



City Council Workshop Agenda

March 10, 2026 at 6:30 PM

City Hall Council Chambers - 210 W 6th Ave and Virtual


The City of Kennewick broadcasts Council meetings on the City's website at

<https://www.go2kennewick.com/CouncilMeetingBroadcasts>.

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<https://www.go2kennewick.com/550/Meeting-Guidelines>.

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1. Virtual Currency Kiosks Ordinance
 2. 2026 Comprehensive Plan Periodic Update - Housing Element Review

Council Agenda Coversheet	Item Number: 1. Date: 3/10/2026	Category: Policy Review
	Item Type: Presentation Subject: Virtual Currency Kiosks Ordinance Department: Police	
Summary Police Chief Chris Guerrero will introduce Criminal Investigations Sergeant Remie Rees. Sgt. Rees will present the reasoning behind a proposed ordinance to regulate virtual currency kiosks. City Attorney Laurencio Sanguino will offer a proposed ordinance for council review and discussion with final action/consideration at the March 17, 2026, Council meeting.		
Attachments: 1. Presentation		



Virtual Currency Ordinance

Detective Sergeant Rees, KPD / City Attorney Laurencio Sanguino

Why a Virtual Currency Ordinance

- Kennewick residents are losing **hundreds of thousands** to virtual currency ATM scams (commonly called Bitcoin ATMs).
- Virtual currency anonymity makes identifying and prosecuting suspects extremely difficult.
- Limited ability for Law enforcement to hold those accountable victimizing Kennewick residents.
- Little to no chance of recovering victim funds.



What are Bitcoin Machines?

- Kiosks allowing users to buy/sell cryptocurrency with **cash or debit**.
- Connect to **crypto wallets**, not bank accounts.
- Require phone number, ID verification, and cash insertion.
- Popular for speed and accessibility, especially for cash-based users.
- Charge **high fees** and are frequently exploited in scams (15-25%).



Major Bitcoin ATM Companies

- Coinflip
- Bitstop
- Coinme
- Coinstar
- Rockit Coin
- Bitcoin Depot
- CDReload Instant Bitcoin
- LibertyX



Why Bitcoin Machines are a Problem

- Highly susceptible to fraud; scammers direct victims to deposit cash into anonymous wallets.
- Often located in convenience stores; largely unregulated.
- High fees (15–25%), even when transactions are tied to known scams.
- Instant, irreversible transfers with limited recovery options.
- Transactions remain **anonymous until converted back to cash.**



Kennewick Bitcoin ATM Locations

- Big Smoke – 4434 W Clearwater
- Pick A Pop – 526 W Columbia Dr
- Columbia Center Mall – 1321 N Columbia Center Blvd
- WinCo – 4602 W Clearwater
- Circle K – 4201 W 27th
- Food Mart – 5208 W Clearwater
- The Mail Place – 118 Vista Way
- Yoke's – 1410 W 27th
- Safeway – 5204 W Clearwater
- Gas Station – 18 S Washington St
- Pacific Food Mart – 3419 W Clearwater
- Rocket Mart – 5304 W Canal Dr
- Walgreens – 2800 W Clearwater
- Wine & Spirits – 731 N Columbia Center Blvd
- Jackson's Food Mart – 1400 W 27th
- Target – 1106 N Columbia Center Blvd



KPD Criminal Investigations



37 Bitcoin ATM Cases Total Reported Loss: \$923,771

- 2023: 4 cases \$59,476
- 2024: 14 cases \$353,962
- 2025: 15 cases \$377,493
- 2026 (to date): 4 cases \$132,840

Not Included

- Non-ATM Bitcoin cases (Total loss: \$568,453)
- Cases with unclear dollar amounts
- Smaller-loss incidents

Trend: Cases and losses are rising sharply; 2026 losses already significant.

KPD Criminal Investigations

Age Group	Cases	Total Loss	Notable Losses
Under 30	6	\$31,670	<ul style="list-style-type: none"> • \$140,000 – Age 60 (2025)
30–39	5	\$12,303	<ul style="list-style-type: none"> • \$133,000 – Age 72 (2024)
40–49	5	\$70,176	<ul style="list-style-type: none"> • \$104,372 – Age 66 (2024)
50–59	5	\$187,400	<ul style="list-style-type: none"> • \$100,000 – Age 78 (2026)
60–69	6	\$193,722	<ul style="list-style-type: none"> • \$50,250 – Age 72 (2025)
70–79	6	\$352,300	<ul style="list-style-type: none"> • Losses often involve retirement savings and are life-altering
80+	4	\$76,200	



Key Findings

- Ages 70–79 suffered the highest total and average losses.
- Older adults bear a disproportionate share of financial harm.



Money Recovery / Law Enforcement Challenges

Money Recovery

- Crypto transactions are **instant and irreversible**.
- Kiosk operators legally possess funds once processed.
- Scammers move funds through:
 - Foreign exchanges
 - Mixers / layering
 - Multiple wallets
- Recovery is extremely rare.

Challenges

- Suspects often located overseas.
- Money exchanges immediately.
- Kiosk businesses based out of state.
- Complex interstate legal processes.
- Outside local and sometimes federal reach.
- Spoofed phone numbers hinder identification.






Ordinance Communication

- The ordinance provides 60 days, from the effective date, for existing kiosks to be removed.
- If/when this ordinance is approved, we will provide the ordinance to current businesses.
- We will provide additional public notifications via press releases, social media, etc.



Questions??

Council Agenda Coversheet	Item Number: 2. Date: 3/10/2026	Category: Info Only
	Item Type: Presentation Subject: 2026 Comprehensive Plan Periodic Update - Housing Element Review Department: Community Planning	
Summary Representatives from Makers Architecture and Urban Design and Berk Consulting will provide an update on the Housing Element as part of the Comprehensive Plan Periodic Update.		
Attachments: 1. Presentation		

An aerial photograph of a city, likely Kennewick, Washington. In the background, a large river (the Cowlitz River) flows through the city, with a prominent cable-stayed bridge crossing it. The foreground and middle ground are filled with a dense urban landscape of various buildings, including residential houses, commercial structures, and industrial-looking buildings. A semi-transparent blue banner is overlaid across the middle of the image, containing the main title and date.

Kennewick Comprehensive Plan Project Update

**March 10, 2026
City Council**

Agenda

- Housing Element
 - Key feedback from the community
 - Current state law requirements
 - Land Capacity Analysis findings
 - Concepts for increasing capacity for low-income housing
- Next steps:
 - Housing work group
 - Housing Action Plan
 - Comprehensive Plan public meeting in May



Housing Issues Feedback

Interviewed Organizations

A range of people provided a variety of perspectives on challenges and opportunities in Kennewick. Interviews occurred in July and August of 2025. Represented organizations include:

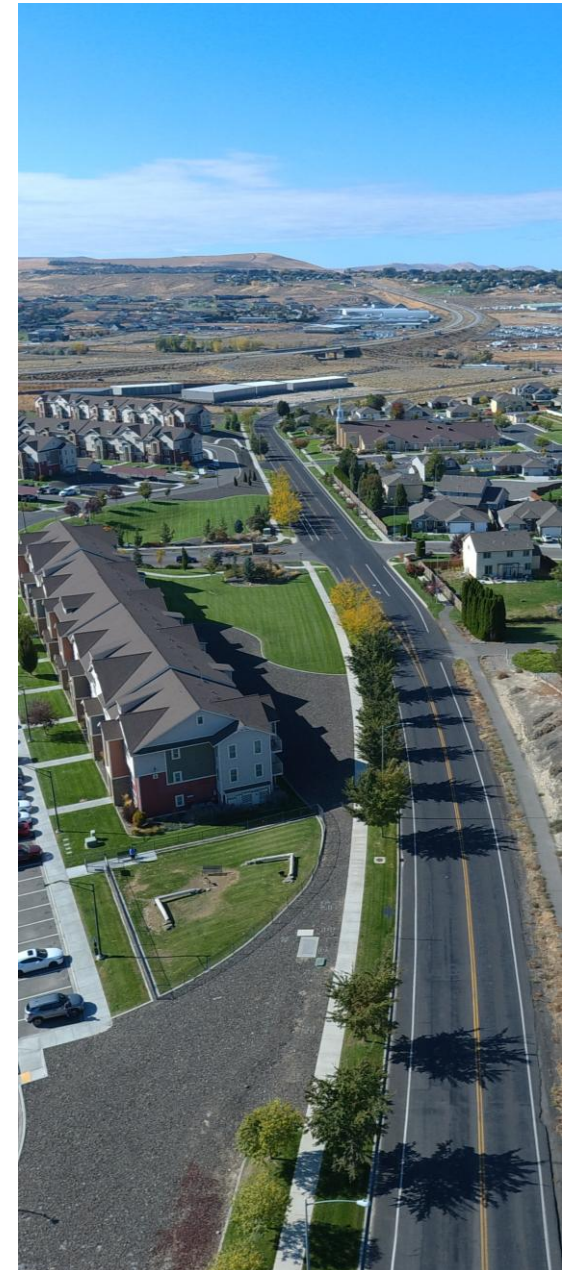
Kennewick Fire Department	Ben Franklin Transit	Benton Public Utilities District
Kennewick Police Department	Benton County Human Services	Pacific Northwest National Laboratory
Kennewick Parks & Recreation Department	Benton Franklin Health District	Home Builders Association
Kennewick Community Development Block Program	Kennewick Housing Authority	Tridec
Kennewick City Council	Habitat for Humanity	Stricker CRE
Kennewick School District	Port of Kennewick	Retter & Co.
Kennewick Irrigation District	Visit Tri-Cities	Kiemle Hagood
	Historic Downtown Kennewick Partnership	Canyon Lakes Golf Course

Stakeholders were placed into six focus groups:

1. Urban Design & Development
2. Economic Development
3. Housing
4. Infrastructure
5. Public Health & Safety
6. Recreation

Housing Stakeholder Findings

- Housing costs in Kennewick continue to increase
- “Affordable housing” has a social stigma
- Homeless is increasing but shelter capacity remains limited
- Single-family houses remain a strong market preference, especially for young families, but most stakeholders said a wider variety of housing is needed to serve different incomes and populations
- Infill development is seen as a priority over expanding to the edge of urban growth boundaries, though infill can be more expensive with land costs and infrastructure upgrades
- Updates to development regulations and permitting practices could help with some cost pressures



2025 Visioning Survey

Online Survey

- Open June to September (12 weeks)
- 802 entries recorded
- Distributed widely by City via newsletters and project website, and shared with stakeholder organizations



Kennewick Comprehensive Plan - Visioning Survey



Para cambiar a inglés o español, utilice el menú en la parte superior de esta página o utilice estos enlaces:

[Encuesta de lengua española](#) | [English language survey](#)

Thank you helping plan the future of Kennewick! Your input will help update the Comprehensive Plan, which is the roadmap to where Kennewick wants to go as a community over the next 20 years. We need your help to confirm our collective vision, community values, and investment priorities. Under state law, this process happens once every 10 years, with this update scheduled for 2026. Topics included on this survey are Visioning, Growth and Development, Economy and Business, and Amenities and Infrastructure.

