

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
MINUTES

October 8, 2025  
6:30 p.m.

Bellevue City Hall  
Room 1E-113

COMMISSIONERS PRESENT: Chair Khanloo, Commissioners Ferris, Kennedy, Nilchian, Villaveces

COMMISSIONERS REMOTE: None

COMMISSIONERS ABSENT: Vice Chair Land use, Commissioner Goepple

STAFF PRESENT: Thara Johnson, Kate Nesse, Justin Panganiban, Zachary Luckin, Community Development Department; Nick Whipple, Kristina Gallant, Mathieu Menard, Development Services Department; Matt McFarland, Robbie Sepler, City Attorney's Office; Hannah Bahnmler, Bianca Siegl, Office of Housing

COUNCIL LIAISON: Deputy Mayor Malakoutian

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER  
(6:30 p.m.)

The meeting was called to order at 6:30 p.m. by Chair Khanloo who presided.

2. ROLL CALL  
(6:31 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Vice Chair Lu and Commissioner Goepple.

Chair Khanloo announced that Commissioner Ferris had submitted a resignation effective the end of November. Chair Khanloo expressed deep gratitude for Commissioner Ferris's exemplary service, and for being a model of brilliance, empathy, and calm strength reflecting compassion and a people-centered approach to planning. Commissioner Ferris's legacy of kindness and wisdom will endure within the Commission.

3. APPROVAL OF AGENDA  
(6:33 p.m.)

A motion to approve the agenda was made by Commissioner Kennedy. The motion was seconded by Commissioner Nilchian and the motion carried unanimously.

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS

(6:34 p.m.)

Deputy Mayor Malakoutian echoed Chair Khanloo's sentiments in regard to Commissioner Ferris and commended Commissioner Ferris for having compassion, strategic thinking, and a willingness to continue learning despite having extensive experience. Commissioner Ferris has been both a colleague and a friend, and the contributions made to Bellevue have been invaluable. All future endeavors will undoubtedly serve the community with the same dedication.

Deputy Mayor Malakoutian stated that preparations continue for the upcoming 2026 World Cup, which will be jointly hosted by three countries, including the United States; some events are scheduled for the Seattle region. The event offers Bellevue and opportunity to showcase itself, particularly with the expected opening of the light rail system. The importance of transportation planning, congestion management, and ensuring that infrastructure improvements associated with the event would yield long-term community benefits was stressed.

Deputy Mayor Malakoutian said the city's hazard mitigation planning efforts are under way, including preparation for a range of potential natural disasters such as volcanic eruptions, dam failures, earthquakes, and severe weather events. The work underscores Bellevue's commitment to resilience and public safety.

Deputy Mayor Malakoutian shared with the Commission that there have recently been discussions about minimum sentencing for repeat offenders. The Council has finalized and approved an ordinance addressing the issue.

## 5. STAFF REPORTS

(6:35 p.m.)

### A. Planning Commission Meeting Schedule

Senior Planner Dr. Kate Nesse took a few minutes to review the Commission's schedule of upcoming meeting dates and agenda items.

Dr. Kate Nesse said a survey will be sent out to the Commissioners to gain feedback on how the year has gone and ideas for improvement. The survey results will be presented at the retreat.

## 6. WRITTEN AND ORAL COMMUNICATIONS

(6:38 p.m.)

Chair Khanloo took a moment to note that under Ordinance 6752, the topics about which the public may speak during a meeting are limited to subject matters related to the city of Bellevue government and within the powers and duties of the Planning Commission. Additional information about the new rules of decorum governing conduct of the public during meetings can be found in Ordinance 6752.

### A. Written Communications

(6:39 p.m.)

Dr. Kate Nesse noted the receipt of four written comments earlier in the day in addition 14

written comments received and provided to the Commissioners.

B. Oral Communications  
(6:41 p.m.)

Leslie Geller, a long-time Eastgate resident and president and secretary of the Eastgate Community Association, referenced a letter sent to the Commission regarding the Eastgate but also the Factoria Neighborhood Area Plans, and noted having been involved with the Eastgate Neighborhood Area Plan since July. It was unfortunate that staff scheduled meetings on Eastgate and Factoria at the same time as a convenience to staff. The convenience aspect should be on the side of residents. It was shocking to see almost 80 percent of those present for the Eastgate meeting were high schoolers, something not previously seen in any city event. High schoolers certainly have not been involved in Eastgate Community Association events over the last six years. It was later learned the students were essentially bribed to go on the meeting on the promise of receiving extra credit at school, as well as volunteer hours. The students hung out together and were not overly interested in the walk. The staff were super excited to have the students in attendance on the rationale that by 2044 they will be in their mid-30s and they should have a say in the direction of Eastgate. It was not known if any of them even live in Eastgate; other neighborhoods were listed on the sign-up sheet. Staff said anyone who lives, works, plays or goes to school in the neighborhoods is given equal weight in the Neighborhood Area Plan process. That should simply not be the case.

Layla Khademi, an attorney with Hillis Clark Martin & Peterson, spoke on behalf of several clients who own property in the city's mixed-use areas. It was stated that HOMA should remove outdated barriers and provide developers with flexibility to increase residential density in zones well-suited for growth. Strong support was expressed for eliminating limits on structures and dwelling units per acre, reforms that would meaningfully expand the city's housing supply and bring Bellevue closer to meeting its adopted housing targets. The zoning standards should be harmonized with building codes and common construction practices. Mezzanines and partially buried floors should not count toward the floor-area ratio (FAR) calculations. The Commission was urged to remove suburban-style standards such as impervious surface and lot-coverage limits, which would be consistent with what was done in Wilburton. The city should allow flexibility for ground-level commercial and active-use requirements; certain mixed-use areas lack sufficient pedestrian traffic to support such uses. The Commission was cautioned against overly rigid affordability mandates was urged to seek balance in citywide legislation. Projects combining townhomes and apartments should have the option to consolidate affordable units within the apartment component, preserving variety in housing types while advancing the city's affordability goals. HOMA as a critical step toward addressing Bellevue's housing needs.

Ruth Lipscomb, a long-time Bellevue resident and member of the Newport Community Coalition, spoke in strong support of the ambitious and forward-looking HOMA plan. Over more than thirty years in the Newport Shores neighborhood, two interconnected trends have been noticed: escalating housing costs, and the steady decline of nearby neighborhood shopping areas, particularly the Newport Hills Shopping Center, which has become a ghost town. Both phenomena can be attributed to the region's inadequate housing supply and the underutilization

of local commercial sites. The Commission was urged to adopt a forward-looking HOMA plan to make redevelopment feasible, and to transform aging strip malls into vibrant mixed-use centers. The vision should be for redevelopment that creates neighborhood treasures with new housing, community-focused amenities, and walkable environments that can revive local commerce. Using Newport Hills and Kelsey Creek as examples, building heights of three to five stories were recommended as a means of balancing density with open space to foster a town center feel. The Commission was cautioned that excessive restrictions could deter developers, and it was argued that projects must remain financially viable to be realized. HOMA was framed as an opportunity for a win-win-win-win that will benefit the city, developers, future residents, and existing neighborhoods alike. The Commission was urged to promptly adopt a bold plan that will allow those who work in Bellevue also to live there.

Edmond Rittenhouse, a resident of the Newport Hills area, voiced strong opposition to the proposed HOMA revisions that would permit building heights up to sixty feet. Such increases are incompatible with the character and infrastructure of the area where current structures are only three stories and existing parking facilities are already overburdened. Adding further density would exacerbate traffic congestion on streets originally designed in the 1960s and which are already inadequate for current commuting patterns. The Commission was urged not to approve the HOMA revisions unless significant upgrades to parking and road infrastructure is first undertaken.

Sean Thorson, Director of Acquisitions for American Capital Group, a Bellevue-based multifamily developer and owner with nearly four decades of experience in the city, expressed strong support for the proposed HOMA amendments, particularly Option A. The staff were praised for their diligence. Flexibility is essential to the success of mixed-use development because every site has distinct characteristics in terms of size, configuration, and surrounding land uses that affected project feasibility. Two areas of the current draft were identified as being overly restrictive. The first was capping building coverage at sixty-five percent, a limit that can make development infeasible on sites smaller than two acres; coverage closer to eighty percent is often necessary for financial viability. An example was cited of one of the company's properties which has been awaiting the code update but which would be unable to proceed under the current limitation. The second was the mandatory retail requirement. Retail should be required only where the market can support it. Forcing retail in weak locations will undermine the economics of residential development. The city was encouraged to adopt a pragmatic approach that differentiates among sites and allows for market-responsive decisions. The company is ready to move forward with projects immediately if the concerns are addressed.

Alex Tsimmerman launched into a disorganized and at times inappropriate monologue, with remarks that deviated from the meeting's agenda that were personal and accusatory toward city officials, including unfounded allegations and offensive language directed at specific individuals, including Mayor Robinson and Deputy Mayor Malakoutian.

