



# Bellevue Planning Commission

October 25, 2023

## PLANNING COMMISSION AGENDA ITEM

### **SUBJECT**

Comprehensive Plan Periodic Update: Overview of Policy Changes in the Housing and Human Services elements

### **STAFF CONTACTS**

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### **POLICY ISSUES**

The City is currently updating the Comprehensive Plan in accordance with the schedule set forth by the State (RCW 36.70A.130(5)). The update was launched February 28, 2022, and was followed by extensive public engagement (the latest summary of engagement was presented to Planning Commission on April 26, 2023). Updates to policies are largely based on feedback from the community along with the state and regional requirements and the recommendations in study documents such as the Racially Disparate Impact Analysis and the Economic Analysis. This memo focuses on key policy changes in the following elements:

- Housing
- Human Services

### **DIRECTION NEEDED FROM THE PLANNING COMMISSION**

**ACTION**

**DIRECTION**

**INFORMATION ONLY**

### **BACKGROUND**

The major changes to Bellevue's Comprehensive Plan stem from three sources: 1) changes required by state law including consistency with King County's Countywide Planning Policies (CPPs) and the Puget Sound Regional Council's (PSRC's) Regional Growth Strategy (Vision 2050); 2) changes recommended by study documents that focus on a specific topic or policy area in the plan; and 3) changes derived from community input.

The Comprehensive Plan must follow the state's Growth Management Act (GMA) and be consistent with PSRC's Vision 2050 Multi-County Planning Policies (MPPs) and King County's CPPs. Both the MPPs and the CPPs were updated in preparation of updates to city comprehensive plans. The CPPs were amended August 15 to include the identification of housing need at the jurisdictional level and policies to support the documentation and monitoring of progress toward meeting those needs through the Comprehensive Plan process. The City Council discussed the ratification of the amendments on September 25 and will continue that discussion later this fall. They provide direction on the scope of policy changes needed in the Comprehensive Plan. In addition, recent amendments to the GMA have led to additional requirements relating to housing typologies and approaches to address the housing crisis.

Bellevue has commissioned several study documents to assist with informing policy changes for the Comprehensive Plan and related projects. These study documents include:

- Racially Disparate Impact Analysis (June 2023)
- Climate Vulnerability Assessment (October 2023)
- Air Quality and Land Use Planning Report (April 2023)
- Economic Impact Report (June 2023)

There are also additional studies completed for related work that the City has undertaken that contain recommendations for updates to the Comprehensive Plan. For these elements, this includes:

- Housing Needs Assessment (December 2022)

Bellevue has engaged with the community since the Comprehensive Plan Periodic Update launched in early 2022 through a variety of means including surveys, open houses, focus groups and presentations. The Planning Commission has been kept informed of the results of the engagement as each phase came to a close. Summaries of each phase can be found on [EngagingBellevue.com](https://www.bellevue.gov/EngagingBellevue.com).

- July 14, 2022 (Summary of Engagement during Phase 1, especially the Vision Survey)
- September 28, 2022 (Brief summary of engagement during Phase 2a)
- February 22 (Summary of engagement with specific groups)
- April (Findings from the statistically valid survey)
- April 26 (Summary of engagement during Phase 2b)

The purpose of this memo is to identify key policy areas or questions that the Planning Commission would benefit from a more detailed summary or information to inform their recommended policy changes.

### **ADDITIONAL INFORMATION**

There are two additional bodies of information that will inform the Planning Commission's work on policy changes. The first is the Environmental Impact Statement (EIS), comprised of the Draft Environmental Impact Statement (DEIS) and the forthcoming Final Environmental Impact Statement (FEIS). The DEIS details the potential environmental impacts of a buildout scenario for four different possible future land use maps and policies. In addition, it identifies possible actions the City can take to reduce or mitigate those impacts. The FEIS will add information that comes from the study of a fifth land use map and policies. In addition, the FEIS will include additional study of the impact of the development on the tree canopy and the impact of using a mandatory and/or voluntary affordable housing program on the production of affordable housing.

