



Bellevue Planning Commission

January 27, 2021

PLANNING COMMISSION STUDY SESSION ITEM

SUBJECT

Study Session on a proposed Land Use Code Amendment (LUCA) required for consistency with RCW 36.70A.620 and related to the City’s Affordable Housing Strategy. The LUCA will establish lower minimum parking requirements in the Land Use Code (LUC) for certain residential developments with frequent transit service. File No. 20-110291-AD.

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POLICY ISSUES

The proposed LUCA is in response to RCW 36.70A.620, the City’s 2017 Affordable Housing Strategy (AHS), and the City’s 2014 Transit Master Plan. RCW 36.70A.620 limited minimum parking requirements cities can impose on certain residential developments with frequent transit service, including affordable housing, market rate multifamily housing, and housing for seniors and people with disabilities.

The cost to build parking is a significant cost driver in residential development. This cost impacts rent and home sale price levels. The proposed LUCA supports the City’s goal to reduce the cost of building housing generally, including affordable housing (Affordable Housing Strategy C-5). With its focus on areas with frequent transit service, the LUCA also supports the City’s goal to use development regulations in Bellevue’s activity centers to support transit use (Transit Master Plan Strategy 7). In addition, the proposed LUCA supports the City’s goal to revise codes to reduce costs and process time for building multifamily housing (Affordable Housing Strategy D-1).

DIRECTION NEEDED FROM THE PLANNING COMMISSION

ACTION

DIRECTION

INFORMATION ONLY

This is the second of two study sessions where staff will be presenting the components of the proposed LUCA. Staff is seeking approval of the components of the Topics 3, 4, 5, and 6 and direction to prepare the proposed LUCA for a public hearing on February 24.

	Topic Areas
<input checked="" type="checkbox"/>	Study Session 1 (January 13): Eligibility Criteria and Parking Ratio <ul style="list-style-type: none"> • Topic 1. Frequent Transit criteria (including radius) • Topic 2. Parking ratio
<input checked="" type="checkbox"/>	Study Session 2 (January 27): Related Parking Provisions <ul style="list-style-type: none"> • Topic 3. Parking departures process • Topic 4. Downtown visitor parking • Topic 5. Affordable housing incentives • Topic 6. Accessory dwelling units

□	<p>Public Hearing (February 24):</p> <ul style="list-style-type: none"> • Required Public Hearing • Planning Commission Recommendation
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BACKGROUND/ANALYSIS

Legislative History

The proposed LUCA introduced on January 13 includes provisions necessary for compliance with newly amended RCW 36.70A.620, enacted by SHB 2343, and Council direction at initiation of the LUCA. Specifically, RCW 36.70A.620 includes components in Topics 1 and 2; while Council direction asks staff to analyze four topics (Topics 1, 3, 4, and 5) as part of the development of the LUCA.

The Washington State Legislature has also passed E2SHB 6617, adding RCW 36.70A.698. This legislation restricts cities from requiring "off-street parking for accessory dwelling units within one-quarter mile of a major transit stop." Cities must comply with this restriction by July 1, 2021. Major transit stop in RCW 36.70A.698 has similar criteria as frequent transit service in RCW 36.70A.620. Because there is synergy in timing and issues, staff has incorporated necessary code revisions for conformance with RCW 36.70A.698 as part of this proposed LUCA (Topic 6).

Components of Proposed LUCA

The proposed LUCA will amend chapters 20.20, 20.25A, 20.25D, 20.25P and 20.50 to establish lower minimum residential parking requirements in areas with frequent transit service, consistent with State regulations and previous Council direction. (Attachment A). As noted earlier, the Planning Commission considered the components of Topics 1 and 2 at the January 13 Study Session. The components of Topics 3, 4, 5 and 6 are described below.

Topic 3. Parking Departures Process

Currently, under LUC 20.25A.080, developments located in Downtown zones may apply for a departure from minimum parking requirements by providing a parking demand analysis. While staff can provide informal guidance early in the process on the likelihood of approval, the formal approval is tied to the design review process. As a result, the departure process is a source of uncertainty and approval may take place later than required for the developer to obtain necessary financing.

On the other hand, separating this decision from the design review process is problematic, as changes to the project that happen during the design review process could impact parking needs. In addition, granting approval early would potentially eliminate the opportunity for public input provided through the current process.