Chair Khanloo interrupted the speaker with a reminder of the rules established under Ordinance 6752, which restricts comments to matters within the Commission's purview. After being warned to limit all remarks to relevant topics, Tsimmerman briefly acknowledged the instructions

before resuming a rambling discourse about alleged government misconduct, surveillance cameras, and broad political grievances unrelated to the HOMA agenda item.

Anne Rittenhouse noted that over the past year the city has quickly made one housing decision after another ranging from middle housing to detached accessory dwelling units, lot splits, and co-living. Each change will increase density, reduce parking, diminish the tree canopy, and create both foreseeable and unknown complications for residents and the city as a whole. Advancing HOMA, before the cumulative effects of all prior decisions are understood, does not make any sense. HOMA's citywide approach is a one-size-fits-all solution that is ill-suited to the varied mixed-use areas across Bellevue. Newport Hills, for example, has steep topography, limited egress via only two streets, insufficient transit, and a lack of safe sidewalks and bus facilities, all of which necessitate automobile use even for residents who prefer to walk or bike. There has been sustained neighborhood opposition to upzoning the Newport Hills commercial district, including during the recent Comprehensive Plan process. The additional density contemplated by HOMA is inconsistent with neighborhood character, unsupported by 1960s-era infrastructure, and unlikely to deliver affordable housing. The Commission was urged to reject what can be characterized as overdevelopment driven by special interests, and to instead pursue thoughtful redevelopment that blends with existing multifamily housing that would be welcomed by residents.

Jack McCullough spoke on behalf of downtown stakeholders and drew a comparison to Seattle's Grand Bargain a decade earlier which paired upzones with mandatory affordability contributions and which generated substantial funding. The HOMA approach is premised on a similar pairing of increased capacity and affordability requirements and could yield a comparable win-win, except in downtown Bellevue where the proposed HOMA would impose a new mandatory housing obligation without any corresponding upzone, density increase, or relaxation of development standards, an outcome that can be characterized as fundamentally unfair. The Downtown should be removed from the current proposal and reconsidered to ensure equitable treatment. Outreach to major downtown owners and developers has been lacking. The speaker reported having spoken with many of them since previously addressing the Commission and assembling a contact list, which was transmitted to the Commission and included in the meeting packet. City staff were urged to initiate direct engagement with those on the list to discuss the proposal's merits and concerns.

Sandar Valstar, a Newport Hills resident, spoke in support of HOMA and expressed a desire to revitalize the neighborhood center by enabling housing above shops so that small, family-owned businesses, such as florists and bakeries, can return and thrive. The Commission was urged, however, to reduce the required ground-floor retail frontage from 100 percent to 50 percent. The basis for the chosen percentage is questionable. Examples were requested illustrating how different frontage requirements will shape actual buildings and street life, and a concern was voiced that a 50 percent threshold could produce townhomes or residents-only amenities that will not serve the broader neighborhood. As a potential safeguard, the city should require one of every three townhomes to incorporate a storefront. The Commission was encouraged to explore pedestrian and rolling connections across adjacent lots within the HOMA areas. Fencing often isolates the centers from nearby apartments developments.

Kevin Wallace noted that the Comprehensive Plan calls for the creation of 14,500 new downtown housing units between 2019 and 2044. Production through 2026 will average fewer than 300 units annually, which implies the need to more than double the pace to approximately 700 units per year over the next 17 years. Such an acceleration is unattainable under the current land use code, and the draft HOMA will only worsen the outlook by imposing a new mandatory affordable housing fee without offering offsetting benefits. The Commission was urged to allow payment of such a fee as an amenity option rather than a mandate, or, if mandated, to pair it with incentives already authorized in the Wilburton Land Use Code amendment, such as eliminating build-to line, trigger height, and visitor-parking requirements, and relaxing floor-plate limits and step-backs for mid-rise buildings, none of which are presently available downtown. Staff's position that some code changes should await a separate process while other changes are being advanced was questioned. Rather, action was urged without further delay. Staff's restoration of provisions allowing affordable-housing bonus points to count toward floor-area-ratio exemptions and added flexibility was recognized and noted as being appreciated as a return to the status quo under the incentive zoning framework. The buy-in, however, should be proportionate; for example, one square foot of affordable housing for every five square feet of benefit. Additionally, an in-lieu fee should be permitted so that non-apartment projects can participate. Modest increases to permitted height flexibility was requested, raising the additional 25 feet allowed in perimeter areas to 30 feet, and permitting an additional 60 feet in other areas, on the argument that such adjustments would be consistent with the downtown wedding-cake massing while yielding more on-site affordable units or significant fee revenue on a voluntary, incentive basis. With regard to the open-space standards, it was noted that stakeholders favor adopting Wilburton's open-space requirement in lieu of the downtown 10 percent outdoor-plaza rule, underscoring that open space and outdoor plaza are distinct, though the preference is to eliminate the requirement by removing the trigger height. A change to seven percent open space would be acceptable, whereas seven percent outdoor plaza would not. The Commission was urged to direct staff to present alternatives that would allow an up-or-down vote on the Chamber's recommendations.

Jodi Alberts thanked the staff for recent discussions concerning the proposed HOMA ordinance and for their continued collaboration in refining the draft. The Commission should seek to maintain consistency with the Incentive Zoning Code by making only necessary technical corrections and moving forward without including new affordability provisions, a limited approach that would immediately address inconsistencies, provide predictability, and allow housing projects already in the development pipeline to advance without delay. The speaker outlined a broader path that would take up the larger conversation about affordability, a direction supported by other stakeholders, including Kevin Wallace. The approach would open the downtown code to a more comprehensive review to resolve the persistent structural barriers that have long made housing difficult to build there. If the city chooses to address affordability through HOMA, the framework must be calibrated carefully to preserve project feasibility. Otherwise, it was said, the ordinance will undermine its own goals by making housing less achievable. The Chamber and the PLUSH Committee stand ready to collaborate with both staff and the Commission to ensure a final product that will genuinely support housing production. A member submitted by the Chamber to the Commission was referenced in which there were

proposed practical text revisions drawn from the Wilburton Land Use Code amendment. The revisions, it was explained, are the product of consensus among multiple stakeholders and are designed to simplify the code, reduce costs and delays, and maintain consistency across Bellevue's principal growth corridors. Carrying the standards forward is essential to ensuring that the downtown remains a viable environment for housing development.

7. PUBLIC HEARING – None  
(7:17 p.m.)

8. STUDY SESSION  
(7:17 p.m.)

A. Great Neighborhoods Program: Initial Briefing and Overview of the Neighborhood Area Planning Process for Eastgate and Factoria

Planning Director Thara Johnson noted that work is continuing on the Great Neighborhoods program. The Commission has completed its substantial work on the Crossroads and Newport plans, both of which are before the City Council. The Great Neighborhoods Program, initiated by Council in 2018, is a community-driven process designed to ensure that neighborhood area plans reflect local values, articulate a shared vision, and help implement the citywide policies established in Volume I of the Comprehensive Plan. The next steps involve updating the Eastgate and Factoria plans, work that was formally launched by Council in August.

Senior Planner Justin Panganiban explained that Bellevue's Comprehensive Plan serves as the city's guiding document for how it will grow over the next 20 years. It is divided into two volumes, with Volume 1 containing citywide policies and Volume 2 containing neighborhood-specific goals and implementation strategies. Volume 1 was updated in 2024 and the current effort focused on updating Volume 2 will seek to align neighborhood priorities with citywide objectives. The Great Neighborhoods Program seeks to make the plans relevant and community-driven by engaging residents, workers and students to ensure their voices shape the vision for each area.

Justin Panganiban said the Great Neighborhoods Program was initiated in 2018 to update all 16 of Bellevue's neighborhood areas, many of which had not been comprehensively revised for decades. The completed plans to date include Northeast and Northwest Bellevue, which were completed in 2021. Crossroads and Newport are slated for Council action later in the month. Eastgate and Factoria are the current focus and they will be followed by Lake Hills and West Lake Sammamish in 2026, and by West Bellevue and Woodridge in 2027. Each iteration builds on lessons learned, expands engagement, and strengthens neighborhood connections.

There are four phases to the Great Neighborhoods Program planning process: Discover, Define, Refine, and Adopt. With regard to Eastgate and Factoria, the team is currently in the Discover phase, which involves identifying community priorities and gathering input. To date, outreach has included kickoff events, neighborhood walks, and participation at community gatherings in both Eastgate and Factoria. Upcoming phases will involve refining vision elements, drafting the plan, and incorporating feedback before a formal review by the Planning Commission and the

City Council.

Senior Planner Zach Luckin explained that the neighborhood area plan updates encompass three primary focus areas: a comprehensive policy update, urban design, and land use. The elements align with the citywide plan while tailoring policy direction to local conditions. The neighborhood plans are organized into the thematic subsections of neighborhood identity, mixed-use centers, community gathering spaces, mobility and access, and the environment, each with goals and corresponding policies.