The second body of information is additional feedback from the community. The City has engaged extensively with the community regarding the vision, growth scenarios and policy directions. In this next phase, engagement will be focused on key policy moves and specific proposed changes to the Comprehensive Plan.

### **KEY POLICY UPDATES**

The key policy areas are groups of policies where needed changes have been identified through a combination of state and regional requirements, recommendations from study documents and community input. Future policy changes will also be informed by the City's growth strategy and supported by technical information contained in the FEIS. The general direction of those changes is described below along with the rationale for the changes.

The Planning Commission will have the opportunity to review the key policy areas in elements grouped by topic. The schedule for considering the key policy updates in the elements is outlined below.

- **September 13:** Utilities, Environment, Parks, Recreation & Open Space, and Capital Facilities elements
- **September 27:** Citizen Engagement, Economic Development, Transportation, and Urban Design & the Arts elements
- **October 11:** Land Use and Neighborhoods elements
- **October 25:** Housing and Human Services elements

The key policy update areas in the Human Services and Housing elements include:

- Equity in housing and delivery of services
- Addressing homelessness
- Housing affordability
- Increasing housing options and overall supply
- Addressing racially disparate impacts

**Equity in housing and delivery of services.** Equity is a major theme across the entire Comprehensive Plan update and plays an especially important role in both the Housing and Human Services elements. Applying an equity lens to the Housing element update will involve a greater focus on eliminating discrimination and addressing historical and systemic disparities in housing. For the Human Services element, equity in delivery of services means ensuring all community members have equitable access to services and working to address the underlying systemic inequities that contribute to the need for these services.

In the vision survey, residents rated Bellevue relatively lowly on equity (49 percent agreed or strongly agreed that Bellevue was meeting its vision of being an equitable city). In addition, in the City's outreach to under-represented groups such as to people in temporary housing, people who speak a language other than English at home, or students, a common theme is that their needs and desires are not reflected in the City's development. People from underrepresented groups cited housing costs, fear of losing housing, fear of displacement, as top concerns.

PSRC's VISION 2050 update to the MPPs and the King County CPPs both include policies related to equity across plan chapters. VISION 2050 notes that historical land use and housing policies have played a role in creating and maintaining racial inequities. The Housing MPPs include policies addressing the following equity-related topics:

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*Equity means that a person's identity (white, female, disabled, etc.) does not predict personal and social outcomes like income or health. Equity refers to the ability for everybody to access, participate in and benefit from services, opportunities, and activities that contribute toward a high quality of life. Equity is achieved as the City and community provide all people with equitable access, which may require providing more or different levels of support for some people, to services, programs and resources. Equity and equality are different in that way. Equality means individuals and groups are given the same resources and opportunities. Equity recognizes that some people and groups have different circumstances that require allocation of resources and opportunities in strategic or tailored ways to achieve the same outcomes.*

*– Bellevue RDI Analysis, June 2023*

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- identifying and addressing housing disparities for marginalized racial and ethnic communities;
- preventing and mitigating displacement;
- providing housing that is affordable to all income levels – with a special emphasis on low-income households; and
- equitable distribution of housing options (among others).

The King County Housing CPPs support equitably meeting housing needs through policies that promote: distributional equity (access to housing opportunities in one’s neighborhood of choice); cross-generational equity (consideration of benefits and burdens to future generations); process equity (ensuring the decision-making processes and implementation are inclusive, open, fair, and accessible); and reparative policies (repairing harms caused by racially biased policies). The policies updated in the recent amendment to the CPPs are focused on identifying housing need at the jurisdictional level and providing monitoring and support for meeting that need. They do not alter the overall goal to equitably meet housing needs.

