / SF)
- Vacant, Surface Parking Lot
- Underutilized - Tier A ($.001-$2.50 Impr. Value / SF)
- Underutilized - Tier B ($2.50-$5.00 Impr. Value / SF)
- Underutilized - Tier C (SFR in COM/MU/IND zones)
- Current or Recent Construction
- Preliminary Project Development

** Critical areas merged and mapped include: landslide hazard areas, floodways, floodplains, and mapped wetlands.*

Source: Community Attributes, 2018; Kenmore, King County, 2017

Chapter 3.65
MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION

Sections:

3.65.010 Purpose.

A. The purposes of this chapter are:

l. 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

3.65.020 Definitions.

A. "Affordable housing" means 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 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. "City manager" means the City of Kenmore city manager or his or her designee(s).

D. "Eligible household" means a *household* that meets all qualifications for 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 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. "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 predominantly 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 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 13-0363 §§ 1, 2; Ord. 07-0271 § 1.]

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 areas 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* were 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 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 Ordinance No. 07-271; and

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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

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 of 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 the 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, including, but not limited to, if the project is on property located in the transit oriented development district overlay, the project shall comply with Chapter 18.29 KMC and all other applicable zoning regulations.

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. [Ord. 19-0487§ 1; Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

3.65.050 Application procedure – Fee.

A. The *owner* of property applying for exemption under this chapter shall submit an application to the *city manager*, on a form established by the *city manager*. The *owner* shall verify the application by oath or affirmation. The application shall contain such information as the *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.

C. The *city manager* shall notify the *owner* within 28 days of the application being filed if the *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 *city manager* shall notify the *owner* in writing if the *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 *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 *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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

3.65.060 Application review – Issuance of conditional certificate – Denial – Appeal.

A. The *city 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 *city manager*'s receipt of the completed application. Upon city council approval of the contract, the *city 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 *city 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 *city 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 *city manager*, and the *city manager*'s decision shall be upheld unless the *owner* can show that there is no substantial evidence on the record to support the *city manager*'s decision. The city council's decision on appeal is final. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

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 *city manager* at any time within three years of the date of the city council's approval of the contract.

B. The *city 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 *city 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 *city 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

3.65.080 Extension of conditional certificate.

The conditional certificate may be extended by the *city 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 *city manager* may grant an extension if the *city 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

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 *city manager* such information as the *city 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 city *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 *city 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 *city 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 *city 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 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 *city manager* deems appropriate for recording, including requirements under this chapter relating to affordability of units.

E. The *city manager* shall notify the *owner* in writing that the City will not file a final certificate if the *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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

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:

l. 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 median 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; or 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 13-0363 § 3; Ord. 07-0271 § 1.]

3.65.105 Affordable housing requirements.

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

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. [Ord. 19-0479 § 1 (Exh. A).]

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 *city manager*, verified upon oath or affirmation, which shall contain such information as the *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 regard 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 *city 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 or 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 *city 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 *city 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 *city 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

3.65.120 Appeals to hearing examiner.

A. The City's hearing examiner is provided jurisdiction to hear appeals of the decisions of the *city 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 that they are consistent with the requirements of this chapter and Chapter 84.14 RCW. The hearing examiner shall give substantial weight to the *city 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 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 07-0271 § 1.]

3.65.130 Annual reporting.

A. If the City issues tax exemption certificates pursuant to this chapter, the *city 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.l00.

B. Annually, beginning in 2010, the *city 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. [Ord. 19-0479 § 1 (Exh. A); Ord. 13-0363 § 4; Ord. 07-0271 § 1.]

City Of Kenmore, Washington

Memorandum

Date: April 13, 2021

To: Planning Commission

From: Debbie Bent, Community Development Director
Lauri Anderson, Principal Planner

Regarding: Draft Countywide Planning Policies, including Growth Targets and the Preliminary Urban Land Capacity Study

On Monday, April 26, at their 7:00 p.m. meeting, the City Council will hear a presentation by King County staff on the draft Countywide Planning Policies (CPPs), including the 2044 growth targets.

On Friday, April 16, we will forward the City Council agenda packet to you to provide background information and we encourage you to watch the presentation. We will provide a link to the Council meeting recording in your May 4 meeting materials in case you miss it.

We will discuss the CPPs, targets and capacity at the May 4 meeting, but we welcome any early feedback on April 20th.

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