Houghton Village Development Plan

Initial Options

Prepared for the City of Kirkland

September 12, 2024

MITHŪN

Community Engagement

Since June 2024, the project team has received input on the Houghton Village Development Plan through:

- Tabling at "**Come Out Kirkland**" Pride Event

- **Open House**: Programming Priorities Exercise

- **Library Board**: Programming Priorities Exercise

- 2 Focus Groups: Design Input on Initial Options

    [Focus Group #1 included primarily representatives from **Community-based Organizations** serving the Eastside]

    [Focus Group #2 included **business owners/tenants** from Houghton Village and Houghton Plaza, **nearby property owners**, **neighborhood association** representatives, and other **community leaders**]

- **Senior Council**: Design Input on Initial Options

- Tabling at **City Hall for All**

Upcoming engagement activities in Fall 2024 include:

- **Cultural Arts Commission**

- **Youth Council**

- **Human Services Commission**

- **Park Board**

- Focus Group with **LWSD Teachers**

Staff has received positive feedback from many community members excited about the **potential for more affordable housing** and **community services** and other **benefits at a central location** in the City.

We have also continued to hear from community members with concerns about: how **additional traffic** will impact the surrounding neighborhoods; that **additional height** in redevelopment will change the character of the area; **safety** for people walking/rolling in area; and, the **general concept** of the City owning the property and exploring development options.
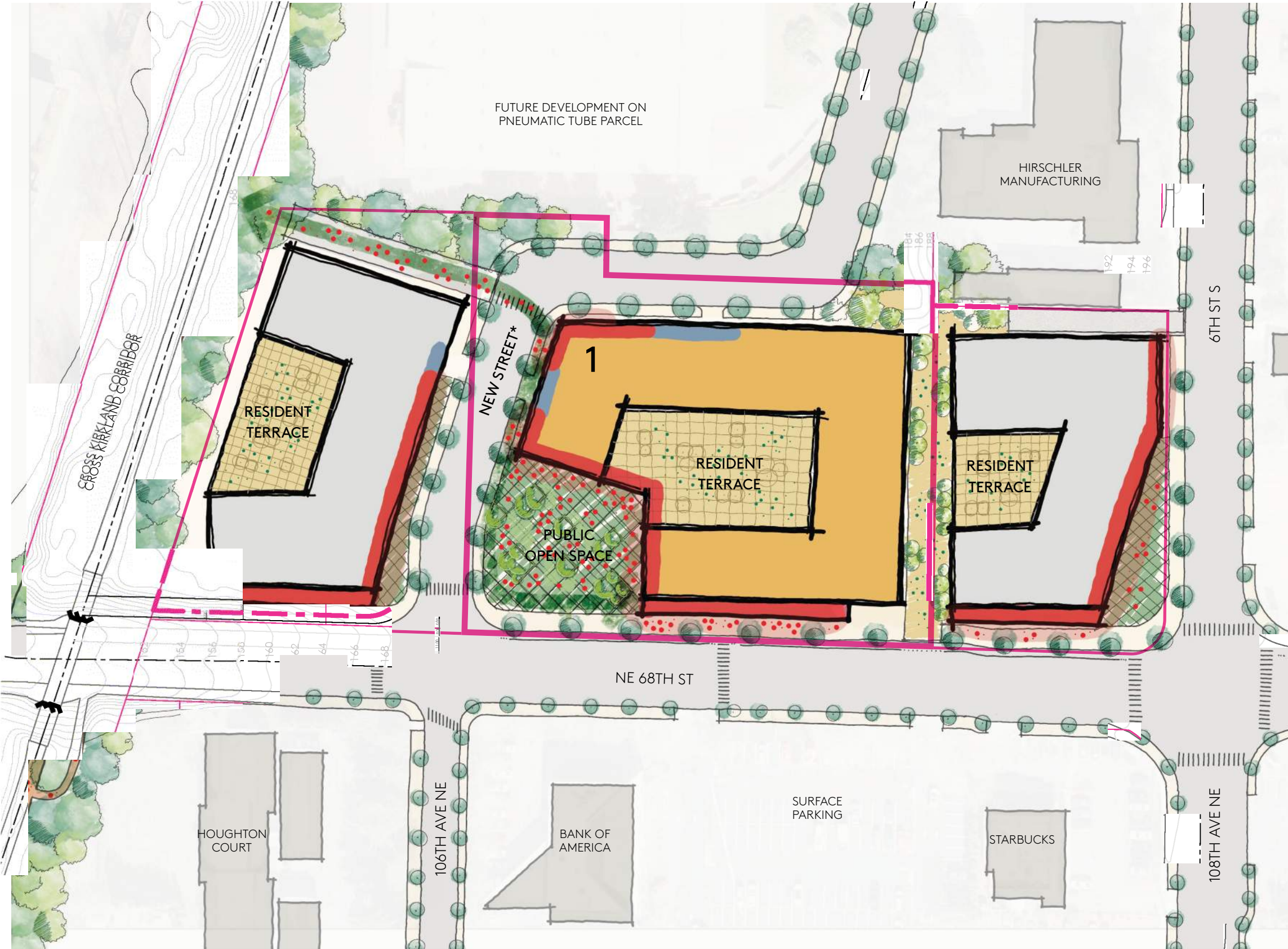
STUDY SESSION GOALS

Seeking preferences on the Initial Options, including:

- Where is the best location for the public open space?

- Should there be one or two buildings (and parcels)?

