



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

<b>To:</b>	Planning Commission
<b>From:</b>	Denise Russell, Planning Supervisor Adam Weinstein, AICP, Planning & Building Director
<b>Date:</b>	June 6, 2024
<b>Subject:</b>	<b>Goat Hill Development Moratorium Public Hearing, File No. CAM24-00115</b>

### Recommendation

Hold a public hearing to receive public testimony on the proposed draft code amendments related to the Goat Hill Development Moratorium (see Attachment 1). At the conclusion of the public hearing, the Planning Commission should deliberate and make a recommendation to City Council (Council) on the proposed code amendments. It is anticipated that Council will consider and act on the recommendation of the Planning Commission (PC) on July 16, 2024.

### Background

On February 6, 2024, City Council adopted an emergency moratorium on the issuance of permits for new dwelling units on Goat Hill. The purpose of the moratorium is to temporarily halt the development of new dwelling units to allow the City time to evaluate the life, health and safety concerns posed by such development and consider adoption of regulations to mitigate or minimize those concerns.

Goat Hill is both a landform and an informal subdistrict of the greater Finn Hill Neighborhood<sup>1</sup>, which was annexed into the City of Kirkland in 2011. The area comprises approximately 66 acres of steep terrain with commanding views south over Juanita Bay and Lake Washington. Goat Hill is generally bounded by Juanita Heights Park on the north; properties adjacent to 89<sup>th</sup> Avenue NE on the west; NE Juanita Drive on the south; and properties adjacent to 91<sup>st</sup> Place NE and 91<sup>st</sup> Lane NE on the east.<sup>2</sup>

Goat Hill is a neighborhood with significant physical and environmental constraints. The streets in Goat Hill are steep, narrow, and wind sharply around corners in many places, creating pinch points with limited opportunities for vehicle turnoffs. There are only two primary access points to Goat Hill – one on the south at NE 116<sup>th</sup> Place and one on the east at NE 120<sup>th</sup> Street. These limited access points, together with the area's narrow, twisting streets, make day-to-day and emergency access to the neighborhood difficult. The area also contains significant landslide hazards, a number of perennial and

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<sup>1</sup> A small easterly portion of Goat Hill is located in the Juanita Neighborhood.

<sup>2</sup> The Goat Hill area identified in KMC 24.02.065 – Goat Hill Boundary and Zoning Map.

intermittent streams, and other critical environmental areas, including wetlands. Approximately 97 percent of Goat Hill consists of moderate or high landslide hazard zones. After Finn Hill was annexed into Kirkland in 2011, the City undertook a basin study of the area, which concluded that Goat Hill continues to face challenges related to stormwater drainage issues, steep topography, and the preponderance of groundwater reaching the surface.

Because of Goat Hill's central location in Kirkland and excellent views, it has been a popular place for development. Development on Goat Hill, however, presents many challenges, including the fact that development generates extra traffic—both immediate construction-related traffic *and* the resulting traffic from additional dwelling units—that is exacerbated by the area's above-described limited entry points and narrow roads. At the same time, due to various code and administrative policy requirements, construction projects are required to proportionally correct some of the infrastructure deficiencies in Goat Hill by widening roadway frontages and installing modern stormwater systems. Thus, ultimately, the City hopes to benefit the road and drainage system on Goat Hill through incremental improvements required by development.

Although some other areas of Kirkland exhibit similar access constraints, Goat Hill is unique due to its combination of steep topography, limited access, and heightened stormwater and geologic concerns. To date, the City has sought to address these constraints in several ways, including the following:

- the adoption of new City-wide geologic hazard regulations in 2018 that require the preparation of peer-reviewed geologic studies for projects in landslide hazard and/or seismic areas;
- implementing special construction traffic requirements for development projects on Goat Hill (existing Public Works Policy G-12, Attachment 3);
- purchase of private land and preservation of open space;
- the construction of stormwater management infrastructure to handle runoff and surface water, including a \$3.2 million project initiated in 2019, with phase II starting construction in April 2024, intended to improve stormwater drainage and slope stability on sections of Goat Hill by completing a variety of tasks aimed at slowing and collecting stormwater; and
- the adoption of new threshold levels for Categorical Exemptions issued pursuant to the State Environmental Policy Act (SEPA) in 2022 that require environmental review for projects resulting in the development of five or more dwelling units on Goat Hill (in the rest of the City, environmental review is not required for residential projects unless the development proposes 21 or more dwelling units).

Even considering these previous attempts to mitigate the impacts of development on Goat Hill, serious concerns continue to exist about the ability of Goat Hill to accommodate additional development – including development authorized by the City's middle housing regulations and new State legislation requiring cities to accommodate increased housing densities.