Zachary Luckin said Eastgate and Factoria are unique as mixed-use centers. Factoria serves as an employment hub near a future light-rail station, and Eastgate is anchored by Bellevue College, affordable housing, and human-services providers. The forthcoming policies will aim to strengthen neighborhood identity, enhance mobility and walkability, improve community gathering spaces, and preserve natural features such as trees, wetlands, and open spaces. The policies will guide decisions to ensure the neighborhoods evolve in ways that support safety, inclusivity and sustainability, while preserving the city's reputation as a City in a Park.

With regard to urban design, the strategies will seek to improve the design and function of public spaces. The scope will identify strategies to improve how public spaces are used, employing both policies and illustrative materials to establish a conceptual framework that guides future public-space investments. Community participation will occur through interactive workshops and activities that invite residents to write, draw, and imagine desired spaces, culminating in high-level concept maps that indicate where new or enhanced opportunities may exist. Using the Newport Neighborhood Area Plan as an example, concept maps will be used that identify potential gathering spaces, highlight environmental assets such as lakes and streams to improve integration and access, and illustrate connections among those places via upgraded streets, trails, and pathways. A connectivity concept map was introduced to demonstrate how neighborhood links can be strengthened. The graphic identified opportunities for improved walking and biking routes, better sidewalks and crossings, enhanced access to bus stops, and the use of wayfinding to help residents navigate the area more easily.

Eastgate and Factoria are expected to continue transforming in response to regional transportation investments such as light rail and redevelopment opportunities. The update will therefore focus on aligning land use changes with evolving conditions, community needs, and citywide growth strategies. Zachary Luckin emphasized the importance of third places, which are locations outside of home and work that foster connection and community. Third places are the heart of neighborhood area planning and they are a criterion when considering any owner-initiated map changes within the Great Neighborhoods Work Program. It was stressed that as of the September 15 deadline, no privately initiated land use map changes were submitted.

Justin Panganiban stressed that community engagement is central to neighborhood area planning and is refined continuously based on lessons learned. Eastgate and Factoria's diversity, which encompasses residents, businesses, faith communities, human-services providers, and educational institutions, requires an approach that is equitable, consistent, and inclusive. To that end, staff are proactively connecting with communities that do not typically engage through a



mix of in-person and online opportunities, meeting people where they already convene, and adapting materials with the help of cultural outreach assistants and community leaders. The engagement work is designed to be interactive, accessible, and enjoyable. The tactile activities used in Crossroads and Newport were cited as examples that welcomed participation across ages and abilities and encourage families and neighbors to discuss what matters to them.

Justin Panganiban noted that following the August launch, staff held several introductory events, including an in-person kickoff at the South Bellevue Community Center on September 4 that drew 56 participants for the Eastgate and Factoria plans. The attendees reviewed maps, data, and terminology, and offered reflections on existing neighborhood qualities and future enhancements. Around the same time, mailed questionnaires went to all households in Eastgate and Factoria to gather input on neighborhood identity, gathering spaces, and mobility. The submission deadline has passed and staff are currently collecting the remaining responses and preparing a summary. Over the past weekend, the neighborhood scans events brought residents and students into the field for walk-audit style observations, using writing and photography supported by caption cards linking observed qualities to specific places, all to document what works today and where improvements are needed. In response to the City Council's emphasis on business engagement, staff updated the plan to include targeted outreach to businesses. To that end, more than 900 mailers were sent out in Eastgate and Factoria; business walks are underway in collaboration with the cultural and economic development team; and a listening session for owners and operators is scheduled in November. The ongoing coordination with the Bellevue School District and Bellevue College aims to ensure student voices are included.

Commissioner Ferris asked about the neighborhoods not shown in the near-term schedule, specifically Somerset, Cougar Ridge and Bridle Trails. Thara Johnson said those areas are planned for a post-2027-2028 cycle.

Commissioner Ferris commented in regard to the public feedback regarding high-school student participation in the scans and stated strong support for including youth perspectives, particularly those who live in or near the study areas. The Commissioner also praised the renewed outreach efforts to businesses and encouraged staff to solicit direct input from business stakeholders on the most effective methods for engagement. Justin Panganiban added that the business-focused listening session is being scheduled in the morning, before operating hours, to improve participation. The cultural and economic development team is simultaneously updating the city's economic development plan and actively engaging businesses, enabling the neighborhood planning team to leverage those relationships and to time events to be more convenient for business owners.

Commissioner Kennedy offered praise for the community walks and scans and encouraged continued attention to robust, diverse engagement, including at varied times and locations so that residents with work or caregiving responsibilities, such as single working parents, can participate. Support was voiced for involving the youth provided their engagement does not exclude other voices. Praise was also offered for coordinating with the economic development efforts to sustain small and mid-sized local businesses.

Commissioner Nilchian asked how staff plans to sustain engagement with young people in the Eastgate and Factoria neighborhood planning process. Justin Panganiban responded that the team has already made significant progress in establishing relationships within local schools, which was identified as a first major step in effective outreach. The staff have successfully connected with key school personnel and have participated in existing school events to reach students and families directly. For example, the team hosted a table during Tyee Middle School's curriculum night and found strong interest from teachers at Newport High School who viewed the project as an opportunity to link civic engagement to classroom learning. Noting that Newport High School is located in the heart of Factoria, Justin Panganiban stressed that it is a particularly valuable connection for future participation. Ongoing engagement with students will be a priority and the team will make a point of returning to the same youth participants later in the process to show how their input has influenced the evolving neighborhood plan. The follow-up will serve to reinforce the value of planning and help students see the tangible impact of their voices.

Commissioner Villaveces also expressed support for engaging high school students. Staff were asked about their experience of walking the areas which are not generally recognized as being conducive to pedestrians, and what insights they had gained from the exercise. Justin Panganiban noted having led the Eastgate walk and having found it a good way to connect theoretical planning data to the lived experience of residents. The participants included families and children and the exercise was helpful in documenting missing sidewalks and safety challenges, and in identifying how physical barriers affect their mobility. The observations of the walks will be posted to the city's Engaging Bellevue platform to encourage additional community feedback.

Zachary Luckin said the Factoria walk took place along Factoria Boulevard. It was acknowledged that the corridor's pedestrian environment presents significant challenges, but it was also noted that the walk allowed participants to directly compare narrow sidewalks adjacent to fast-moving traffic with areas farther north and behind the mall where wider sidewalks, tree-lined streets, and vegetated buffers create a safer, more pleasant experience. The contrasts prompted valuable discussion among the students and residents about comfort, safety, and what types of environments encouraged walking. Such firsthand experiences will help the community articulate priorities for improving connectivity and access in the final plan.

Commissioner Villaveces thanked the staff for their insights and suggested that more city staff be invited to participate in future walks to experience firsthand the challenges of Bellevue's pedestrian infrastructure. He then raised a second issue regarding ongoing concerns about community outreach. He noted that while staff regularly report diligent engagement efforts, commissioners continue to receive letters from residents claiming they were unaware of the planning process until recently. Although he acknowledged this as a rhetorical concern rather than a request for immediate response, he urged continued efforts to improve public awareness so that residents do not feel excluded from participation.

Commissioner Villaveces voiced concern with the fact that letters and comments from the public continue to decry a lack of engagement with the public. Thara Johnson responded that the staff continually review and refine their outreach methods to ensure inclusivity. Beyond the standard techniques such as attending neighborhood association meetings and tabling at community

events, the team will be present at Bellevue College in the following week to reach more participants. The cultural outreach assistants are helping to bridge the communication gaps by forming relationships with underrepresented communities. Having participated in the Factoria event, Thara Johnson noted that several parents said they were unaware that such planning activities were available, but became eager to get involved after learning more. The Commissioners were encouraged to help spread the word about events among their neighbors to strengthen community participation.

Chair Khanloo remarked that the neighborhood scans were remarkably successful. There were 14 staff members on-site and attendance by the public far exceeded typical community meetings. Approximately 90 people attended across both locations, including many youth who brought high energy and enthusiasm, eagerly taking photos and uploading them to the city's engagement platform. The strong relationships the staff cultivated within the community are to be praised. Many parents expressed a new interest in being involved after learning of the opportunity when dropping off or picking up their children.

Chair Khanloo emphasized the need to ensure demographic balance in the engagement data. While youth involvement was valuable, data limited to highly mobile, tech-savvy participants could skew the results. Basic demographic information should be gathered, such as age or mobility levels, to assess whether the outreach efforts adequately reached seniors, working parents, or others who might face barriers to participation. There should be a parallel approach for outreach to businesses to ensure that engagement efforts capture input from small, medium, and large enterprises alike rather than focusing on a single size category. Justin Panganiban confirmed that the upcoming business listening session is targeted to companies of all sizes.

**\*BREAK\***

(7:46 p.m.)

#### B. Land Use Code Amendment to Expand Housing Opportunities in Mixed-Use Areas (7:52 p.m.)

Code and Policy Planning Manager Kristina Gallant stated that since the previous meeting in September, staff had worked with downtown stakeholders to address concerns specific to that area. The collaboration yielded commitments to update several provisions in the forthcoming draft while deferring others to the subsequent Downtown Livability 2.0 process. Although the revised draft was not yet before the Commission, staff reported that the meeting with stakeholders had been productive and had produced consensus around practical updates that would enhance flexibility without compromising HOMA's objectives. The Commissioners were also reminded that the City Council had earlier directed the integration of consolidated nonconforming-use provisions into HOMA. The work was completed under a compressed schedule.