- Should there be room for a large commercial / community space, or are medium spaces ok?

Seeking comments or questions on the feasibility analysis.

Not seeking feedback on street alignment, since the safety is still being studied technically.

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OPTION A - SITE PLAN

FUTURE DEVELOPMENT ON
PNEUMATIC TUBE PARCEL

HIRSCHLER
MANUFACTURING

6TH ST S

CROSS KIRKLAND CORRIDOR

RESIDENT
TERRACE

NEW STREET*

1

RESIDENT
TERRACE

RESIDENT
TERRACE

PUBLIC
OPEN SPACE

NE 68TH ST

106TH AVE NE

108TH AVE NE

HOUGHTON
COURT

BANK OF
AMERICA
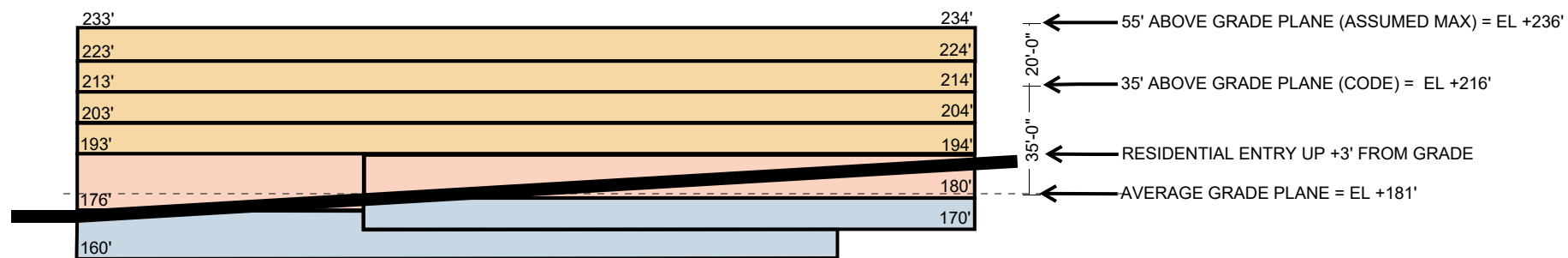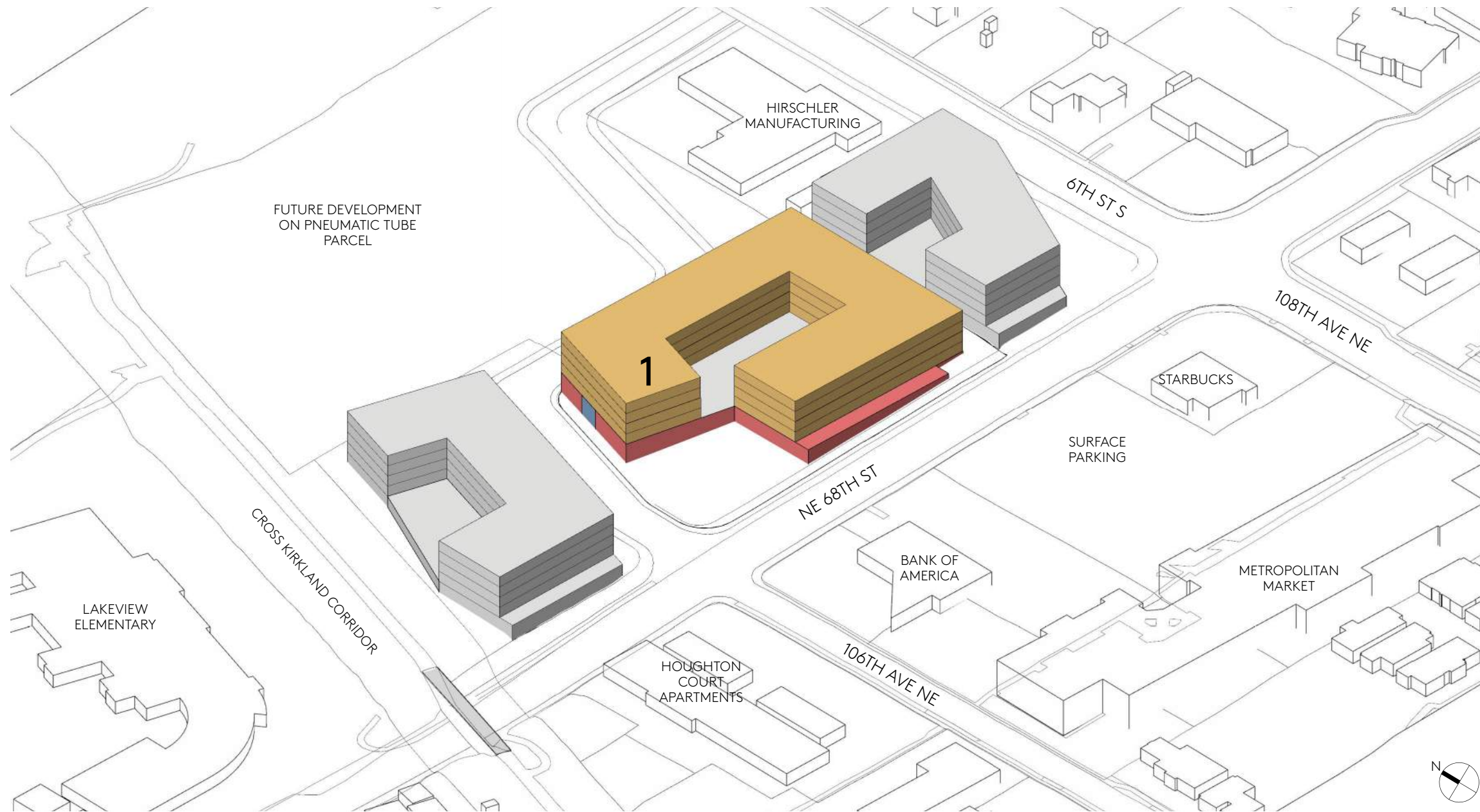
SURFACE
PARKING