Ideally, minimum parking requirements should not be higher than the typical market demand for parking, and departures should only be required in exceptional cases. Reassessing parking requirements, as is taking place for frequent transit areas with this LUCA, greatly help reduce the need for departures. Thus, the proposed reduced parking minimums address both needs—enhance certainty for development decisions and maintaining the integrity of the public process.

While the proposed LUCA does not propose criteria for further reductions, staff notes there are several promising options, such as incorporating a walkability index for reductions or offering reductions in

exchange for providing dedicated car-share spaces, protected bicycle parking, and subsidized or free transit passes for residents. These options have been employed by other jurisdictions and may warrant more robust study and engagement than is feasible under the required timeline to adopt the proposed LUCA by May 18. More importantly, the scope of this LUCA only includes residential development. Improving the parking departure process should incorporate all uses to ensure the process is as clear and consistent as possible.

Topic 4. Downtown Visitor Parking

Per LUC 20.25A.080.B, residential development in Downtown must provide one visitor parking space per 20 units, in addition to any required residential parking. This requirement was adopted in October 2017 as part of the Downtown Livability Initiative. During that process, some Downtown residents shared that visitor parking was necessary downtown as on-street parking is limited in most of Downtown Bellevue. Other participants shared opinions that such requirements should be determined based on individual building needs, rather than a prescribed minimum. Ultimately, the City adopted the current requirement.

To date, very few residential projects have been built under the new Downtown Code, which presents challenges to analyzing the impact of this requirement. As a result, the proposed LUCA does not change the visitor requirement at this time, except if the visitor parking ratio results in the overall parking requirement to be inconsistent with RCW 36.70A.620. To that end, the proposed LUCA includes a provision to reduce the requirement in areas with frequent transit service so the amount of required visitor parking and residential parking combined amounts to a maximum of 0.75 spaces per unit. As with other parking requirements, developers may still choose to provide additional visitor parking above the minimum.

Topic 5. Affordable Housing Incentives

The proposed LUCA includes additional incentives to encourage affordable housing in these transit-rich areas through lower minimum parking ratios for permanent affordable housing units compared to market rate units and limited-term affordable units (such as multifamily tax exemption units, without an additional recorded commitment to maintain affordable units in perpetuity). These lower parking ratios have been selected based on existing incentives offered in certain cases in Downtown and BelRed.

Income levels for affordable housing are updated annually by the US Department of Housing and Urban Development (HUD), and are adjusted for household size. They are based on a region that includes both King and Snohomish Counties. For permanent affordable units serving households earning 80% Area Median Income (AMI) and below located within one half mile of a stop with service at least four times per hour, the proposed minimum parking ratio is 0.5 spaces/unit, instead of 0.75 spaces/unit. For units with one bedroom and smaller serving households earning 60% AMI and below, the proposed minimum parking ratio is 0.25 spaces/unit. Typically, an ongoing subsidy is required to achieve rents below 60% AMI with new construction. In such cases, this income level is almost exclusively served by nonprofit and government housing providers.

Topic 6. Accessory Dwelling Units (ADUs)

The proposed LUCA has already introduced frequent transit criteria for bus stops providing service at least four times per hour, future light rail stations, and future bus rapid transit stops. These all meet the definition of “major transit stops” under RCW 36.70A.698. The proposed LUCA removes the minimum

parking requirements for ADUs located within one-quarter mile of a such transit stops, in conformance with RCW 36.70A.698.

Planning Commission Questions

At the January 13 Study Session, the Planning Commission raised questions related to parking inventory data that may support specific ratios, potential mitigation for transit service changes, and understanding the ongoing impact of the COVID-19 epidemic. A summary of these questions and staff's responses are provided below.

1. Is there parking inventory data for the City to support the proposed parking ratios?

Recent comprehensive parking utilization data is limited for Bellevue. Generally, it is expected that as transit service improves and employment and population density increases, car utilization also drops. The Right Size Parking project identifies a strong correlation between the concentration of transit access and observed parking utilization. The Right Size Parking data, updated in 2017, and the [online calculator](#) estimates average usage of 0.86 spaces per unit for Downtown. Setting parking ratios below expected utilization helps with flexibility on constrained sites, reducing the demand for departures, and to account for market variation. The risks of requiring excess parking are significant in terms of their cost impact. According to a 2020 Victoria Transport Policy Institute study, requiring one parking space per unit increases typical affordable housing construction costs around 12.5%, and two parking spaces can increase costs up to 25%.