Senior Planner Mathieu Menard began with the economics of Option A, the mandatory affordable housing program. As drafted, Option A would require all developments of more than ten units within the HOMA area to include at least ten percent of units affordable to households

earning 80 percent of area median income. Lower affordability levels would apply proportionally for deeper income targets. In exchange, developers would receive a 4:1 FAR bonus, granting four square feet of market-rate floor area for every square foot of affordable housing produced. The option also includes a fee-in-lieu provision and a commercial fee, mirroring the program adopted in Wilburton, which maintains consistency across the city. Option A would not apply to downtown developments.

An economic analysis was conducted using three prototype building types, low-rise, mid-rise, and high-rise, across three market areas, specifically low-rent, mid-rent and high-rent areas. The analysis concluded that the development climate is generally unfavorable at present due to high construction costs, elevated interest rates, and economic uncertainty, especially regular fluctuations in tariff policy. Nevertheless, Land Use Code amendments are long-term tools designed to guide development over a ten-year horizon aligned with the City's affordable housing production goal of 5,700 units. Based on historical data and regional experience, Option A represents the most effective approach to achieving the goal. While the requirements may slightly reduce feasibility in current conditions, the 4:1 bonus is expected to improve overall project viability in stronger markets, even producing positive financial outcomes for developers.

Kristina Gallant introduced the concept of residual land value, an analytical method used to assess project feasibility by calculating the potential value available for site acquisition after accounting for development costs and revenues. A positive residual land value indicates financial capacity to acquire and redevelop property, whereas negative results signal infeasibility.

Mathieu Menard said the analysis showed that low-rise development, which typically relies on surface parking, retained modestly positive feasibility, while mid-rise and high-rise prototypes using structured parking showed negative feasibility. The difference in parking costs proved decisive: surface parking accounted for approximately one percent of total development cost, compared to 20 percent for structured parking. Rents and interest rates were also major cost drivers, with potential for significant shifts as economic conditions evolve.

To illustrate the influence of the 4:1 bonus, Mathieu Menard compared residual land values under two conditions: without the affordable-housing requirement, and with the 10 percent requirement plus the bonus. The data demonstrated that including the bonus increased residual land value in low-rise cases, raising it from roughly \$111 per square foot to a higher figure that enhanced feasibility. Without the bonus, the residual land value declined by approximately \$20 per square foot. In short, the inclusion of the bonus offset the cost of the affordable-housing obligation and, under favorable market conditions, provided a net economic benefit. While near-term feasibility remains limited, some developers have reported ongoing activities in the five- to seven-story range, particularly for townhome products, which aligns with the analysis results.

With regard to the transition standards, Mathieu Menard confirmed that no changes were proposed from the previous draft. The requirement remains a 25-foot setback for any site abutting a residential district, in addition to the five-foot side and 20-foot rear setbacks required within those residential zones. The combination yields at least 30 feet of separation between structures. For buildings taller than 80 feet, an additional 15-foot setback applies, consistent with

building-code thresholds for wood-frame construction. Setbacks exceeding that limit can discourage wood framing, which depends on vertical construction efficiency. Feedback from affordable-housing developers indicated that larger setbacks reduce unit yield and jeopardize funding eligibility, as many financing mechanisms require a minimum number of units to qualify. Consequently, stricter transition requirements could inadvertently suppress affordable housing production. A mapping analysis showed that the higher-intensity (110-foot and 16-story) districts rarely abut residential areas. Where such conditions do occur, particularly near Factoria's south end, Eastgate Plaza south of I-90, and a portion of Crossroads, step-downs and existing vegetation buffers already mitigate visual and spatial impacts. Photographic examples were shared to illustrate the relationship between the proposed standards and existing development conditions. The first example described an area where a residential structure directly abuts the parking lot of a neighboring office building without any buffer. It was explained that under the proposed transition standards, such a condition would no longer be permissible. Redevelopment of the lot would require a 25-foot vegetative buffer between the mixed-use property and the adjacent residential property, replacing the current hard edge with landscaping. The change represents an improvement over the existing condition. On smaller sites, the combination of the buffer, parking standards, and other site constraints would likely limit the achievable building height, making 110-foot structures improbable in many such locations. Increasing the setback requirements further could unintentionally discourage redevelopment and limit opportunities for new housing.

The next example presented was located near the southwestern corner of the Crossroads Mall area. Mathieu Menard described how single-family homes across the street currently abut a strip-style commercial center and noted that a tall vegetative buffer of mature trees already provides substantial visual screening. The proposal would maintain such buffers and thus prevent the abrupt appearance of a 110-foot building adjacent to low-rise residences. With the combination of the proposed 25-foot setback and the city's tree-preservation requirements, the approach strikes an appropriate balance between protecting neighboring properties from visual impacts and encouraging redevelopment and residential growth.

With regard to the so-called wedding-cake concept of tiered building heights, Mathieu Menard explained that HOMA's approach largely mirrors the pattern in higher-density districts, where height transitions move upward from 35 feet to 110 feet and finally to 160 feet at the district core. The stepped progression fulfills the same planning intent as the traditional wedding-cake form. In lower-density or smaller parcels, however, applying the model would be impractical. Excessive setbacks in such areas would make construction prohibitively expensive and reduce the likelihood of redevelopment. In those limited zones, a modest increase from 35 feet to approximately 50–70 feet already functions as a first tier in the transition, achieving the intended effect without overcomplicating the form.

Mathieu Menard next addressed land-use features intended to enhance neighborhood livability. It was noted there are ongoing efforts to promote third places, which are community spaces such as cafés, restaurants, and small businesses, through FAR exemptions for affordable commercial spaces and pedestrian-oriented design requirements. Within HOMA's neighborhood and larger center districts, 50 to 66 percent of building frontages would be required to host pedestrian-

oriented uses, bringing activity directly to the sidewalk. Buildings must be positioned within ten feet of the sidewalk edge to allow for outdoor dining and other street-level amenities. Certain types of uses, such as resident-only gyms, would not qualify because they do not serve the public. The approach represents a change from the existing rules, which often require the entire ground floor to be devoted to commercial use regardless of frontage. The revised approach aims to balance the need for active street life with flexibility for developers, which addresses the feedback that current retail mandates are overly restrictive and result in vacant spaces. The proposal encourages street-facing businesses that draw daily visitors, such as cafés, grocery stores, clinics, and gyms open to the public, while allowing development to incorporate necessary parking and open spaces toward the rear of the parcel. The approach aligns with adopted neighborhood plans like the Newport Area Plan which prioritize ground-floor activation near sidewalks.

The proposal includes new requirements for both indoor and outdoor bicycle parking. The standards are already incorporated in other sections of the Land Use Code and do not require additional incentives. Long-term indoor parking would serve residents, while short-term outdoor racks accommodate commercial visitors. Structured parking areas containing bicycle facilities would be exempt from FAR calculations, ensuring that such amenities do not reduce developable area.

Mathieu Menard confirmed that all of HOMA's form-based standards support a variety of housing types, including stacked flats. However, the feasibility of stacked-flat development remains limited by provisions of the state building code, which local jurisdictions cannot modify. The City will continue to encourage housing variety consistent with the Comprehensive Plan, though current trends indicate a stronger market preference for rowhouse formats.

Mathieu Menard reiterated the need to schedule a public hearing on the HOMA Land Use Code amendment, likely in early December. It will be followed by additional study sessions if necessary. Prior to the hearing, the Commission will receive a full strike-through draft incorporating the newly consolidated nonconforming-use provisions. Public notice will also be issued to provide another opportunity for community input.

Commissioner Ferris asked for clarification to distinguish the 25-foot mixed-use setback from the five- and 20-foot setbacks associated with residential parcels. Mathieu Menard explained that the 25-foot buffer applies on the mixed-use side of the property line, while the adjoining residential property maintains its own minimum side and rear setbacks under the existing land-use code, resulting in at least 30 feet of total separation between buildings.

Commissioner Ferris asked if the 15-foot setback described in the presentation applies to an entire structure or only to upper levels exceeding 80 feet in height. Mathieu Menard clarified that buildings could rise to 80 feet with the initial 25-foot setback and would then step back an additional 15 feet for the portions above that height threshold, a standard designed to align with building-code limits on wood-frame construction.