In January 2024, the City received correspondence from community members on Goat Hill concerned about the risks of new development, including a petition from residents to “Halt the Development of Forest Land into Residential Homes” at an area formerly referred to as the Wu Property (located just south and west of Juanita Heights Park).

*Moratorium Scope of Work*

On April 2, 2024, the City Council held a public hearing on the moratorium and adopted a scope of work for study that included the following tasks:

- Research code amendments to reduce development allowances on Goat Hill, including eliminating or reducing allowances for Accessory Dwelling Units (ADUs), cottages, duplexes, and triplexes. Also research possible square footage maximums for new residential units to further reduce adverse development impacts.
- Explore implementation of a road improvement district to allow financing of roadway improvements to benefit Goat Hill. Staff would bring back to Council additional information on establishment of the special district and an implementation plan that could be pursued if Council and the community wish to pursue forming the district.
- Research construction metering to reduce impact of construction on Goat Hill. This would include metering projects so only a certain number can be constructed within a given time.
- Consider construction regulations and potentially expanding special construction requirements, such as further limiting hours of construction, requiring special reporting, and expanding right-of-way improvement requirements for new development.
- Consider alternative policies regarding land clearing to avoid construction projects sitting for long periods of time without being developed.
- Explore new emergency access requirements, including alternative emergency aid vehicles that could more nimbly travel on steep, winding streets, to better access the furthest reaches of Goat Hill and improve response times.

Of the items listed above, staff recommends not to pursue construction metering on Goat Hill. While construction metering could reduce concurrent construction traffic, we believe it could pose administrative/monitoring challenges, could pose problems when projects are delayed beyond an anticipated schedule, and could unlawfully delegate some of the City’s permitting authority (if certain projects take longer to construct than expected, making it more difficult for other projects to secure permission to initiate construction).

*Planning Commission Comments*

On March 25 and May 23, 2024, staff provided information to the Planning Commission covering the reasoning behind the moratorium, status, study topics, and preliminary code amendment ideas. The Planning Commission’s comments on the moratorium are summarized below:

- Concern about eliminating middle housing types on Goat Hill when such housing units may have proportionally reduced impacts compared to standard detached dwelling units and could help ease the housing crisis.
- Concern about other neighborhoods wanting to eliminate middle housing because of this code amendment.
- Questions about non-conforming structures and how the new code would address like-for-like construction.
- Interest in looking at incentivizing modular or prefabricated structure options for Goat Hill.
- Interest in learning more about the City's ability to get developers to complete paused construction projects or encouraging other builders to take over stalled projects.
- Concern that the neighborhood is too small in scale to have an effective Road Improvement District, and that the residents would not vote for the district in sufficient numbers.
- Questions about development potential on smallest lots in the neighborhood.

#### *Public Outreach*

Staff has conducted outreach to local community members as well as to the development community and other interested stakeholders. A website was created to house information about the moratorium, notice of upcoming meetings, links to other documents and resources, and an email listserv sign-up option for community members to receive project and meeting updates. Staff also posted a large public notice sign at Juanita Beach Park, mailed a notice of the project to Goat Hill property owners, and advertised the project on social media, the City's development listserv (comprising property developers and associated design and engineering professionals), and directly to the Master Builders Association of King and Snohomish County (MBAKS).

Additionally, staff held two virtual meetings for interested community members. The first was on March 22, 2024, to review the purpose of the moratorium and get feedback on the draft scope of work prior to taking the scope to City Council. The second meeting was on May 8, 2024, to present more details about proposed code amendments and the road improvement district research. Staff received helpful feedback from community members in both meetings relating to their daily experiences on Goat Hill. Their comments primarily focused on concerns about vehicular access, including lack of secondary access, and the frequent occurrence of trucks getting stuck on the steep, winding streets of the hill and blocking traffic. Other comments related to drainage, impacts to wetlands and streams, and construction projects sitting abandoned for too long.

Representatives from Montebanc Management LLC (the owner of the site formerly known as the Wu Property) also submitted written comments that are summarized below:

- Concern that some of the contemplated development regulation changes could affect property values and increase nonconformances.
- Balancing the ability to develop new housing on Goat Hill with environmental protections is paramount in allowing new development to contribute towards the

potential creation of a new access road to NE 124 Street (i.e., a new road to the north of Goat Hill on property currently owned by the City as a Park) that could provide enhanced emergency and other access to the neighborhood.