STARBUCKS

LEGEND

▭ CITY OWNED PARCEL
▭ STUDY AREA
■ COMMERCIAL / RETAIL / COMMUNITY
■ RESIDENTIAL
■ PARKING AND SERVICES
□ FUTURE PHASE NOT INCLUDED IN HV PROPERTY

0' 25' 50'   100'   N
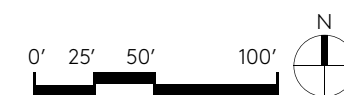
OPTION A - 3D MASSING AND BUILDING CROSS-SECTION

FUTURE DEVELOPMENT ON PNEUMATIC TUBE PARCEL

HIRSCHLER MANUFACTURING

6TH ST S

108TH AVE NE

1

STARBUCKS

SURFACE PARKING

NE 68TH ST

METROPOLITAN MARKET

BANK OF AMERICA

CROSS KIRKLAND CORRIDOR

LAKEVIEW ELEMENTARY

HOUGHTON COURT APARTMENTS

106TH AVE NE

N

Heartline, Portland

Pop Blocks, Portland

200 Occidental, Seattle

Cross-Section

| 233' | | 234' |

55' ABOVE GRADE PLANE (ASSUMED MAX) = EL +236'

20'-0"

| 223' | | 224' |
| 213' | | 214' |

35 ABOVE GRADE PLANE (CODE) = EL +216'

| 203' | | 204' |
| 193' | | 194' |

35'-0"

RESIDENTIAL ENTRY UP +3' FROM GRADE

| 176' | | 180' |

AVERAGE GRADE PLANE = EL +181'

| | | 170' |
| 160' | | |

LEGEND

- 🟥 COMMERCIAL / RETAIL / COMMUNITY
- 🟨 RESIDENTIAL
- 🟦 PARKING AND SERVICES
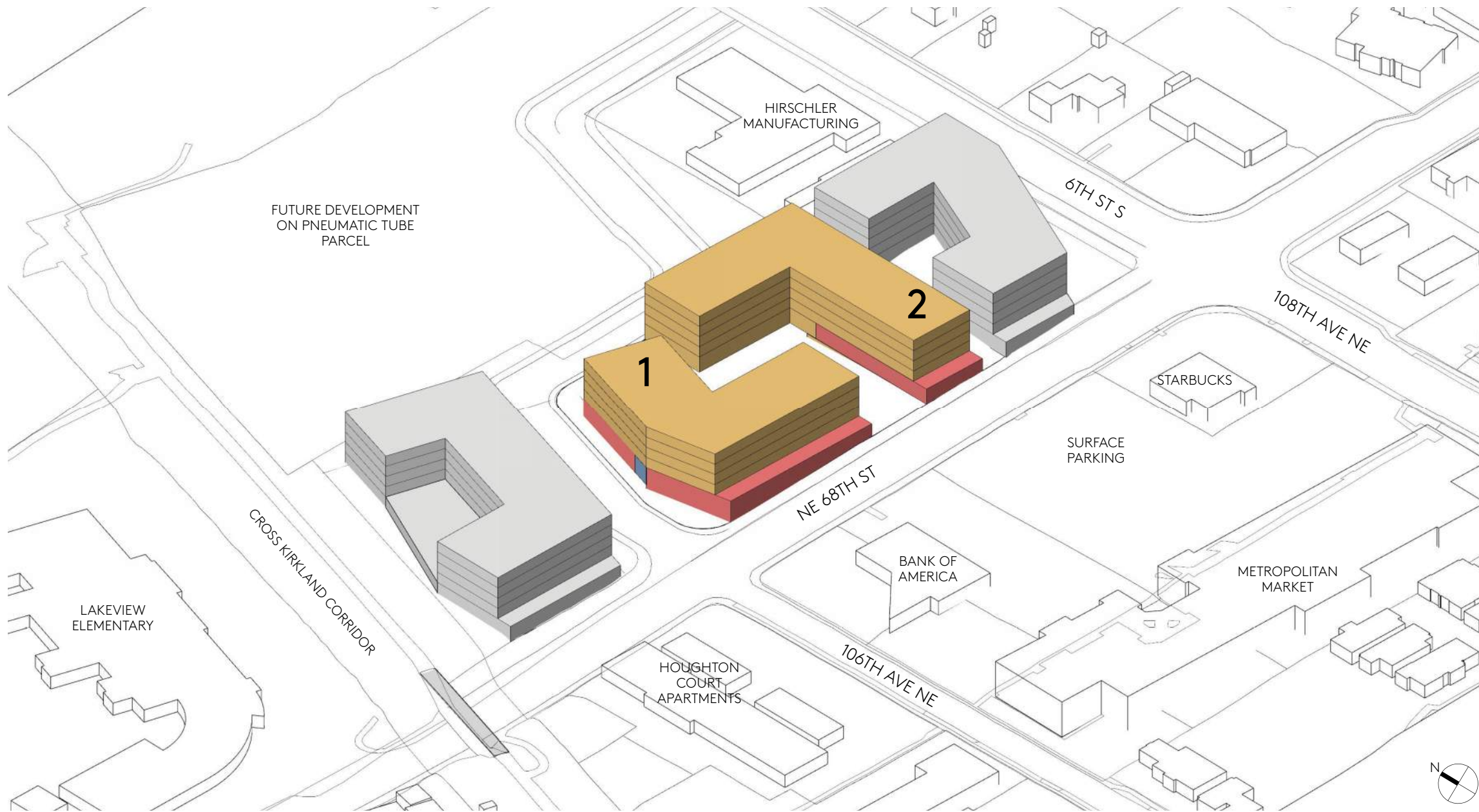- ⬜ FUTURE PHASE, NOT INCLUDED IN HV PROPERTY