The Regional Transportation District of Metro Denver completed a comprehensive parking supply and demand analysis in 2020. The study summarized parking availability and utilization in multifamily buildings by transit quality based on the Center for Neighborhood Technology's [All Transit](#) quality score. This score considers connectivity, access to land area and jobs, and frequency of service. These scores are also available for Bellevue, offering a more direct comparison. A summary of this study and relevance to Bellevue is provided in Attachment B.

2. How can we mitigate adverse impacts due to future reduction in transit service?

State legislation does not offer guidance on considerations for future service changes. However, the proposed LUCA requires the applicant to provide evidence of transit service at the time of their complete Building Permit application or land use approval decision, so eligibility is based on the most up-to-date information. Light rail service is less subject to change compared to bus service. As a result, the impact of bus service changes may not be significant in the areas near Bellevue's six future light rail stations. These areas include Downtown and BelRed. In addition, increased densities in transit areas have been found to support service retention by increasing the number of potential transit users. PSRC's 2015 guidance paper, "Transit-Supportive Densities and Land Uses", provides an overview of research supporting "the positive relationship between density and transit ridership", including one study that found that doubling residential density within 1/2 mile of a rail station increases ridership by 15 to 25%.

3. Is there information that may help our understanding of the ongoing impact of COVID-19 on transit service and ridership?

While the COVID-19 pandemic has had a significant impact on transit ridership, evidence suggests that ridership will return after the pandemic. According to Sound Transit ridership data, transit

usage increased during summer 2020 as the State’s reopening phases progressed. When construction activity, limited dining, and other services resumed in July 2020, there were 7,000 more weekday boarding per day systemwide. Further, due to continued remote work trends, demand has generally shifted away from commuter corridors and toward corridors with more low-income populations and essential workers.

Sound Transit’s 2021 Service Plan offers an indication of transit riders’ attitudes toward transit post-pandemic. Sound Transit conducted an online survey in September 2020 about transit needs and preferences, and responses support that commute patterns will change to some degree, but ridership will return. Below is a summary of responses to the question on how respondents think they will use transit in the future when pandemic conditions improve:

I’ll use transit the same as today and potentially more	53.8%
I used to commute daily on transit, but I think I’ll only go to work a few days a week or much less often	33.5%
I don’t think I’ll use transit regularly	12.7%
I don’t think I’ll use transit for commuting, but I will use it for running errands or accessing services	10.5%

Despite uncertainty about future remote work patterns, office development and leasing remains strong in Bellevue. Even if the employees in these offices only commute a few times per week, and if fewer commuters use transit, ridership is still likely to increase. For those workers who will not return to the office in-person, it should not be assumed that such workers will have a high rate of car ownership and use. Households with multiple workers commuting only a few days per week may stagger their work days to live with fewer cars. While some may prefer to live in a more remote location, others still enjoy living in neighborhoods with easy walking access to services.

Whatever changes become permanent post-COVID, the benefits of compact, urban development for the environment, public health, and efficient provision of public services will remain. The proposed changes help ensure it is possible to provide housing options for car-free and car-light Bellevue residents.

Public Engagement

Staff is following a public engagement plan with three modes of outreach to ensure the public, stakeholders, and interested parties have the opportunity to be informed and to provide comments.

1. Process IV Requirements. Process consistent with Chapter 20.35 LUC procedural requirements to provide opportunities for public comment, including:
 - Notice of Application of the proposed LUCA on December 10; and
 - Public hearing on the proposed LUCA anticipated in February
2. Direct Engagement and Feedback. Dialogue with representatives of the development community and neighborhoods with frequent transit service.
3. Online Presence. City webpage to provide opportunities for the public to stay informed, including:•

- Staff contacts; and
- Public information regarding LUCA progression

Anticipated Schedule

The Planning Commission will be introduced to and asked to consider the proposed LUCA. The anticipated timeline for processing the LUCA is as follows:

- Planning Commission Study Sessions: January 13 and 27
- Planning Commission Public Hearing and Recommendation: February 24
- City Council Study Session: April 5 (tentative)
- EBCC Courtesy Public Hearing: April 6 (tentative)
- City Council Action: April 26 (tentative)
- EBCC Public Hearing and Approval/Disapproval: May 4 (tentative)

ATTACHMENT(S)

- A. Strike-Draft of Proposed LUCA
- B. Denver Parking Study