The survey will take 15-20 minutes to complete. Taking the survey on a computer may provide the best visual experience. Most questions are optional and partially completed surveys will be accepted.

This survey is intended for all people who live, work, visit, and shop in Kennewick. The Kennewick city limits and its urban growth area are shown in the map below.

Click the Next button to begin.

Housing Stories – Sample of Quotes

“The modest home (1800 sq. ft) I bought 20 years ago in Kennewick, unmarried in my mid-20s, has nearly tripled in value since. That's great for my equity, but my income has not tripled in that time...**had I not bought back then, I don't know how we'd afford a home now....**I know lots of people in our situation who feel the same.” – **Chris, homeowner**

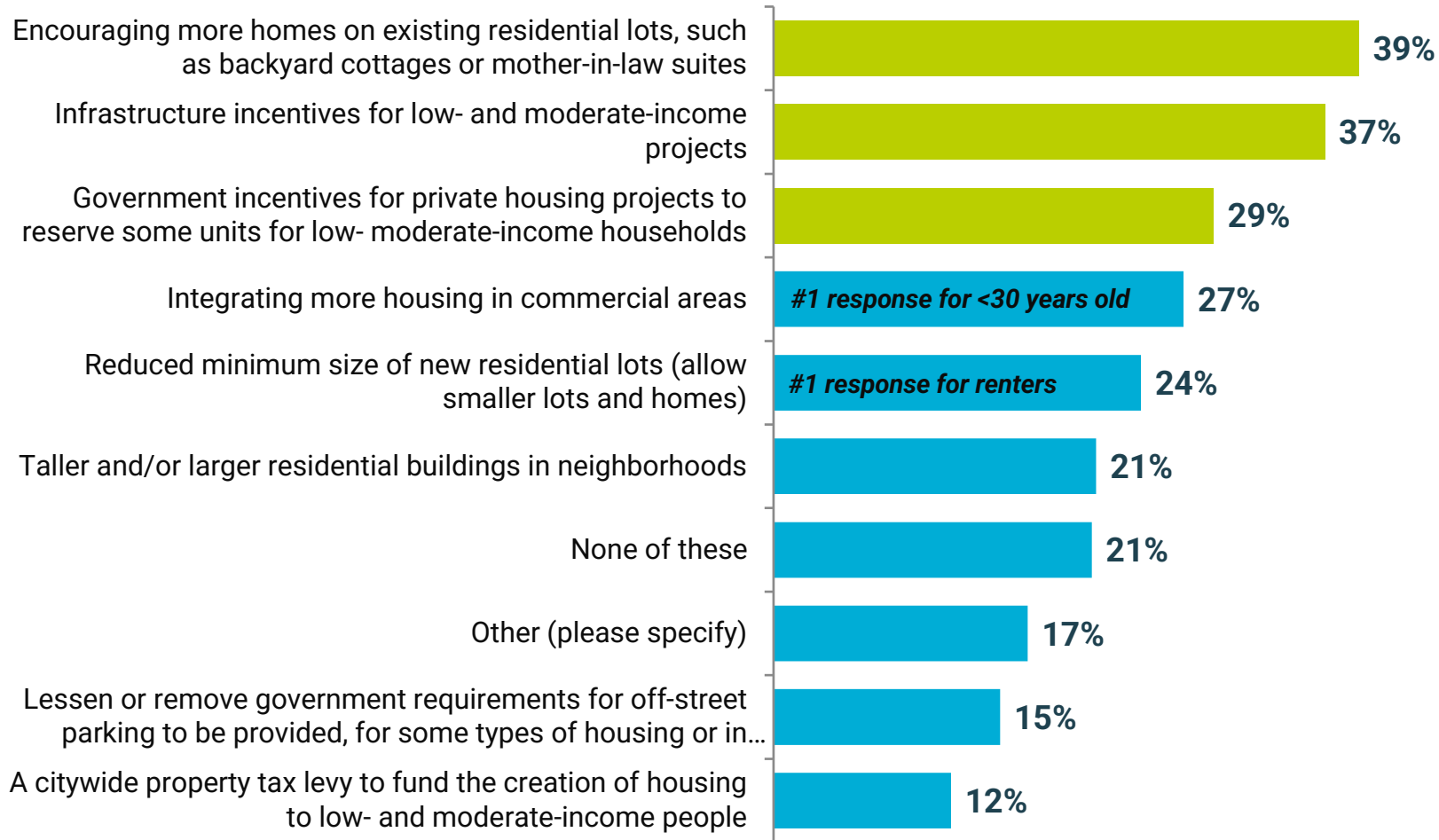
“My children have all grown and moved out. **I would like to downsize my home, but it would cost me double the monthly mortgage payment to get into a *smaller* home.**” – **Jenna, homeowner**

“...**Parents with adult children who have disabilities have very few options** in getting these individuals a chance at independence and integration into the community.” – **Sean, homeowner**

“I moved back to take care of my aging parents, who have both passed. Now I am looking into building multi-generational housing with my adult son and his family. **We are finding the limitations of ADU's in Kennewick discouraging and challenging.**” – **Dana, renter**

“I am a millennial with a graduate degree and a professional job. With the current housing market and interest rates, **I'm unable to afford to buy a home for my family of four.**” – **Amanda, renter**

Which of the following ideas would you be willing to accept to **create more affordable homes** in Kennewick for low- to moderate-income residents and workers? Select all that apply.