0'   75'   150'   300'   N

OPTION B - SITE PLAN

FUTURE DEVELOPMENT ON
PNEUMATIC TUBE PARCEL

HIRSCHLER
MANUFACTURING

6TH ST S

CROSS KIRKLAND CORRIDOR

RESIDENT
TERRACE

NEW STREET*

1

2

RESIDENT
TERRACE

PUBLIC
OPEN
SPACE

+194'

+191'

NE 68TH ST

106TH AVE NE

HOUGHTON
COURT

BANK OF
AMERICA

SURFACE
PARKING

STARBUCKS

108TH AVE NE

LEGEND

▭	CITY OWNED PARCEL
▭	STUDY AREA
▬	COMMERCIAL / RETAIL / COMMUNITY
▬	RESIDENTIAL
▬	PARKING AND SERVICES
▭	FUTURE PHASE NOT INCLUDED IN HV PROPERTY

0' 25' 50'   100'

N

MITHŪN
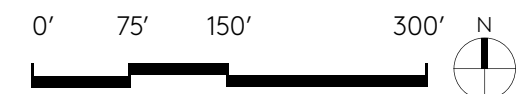
OPTION B - 3D MASSING AND BUILDING CROSS-SECTION

FUTURE DEVELOPMENT ON PNEUMATIC TUBE PARCEL

HIRSCHLER MANUFACTURING

6TH ST S

108TH AVE NE

STARBUCKS

SURFACE PARKING

1

2

CROSS KIRKLAND CORRIDOR

NE 68TH ST

BANK OF AMERICA

METROPOLITAN MARKET

LAKEVIEW ELEMENTARY

HOUGHTON COURT APARTMENTS

106TH AVE NE

N

The Village at Totem Lake

Ponce City Market

Heartline, Portland

Cross-Section

55' ABOVE AVERAGE GRADE PLANE (ASSUMED MAX) = EL +233'

35' ABOVE GRADE PLANE (CODE) = EL +213'

AVERAGE GRADE PLANE = EL +178'

+233'
+223'
+213'
+203'
+193'
+180'
+176'
+170'
+160'

20'-0"
35'-0"

+239'
+229'
+219'
+209'
+199'
+186'
+176'
+164'
+154'

20'-0"
35'-0"

55' ABOVE GRADE PLANE (ASSUMED MAX) = EL +239'
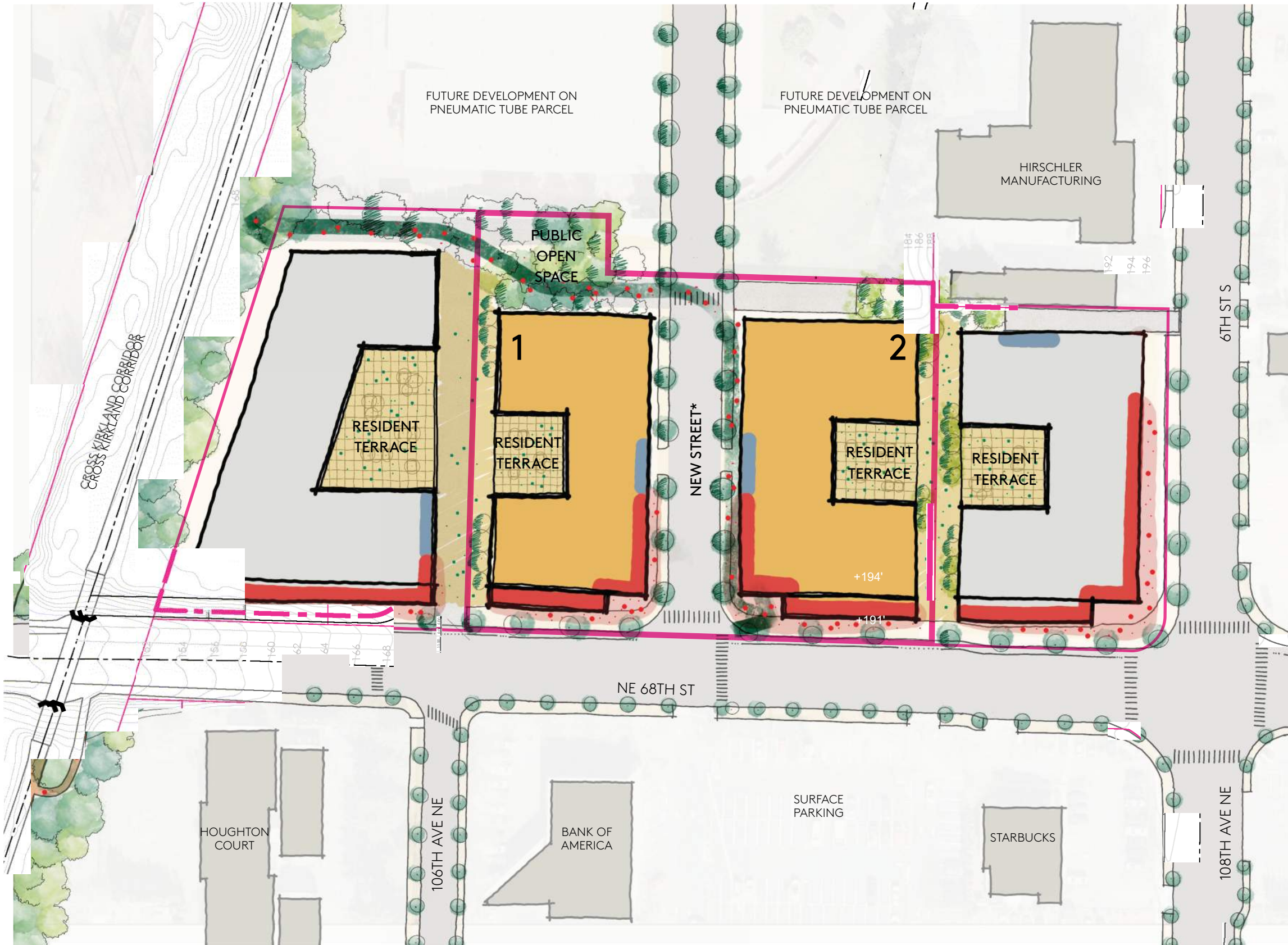
35' ABOVE GRADE PLANE (CODE) = EL +219'