Policies related to Human Services are included in the Public Services chapters of the MPPs and CPPs. The MPPs call for equitable access of public services to all communities, especially the historically underserved, and prioritizing investments to address disparities (MPP-PS-2). CPP PF-2 mirrors this policy. The CPPs also call for provision of human and community services through coordinated, equitable planning, funding, and delivery of services by the county, cities, and other agencies (PF-18).

The City’s Racially Disparate Impacts (RDI) Analysis provides numerous recommendations for removing or updating policies in the Housing element that could have racially inequitable outcomes, and for adding new policies to address and reverse disparities. See the “Addressing racially disparate impacts” section, below, for further discussion.

The current Comprehensive Plan has policies to promote and celebrate diversity but does not address equity. In fact, as the RDI Analysis revealed, some policies could lead to racially inequitable outcomes. The RDI Analysis included recommendations for many Elements in the Comprehensive Plan and those have been outlined in past memos on September 13, September 27, and October 11. The key policy changes in the Housing Element include:

- Recording, referencing, and remedying past inequities/injustices
- Removing inequitable language, particularly those that give precedence to some residents over others
- Removing special protective language for single family areas
- Emphasizing underserved and/or underrepresented community members in future efforts

- Prioritizing and seeking out the input of groups most affected by policies, rather than relying on city-wide data or on the voices of the most pro-active constituents

The key policy changes in the Human Services element include:

- Adding equity to the Human Services Goal statement and placing an equity lens on all policies
- Amending policies to address specific needs among communities that face additional challenges – including senior housing, group homes, and supportive housing
- Adding language that calls for addressing and eliminating inequities for historically marginalized community members

The primary impacted elements are Housing and Human Services; however, all elements of the Comprehensive Plan will have policies that promote equitable outcomes for the Bellevue community.

**Addressing homelessness.** Homelessness has been characterized as a crisis in King County for the last decade. Nearly 13,370 individuals were estimated to be homeless in the County in 2022.<sup>1</sup> In a recent public opinion survey conducted by PSRC, respondents rated homelessness and housing costs as the two most important problems facing Washington State today.<sup>2</sup> There is also a growing recognition of how rising housing costs directly contribute to increased rates of homelessness. Both the Housing and Human Services element updates will place a greater emphasis on addressing and preventing homelessness and on aligning the continuum of approaches between the two elements.

The GMA was updated (through HB 1220) to include new requirements for jurisdictions to update their development regulations to allow a broader range of housing and shelter options that help prevent and address homelessness – including transitional housing, permanent supportive housing, emergency shelters, and emergency housing.<sup>3</sup> In addition to allowing these uses, jurisdictions must demonstrate adequate land capacity to accommodate local needs.

The PSRC Housing MPPs require jurisdictions to plan for a sufficient supply of “special needs housing,” which includes housing for people experiencing homelessness. The MPPs also

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<sup>1</sup> King County Regional Homelessness Authority, 2022 Point in Time Count. <https://kcrha.org/wp-content/uploads/2022/06/PIT-2022-Infograph-v7.pdf>

<sup>2</sup> PSRC, 2022. <https://www.psrc.org/about-us/media-hub/survey-says-housing-and-homelessness-are-top-concerns>

<sup>3</sup> These terms are defined in HB 1220: <https://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/House/1220-S2.SL.pdf?q=20221202104716>

encourage cooperative and interjurisdictional efforts to meet special housing. King County CPPs mirror these requirements (H-1, H-11, and H-14). Note: The Public Facilities policies from PSRC and King County do not address homeless services.

Within the Bellevue community there is concern about homelessness. In the vision survey, one of the primary themes was around safety – People love that it is a safe city and they are concerned about ways that it could become unsafe, including through an increase in homelessness. Approximately half of the respondents who mentioned homelessness as a challenge want to see more investments in mental and behavioral health services and greater access to affordable housing and temporary shelters.

The current Comprehensive Plan includes two Housing policies that directly address homelessness (HO-38 and HO-39).