Carriage House ADU



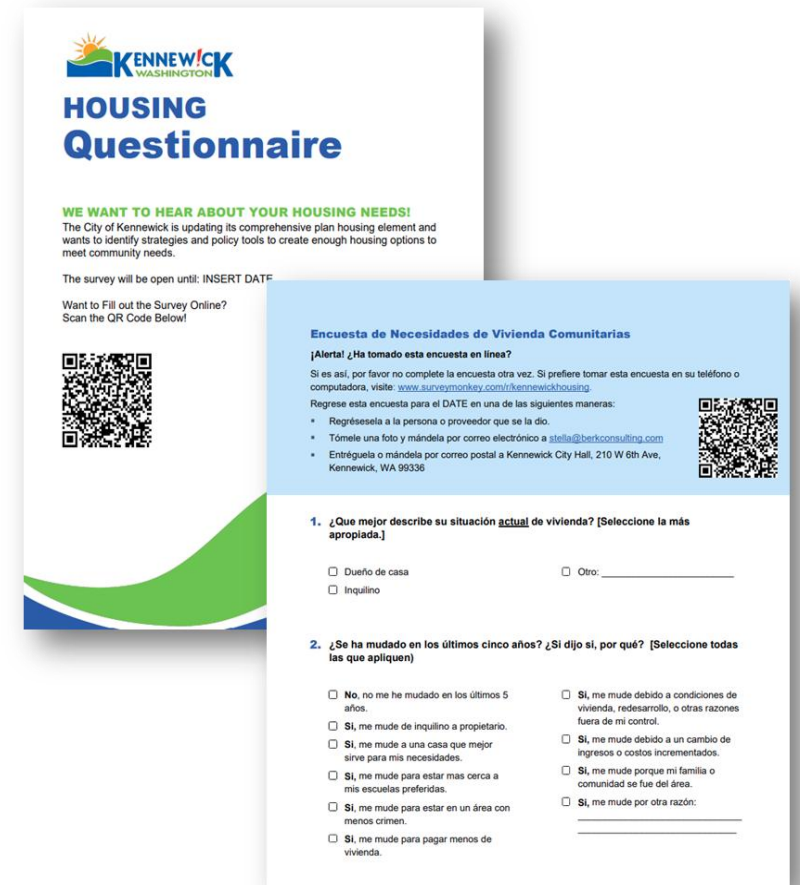
Mother-in-law suite



Detached ADU

2026 Housing Questionnaire

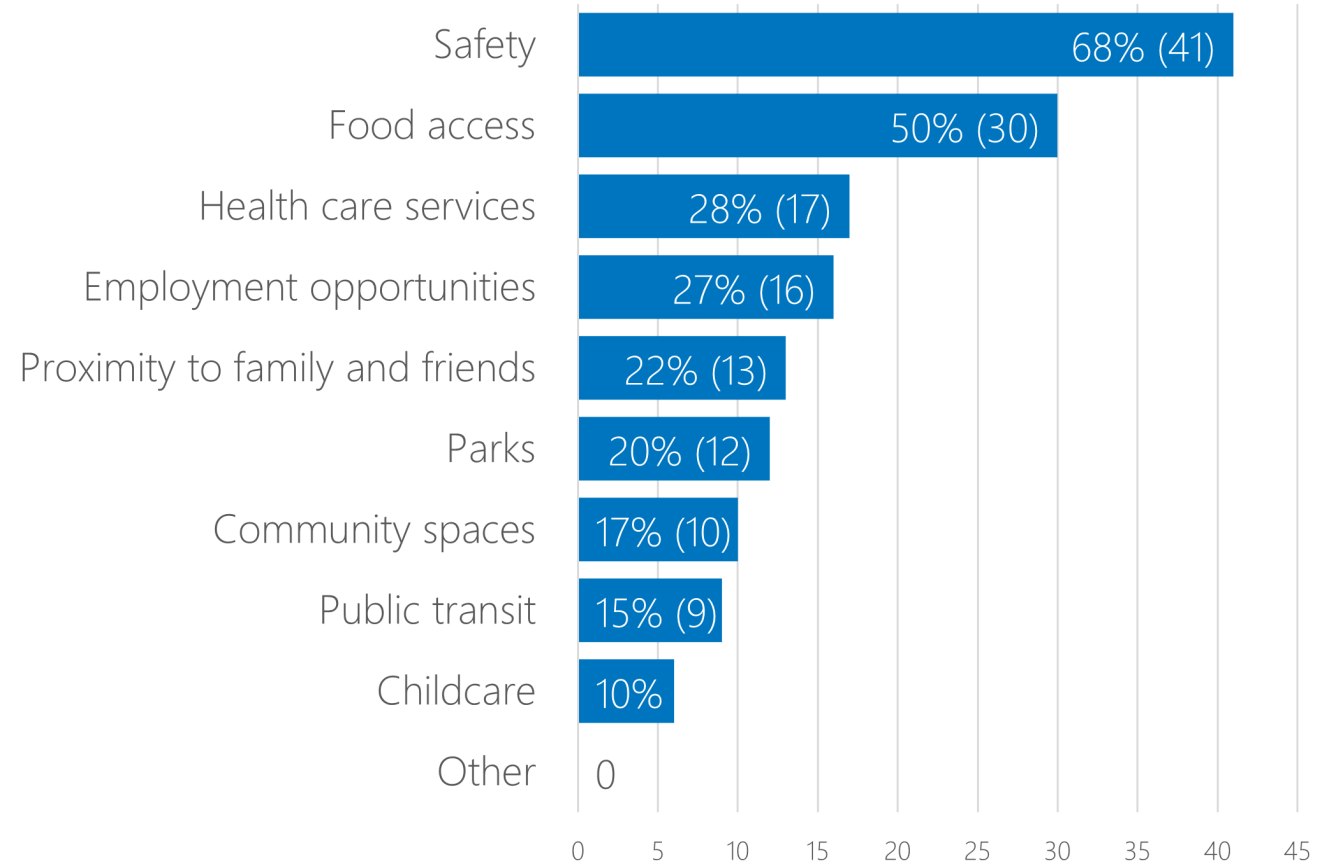
- Online and paper format
- Open December 1, 2025, through February 6, 2026 (10 weeks)
- Targeted to better understand the needs of renters and lower-income households
- Distributed by City via partnerships with community-based organizations
- 60 respondents
 - 40% homeowners
 - 60% renters or populations experiencing homelessness or living with family or friends



Housing Questionnaire Key Takeaways

Challenges and Needs

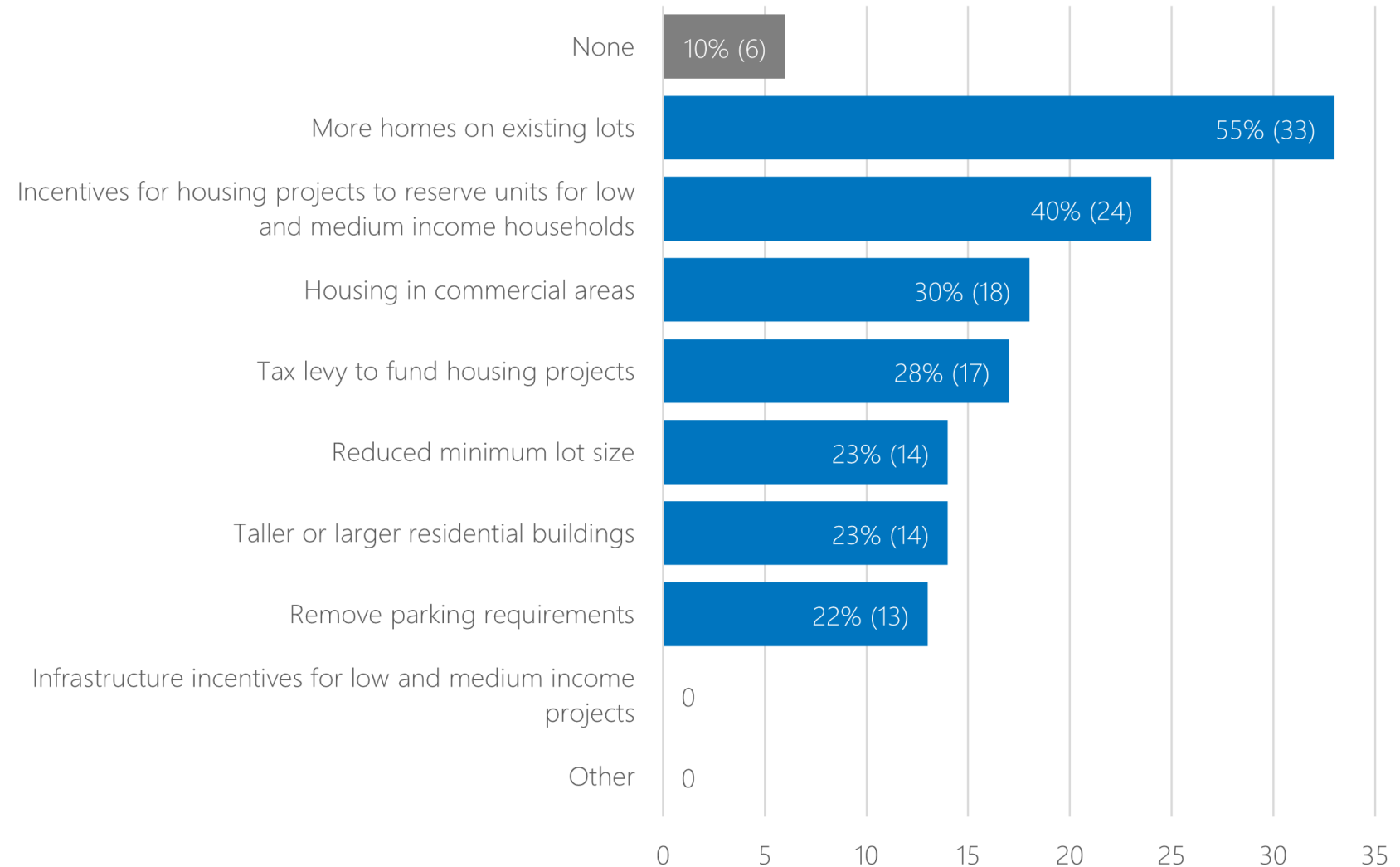
- Housing and utility affordability are the primary housing concerns
 - 37% of respondents struggle to pay their utility bills
 - 33% cannot afford their housing
 - 82% think housing cost is the most significant citywide housing issue
- Safety and food access are the most important factors in housing location decisions.
 - 68% and 50% of respondents prioritize them over other options, such as parks, community spaces, or public transit



Housing Questionnaire Key Takeaways

Support for Strategies

- Over half of respondents (55%) were supportive of encouraging more homes on existing residential lots, such as mother-in-law units.
- 40% were supportive of incentives for projects to reserve some units as affordable



Housing Work Group

- Group has met three times between October and April 2025
- Objectives:
 - Help identify housing barriers
 - Provide input on strategies and policies to address impacts and begin to undo racially disparate impacts in housing
 - Ensure the Housing Element reflects Kennewick’s unique context and needs

Member Organizations

- Benton County Human Services
- Benton Franklin Community Action Committee
- City of Kennewick Community Development Dept
- City of Kennewick Council
- City of Kennewick Housing Authority
- City of Kennewick Planning Commission (2)
- City of Kennewick Planning Dept
- Columbia Basin Veterans Center
- Domestic Violence Services
- Elijah Family Homes
- Habitat for Humanity: Tri-County Partners
- Home Builders Association
- Numerica Credit Union
- Seasons Housing
- Senior Life Resources
- Snipes H3
- Tru-City Association of Realtors

Housing Work Group Feedback

- Key highlighted barriers to housing development:
 - Critical area regulations
 - Cultural preferences and NIMBYism
- Support for strategies:
 - Streamline permitting and add additional clarification around timelines
 - Reduce fees for affordable housing
 - Consider creative opportunities and approaches when considering pushback with any extreme changes (incremental changes to effectively integrate higher density housing)
 - Integrate quality of life considerations when amending development regulations
 - Coordinate housing efforts countywide
 - Implement short-term solutions for populations experiencing homelessness or in need of assistance during the long-term housing strategy

Limit extreme changes - maybe keep to just state required

Open to stair stepping changes to integrate density (ex: add floor if near high density zone)

Covenant ownership grant program - in other cities, it's allowing owners to sell their shares - program - if one is wanting to sell

In comparison to other cities, Kennewick is faster

Could do a green, yellow, red designation to help developers anticipate permitting timeline

Solutions across the tri-cities comp plans - **Prioritize coordination across tri-cities** (specifically around solutions for homeless pop)

Encourage more county-wide planning

There will always be pushback against addressing housing crisis through inventory

City can be more involved with **Continuum of Care** and discuss housing planning

Developers spend \$\$\$ while waiting - carries over less

Development code all still applies - some builders shortcut and bring up "opportunities for discussion"

Can educate residents about housing crisis and be creative to market affordable housing

Some of the zoned commercial - important to keep for economic development

Climate needs = water conservation, xeriscaping

Community needs = desire for open-space and greenery

Clustering versus distribution - try to distribute

If you go from low to high density lower, there will be less pushback. Residents move with density.