AVERAGE GRADE PLANE = EL +184'

LEGEND

■ COMMERCIAL / RETAIL / COMMUNITY
■ RESIDENTIAL
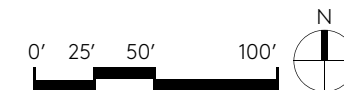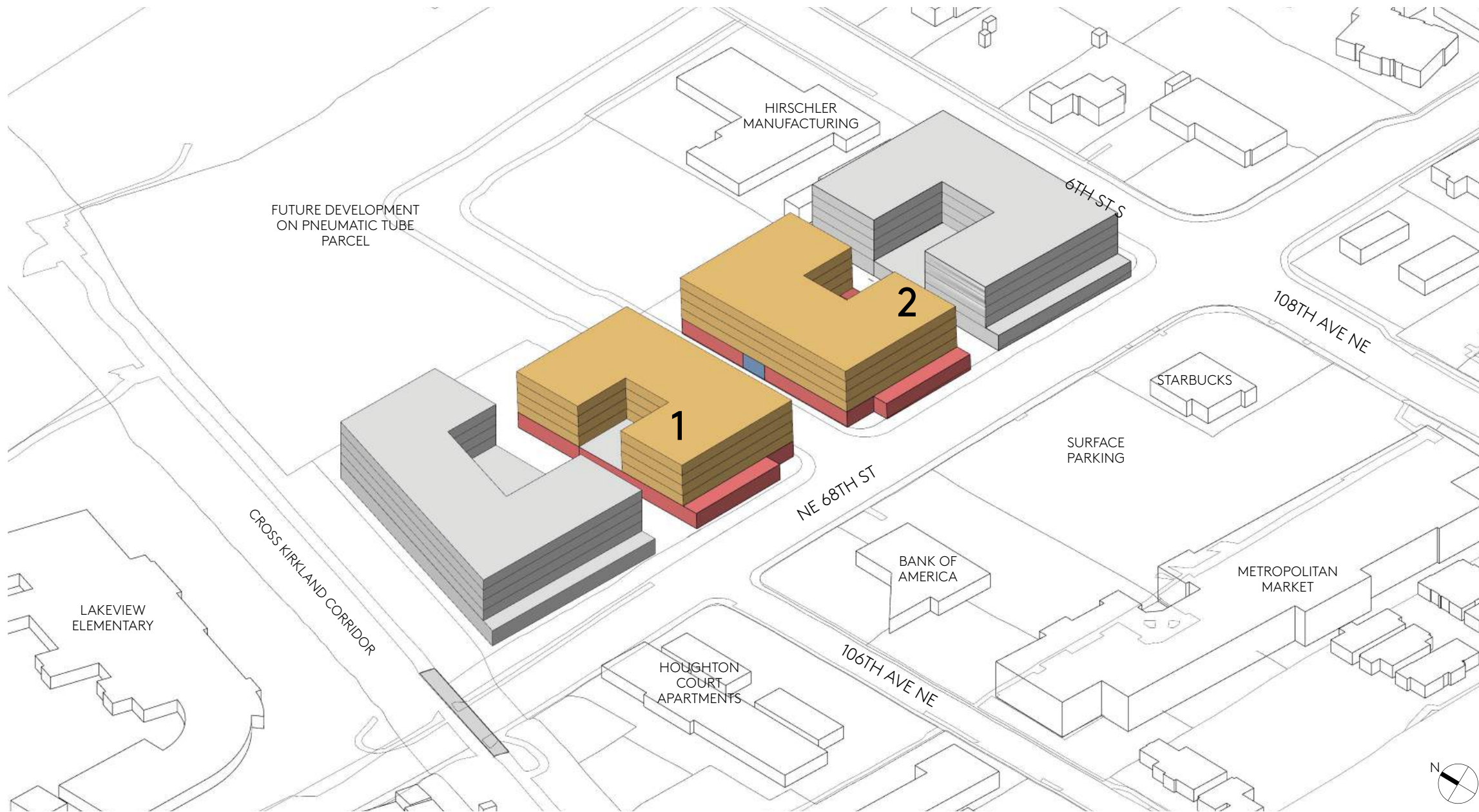■ PARKING AND SERVICES
■ FUTURE PHASE, NOT INCLUDED IN HV PROPERTY