### **Proposed Code Amendments and Policy Changes**

This section describes the code and policy changes that are currently being proposed to address development constraints on Goat Hill. Staff would note that these changes include Kirkland Zoning Code (KZC) amendments (under the jurisdiction of the Planning Commission), in addition to Kirkland Municipal Code (KMC) amendments and policy changes that are administrative in nature (and not under the jurisdiction of the Planning Commission). All contemplated amendments, which would work in concert, are being presented below to give the Planning Commission a holistic sense of the entire body of work being considered as part of the moratorium.

#### *Development Regulations*

The majority of Goat Hill is zoned Low Density Residential (RSA 4). There are several parcels within the Goat Hill boundary along the eastern entrance zoned Medium and High Density Residential (RMA 3.6 and RMA 1.8), most of which are developed with multi-family residential uses. Since these parcels are at the bottom of the hill, do not make a substantial contribution to traffic uphill, and provide needed multi-family zoning capacity, staff is focusing proposed development regulation changes on those parcels zoned RSA 4.

Staff proposes to create a new overlay zone chapter in the Zoning Ordinance to house all development regulations specific to Goat Hill (see zoning map in Attachment 2). The goal of the code changes is to protect the unique environment of Goat Hill and safeguard the health and safety of its current and future residents. With these goals in mind, staff is proposing to utilize available regulatory tools like lot coverage, floor area ratio (FAR), and density to reduce development pressure as outlined in the table on the following pages.

	<b>Existing</b>	<b>Proposed</b>	<b>Rationale</b>
<b>Lot Coverage</b>	50%	40%	This modest reduction in lot coverage would be expected to help preserve existing vegetation/ landforms and aid stormwater infiltration.
<b>Floor Area Ratio</b>	50%	40%	This modest reduction in allowed FAR would incrementally reduce development pressures, along with the transport of construction material up the hill.
<b>Middle Housing (Cottages, Carriage, and Two/Three Unit Homes)</b>	Allowed pursuant to KZC Chapter 113	Not permitted	On Goat Hill (which is located at a distance from services and transit), prohibiting middle housing development could reduce the number of new households moving to the area and associated traffic.
<b>Detached ADUs</b>	Allowed pursuant to KZC Chapter 115.07 and 115.08: <ul style="list-style-type: none"> <li>- Two 1,200 square foot ADUs per single family dwelling (either one attached and one detached, or two of either type)</li> </ul>	Not permitted	Because detached ADUs can be sold independently, prohibiting this housing type could reduce the number of new households moving to the area and associated traffic.
<b>Attached ADUs</b>	Allowed pursuant to KZC Chapter 115.07 and 115.08: <ul style="list-style-type: none"> <li>- Two 1,200 square foot ADUs per single family dwelling (either one attached and one</li> </ul>	One 1,200 square foot ADU allowed per single family dwelling.  One off-street parking space required.	Retaining the ability to construct one attached ADU is intended to provide some flexibility for multi-generational households and other potential traffic-reducing household structures (e.g., live-in childcare). The new provision for on-site parking would

	<b>Existing</b>	<b>Proposed</b>	<b>Rationale</b>
	detached, or two of either type) - Off-street parking only required on lots with more than one ADU, unless on-street parking is available within 600 feet, or the property is located within one-half mile of transit.		help ensure that there is on-site car storage in an area where there is little or no on-street parking capacity.
<b>Nonconformances</b>	Governed by KZC Chapter 162: - Must maintain lot coverage and FAR as allowed by zone. - Building permits: Conformance required if structural changes are proposed to nonconforming portions, and the cost of the change exceeds 50% of the replacement cost of the improvement.  If within a buffer and/or critical area, KZC Chapter 90.185 applies.	Governed by KZC Chapter 162: - Must maintain lot coverage and FAR as allowed by zone. - Building permits: Conformance required if structural changes are proposed to nonconforming portions, and the cost of the change exceeds 50% of the replacement cost of the improvement.  If within a buffer and/or critical area, KZC Chapter 90.185 applies.	Many existing homes on Goat Hill are constructed to the maximum 50% lot coverage and FAR allowances. Existing regulations regarding nonconforming structures provide sufficient allowance for small expansions, therefore staff believes no changes are needed with the new regulations.

Primary concerns faced in the Goat Hill neighborhood include high landslide hazards, drainage, and vehicular access, including heavy traffic generated by construction projects. As mentioned previously in this report, the City has undertaken several efforts over the years to improve conditions related to geotechnical hazards, drainage, construction traffic, right of way improvements, and overall environmental impacts analyzed under SEPA. While this significant investment has helped alleviate concerns, the lack of secondary vehicular access continues to be a major issue as it relates to emergency response and options for residents to bypass the hairpin turns that are often blocked by large trucks or other vehicles. A fundamental objective addressed in these proposed code amendments is a potential reduction in traffic from future development. While more density could be accommodated on Goat Hill with better roadway infrastructure, creating wider/less-steep roadways, including ones that provide new access points to outside the neighborhood, is likely to be a very expensive and difficult undertaking, with potentially challenging community trade-offs (e.g., allowing roadways to be built that impact existing parks).

