



**City of Kirkland**  
**Planning and Building**  
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## MEMORANDUM

**To:** Planning Commission

**From:** Allison Zike, AICP, Deputy Planning and Building Director  
Adam Weinstein, AICP, Planning and Building Director

**Date:** July 28, 2024

**Subject:** Houghton Village Development Plan Briefing

### Recommendation

Receive a briefing to discuss the Houghton Village Development Plan. While the Planning Commission (PC) does not have a formal role in the process for City Council (Council) to adopt a Development Plan (formerly referred to as a Master Plan), staff intends to keep the PC informed throughout the process and will include PC feedback in future briefings to Council on the project.

### Background

The City purchased the Houghton Village Shopping Center in 2022 to help realize Council's vision for potential public purposes, such as affordable housing, school space, non-profit program space, arts and cultural space, and City recreational program space. The City used a three-year interfund loan to acquire the property with the intent to identify a development partner and a long-term financing plan by the time the interfund loan comes due in May 2025. Additional details of the purchase can be found in the staff memorandum from the January 18, 2022, City Council meeting<sup>1</sup>.

In 2023, Council directed staff to conduct an initial public engagement campaign to connect with the local community to accomplish a few key objectives. These community conversations included a diverse range of community members and groups and built upon various recent relationship-building efforts from the R-5434 process and others to help identify priorities within the Council's vision for the site, concepts for a potential redevelopment plan, and potential partners to help execute the plan. Details of phase one of the public engagement campaign can be found in the staff memorandum from the May 16, 2022, Council meeting<sup>2</sup>.

At the conclusion of phase one of the engagement process, Council directed staff to perform a second phase of outreach to include key stakeholders such as surrounding

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<sup>1</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2022/january-18-2022/10a\\_business.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2022/january-18-2022/10a_business.pdf)

<sup>2</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2023/may-16-2023/9b\\_business.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2023/may-16-2023/9b_business.pdf)

commercial property owners, the Lake Washington School District, Northwest University, developers, and others to determine interests and potential partnerships for the site. Details of phase two of the public engagement campaign can be found in the staff memorandum from the December 12, 2023 City Council meeting<sup>3</sup>.

At the December 12, 2023 meeting, staff recommended, and Council authorized, the City Manager to initiate a development plan process for the Houghton Village property to accomplish public benefits in alignment with Council's goals for purchasing the property. To complete that work, the City issued a Request for Qualifications in early 2024 and selected Seattle-based design firm Mithun, with subconsultants Transpo Group and ECONorthwest, to design a Development Plan for Houghton Village. Mithun recently assisted the City in the development of the NE 85<sup>th</sup> Street Station Area Plan.

On May 14, 2024, City staff and Mithun also held a one-day workshop with BLOXHUB, a Copenhagen-based hub for sustainable urbanization, which focused on identifying big-picture ideas for redevelopment of the site to help achieve community goals.

Currently, the former PCC space in the Houghton Village has undergone renovation to bring the space up to Building and Fire Code standards, and is serving as the temporary home to the nonprofit Studio East.

### **Opportunities and Challenges Analysis**

The report included as Attachment 1 to this memorandum provides an analysis of the current site conditions for the City-owned property (commonly known as Houghton Village) and the surrounding community and regulatory context. This analysis encompasses how existing zoning and Comprehensive Plan policies apply to the site, and existing and potential transportation conditions in the "area of consideration." The initial opportunities, including existing features and characteristics that should be leveraged to maximize value for the community, and potential benefits that can be achieved with redevelopment of the site, include:

- Central location near transit, the Cross Kirkland Corridor (CKC), and existing retail/services;
- Adequate access and ample dimensions for development of housing, commercial/community spaces, parking, and open space;
- Potential for pedestrian-oriented development;
- Improved pedestrian, biking, and rolling facilities;
- Strong demand for rental and for-sale housing of all types;
- Opportunities for restaurants, retail shops and/or community organizations at ground floor;
- Potential to develop as a sustainability showcase project; and
- Expanded opportunities if, or when, adjacent properties redevelop to achieve improved connections to the CKC and a more cohesive center.

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<sup>3</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2023/december-12-2023/3c\\_study-session.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2023/december-12-2023/3c_study-session.pdf)

The report also identifies potential challenges that should be further discussed and addressed in the Development Plan as follows:

- Optimal design of the City-owned parcel should include redevelopment of the adjacent parcels to the east and west, and a phasing plan should address redevelopment of just the City-owned parcel while identifying how it can be connected to future redevelopment of any neighboring parcels;
- Ground floor spaces could be challenging for smaller ground floor uses;
- Parking and traffic mitigation will need to be carefully designed and managed;
- Preservation of existing tree canopy will be difficult with potential construction of new streets; and
- High costs of undergrounding utilities, and new or widened street construction.

Lastly, Attachment 1 contains an initial Market Analysis. This analysis includes a study of the existing housing, commercial, and office markets in the area of Houghton Village. It also provides an overview of alternative housing-ownership models, with examples of new housing developments in nearby cities that have been established with community land trusts and cooperative ownership structures. This initial analysis provides the following high-level takeaways:

- Kirkland's housing market is unaffordable to many households, including median income earners;
- High rents in the study area, particularly in new commercial spaces, will make it difficult for small business, community organizations, and mission-driven industries to establish/maintain a presence in Kirkland; and
- The City's ownership of the site presents a unique opportunity to advance the City's goals related to housing affordability and equitable economic development.

Future phases of the development planning process will include additional market analysis, integrated with draft development plan options.

### **Public Participation Plan**

In addition to previous community outreach efforts in 2022 and 2023, staff from the Planning and Building Department and the City Manager's Office have started to implement a Public Participation Plan (PPP) developed in collaboration with Mithun. This plan includes several ways for staff to interact with the community: an Open House held on July 15, 2024, smaller focus groups aimed at encouraging participation from key groups and stakeholders, and staff attendance at meetings of various stakeholder and community organizations. The PPP document is accessible to the public on the Future of Houghton Village webpage.<sup>4</sup>

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<sup>4</sup> <https://www.kirklandwa.gov/Government/City-Managers-Office/Future-of-the-Houghton-Village-Property>

**Next Steps**

Staff will consider PC feedback provided in future phases of the Development Plan creation, continue implementation of the PPP, and will return in the fall to brief the PC on the draft Development Plan options.

**Attachments**

1. Houghton Village Opportunities and Challenges Analysis