0'   75'   150'   300'   N

OPTION C - SITE PLAN

FUTURE DEVELOPMENT ON PNEUMATIC TUBE PARCEL

FUTURE DEVELOPMENT ON PNEUMATIC TUBE PARCEL

HIRSCHLER MANUFACTURING

6TH ST S

CROSS KIRKLAND CORRIDOR

PUBLIC OPEN SPACE

RESIDENT TERRACE

RESIDENT TERRACE

1

NEW STREET*

2

RESIDENT TERRACE

RESIDENT TERRACE

+194'

+191'

NE 68TH ST

106TH AVE NE

HOUGHTON COURT

BANK OF AMERICA

SURFACE PARKING

STARBUCKS

108TH AVE NE

LEGEND

CITY OWNED PARCEL
STUDY AREA
COMMERCIAL / RETAIL / COMMUNITY
RESIDENTIAL
PARKING AND SERVICES
FUTURE PHASE NOT INCLUDED IN HV PROPERTY

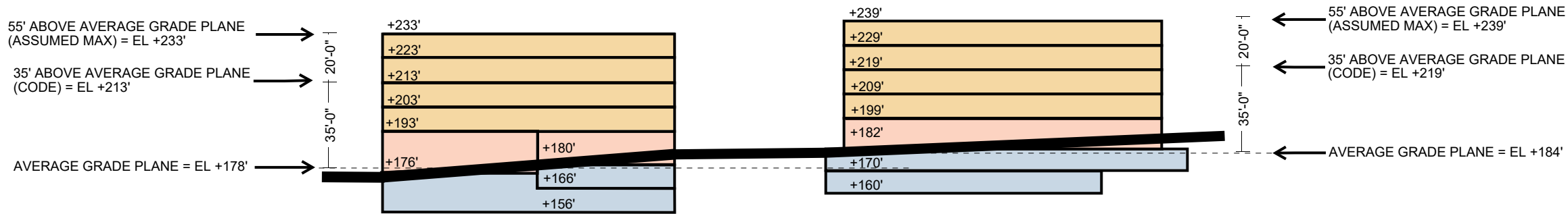0'   25'   50'   100'

N

OPTION C - 3D MASSING AND BUILDING CROSS-SECTION

HIRSCHLER MANUFACTURING

FUTURE DEVELOPMENT ON PNEUMATIC TUBE PARCEL

6TH ST S

108TH AVE NE

2

1

STARBUCKS

SURFACE PARKING

NE 68TH ST

CROSS KIRKLAND CORRIDOR

BANK OF AMERICA

METROPOLITAN MARKET

LAKEVIEW ELEMENTARY

HOUGHTON COURT APARTMENTS

106TH AVE NE

N

Industry City Courtyard, Brooklyn

Lieven, Amsterdam

200 Occidental, Seattle

55' ABOVE AVERAGE GRADE PLANE (ASSUMED MAX) = EL +233'

35' ABOVE AVERAGE GRADE PLANE (CODE) = EL +213'

AVERAGE GRADE PLANE = EL +178'

+233'
+223'
+213'
+203'
+193'
+180'
+176'
+166'
+156'

20'-0"
35'-0"

+239'
+229'
+219'
+209'
+199'
+182'
+170'
+160'

35'-0"
20'-0"

55' ABOVE AVERAGE GRADE PLANE (ASSUMED MAX) = EL +239'

35' ABOVE AVERAGE GRADE PLANE (CODE) = EL +219'

AVERAGE GRADE PLANE = EL +184'

LEGEND

🟥	COMMERCIAL / RETAIL / COMMUNITY
🟨	RESIDENTIAL
🟦	PARKING AND SERVICES
⬜	FUTURE PHASE, NOT INCLUDED IN HV PROPERTY

0'   75'   150'   300'   N

MITHŪN

OPTIONS SUMMARY

135 - 140 MIXED INCOME RESIDENTIAL UNITS

1

+194'
+191'

NE 68TH ST

95 AFFORDABLE RESIDENTIAL UNITS

1
+193'

60 MARKET RATE RESIDENTIAL UNITS

2
+199'

NE 68TH ST

80 MARKET RATE RESIDENTIAL UNITS

85 AFFORDABLE RESIDENTIAL UNITS

1
+193'

2
+199'