Staff has attempted to balance all these concerns by proposing a reduction in development allowances to reduce the overall number of vehicles accessing the neighborhood. Under existing middle housing regulations, two 1,200 square foot ADUs can be constructed along with a single-family residence on any lot. The density allowed for cottages, two/three-unit homes, or carriage homes is two times the maximum number of units allowed in the underlying zone. While a larger residence may sometimes house more individuals than a few smaller, more compact houses, we believe that middle housing on Goat Hill (which is located at a distance from transit and services) has the potential to more substantially increase traffic compared to a smaller number of larger housing units.

The median lot size in Goat Hill is 6,581 square feet, which would yield two cottage units, and each cottage unit would be allowed one attached ADU, for a total of four allowed units per lot. Applied to one of the larger vacant parcels on Goat Hill, which is 78,259 square feet, a developer would be able to construct 14 cottages and 14 ADUs, for a total of 28 dwelling units. There are approximately 45 vacant parcels in the Goat Hill area – if all vacant properties could be – and were – developed utilizing KZC Chapter 113, the area would be densely populated such that the existing road infrastructure may not be able to support it. While infrastructure improvements and new road connections are typically funded by development fees (or built as part of development projects), staff believes that access constraints in Goat Hill would be most effectively addressed by reducing allowed density, in conjunction with analysis and potential implementation of a road improvement district.

Lot coverage and FAR are tools we can use to not only reduce the size of buildings constructed on lots with high landslide hazard areas, but also to reduce the paved area of lots; this will reduce runoff and provide an opportunity for better stormwater treatment via vegetation or other methods. Lots on Goat Hill vary in size – the smallest lot is 1,794 square feet, and the largest is 155,000 square feet. Approximately 35 parcels are around 5,500 square feet, and several are in the range of 12-15,000 square feet. The median size is 6,581 square feet, which would yield a lot coverage and FAR of 2,632 square feet with the proposed development regulations. With existing regulations, many of the homes constructed in the last several years were built to the maximum lot coverage and FAR allowances. As previously mentioned, there are approximately 45 vacant parcels that could be developed. These vacant parcels range widely in size, the smallest of which is approximately 2,200 square feet. Staff understands that new more stringent lot

coverage and FAR standards would result in the construction of more compact housing; however, the reduced size allows more options for stormwater treatment, landscaping, and other slope protection practices.

Planning Commissioners noted that some families share single-family homes because of the high cost of housing, arguing that the reduction in FAR may reduce the opportunity for that type of living arrangement. Based on 2022 American Community Survey data, approximately 8% of the households in the subject census tract (which encompasses Goat Hill plus some of Finn Hill to the west) are nonfamily households, which includes people living with nonrelated roommates. Staff recognizes that there may be families sharing households in this specific area; however, it does not seem to constitute a significant number, and there is limited evidence that smaller structure allowances provide less incentive to share homes. Staff also acknowledges that large families sometimes live in smaller houses. However, we believe that smaller houses on Goat Hill would have some direct correlation with traffic levels (i.e., limiting house sizes on Goat Hill could reduce future traffic volumes compared to development that would occur under existing development regulations).

#### *Development Fees*

To better reflect the effort it takes City staff to review and inspect development projects on Goat Hill, we also propose to increase permit fees for grading permits and building permits. An increase in fees can be accomplished through an administrative process. Currently, a portion of the permit fees go to plan review, while the rest goes towards inspections, and the total fee amount is based on the valuation of the proposed improvement<sup>3</sup>. An additional 5% surcharge will help cover extra Public Works inspections required for many Goat Hill projects, and additional review by planners required as a result of special development regulations. Public Works Development staff also fields numerous calls from residents on Goat Hill when roads are blocked or there are maintenance issues. An increase in fees would further support the response provided to residents.

#### *Revised Policies Regarding Land Clearing*

Staff is cognizant of projects that have initiated the land clearing process, only to languish without being developed due to circumstances such as lack of funding or difficult construction, particularly in areas with steep slopes like Goat Hill. Special requirements in Public Works Policy G-12 related to erosion control include providing a \$50,000 performance bond to remedy erosion control issues at the site, if left unaddressed. Revisions are proposed to Policy G-12 (see Attachment 4) related to the performance bond, including specifications that \$50,000 is the minimum amount required, along with more detail about what the bond covers, and how long it is effective. Additional changes to performance bond requirements city-wide are being contemplated by the Public Works Department. These changes would require revisions to the Kirkland Municipal Code and are not included in this packet.