What does removing density limits look like in practice? Creative opportunities

Community education on housing cost crisis

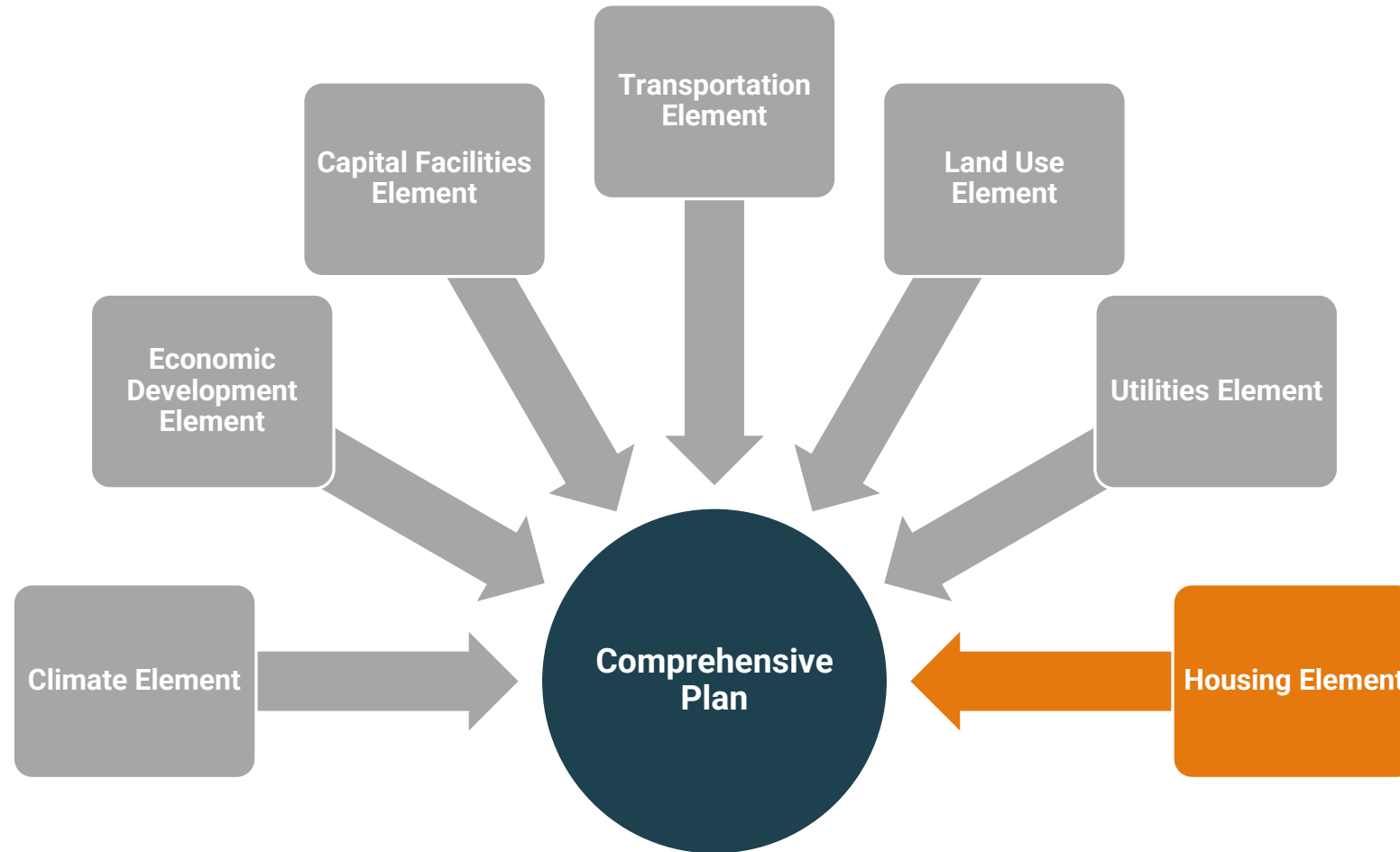
Have to address affordable housing inventory - otherwise displacement

Questions?



Housing Element Approach

Comprehensive Plan Elements



Housing Element Audit – Key Findings

- Significant updates are needed to meet the data analysis and policy requirements of current state law
- Goals and policies have gaps for important topics, such as for low-income and special-needs populations
- Some goals and policies are vague or outdated



Excerpt of current Housing Element

Recommended Housing Element Reorganization

Volume I

- Existing conditions summary
- Housing needs and affordability tools summary
- Goals and policies (numbered sequentially)

Volume II Appendix

- Housing Needs Assessment*
- Racially Disparate Impacts Analysis*
- Displacement Risk Analysis*
- Housing Barriers and Adequate Provisions Analysis*
- Housing stakeholder interviews summary

** Analysis required by state law*

State Law Implementation

A variety of Housing Element policy updates should address recent state law updates:

- **ADU's, middle housing, and co-living** in most residential areas
- **Lot splits and unit lot subdivisions** for small-lot homeownership options
- **Impact fees** must be proportional to the unit size of dwelling units
- **Minimum parking requirements** must be reduced for residential development
- **Design standards** should be clear and objective
- ...and more related to supportive housing, definitions, and other topics

Existing Goals

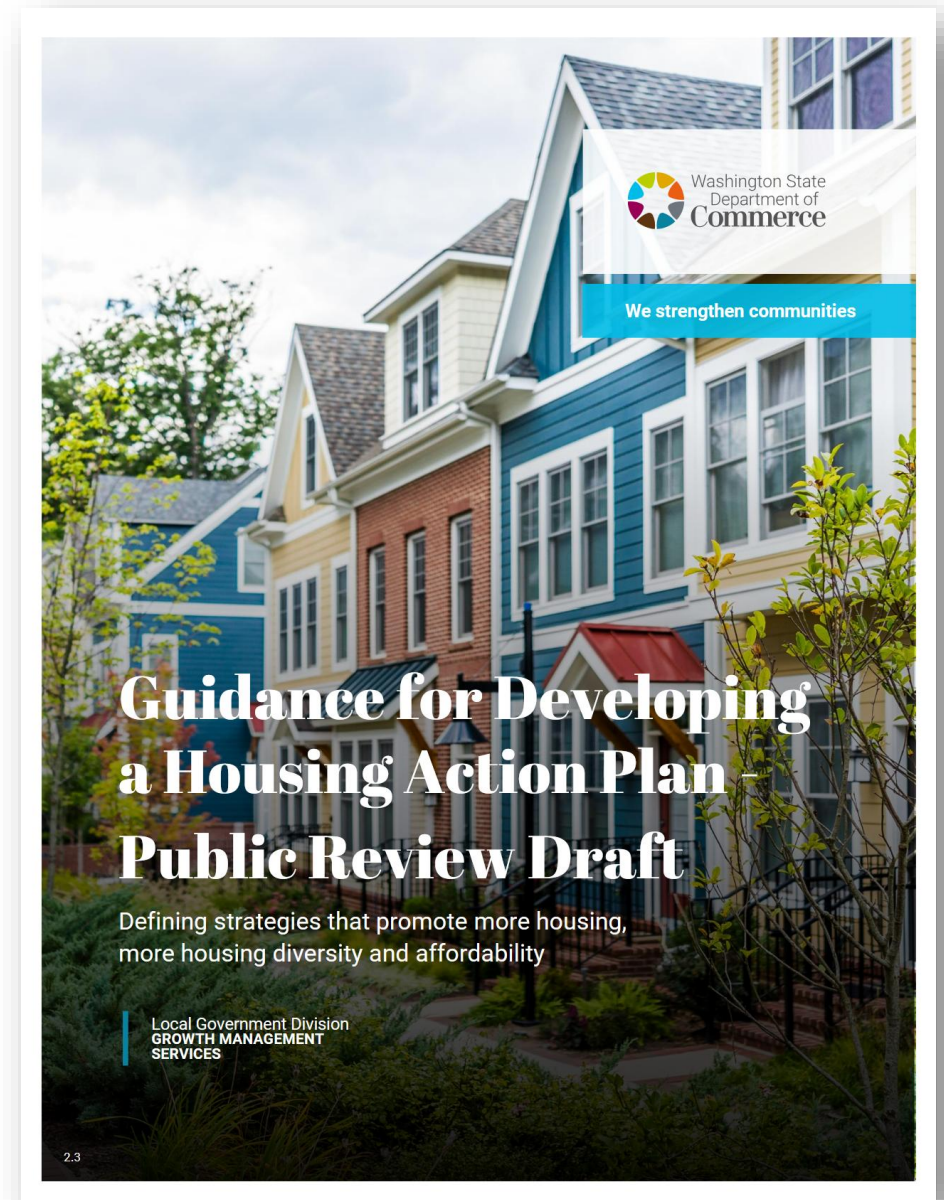
Goal	# of Policies	MAKERS Comments
Goal 1: Support and develop a variety of housing types and densities to meet the diverse needs of the population.	6	Should be expanded to cover a variety of state-level requirements on specific housing types
Goal 2: Encourage preservation of the existing housing stock through public and private investments.	4	Might not rise to the importance of a goal, and most of the policies need clarifications
Goal 3: Promote affordable housing for all economic segments of the community.	4	Mostly good policies, and should be expanded with more details on how this goal can be met
	16 Total	Balance brevity with covering enough of the variety of important housing issues

Potential Housing Goal Reorganization

- Goal H-1: Housing Supply
- Goal H-2: Housing Affordability and Access
- Goal H-3: Housing Quality
- Goal H-4: Partnerships for Affordable Housing
- Goal H-5: Seniors and Special Needs Housing
- Goal H-6: Housing Action Plan Implementation

Housing Action Plan

- Separate but parallel product
- Will have more specific ideas and implementation details for achieving Kennewick's housing goals



Questions?