NE 68TH ST

OPTION A

A1	A2	BUILDING 1: 5 LEVELS (4 STORIES OF RESIDENTIAL OVER COMMERCIAL / RETAIL / COMMUNITY)
135	140	TOTAL RESIDENTIAL UNITS
312,300	249,400	TOTAL GSF
38,300	10,900	COMMERCIAL CORE + SHELL GSF
305	235	PARKING STALLS REQUIRED
310	225	PARKING STALLS PROVIDED
-90	-75	SAP STALL REDUCTION
-32,000	-26,600	SAP STALL AREA REDUCTION
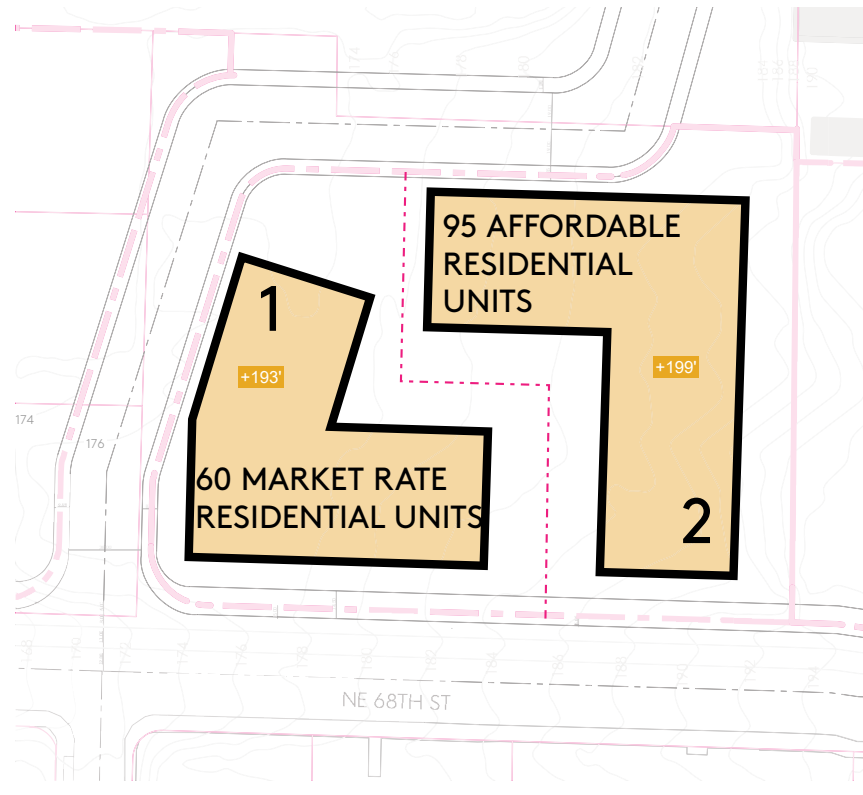
OPTION B

	TOTAL BUILDING 1 + 2: 5 LEVELS (4 STORIES OF RESIDENTIAL OVER COMMERCIAL / RETAIL / COMMUNITY)
155	TOTAL RESIDENTIAL UNITS
325,800	TOTAL GSF
29,900	COMMERCIAL CORE + SHELL GSF
335	PARKING STALLS REQUIRED
350	PARKING STALLS PROVIDED
-130	SAP STALL REDUCTION
-45,400	SAP STALL AREA REDUCTION
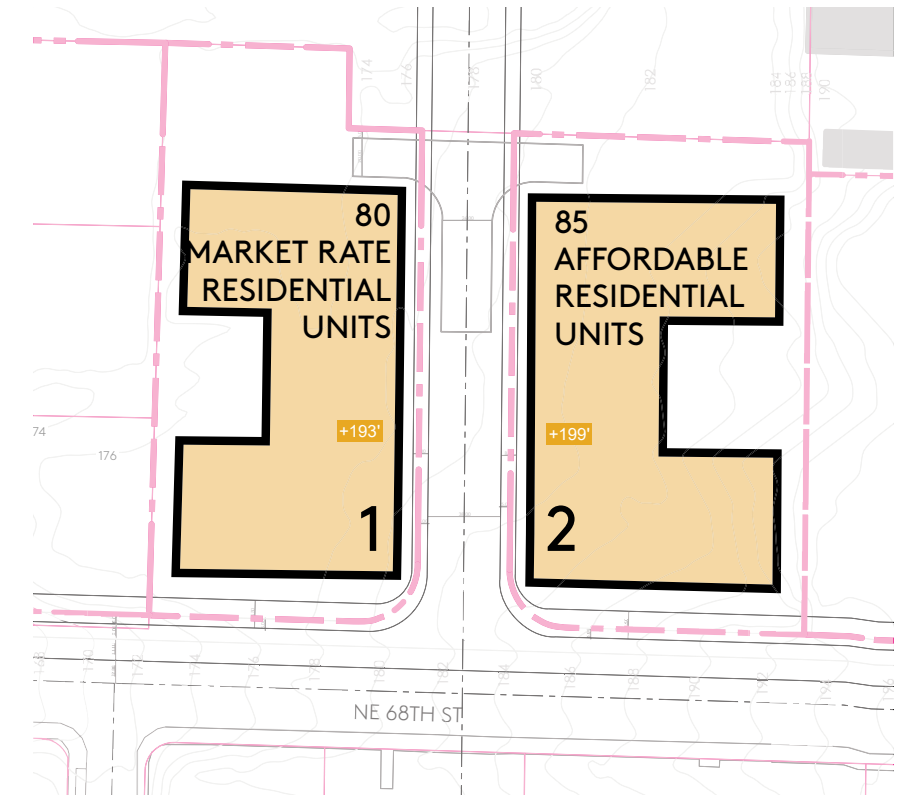
OPTION C

	TOTAL BUILDING 1 + 2: 5 LEVELS (4 STORIES OF RESIDENTIAL OVER COMMERCIAL / RETAIL / COMMUNITY)
165	
339,700	TOTAL RESIDENTIAL UNITS
29,900	TOTAL GSF
340	COMMERCIAL CORE + SHELL GSF
340	PARKING STALLS REQUIRED
-120	PARKING STALLS PROVIDED
-43,000	SAP STALL REDUCTION
	SAP STALL AREA REDUCTION

- All options have similar unit counts
- Each option has public open space in a different location
- Option A is the only option that fits a large commercial / community space
- Options B & C have two buildings and two parcels, which may allow more flexible phasing

Initial Options: Key Takeaways from Focus Groups

OPEN SPACE

Positive feedback for open spaces that can be all-season, indoor/outdoor, affordable to access.