Revisions to Policy G-12 also include updates to the erosion control requirements. Staff is adding a provision that “any area to remain unworked for more than 30 days shall be

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<sup>3</sup> In the last 10 years, the average cost of a building permit for a new single-family home on Goat Hill was \$24,786 (from initial application to final inspection).

seeded or sodded” unless winter weather makes vegetation establishment infeasible. In that case, plastic covering may be used, but must be removed and replaced with seed or sod at the end of winter or as instructed by the Public Works Inspector. This change will help alleviate concerns about construction sites lingering in an unimproved state, contributing to runoff and aesthetic concerns. This policy is also being considered City-wide, but for purposes of the moratorium, would only be implemented on Goat Hill at this time.

The revised policy also includes a requirement to have a geotechnical consultant or engineer inspect the construction progress of retaining walls in the right-of-way, along with the final retaining wall, and provide a written assessment to the Public Works Department to ensure that walls are structurally sound and developed to best engineering standards. Finally, to promote better traffic control, the policy includes a note that construction traffic should not block or impede traffic unless sanctioned by an approved traffic control plan.

#### *Code Amendments Regarding Required Paved Connections*

KZC Chapter 110.25.3, Required Public Improvements, requires a new development to connect to an improved street at least 20 feet in width. Staff proposes to clarify the code language to define an “improved street” as a 20-foot-wide hard surface improvement connecting to the nearest collector or arterial road. The current language is ambiguous in this regard and could be interpreted as only requiring connection to a gravel street. This change to the code would not impact current practices.

#### *Additional Research*

##### 1. Road Improvement District

Staff is exploring the idea of establishing a road improvement district to allow for financing of roadway improvements that primarily benefit property owners in Goat Hill. Given that road conditions and emergency access are two of the top concerns on Goat Hill, this would provide a mechanism to raise funds over a period of time through special tax assessments on Goat Hill properties to allow the City to make those major improvements. Some Goat Hill residents have expressed concern about the cost to households of a potential Road Improvement District. Staff will present additional information to City Council on the details of establishing such a district, and a potential implementation plan. Creation of a special district is a major undertaking, the establishment of which would need to be included as a separate City work program item and would require a special vote of residents included in the boundaries.

An important piece of information needed before establishing this type of district would be a detailed analysis of roadway conditions within the Goat Hill neighborhood to assess the potential cost of improvements.

##### 2. Emergency Access and Response

Staff will be bringing additional information to City Council about a potential study of new emergency access routes to Goat Hill, and the associated cost of developing these routes. In addition, the Fire Department has indicated that a critical challenge on Goat Hill is the ability of aid vehicles to reach the area, because roads to the top of the hill are essentially one-way with very little room for vehicles to pull over. Additional information will also be provided about

studying different types of aid vehicles that can better access the steep roads on Goat Hill, which could assist in improving emergency access to the upper reaches of the hill.

**Code Amendment Process and Criteria**

Pursuant to KZC 160.60 and KZC 135.25, the City may amend the text of the Zoning Code only if it finds that:

1. The proposed amendment is consistent with the applicable provisions of the Comprehensive Plan; and
2. The proposed amendment bears a substantial relation to public health, safety, or welfare; and
3. The proposed amendment is in the best interest of the residents of Kirkland; and
4. When applicable, the proposed amendment is consistent with the Shoreline Management Act and the City’s adopted shoreline master program.

The proposed Zoning Code amendments are consistent with the Comprehensive Plan, bear a substantial relation to public health, safety, or welfare, and are in the best interest of the residents of Kirkland because they are intended to reduce impacts to sensitive resources and maintain a safe environment for the Goat Hill community.

**State Environmental Policy Act (SEPA)**

To fulfill environmental review requirements, the proposed code amendments require the City to issue a SEPA addendum to the City of Kirkland 2015 Comprehensive Plan Update Draft and Final Environmental Impact Statement. The SEPA addendum (File SEP24-00309) is under review as of the packet publication date. Staff anticipates issuance of the SEPA addendum prior to the public hearing date.

**Next Steps**

At the conclusion of the public hearing, PC can deliberate on the proposed amendments and make a recommendation to Council. City Council is tentatively scheduled to consider the code amendments related to the Goat Hill Development Moratorium on July 16, 2024.

**Attachments**

1. Proposed Code Amendments
2. Goat Hill Overlay Zoning Map
3. Existing Public Works Policy G-12
4. Proposed Public Works Policy G-12

cc: File Number CAM24-00115