Land Capacity Analysis

LCA: Purpose & Process

Purpose: Determine if there is sufficient buildable land within the UGA to support future growth

Process:

- Identify land capable of supporting future development
- Calculate capacity of buildable land supply
- Compare capacity to growth targets

Small methodology adjustments since Fall 2025:

- Better align with intent of May 2025 code revisions
- Correct minor Excel formula error

LCA: Updated Methodology

Revision	Fall 2025 Draft LCA Methodology	Updated LCA Methodology	Impact on LCA Results
RH density	49.8 du/ac for lots 1,000+ sqft (unit density) 27 du/ac for lots < 1,000 sqft (max density)	27 du/ac for all lots (max density)	<ul style="list-style-type: none"> • Reduced capacity by 1,434 units (0-80% AMI) • Reduced middle housing affordable density bonus by 159 units (0-80% AMI)
Assume some multifamily in commercial zones (CN, CO, CC, CR, CG, CM)	None (0% res / 100% com)	10% res / 90% com	<ul style="list-style-type: none"> • Increased capacity by 894 units (0-80% AMI)
Revise assumed mixed use split in the UMU zone	50% res / 50% com	65% res / 35% com	<ul style="list-style-type: none"> • Increased capacity by 56 units (0-80% AMI)
Vista Fields	Parcels not marked as pipeline (a few marked as vacant commercial or mixed, most considered developed)	All parcels marked as pipeline consistent with Vista Field Master Plan	<ul style="list-style-type: none"> • Added 1,095 units to pipeline (120%+ AMI) • Slightly reduced commercial and mixed-use capacity
Correct estimate of existing commercial and industrial acreage	Total acreage <i>after</i> market factor deduction applied	Total acreage <i>before</i> market factor deduction applied	<ul style="list-style-type: none"> • Reduced job capacity because of lower assumed job densities (increased estimate of existing acres)

LCA: Updated Residential Analysis

Zone Category	Affordability Level	Pipeline Capacity	Additional Capacity	Total Capacity
Low Density	High income (>120% AMI)	2,364 1,269	10,842	13,206 12,111
Moderate Density	Moderate income (>80-120% AMI)	935	6,979	7,914 7,970
Low-rise & Mid-rise Multifamily	Low income (0-80% AMI) & PSH	554	3,225 3,709	3,779 4,263
Guaranteed Affordable Housing	Low income (0-80% AMI)	0	365 524	365 524
ADUs	Low income (0-80% AMI)	0	279	279
Total		3,853 2,758	21,689 22,332	25,542 25,090

< Vista Fields pipeline units

< Scrivener's error

< RH density (reduced), some residential in commercial & UMU split (increased)

< RH density (no middle housing bonus)

Key Results of the Update

Increased overall capacity.

Reduced capacity for units affordable to 0-80% AMI.

Increased capacity for units affordable to 120%+ AMI.

Note: Totals may not sum due to rounding.

AMI = area median income, calculated by the U.S. Department of Housing and Urban Development

Sources: City of Kennewick, 2026; Benton County, 2025; BERK, 2026.

Note: Job capacity was reduced but is still above estimated growth. Focus here is on residential.

LCA: Updated Residential Analysis

Housing Need (% of AMI)	Zone Categories	2020–2046 Target	Aggregated Target	Capacity	Surplus / (Deficit)
0–30% PSH	Low-Rise, Mid-Rise, ADUs	1,597	6,889	4,422 5,065 ¹	(2,467) (1,824)
0–30% Non-PSH		1,007			
>30% to ≤50%		2,513			
>50% to ≤80%		1,772			
>80% to ≤100%	Moderate Density	974	2,078	7,914	5,836
>100% to ≤120%		1,140			
>120%	Low Density	3,659	3,659	13,206 12,111 ²	9,547 8,452
Total		12,626	12,626	25,542 25,090²	12,916 12,464

PSH = Permanent Supportive Housing; AMI = Area Median Income.

1. Includes capacity for 279 ADUs on developed residential lots and 365 guaranteed affordable middle housing units.

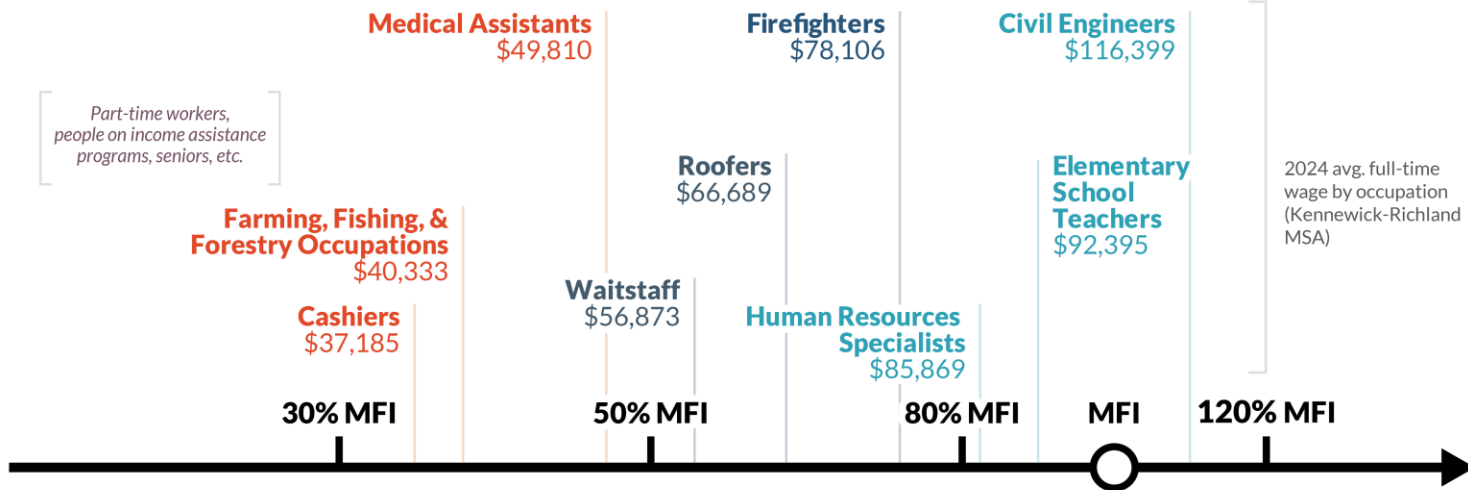
2. Includes capacity of 812 units in the unincorporated UGA (low density housing for households with incomes >120% AMI)

Sources: City of Kennewick, 2026; Benton County, 2025; BERK, 2026.

Affordable Housing For Who?

2025 Benton County Median Family Income (MFI): \$105,600

For a four-person household with one wage earner, what jobs correspond to different household income categories?



What are the income limits and maximum housing costs for these income categories?

Household Size	0-30% MFI	30-50% MFI	50-80% MFI	80-120% MFI	
	Extremely Low Income	Very Low Income	Low Income	Moderate Income	
1 person	\$22,175 \$554	\$36,960 \$924	\$59,135 \$1,478	\$88,705 \$2,218	← Maximum income ← Maximum housing costs (total incl. utilities)
2 people	\$25,345 \$634	\$42,240 \$1,056	\$67,585 \$1,690	\$101,375 \$2,534	
3 people	\$28,510 \$713	\$47,520 \$1,188	\$76,030 \$1,901	\$114,050 \$2,851	
4 people	\$31,680 \$792	\$52,800 \$1,320	\$84,480 \$2,112	\$126,720 \$3,168	

Affordable Housing Types

The private market typically does not build for lower incomes.

To serve the 0-60% AMI income level, government usually must be involved in providing direct funding, tax breaks, or other financial support for housing developments (sometimes referred to as “Capital A” Affordable Housing).

Development regulations must also be supportive of the housing types that support lower income levels, which is typically multifamily/apartments.

“Capital A” Affordable Housing: Housing constructed, renovated, or acquired using some amount of public money (direct subsidies or tax breaks) and has legal restrictions on who can occupy the housing unit, based on income levels

“Lower case a” affordable housing: Housing that is naturally lower cost due to its age and condition, location, or type

Questions?

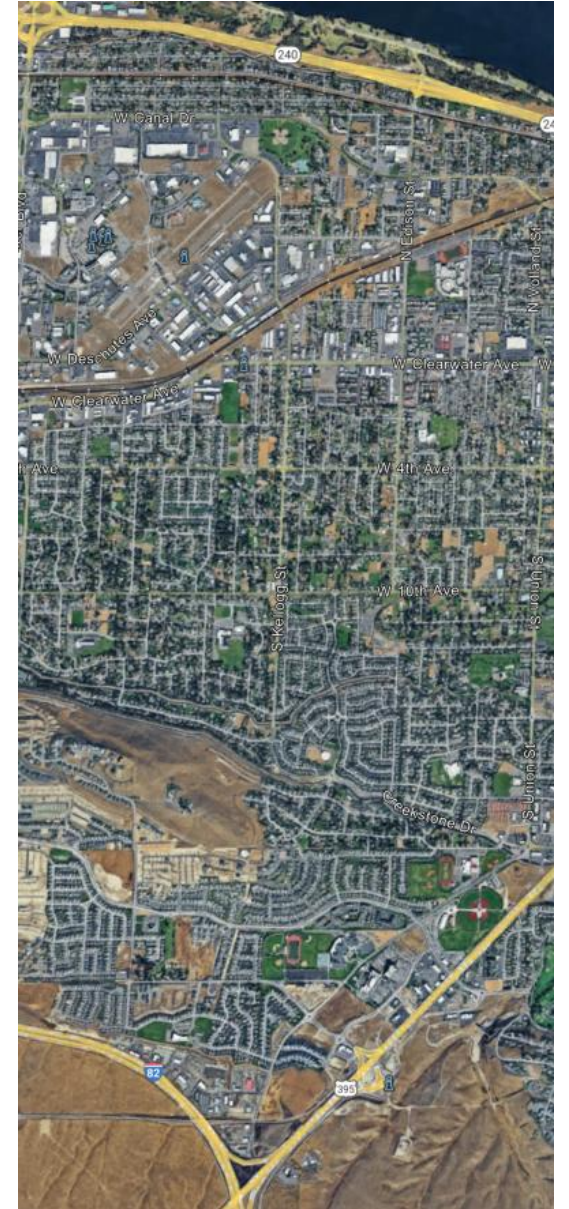


Concepts for Low-Income Housing Capacity

Multifamily Housing Supply

Kennewick Context

- The recent “middle housing” update increases choices, but established single-family neighborhoods are unlikely to see much, if any, changes over the next 20 years
- Much of Kennewick is already built-out – so where can 2,467 more low-rise and mid-rise homes be built?
- Key opportunities are the remaining vacant land, rural-size lots in the city, and underutilized commercial land
- Land supply and market construction alone does not guarantee affordability – additional programs and funding are likely to be needed



What is Low-Rise and Mid-Rise?