One large open space can provide flexibility, but location near 68th St. is not as desirable. Large space would require programming for activation.

Positive feedback for open space in between buildings with activation from commercial/retail/community frontages.

Open space near Northwest corner provides good opportunity to make meaningful connection to CKC, but raised some concern about safety if the buildings do not provide "eyes" on the open space.

BUILDINGS/SITE LAYOUT

Some preference for larger commercial/retail/community spaces on ground floor that can be flexible for future uses (e.g., large space with temporary walls that can be moved for different layouts).

General preference for more cohesive building layouts that do not result in two buildings separated by a vehicular road.

Varying feedback on orientation of commercial/retail/community frontages. For example, commercial uses may prefer visibility to 68th St.; community-oriented uses may prefer more private entrances depending on services provided.

Positive feedback for layout and programming that support a mix of uses to enable people to access more uses without having to drive, and also to provide options that appeal to a variety of needs/desires.

We use a **pro forma method** to compare development feasibility across housing prototypes.

Analysis returns an estimate of what a developer would be able to pay for land given **development inputs**.

This estimate is called Residual Land Value (RLV) and is a strong *indicator* of the **relative likelihood of development**.

Higher RLV relative to existing land prices **indicates better development feasibility**.

Building Program Information
- Unit size, parking ratios, building heights

Development Costs
- Hard costs (labor & materials)
- Soft costs (design, permit fees, interest)
- Contingency

Revenues
- Sale price, rent, operating costs
- Escalated rates

Valuation Metrics
- Capitalization rates, debt service coverage ratios, and yield on cost thresholds

ECOnorthwest

Market

Development costs
- Materials and labor
- Insurance
- Interest rates

Income growth
- Change in median income shapes market-rate rents and affects the maximum rent that can be charged for affordable housing.

- Projected rent growth is required to make market-rate development feasible.

Regulatory

Parking requirements
- On-site parking requirements add significant construction costs.

Ground-floor commercial
- Does the required commercial space meet the needs for the area? Vacant retail spaces are subsidized by residential rents.

ECOnorthwest

Some of the building program options and public benefit goals are possible under current market and regulatory conditions when looking at each building individually. Achieving other desired development outcomes and/or meeting current regulatory requirements would require City investment or policy intervention at varying levels.

Summary Housing Programs and Results by Scenario

	Baseline	Affordable	Cooperative
Housing Program	Building 1 | Building 2	Building 1 | Building 2	Building 1 | Building 2
Market-Rate Units	54 | 85	60 | 0	60 | 95
Affordable Units	6 | 10	0 | 95	0 | 0
Feasibility			
Current Code	no | no	no | yes	not tested
Reduced Parking	yes | low	yes | yes	yes | yes
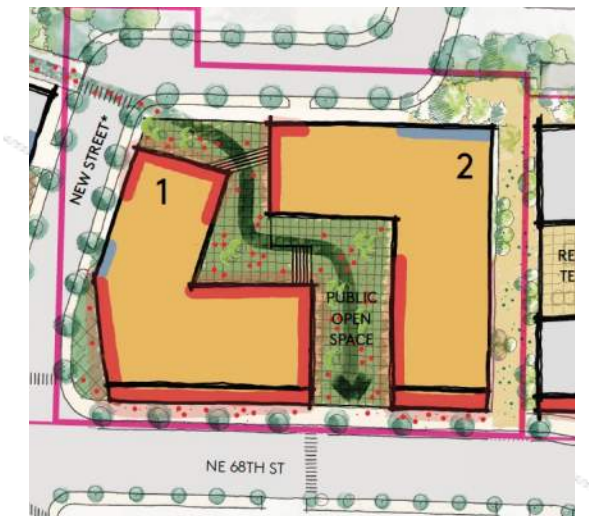
yes is positive RLV*
no is negative RLV*
low is positive RLV* but under $100

* Residual Land Value

ECOnorthwest

The **scale of parking** required in the building program to meet development requirements burdens the project with costs that make market-rate and inclusionary housing programs infeasible without significant City investment or policy intervention.

Affordable housing supported by tax credits is feasible and helped by the City's site control, but the **timing of winning competitive tax credit awards** creates uncertainty for when those units would be built.

Cooperative models can create a **feasible ownership opportunity** at a premium relative to market-rate rents. Partnership with cooperative developers—and potentially moderate City investment—could lead to a building program that creates ownership for lower-income households.

ECOnorthwest

Determine development program

- Site design
- Building scale
- Balance of uses

Disposition process and developer negotiation

- Request for proposals
- Development criteria

Define priorities for the site

- How best to meet housing goals
- Community needs for commercial and public space
- Policy interventions or investments needed to support priority outcomes

ECOnorthwest

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