Commissioner Kennedy noted the significant volume of public comments received on the

HOMA Land Use Code amendment and asked how Bellevue's proposed program compares with those of neighboring jurisdictions, particularly in balancing development incentives with preservation goals such as maintaining tree canopy and neighborhood character. Mathieu Menard replied with an overview of comparable policies compiled with assistance from ARCH, the regional affordable-housing partnership. The summary indicated that Bellevue's proposal is generally equivalent to, or less restrictive than, many nearby cities. For example, Bothell requires five to 10 percent affordable units at 60 to 70 percent of area median income. Issaquah mandates seven to 15 percent at 50 to 70 percent of area median income. Kenmore requires 25 percent at 50 to 80 percent of area median income. Kirkland mandates 10 to 15 percent at 50 percent of area median income. Redmond's standards range from 10 to 15 percent depending on location, while Sammamish applies a 10 percent requirement only in its town center at 80 percent of area median income. Bellevue's approach of 10 percent affordable units at 80 percent of area median income aligns most closely with Sammamish and is less aggressive than the majority of neighboring jurisdictions. Bellevue's unified citywide standard was intentionally designed to simplify the process for developers, avoiding the patchwork of location-specific requirements seen elsewhere on the Eastside.

Commissioner Kennedy asked how other frequently commented-on provisions, such as impervious surface limits and required retail frontage, compare with neighboring cities. Mathieu Menard explained that cross-jurisdictional comparisons are difficult, particularly for impervious surface coverage. The current code has separate caps for building lot coverage and total impervious surface. HOMA would eliminate the building lot coverage cap and regulate only by overall impervious surface, generally between 65 and 85 percent of a site. The shift is intended to encourage larger buildings and reduce expansive surface parking while still reserving area for landscaping and addressing stormwater through city and state retention requirements. Feedback from some developers has been that the 65 to 85 percent range may be too restrictive, but HOMA also removes other limiting standards, such as certain setbacks, so retaining an impervious-surface cap will help to ensure some green or pervious area when setbacks are relaxed.

Commissioner Kennedy commented that asphalt parking lots appear to be a key economic driver and asked whether the forthcoming state-mandated reductions in minimum parking will improve feasibility. Mathieu Menard answered that Bellevue lowered the residential parking minimums to one space per unit through the middle-housing work. A new state law, to be implemented by January 2027, will cap requirements at one-half space per dwelling unit and two spaces per 1000 square feet of commercial floor area, though there will be certain small-unit and small-commercial exceptions. However, lenders appear to be driving the minimum parking, typically at least one space per unit, with possible reductions to approximately 0.75 but only in locations immediately adjacent to high-capacity transit. That limits the near-term impact of code changes on what is actually built. Parking reform will proceed through its own robust code process and the gap of several months between the adoption of HOMA and the parking updates should not materially affect development.

Commissioner Nilchian asked how the proposed street-frontage requirements were selected and how they will function. Mathieu Menard used Newport Hills Shopping Center as a representative

case and noted that under the current rules in the Neighborhood Business district, the entire ground floor must be commercial and only one residential floor may be added, a framework that has contributed to vacancies in older centers. HOMA would instead require pedestrian-oriented uses along a portion of the street frontage while allowing deeper parts of the site to be residential-only, improving feasibility for townhomes or apartments and supporting active sidewalks. Specific to lower-density commercial districts, such as Neighborhood Business and Community Retail, the approach requires pedestrian-oriented uses along 50 percent of the street frontage, while higher-density districts have a requirement for 66 percent. Buildings must be placed within ten feet of the back-of-sidewalk to enable cafes and similar activation, with parking moved to the side or rear, and driveway access preserved for loading, refuse, and wrapped parking. The intent is to avoid converting neighborhood centers into exclusively residential projects and to reduce the building at the back/parking in front pattern by flipping the script toward walkable frontages. The policy sets a floor but market conditions will determine how much additional street-facing space is delivered. Overall commercial square footage could decline in some centers initially, but the expectation is that added housing will strengthen the demand over time.

Commissioner Nilchian asked how the frontage percentages compare with nearby jurisdictions. Mathieu Menard responded that the requirements in neighboring cities vary widely. Seattle often expects extensive ground-floor commercial activation in neighborhood centers but sometimes allows live-work formats that effectively place residential on the ground floor, an outcome Bellevue seeks to avoid by excluding live-work and residential lobbies from the pedestrian-oriented use category. Bellevue's proposed percentages are positioned between high-intensity urban standards and suburban models that require little or no activation outside designated town centers, reflecting a mid-density context and the goal of balancing vibrancy with development feasibility.

Answering a question asked by Commissioner Villaveces, Mathieu Menard said the 20-foot setback requirement applies specifically to any color area that is adjacent to yellow or orange areas on the map. Any building directly adjacent to a residential district, regardless of height, is subject to a setback. In the red areas, a setback is also required.

Commissioner Villaveces directed attention specifically to a portion of the Factoria area identified on the map as the serrated section in front of the mall and asked whether the required setbacks could render those parcels undevelopable due to limited lot width. Mathieu Menard acknowledged that that had been analyzed and said one of the lots in that area measures approximately 175 feet in width. With the 25-foot setback applied, the lot would lose one full row of parking, forcing developers to relocate parking elsewhere on-site or within structured facilities. While that reduces development flexibility and slightly constrains the buildable area, it also encourages more efficient site design and aligns with the intended transition between commercial and residential areas. Most such parcels are unlikely to accommodate buildings taller than seven stories given the current building code limitations and market conditions, and the impact of the setback will therefore be modest. However, smaller lots with double setbacks could face greater challenges, requiring creative design solutions to maintain feasibility.



Commissioner Villaveces suggested that an alternative provision could be developed to allow lower building heights in exchange for flexibility on setbacks, essentially permitting a smaller-scale building to extend into the restricted area. Mathieu Menard said that idea had also been raised by stakeholders who recommended waiving the setback when a proposed building's height matched that of adjacent residential structures. Staff are open to further examination of the concept, but are also aware that relaxing setbacks in that way might further encourage townhome-style developments. While not necessarily undesirable, it could shift the mix of housing types away from mid-rise or multifamily forms. Commissioner Villaveces observed that such an outcome could still be appropriate in certain transition areas.

Commissioner Villaveces commended the inclusion of bike-parking requirements and suggested providing developers the option to integrate bike storage directly within individual residential units, an approach that could reduce the spatial burden of centralized storage rooms by distributing the need across units. Similar strategies are used for other building services.

A motion to extend the meeting to 10:30 p.m. was made by Commissioner Ferris. The motion was seconded by Commissioner Nilchian and the motion carried unanimously.

Chair Khanloo observed that centralized bike storage areas are often underused and vulnerable to theft because residents forget to secure doors, leading many residents to store bicycles inside their own units. The suggestion made by Commissioner Villaveces is a practical idea.

Chair Khanloo referenced the comments about the tree canopy and questioning whether the existing trees in the Crossroads area meet the city's definition of significant trees. Kristina Gallant responded that the definition was recently updated. Any tree with a trunk diameter greater than six inches at approximately four and a half feet above ground is considered significant. Under the standard, many mature evergreen trees likely qualify, and developers can earn credit for preserving them. Chair Khanloo asked if the definition reflects recent code revisions and Kristina Gallant confirmed that it does given that the significant and landmark tree standards were updated and adopted in 2024. Although the flexibility exists for tree removal, the development standards strongly incentivize retention, particularly for mature trees around site perimeters that can provide valuable screening and environmental benefits.

With regard to the Downtown area, Mathieu Menard reported having met with stakeholders. The meeting resulted in several points of consensus. Both city staff and participants agreed that the proposed \$13 per-square-foot fee-in-lieu and the 4:1 bonus ratio for affordable housing were fair and effective mechanisms. One major issue raised involved outdoor plaza requirements for taller downtown buildings. Under the current rules, developments must provide at least 10 percent of their site as outdoor plaza space to qualify for additional building height. Upon review, staff found that the requirement inadvertently forces projects to deliver more amenity points than needed to reach maximum FAR and height allowances, undermining the incentive value of the affordable-housing bonuses. As a correction, the proposal is to align the downtown requirements with those recently adopted for the Wilburton area by allowing a broader definition of qualifying open space, including landscaping and streetscape improvements, and reducing the percentage requirement from 10 to seven percent.

The stakeholders also requested that the city reinstate the flexible-development standard from an earlier interim ordinance which granted one-half FAR of affordable housing bonus credit in exchange for proportional increases in building flexibility, such as height or lot-coverage adjustments. The current HOMA draft proposes a stricter one-to-one ratio, but staff agreed with the stakeholders' request and are committed to restoring the interim ordinance standard.

The development community also sought modifications to the downtown form standards, but in the opinion of the staff such comprehensive changes would be more appropriately addressed in the forthcoming Downtown Livability 2.0 initiative. That process, scheduled to begin after HOMA's completion, will include broader outreach and technical review to ensure that any significant urban-design adjustments reflect the input of both developers and downtown residents. Some stakeholders proposed allowing the same square footage of affordable housing to count toward both amenity incentive points and FAR exemptions. The staff agreed to the dual-credit approach which would provide developers with substantial density increases, up to 50 percent of the base FAR in some districts. In the Downtown Mixed-Use District where the base FAR is 5.4, the change could yield more than two additional FAR of exempt market-rate space.