Attached apartments and condominiums in larger buildings

Low-Rise: Walk-ups, 2-3 floors



Mid-Rise: Elevators, 4-8 floors



1 Residential Development Standards

Zoning Regulation Concepts

- Adjust dimensional standards, such as:
 - Increase/remove density limits in the RM and RH residential zones
 - Revise height limits to encourage mid-rise projects and affordability incentives
 - Adjust multifamily open space standards in some zones
- Reduce or remove parking requirements under new state law (RCW 35A.21.445)
- Prohibit new single-family development in the RM, RH, UMU, and commercial zones to preserve land for higher-density housing options

18.12.010 A.2: - Table of Residential Site Development Standards.

Minimum and maximum residential standards are identified in the following table.

	RS 5.8.9	RL 5.8.9	RM 3.4, 5.6.9	RH 3.4, 5.6.9	RTP 3.4.5	RMH 6.8.9	UMU 3.7
Max. Density ¹	N/A	N/A	13	27	13	4	N/A
Unit Density ^{1a}	6	6	6	6	N/A	6	N/A
Min. Lot Size	8,000 sf	5,500 sf	4,000 sf	3,500 sf	1 acre	5,500 sf	N/A
Min. Lot Size (Townhouse)	1,800 sf	1,800 sf	1,800 sf	1,600 sf	N/A	1,800 sf	N/A
Min. Lot Width ²	50'	45'	35'	N/A	N/A	45'	N/A
Min. Lot Width ² (Townhouse)	24'	24'	20'	20'	N/A	24'	N/A
Min. Front Yard/ Street Setback ²	15'	15'	15'	15'	15'	15'	See KMC 18.80
Min. Garage Setback ²	20'	20'	20'	20'	20'	20'	N/A
Min. Side Yard Setback ²	5'	5'	5'	5'	5'	5'	0'
Min. Rear Yard Setback ²	15'	15'	15'	15'	15'	15'	5'
Max. Height	35' or 2.5 stories, whichever is less	35' or 2.5 stories, whichever is less	35'	45'	N/A	35' or 2.5 stories, whichever is less	N/A
Min. Lot Frontage ²	30'	30'	30'	30'	30'	30'	20'
Min. Lot Frontage ² (Townhouse)	N/A	N/A	20'	20'	N/A	N/A	N/A

FOOTNOTES for Table 18.12.010 A.2 Residential Standards Table:

- (1) Maximum Density - The maximum permitted number of lots/units in the RM and RH zone is determined by dividing the gross area of the parcel in square feet by 43,560 square feet, multiplied by the allowed maximum density under table 18.12.010. The closest whole number is the permitted maximum number of lots/units. If the unit density is greater than the maximum density as calculated, then unit density will be used to determine the maximum number of middle housing units permitted on the lot.
 - (a) Unit density for RS, RL, RMH, RM, and RH zones is four middle housing units unless the lot is less than 1,000 square feet in size.
 - (i) Accessory Dwelling Units, as permitted in KMC 18.12.020, apply towards the total number of units permitted.
 - (ii) Six middle housing units per lot may be approved if at least two of those units are affordable housing meeting the following requirements, unless zoning permitting higher densities or intensities applies:
 - (A) Dwelling units that qualify as affordable housing shall have costs, including utilities other than telephone, that do not exceed 30 percent of the monthly income of a household whose income does not exceed the following percentages of median household income adjusted for household size, for the county where the household is located, as reported by the United States Department of Housing and Urban Development.

Example of current residential standards in the Kennewick Municipal Code

1 Residential Development Standards

Other Regulations

- Reduce code barriers for permanent supportive housing and emergency housing
- Update design standards to align with construction market trends
- Discounted utility connection fees for affordable housing projects
- Provide better communication to applicants about permitting processes, approval criteria, and fees
- Adopt higher SEPA exemption thresholds for larger developments
- Consider the integration of state building code updates (3-6 unit middle housing buildings under the residential code, single-stair buildings, etc.)

2 Future Land Use Map Updates

	Land Use Category – Comprehensive Plan	Zoning to Implement Land Use Category – Title 18
Yellow	Low Density Residential (5 units per acre max)	RS, RL, RMH
Orange	Medium Density Residential (13 units per acre max)	RM, HMU, RTP
Brown	High Density Residential (27 units per acre max)	RH
	<u>Medium-High Density Residential</u>	<u>RM, HMU, RTP, RH</u>
Purple	Mixed Use	UMU
Red	Commercial	CN, CO, CBD, CAR, CC, CR, CG, CM, HMU, BP <i>Consider options to consolidate</i>
Grey	Industrial	BP, IP, IL, IH <i>Consider options to consolidate</i>
Blue	Public Facility	PF, JF
Green	Open Space	OS, PF

2 Future Land Use Map Updates

Considerations for adding areas with the new Medium-High Density Residential designation:

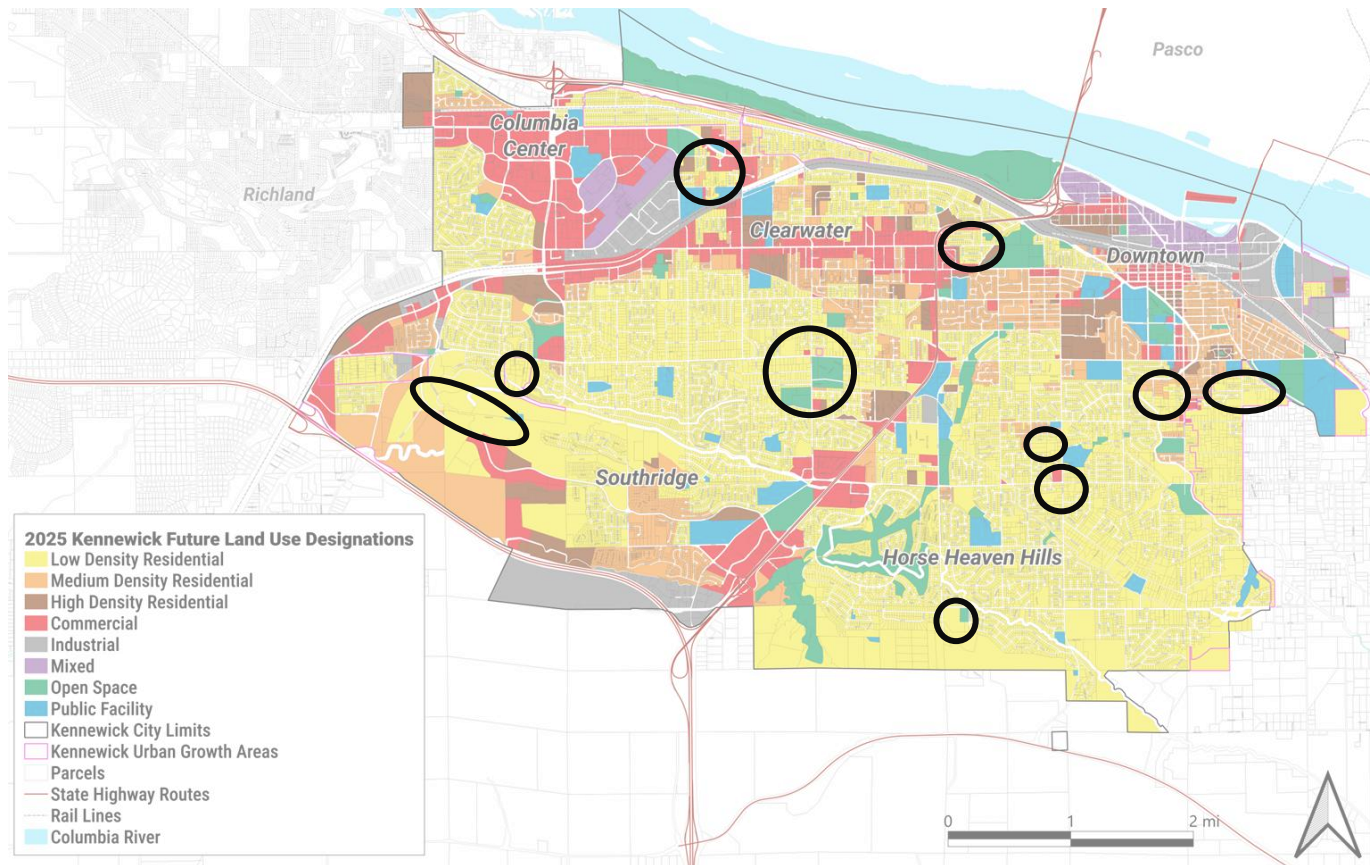
- Increase options for property owners and the market land base for multifamily developers
- Housing survey indicates safety and food access are top priorities for existing residents
- Prime opportunities are clusters of vacant land or underdeveloped lots in good locations near commercial centers, public amenities, transit routes, etc.
- This review includes a handful of existing Low Density Residential areas



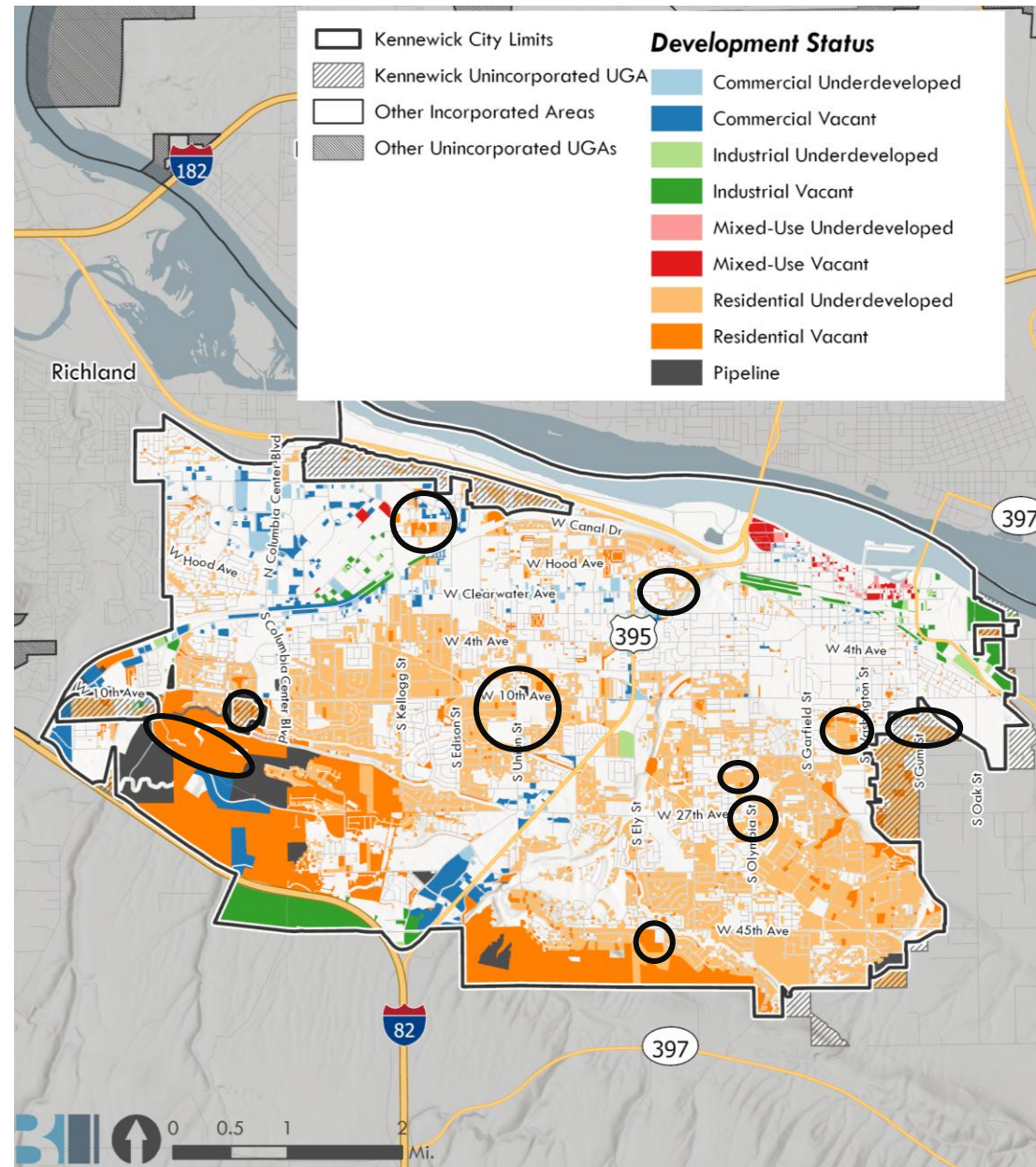
2

Potential areas (**circled**) for changing to the new Medium-High Density Residential land use designation.

Developers will do case-by-case analysis of potential based on lot shape, infrastructure costs, financial returns, environmental conditions, etc.



Currently-Adopted Future Land Use Map



Land Capacity Analysis Map

Residential Use in Commercial Zones

- Today multifamily use is permitted in commercial zones if it meets commercial design standards, including:
 - Min. 50% of street frontage dedicated to commercial use
 - Min. 20% of total building square footage is commercial use
- Senate Bill 6026 in the Legislature would require some changes to these standards
- Recent examples of mixed-use development in the CC zone at The Resort and Argyle Southridge
- In this concept, residential would be more supported through zoning adjustments and infrastructure improvements