The proposed downtown affordable-housing framework remains an incentive-based system rather than a mandatory one. However, the first 25 percent of amenity incentive points will continue to be reserved for affordable-housing contributions, despite stakeholder requests to make the provision optional. The economic modeling indicates that the proposed \$13-per-square-foot fee-in-lieu is less costly for developers than constructing the required open space or paying the higher \$38-per-square-foot fee under the existing rules, which suggests that the revised structure could actually save developers money while advancing the housing goals.

Mathieu Menard said the city intends to discuss with the Council the possibility of exempting pipeline projects already in the application process from the new requirements, similar to the approach taken in Wilburton. The intent is to avoid disrupting projects already in advanced design stages while ensuring equitable implementation of the new standards.

Commissioner Ferris asked if affordable units could be located exclusively within the apartment portion of a mixed development, rather than being required within townhomes as well. Mathieu Menard explained that, under a separate affordable housing director's rule being developed pursuant to the Wilburton code, affordable units must be provided in proportion to the on-site market-rate unit types. Accordingly, a project with 15 for-sale townhomes and 75 rental units would owe affordable units in proportional shares to each tenure type. Commissioner Ferris expressed reservations about the feasibility of affordable homeownership compared with rentals and encouraged a deeper analysis of the ownership component. Mathieu Menard clarified that the proportionality requirement is part of the director's rule process and is distinct from the HOMA action before the Commission.

Commissioner Ferris asked about outreach to stakeholders, noting a disconnect between staff's description of stakeholder engagement and comments from some owners and developers who reported not being contacted. Mathieu Menard said the recent stakeholder session was convened

through the Chamber's PLUSH Committee. Other stakeholders and interested parties who would like to meet with staff should reach out to set up a meeting.

Commissioner Kennedy sought clarity on process and timing. Acknowledging that a comprehensive red line was not yet available for the evening, the question asked was whether any motion to set a public hearing would be based on a forthcoming revised strike draft that incorporates the discussed downtown edits. Mathieu Menard confirmed that a complete strike draft must accompany the public notice of any public hearing. The intent is to circulate an updated draft within weeks after carefully integrating the downtown changes and newly developed nonconforming language.

Commissioner Kennedy asked for assurance that stakeholders whose requested edits were not yet reflected will have the opportunity to review the red line draft and comment at the public hearing, and if the Commission would still be able to refine its own edits. Mathieu Menard affirmed that all public hearing comments are received during a public hearing without any time limit. Additional study sessions could follow the public hearing. The staff remain available for meetings on any specific topics.

Kristina Gallant said the earliest opportunity to hold the public hearing is December 10, with public notice likely issued the week of Thanksgiving, with the full public draft available by late November if not sooner.

Commissioner Nilchian recognized the effort to balance the affordable housing goals with conditions that enable new housing production and asked what cumulative effect the proposed downtown changes will have on development and affordable housing outcomes. Mathieu Menard said the anticipated impact will be to generate modest but consistent affordable housing contributions in the downtown. The current 1:2.5 FAR exemption, which is capped at 1.0 FAR, has been used only sparingly, whereas the 1:4 bonus under the interim ordinance produced a better uptake, with roughly five percent of units in projects delivered as affordable. Under HOMA's incentive structure, staff expects contributions on the order of a few units or a few hundred thousand dollars per project, which remains relatively small in the grand scheme of things, but a good way to ensure every project contributes. The downtown will remain under an incentive-based program rather than a mandatory one. According to the economic analysis, the 4:1 bonus, which allows up to 50 percent of base FAR to be exempt, will act as a modest cost saver for future projects while enhancing feasibility.

Commissioner Villaveces asked if there was broad agreement on the \$13 per-square-foot fee-in-lieu among the for-profit and nonprofit stakeholders. Mathieu Menard reported not having heard any comments on the fee in-lieu from the non-profit side. There was agreement on the for-profit side that the \$13 figure is fair.

Commissioner Villaveces urged direct collaboration with developers who build affordable housing, emphasizing the value of their practical experience and the precision of the feedback contained in recent letters. Staff were encouraged to meet with the signatories, noting that timely clarity in code language regarding things like pet-relief area requirements and the outdoor-plaza

criteria will prolonged interpretation, staff time, and project delays. There is a long-standing interest on the part of the Commission in having code language be as clear as possible.

Chair Khanloo referred to earlier comments from staff regarding development projects that are currently in the permitting pipeline and requested a more precise count for the record, noting that the information would likely be of interest to the City Council during its upcoming Downtown Livability 2.0 deliberations. The number of eligible projects could influence any consideration of exemptions or transitional provisions. From personal observation, Chair Khanloo estimated that roughly 10 or 11 projects were currently active the downtown, but the actual number may be higher.

Chair Khanloo commented that some existing outdoor plazas in the downtown are underused or functionally ineffective. The vibrant South Lincoln complex with its combination of retail, community dining areas, and café spaces, fosters a lively gathering environment on weekends, contrasts with large, windswept outdoor areas that remain vacant for most of the year. Sheltered or mixed-use indoor spaces often better serve as third places for social interaction, particularly in Bellevue's climate. Oversized outdoor plazas can be inhospitable. Pet-relief and green rooftop areas are often poorly maintained, unsightly unhygienic. Long-term maintenance responsibilities for such amenities must be addressed.

Commissioner Villaveces said cities like Bangkok actively encourage rooftop decks for public uses such as cafés, restaurants and other amenities. Bellevue could adopt similar approaches to take advantage of its panoramic surroundings, including mountain and lake views. Rooftop commercial uses could be integrated into the city's amenity-incentive system to diversify public spaces.

Commissioner Villaveces noted that there has been positive feedback on the Wilburton code and suggested it should be used as a baseline for the downtown code to ensure alignment wherever possible, while recognizing the inherent differences between the two areas.

Mathieu Menard said the issues raised are of the type that will fall under Downtown Livability 2.0, particularly those involving commercial activation and rooftop uses. HOMA's downtown amendments are intentionally narrow in scope and are focused on affordability mechanisms rather than broader form or design standards. Because large-scale revisions to Downtown's urban form will require substantial outreach, such discussions should be deferred until the Downtown Livability 2.0 process begins.

Commissioner Villaveces asked of postponing discussion of the topics might have unintended consequences for ongoing or near-term development. Mathieu Menard replied that while some developers would prefer immediate revisions, the city continues to see strong Downtown development activity under the existing regulations. The limited HOMA adjustments were never intended as a full Downtown overhaul. The city is committed to conducting a comprehensive and inclusive update through Downtown Livability 2.0 once HOMA concludes. Staff noted that work on the new downtown phase will begin promptly after HOMA is completed.

Commissioner Kennedy voiced the understanding that things like consolidating affordable units into apartments and the integration of the Wilburton provisions might be more appropriately addressed through Downtown Livability 2.0 rather than HOMA. Mathieu Menard explained that the rules governing the proportional distribution of affordable units between ownership and rental housing are established through the Affordable Housing Director's Rule, a separate administrative document referenced by the Land Use Code. The rule, currently in draft form and still under internal review, has already undergone public comment and could potentially be revised before final adoption later in the year. Downtown Livability 2.0 will focus on design standards, code clarity, and potential consistency with Wilburton. Wilburton has its own plan just as the downtown has its own plan. The Land Use Code must remain consistent with the adopted plans for each area. Direct transplantation of Wilburton provisions into the downtown plan may not be appropriate.

Commissioner Kennedy asked about the status of outreach efforts to nonprofit and affordable housing developers, noting their apparent support for the HOMA proposals in some correspondence. Mathieu Menard said nonprofit developers have provided extensive input on Option A, which sets the framework for affordable-housing incentives, but that community has been less engaged on the fee-in-lieu component because the provision primarily affects market-rate developers. The affordable housing community's focus has been on mandatory or 100-percent affordable projects rather than incentive-based downtown programs.

Assistant City Attorney Robbie Sepler introduced the topic of nonconforming uses, structures, and sites. It was explained that a nonconforming use is one that was legally established under previous zoning regulations but has since become prohibited following a change in policy or to the Land Use Code. An example provided involved the Volunteer Park Café in Seattle, a small restaurant entirely surrounded by residential uses, something that is no longer consistent with zoning in many jurisdictions, but which continues as a lawful preexisting use. Nonconforming structures are buildings that complied with regulations when constructed but which do not meet the current standards. An example was given involving an older strip-mall building in Lynnwood beside a newer apartment structure, demonstrating the city's shift toward more urban, pedestrian-oriented forms. Nonconforming sites are properties whose site conditions, such as large parking lots or lack of pedestrian amenities, reflect outdated development patterns. A Seattle example was referenced near the Othello Link station where older, car-oriented lots contrast with newer mixed-use developments envisioned under the contemporary codes.

Robbie Sepler said that on June 17, following adoption of the Wilburton Land Use Code amendment by the City Council, staff were directed to review the city's nonconforming provisions as part of the HOMA process. The Council expressed concern that the current nonconforming provisions are not working well for phased development under a Master Development Plan (MDP). Specifically, under the existing code certain future phases of an MDP may be prematurely classified as nonconforming, potentially requiring unnecessary improvements before the phases are constructed. The Council requested amendments to prevent such outcomes and to ensure that investment in bringing sites into compliance occurs only when warranted. Bellevue currently has seven separate provisions in the Land Use Code related to nonconformity, resulting in redundancy and occasional inconsistency.

Staff are proposing to consolidate them into a single, citywide provision modeled on the Wilburton nonconforming code. Two key policy issues have been identified. First, determining when future phases should be required to make improvements to comply with code; and second, establishing how much investment should be required once those improvements are triggered.

With regard to the first issue, Robbie Sepler described the existing framework using a two-phase project as an example. Under the current code, improvements to a future Phase 2 development are generally required during the construction of Phase 1 only if changes are made to Phase 2 during the construction of Phase 1. The most common scenario involves the transfer of unused FAR from Phase 2 to Phase 1 in order to construct a larger building in the initial phase. By definition, such transfers generally constitute a change that triggers improvement requirements for Phase 2, an outcome that led to past disputes and the FANA decision.

Robbie Sepler explained that under the proposed revisions, the seven existing provisions would be replaced by the Wilburton-style nonconforming code, which introduces clearer thresholds. Improvements to a future phase would be triggered only if the value of the change exceeds approximately \$250,000, a threshold originally established in the BelRed code and adjusted for inflation. In addition, transfers of development capacity would no longer automatically trigger improvements unless more than 50 percent of the available FAR on the future phase were to be transferred away. If half or more of the FAR remains, no improvements would be required; if a developer wishes to transfer more than half, improvements to Phase 2 would be mandated.

The rationale for the 50-percent rule was explained through another visual example. Referring again to the Lynnwood photo, Robbie Sepler observed that if a developer were to transfer all of the FAR from a nonconforming parcel, there would be little incentive to redevelop the property later; the result would be no upgrading of sidewalks, street trees, or active use frontages as envisioned under the new policy. By contrast, retaining 50 percent of the capacity maintains the redevelopment potential and balances flexibility and accountability. The proposed rule thus allows developers to choose their own adventure: to transfer up to half of the FAR without immediate obligations, or to transfer more and make proportional improvements to the future phase.

With regard to what level of investment should be required, Robbie Sepler noted that under the current code where improvements in Phase 2 are triggered, the code obligates full conformity, meaning the developer must generally spend whatever amount is necessary to completely update the site. The proposed revision would instead impose a cap on the required investment equal to 20 percent of the value of the triggering change. As an example, if a proposed modification to Phase 2 were valued at \$1 million, the developer would be responsible for up to \$200,000 in improvements. Once that expenditure is met, no further upgrades would be required until another triggering event occurs. The approach mirrors the policy already adopted in the Wilburton and BelRed codes.

Commissioner Ferris suggested that complex topics such as nonconformity should not be scheduled for discussion late at night. The question asked was if FAR transfers in phased

developments are routine or rare. Robbie Sepler did not have precise statistics in hand, but stated that transfers of development capacity are not uncommon depending on how projects are assembled and financed. Mathieu Menard said such transfers are more common in higher-density development areas where there are larger sites.

Commissioner Kennedy asked to what value the 20 percent investment cap applies to. Robbie Sepler explained that the cap is tied to the value of the change to the future phase. If Phase 1 is under construction and a change is made to Phase 2 that exceeds the monetary trigger, then the required improvements to Phase 2 are limited to 20 percent of the value of the change. If a parking lot were added on Phase 2 for use in Phase 1 at a cost of \$1 million, the improvements required on Phase 2 would be capped at \$200,000. The approach contrasts with the current requirement to spend whatever is necessary to bring Phase 2 into full conformity. For each land use district there is a sequence of improvements to be looked at first, so the most important improvements will get top priority until the money runs out.

Commissioner Nilchian asked how the 20 percent figure was chosen. Robbie Sepler traced the number to the BelRed nonconforming code, which was later adopted in Wilburton. Its purpose is to provide a more gradual, predictable transition to the current code when changes are made to the property. The figure is deemed to be a reasonable, previously used standard that lengthens the runway for compliance.

Commissioner Villaveces voiced the understanding that where Phase 1 of a project has a capacity of 100,000 square feet, and where Phase 2 has a capacity of 50,000 square feet, 50 percent of the FAR from Phase 2 can be transferred to Phase 1, leaving the balance to Phase 2. The question asked was when the 20 percent cap would be triggered. Robbie Sepler reiterated that a developer could transfer up to half of the available FAR from the future phase to the active phase without triggering Phase 2 improvements. Triggering hinges on the value of a discrete change to the future phase exceeding the inflation-adjusted threshold, which is described as approximately \$242,000. For example, choosing to place parking for Phase 1 on the Phase 2 parcel at a cost below the threshold would not trigger improvements. If the change exceeds the threshold, however, improvements would be required but would be capped at 20 percent of the value of the change. Expenditures on the change itself do not count toward the capped amount; rather, the cap applies to code-priority improvements such as sidewalk width, street trees, or active-use frontages. Projects can sometimes be designed to double count features that both serve the project need and satisfy improvement priorities, thereby reducing additional cost. Commissioner Villaveces remarked that the approach seems reasonable, but stressed the need to continue consulting with developers who work with the numbers on a daily basis.

Commissioner Nilchian asked whether the trigger threshold is cumulative if separated into smaller changes over time. Robbie Sepler replied that, consistent with Wilburton and BelRed, the city would look back over a three-year window. Multiple changes that collectively exceed the threshold within that period would trigger improvements.

Commissioner Kennedy asked if proposing no changes at all, there will be no trigger and Phase 2 will not have to conform with the revised code. Robbie Sepler said that would be the case.

Chair Khanloo asked what the motivation was for revising the nonconforming framework, and if the city had encountered numerous two-phase projects with transfers or with unbuilt second phases. Robbie Sepler explained that the broader purpose of a nonconforming code is to ensure that policy decisions ultimately apply across the city. The proposed approach, which was drawn from Wilburton and rooted in the BelRed model, is intended to set an appropriate pace for the transition, flexible enough to accommodate phasing and project adjustments, but structured to guide future phases steadily toward current standards.

Chair Khanloo asked if the second phase component of a current downtown project would be pulled into the new code by the changes. Robbie Sepler clarified that the immediate issue under consideration is the regulatory treatment of modifications to a future development phase while construction of the first phase is underway. If a second phase were to be developed years later, different legal concepts such as vested rights will determine what set of rules apply.

Commissioner Villaveces asked how the improvement requirements would apply if more than 50 percent of FAR were transferred from one phase to another. Robbie Sepler stressed that nothing in the proposed code prohibits transferring up to all of the unused FAR from a future phase to the current phase. However, if a transfer exceeds 50 percent, the requirement to make improvements to the undeveloped phase will be triggered. The improvements would be proportional to the scale of the transfer, subject to a cap based on 20 percent of the value of the additional transferred FAR, and triggered only if that value exceeds the threshold of approximately \$242,000.

Commissioner Villaveces offered the scenario in which a developer wants to transfer 80 percent of the FAR from one phase to another, triggering the need to make some improvements, without wanting to immediately build the second phase. Robbie Sepler explained that the first 50 percent of the transfer would not be considered a change, but the remaining 30 percent would constitute a change subject to the improvement provisions. The value of the 30 percent would likely exceed the monetary threshold, thereby activating the 20-percent investment cap. Even though the second phase may not yet be constructed, transferring the additional FAR would count as a modification to that phase because it reduces its available development capacity and affects its long-term conformance status.

Kristina Gallant reinforced the explanation, noting that the magnitude of a change determines the degree of required investment to bring a site incrementally closer to compliance. Commissioner Villaveces suggested it would help to visualize the approach if there were some real-world examples to review.

A motion to schedule a public hearing on Housing Opportunities in Mixed-Use Areas was made by Commissioner Ferris. The motion was seconded by Commissioner Villaveces and the motion carried unanimously.

### C. Update on the 2025 Affordable Housing Strategy (9:40 p.m.)



Senior Affordable Housing Planner Hannah Bahnmitter reminded the Commissioners that the City Council initiated the Affordable Housing Strategy update in 2024. The intent is to have a full draft of the strategy before the Council in January. The strategy functions as a near-term functional or strategic plan of the city's Comprehensive Plan; it focuses on a seven-year horizon for affordable housing actions. While the Commission will not formally approve the strategy, prior work on the part of the Commission on the Comprehensive Plan update informs its framework, and many implementation items will return to the Commission for review in the future. The strategy addresses income-restricted affordable housing but not exclusively; it also addresses the broader goals of housing equity, stability, unique needs, and supply, all of which influence overall affordability. The goal of the strategy is to identify implementation steps to inform and guide departmental work programs.

Hannah Bahnmitter outlined the city's public engagement efforts and noted the three main objectives that have guided the work: ensuring an accessible foundation of housing information for participants; offering opportunities for input from all sectors of the community, including residents, workers, and students; and promoting engagement with diverse and representative voices. The engagement activities were tailored to three constituencies: organizational partners; individuals with lived housing experience; and the general public.