Argyle Southridge



Example of underdeveloped commercial land

3 Examples of underdeveloped commercial land

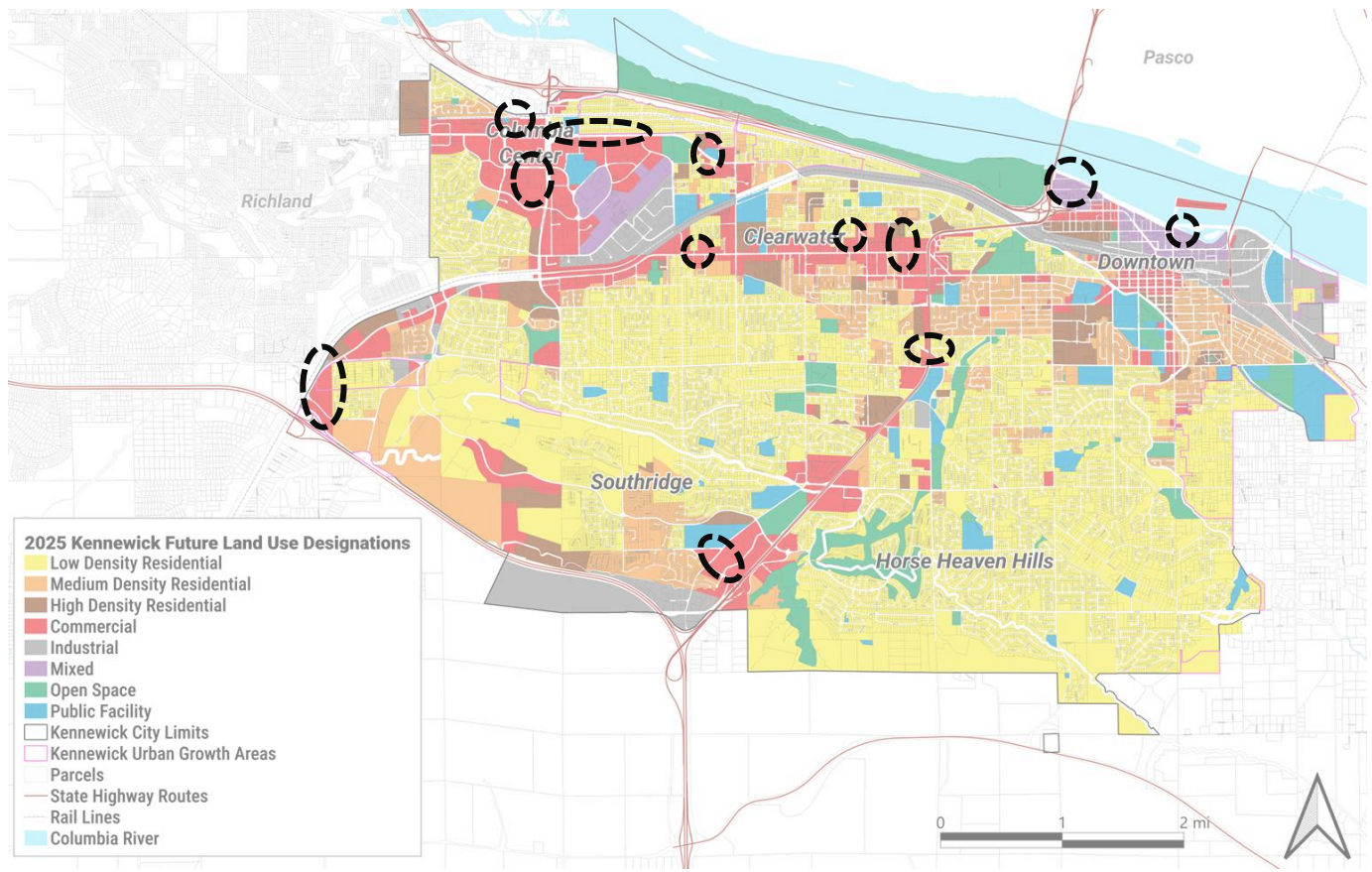


W. Canal Drive, looking east

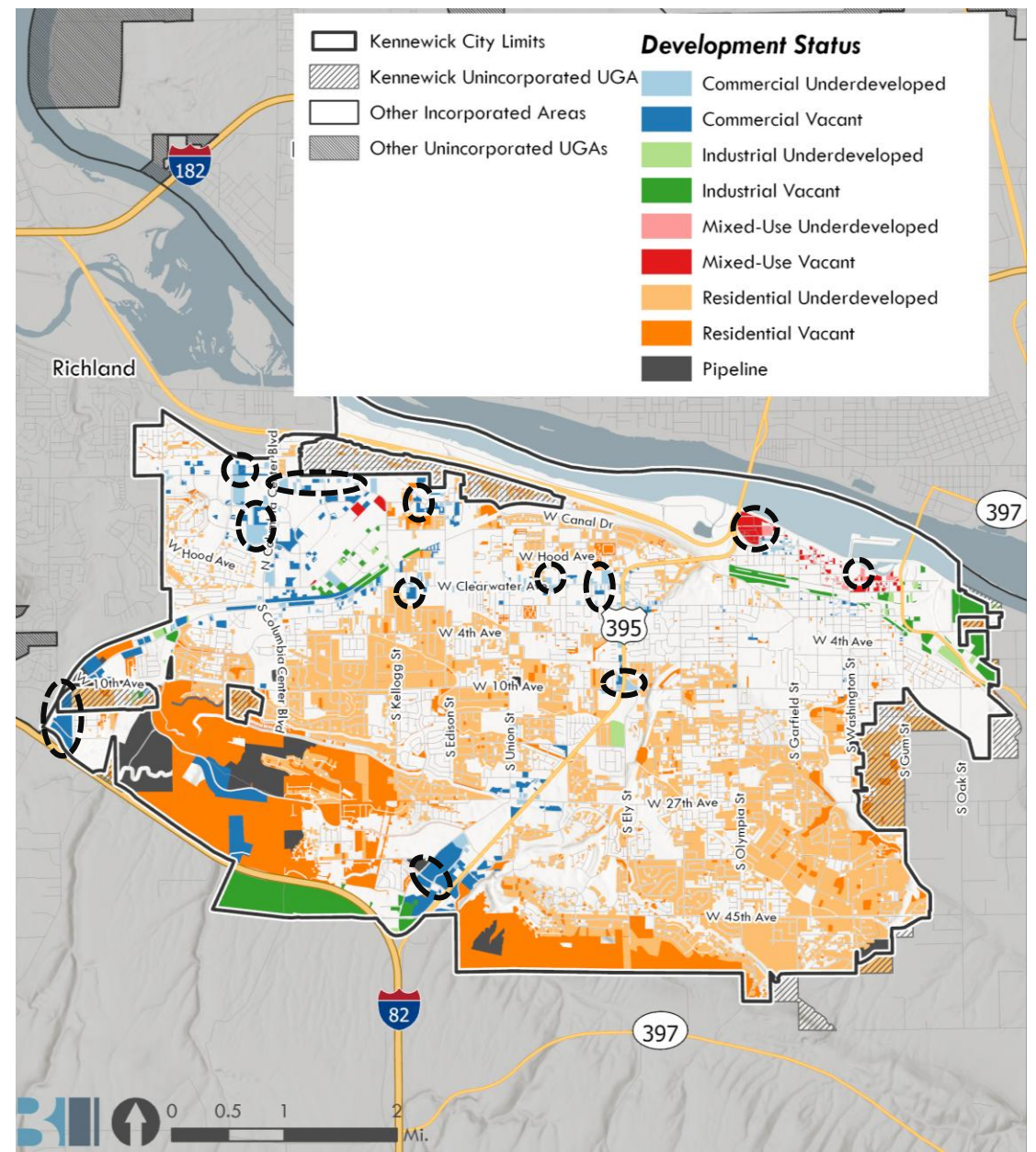


W. Clearwater Avenue, looking north

3 With supportive zoning, some commercial areas (circled) may be more likely than others to develop housing in the next 10-20 years, based on current use, land value, and site size.



Currently-Adopted Future Land Use Map



Land Capacity Analysis Map

Accessory Dwelling Units

ADU's can count as fulfilling low-income housing needs if evidence shows the market or regulations are serving such households.

Regulatory options may include:

- Permit tiny homes with permanent foundations
- Offer pre-approved building plans to homeowners to reduce design costs and permitting fees
- Reduce utility connection charges
- City funding for a revolving construction loan fund, down payment assistance, and/or fee waivers, etc. (in exchange for a unit being income-restricted)



ADU above a garage in Boise, ID



*Detached ADU in backyard
(Photo: Sightline Institute)*

Public Land & Housing Co-Location

- **Publicly-owned land** can be sold or leased to affordable housing providers at a discount to reduce their development costs
- City-owned surplus land is rare, and needs to be confirmed it is not needed for future public purposes (utilities, capital facilities, parks, etc.)
- Opportunities may also be found with other public agencies, including the school district, port district, county, state, etc.
- **Co-location** builds housing above or adjacent to ground-level community facilities such as administrative offices, libraries, or recreation centers on the same property



The “Bubble on Gum” affordable housing development is a joint venture between the City and Kennewick Housing Authority

6

Affordable Housing on Religious Organization Property

- 2019 state law requires cities and counties to offer increased density to religious organizations that want to build affordable housing on their property
- Limited use so far because the bonus is only available if 100% of units are income-restricted. Only Seattle and Bellevue have passed implementing legislation
- House Bill 1859 in the Legislature would reduce the affordability requirement to 20-50% of units, improving economic feasibility
- There are 30-40 churches in Kennewick’s residential and commercial zones



- KEY DESIGN CONCEPT**
- PARK SIDE LIVING EXPERIENCE
 - PEACEFUL
 - CONNECTION TO NATURE
 - HIGHLIGHT VIEW TO PARK
 - AT-GRADE COURTYARD TO CREATE SYNERGY BETWEEN HOUSING AND CHURCH
 - COHESIVE CHURCH - HOUSING CAMPUS

SALC AFFORDABLE HOUSING / CONCEPT DESIGN / DECEMBER 16, 2024

DRAFT / CONFIDENTIAL

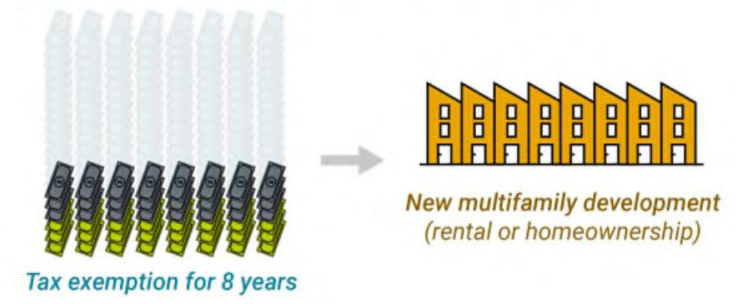


Saint Andrew's Lutheran Church in Bellevue plans to use the density bonus for a 100-unit housing development (Photo: [Imagine Housing](#) and Mithun)

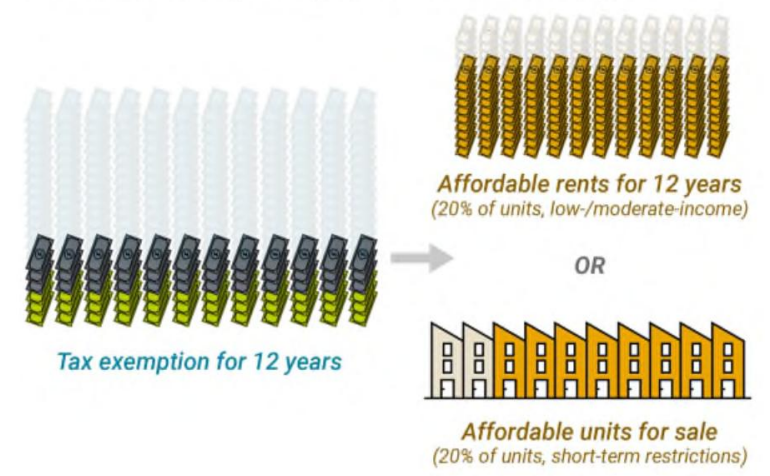
7 Multifamily Tax Exemption (MFTE)

- Promotes development by temporarily exempting the residential portion of property value from taxation for 8-20 years
- One of the most effective and common tools in Washington for building affordable housing (60-115% AMI income levels)
- Since the program started in 1995:
 - 61,000 total housing units built
 - 11,000 rent-restricted units created
- Eastern WA cities using MFTE include Walla Walla, Spokane, Wenatchee, Ellensburg, and Yakima

For an 8-year MFTE... tax exemptions are provided as a general incentive for new residential investment.



For a 12-year MFTE... tax exemptions are provided in exchange for at least 20% of units being set aside as affordable for 12 years (rentals or units for sale).



Department of Commerce

7 Multifamily Tax Exemption (MFTE)

- Key decisions for Kennewick would be:
 - Which program lengths to use (8, 12, 20 year)
 - What levels of affordability (income restriction) to require
 - Which locations in the city to offer the program
 - Other regulations or incentives, such as density or height bonuses
- Other considerations:
 - Can result in reduced tax revenue or a shift with slightly increased rates on other properties
 - Staff time required for regular monitoring, oversight, and reporting
 - Regular adjustments are needed to maximize public benefits



The Lodge in downtown Walla Walla opened in 2021. It has 137 total units, with 20% of them affordable for 12 years. (Photo: Kate Smith / [Walla Walla Union-Bulletin](#))



Vue 22 in Walla Walla opened in 2008 and graduated from MFTE in 2020.

8 Other Funding Options

- Affordable housing property tax levy (RCW 84.52.105)
- Affordable housing sales tax (RCW 82.14.530 and .540)
- Parking lot conversion sales tax (RCW 82.59)
- Tax increment financing (RCW 39.114)
- Impact fees waivers for affordable housing projects (RCW 82.02.060)

9 Programmatic Tools (Anti-Displacement)

- Local tenant protections
- Mobile home park redevelopment protections
- Investing more in homelessness service partnerships
- City staffing and strengthened service-provider relationships
- Local transit service funding for improved connections between housing and jobs and social services

Questions?



Wrapping Up

Next Steps

- Final Housing Work Group meeting
- Additional interviews with climate stakeholders
- First draft plan aimed for release in late April or early May
- May 7** public open house on first draft plan
- Critical areas ordinance update
- Planning Commission / City council adoption meetings starting in late summer

Thank You

Staff contact:

Matthew Halitsky, AICP

Senior Planner, Community Planning Department

509.585.4416

Matt.Halitsky@ci.kennewick.wa.us