During the first phase of outreach, the focus was on public education and awareness. Activities included a short film festival featuring local housing stories and a resource fair and Housing 101 informational event. Youth engagement was also incorporated, with participants from Youth Link interacting through an educational board game during a youth involvement conference earlier in the year. During the first phase, staff engaged more than 300 participants through a mix of in-person and virtual events, as well as over 25 community organizations. Feedback was gathered through personal housing stories, reflections from the short films, and other interactive methods. The input was compiled into a Phase 1 engagement report that summarized the key themes. Among the most significant findings were a desire for a greater sense of belonging in Bellevue, both in homes and in neighborhoods, and recognition of the need for inclusive design that accommodates residents of all ages and abilities. Many participants emphasized the importance of aging in place, defined not necessarily as remaining in one's current home but as maintaining continuity within a familiar community.

Phase Two included more targeted engagement with a focus on organizational partners and residents with lived experiences of housing challenges. The organizational partners received a survey designed to gather input on how to assess and prioritize specific actions. Their responses identified several consistent themes. Reducing housing costs was the highest priority, followed by improving navigation, and access to housing resources. The respondents also highlighted the difficulty of balancing competing priorities and recommended that decisions be grounded in shared community values rather than purely technical or economic calculations.

To reach residents directly affected by affordability and access issues, the city piloted a Community Facilitator Program. Nine community facilitators were hired to conduct listening sessions across Bellevue, using their established networks to reach individuals who might otherwise be excluded from traditional engagement processes. Through the sessions, the

facilitators engaged more than 150 participants, many of whom expressed frustration with the difficulty of finding affordable housing and navigating a fragmented housing system. Information barriers and limited awareness of available resources were identified as recurring obstacles.

Hannah Bahnmitter explained that the strategic framework goals were drawn directly from the Housing Element of the Comprehensive Plan, which includes five overarching goal areas. Although all five are important, the City Council directed staff to focus primarily on actions that produce new affordable units in pursuit of the city's adopted housing target. The target, established at the project's launch, calls for the creation or preservation of 5,700 affordable units over a ten-year period. The city's current tools and market conditions, however, are projected to achieve only about 65 percent of that goal, which is an indication of a need to address what amounts to a substantial gap through new strategies. The majority of the expected future units, approximately 85 percent, will fall between 50 and 80 percent of area median income, which presents a challenge when it comes to balancing the total unit goal with the need for deeper affordability below 50 percent of area median income.

Hannah Bahnmitter said the affordable housing target as well as the five goal areas informed the development of 27 draft strategies that are intended to advance the housing goals. Each strategy is supported by one or more specific actions, ranging from code amendments to new or modified city programs, advocacy efforts, and enhanced communication tools. Code changes alone will not suffice; what is needed is a combination of regulatory, programmatic, and policy approaches. Parallel work is underway to establish and fund a new Office of Housing to provide ongoing management and coordination for the city's affordable housing initiatives. While the Office's formation is a separate process, it is closely aligned with the Affordable Housing Strategy given that both efforts address long-term resources and staffing needs. The full list of draft strategies will be presented to the Council on October 21.

Highlighting the strategy aimed at supporting qualifying properties, Hannah Bahnmitter noted that it builds on the C-1 program previously reviewed by the Commission. Under the proposal, mixed-income developments could qualify for the C-1 density bonus, and eligibility might be expanded beyond just faith-based properties to include nonprofit-owned parcels within areas historically zoned for single-family housing. That demonstrates how past Commission work directly informs the current strategy and illustrates the kinds of code updates that may return to the Commission for formal consideration in future sessions.

Hannah Bahnmitter said going forward the various potential actions will be treated as a menu from which priorities are to be selected. Staff are currently working with partner organizations and technical stakeholders to vet a prioritization framework that will balance feasibility, equity, and impact. Once that process concludes, the team will begin drafting the final plan document for presentation to the City Council in January. The Commission will receive a detailed update during the first quarter of 2026 to review the implementation pathways and next steps.

There are still opportunities for public engagement. In October, staff will have discussions with partner organizations on prioritization methods and will host additional public presentations. A

virtual feedback session is scheduled for October 30, followed by an in-person community information event on November 6. An accompanying online survey will also be released to ensure all residents have the opportunity to submit written feedback.

Commissioner Ferris asked for clarification on the city's commitment to producing deeply affordable housing, units targeted to households earning below 50 percent of area median income, specifically wanting to know if the city intends to pursue the difficult target in full or simply balance it within the broader 5700-unit goal. Hannah Bahnmitter said the question is at the heart of the prioritization discussions. The city faces a policy choice between pursuing the overall target as quickly as possible or prioritizing actions that will produce more deeply affordable units. Each path carries trade-offs and the outcome will depend on input from organizational partners and Council direction.

Commissioner Ferris commended the staff for exploring potential modifications to the C-1 program, noting that allowing mixed-income developments would improve project feasibility and better align with market realities. Commissioner Ferris also suggested that staff should closely monitor the first C-1 project at St. Andrews Church; lessons learned from that development could help refine future program adjustments.

Commissioner Villaveces allowed that 5700 units in ten years is an aggressive goal and it will take creativity to meet it. The question asked was how the staff anticipates the strategy to acquire property to land bank for future affordable housing will play out. Hannah Bahnmitter outlined a concept of acquiring and holding property, either by the city or a partner entity, near anticipated light-rail investments in areas such as Eastgate, Factoria, and South Bellevue. By purchasing properties before transit-driven appreciation occurs, the city could later leverage the increased land value to support affordable development at a lower total cost, a practice other jurisdictions are also exploring given land costs as a primary barrier to affordable housing.

Commissioner Villaveces described a program from another city that produced approximately 9200 units between 2000 and 2010 by acquiring large peripheral tracts, installing infrastructure, and then selling individual parcels to developers at capped prices, an approach that was advanced through public-private partnerships. Commissioner Villaveces recommended researching cost-reduction through industrialized methods and cited having experience with prefabricated bathroom pods that are installed on site with straightforward utility connections. The city should create incentives and an enabling environment that supports the use of such methods. Hannah Bahnmitter noted that the draft strategy includes work under a supply and diversity goal to encourage innovative building techniques, including modular and prefabricated construction.

Commissioner Kennedy asked who is included under the term stakeholders. Hannah Bahnmitter said there are three broad constituencies: organizational partners, including developers, housing providers, and advocacy organizations; the general public, including residents and others who spend time in Bellevue; and individuals with lived experience involving housing challenges. Commissioner Kennedy expressed the hope that innovative partners are included in the list of stakeholders.

Commissioner Kennedy requested clarification regarding the figures shown on a presentation slide listing 5700 affordable units and 8300 unrestricted units. Hannah Bahnmitter explained that the overall growth target in the Comprehensive Plan calls for 35,000 units over 25 years. The Affordable Housing Strategy extracts a ten-year slice of that growth, which is 14,000 total units. Of those, 5700 are targeted to be affordable to households below 80 percent of area median income, with the remaining 8300 representing market-rate production needed to meet the broader growth objective.

Commissioner Nilchian referenced a strategy prioritizing housing near new light-rail stations and asked how the 5700 units might be geographically distributed and what siting challenges unique to Bellevue might be encountered. Hannah Bahnmitter said most strategies are citywide rather than parcel-specific, though transit-oriented development is a clear focus. From a feasibility perspective, staff expects most income-restricted projects to concentrate in mid-rise zones that support wood-frame or podium construction; very low-density areas and high-rise steel construction zones tend to be less feasible for subsidized housing. In parallel, the strategy also advances broader supply and diversity actions, including middle housing opportunities in former single-family areas, even though those units would not necessarily be income-restricted. Commissioner Nilchian expressed support for transit-oriented development, and Hannah Bahnmitter added that a lot of previous work done by the city serves as a strong foundation for future station-area planning. The current strategy is intended to set favorable conditions for future planning efforts.

Chair Khanloo agreed with the potential adjustments to the C-1 program as outlined. Additionally, recent advisory work at the county level has highlighted severe challenges for older women seeking affordable housing. That is something that should be emphasized by the strategies.

Chair Khanloo asked about the cost of the community facilitator model used to reach residents with lived experience, and whether it could be scaled to apply to other outreach efforts. Hannah Bahnmitter said the pilot program was administered through a consultant with stipends for the facilitators. It proved to be highly cost-effective relative to what internal staff could deliver. The compensation was adjusted in recognition of the facilitators' additional time and effort. The model was a successful pilot suitable for improvement and expansion.

Dr. Kate Nesse added that the Community Development Department uses the same outreach team that the Office of Housing uses and can build on successful outreach strategies.

9. OTHER BUSINESS – None  
(10:14 p.m.)

10. APPROVAL OF MINUTES – None  
(10:14 p.m.)

11. EXECUTIVE SESSION – None  
(10:14 p.m.)

12. ADJOURNMENT  
(10:14 p.m.)

A motion to adjourn was made by Commissioner Ferris. The motion was seconded by Commissioner Nilchian and the motion carried unanimously.

Chair Khanloo adjourned the meeting at 10:14 p.m.