The key policy changes for the Housing element include increasing the emphasis on homelessness and tying housing issues to human services issues. This includes strengthening the existing policies and adding policies that support:

- Provision of emergency housing (temporary accommodations for individuals or families who are unhoused or at risk of becoming unhoused)
- Increased outreach to unhoused and at-risk populations
- Community education around homelessness issues
- Provision of human services alongside emergency housing and shelter projects

The current Human Services element includes one policy that directly addresses homelessness (HS-18). The element updates will align the policies more closely with the Housing element and will add new policy language to address the housing and homelessness crisis.

Updates to both elements will emphasize the need for a continuum of approaches to address the homelessness crisis – ranging from outreach, services, and shelter to various forms of temporary and permanent housing. The primary impacted elements are Housing and Human Services.

**Housing affordability.** Housing affordability represents a multifaceted challenge for the City of Bellevue. The City’s rapid economic growth, driven by the presence of major technology companies and a robust job market, has increased demand for housing, resulting in rising home prices and rents.

The GMA was updated (through HB 1220) to include new requirements for local governments to “plan for and accommodate” housing that is affordable to all income levels, as well as emergency housing and shelter. Cities are also required to promote a variety of residential

densities and housing types, encourage the preservation of existing housing stock, and provide housing units necessary to meet countywide projections for moderate, low, very low, and extremely low-income households.

PSRC's VISION 2050 and King County's CPPs provide additional requirements related to affordable housing with which the City's Comprehensive Plan must be consistent. The PSRC MPPs call for jurisdictions to support development of more diverse housing types, especially near transit, services, and jobs. It also calls for more housing that is affordable to low- and very-low-income households. The CPPs have been updated with a framework for action and accountability to meet countywide housing needs and eliminate disparities in access to housing and neighborhoods of choice. Those updates are going through the ratification process.

The City has completed studies, including the 2022 Bellevue Housing Needs Assessment and RDI Analysis, to inform policy updates as part of the 2044 Comprehensive Plan planning effort.

- The 2022 Housing Needs Assessment reveals Bellevue's declining housing affordability and a lack of choice for housing types within the local housing stock. Rising regional prices have increased housing costs, resulting in high levels of household cost burden, which disproportionately affects lower income and renter households. Commuting trends suggest many workers may not be able to afford housing inside the city or that the available housing is not able to meet their needs or preferences. The analysis also reveals a deficit in the number of units for households earning less than 50 percent of the area median income (AMI). These needs and gaps will be reflected in updates to the Housing element.
- The RDI Analysis also highlights how different racial and ethnic communities have been disproportionately impacted by economic and housing challenges. Areas of the city with larger proportions of Black and Hispanic residents and other communities of color – such as in the Crossroads, Eastgate, and Factoria neighborhoods – have relatively lower median household incomes. Black and Hispanic households also experience the highest rates of housing cost burden, which puts them at a higher risk of displacement when rents rise or other life circumstances change. The RDI Analysis recommends several policy changes to further support housing affordability for low-income households and to prevent and mitigate displacement.

Home ownership opportunities for people of many income levels was the top priority in the Statistically Valid Survey; this was true even for households making above the median income. For those with incomes below \$100,000 and those under 40, housing for all income levels (both rental and homeownership) was one of the top 5 priorities. Two-thirds of survey respondents expressed support for increased housing development including townhomes, apartments, and



condominiums throughout Bellevue. The level of support for increased housing development rose to 80% for those under 40.

In the Vision Questionnaire conducted in Spring 2022, respondents rated the city lowest on providing a range of housing options. Many commenters focused specifically on the need to support more attainable housing options for low- and middle-income households, seniors, service industry workers, and younger residents. People are clearly concerned about the ability to afford housing in the city.

The current Comprehensive Plan includes many policies that address housing affordability, especially under the "Affordable Housing" heading (Ho-21 to HO-37). However, policy changes are recommended to:

- Provide more specific policy support for many strategies such as anti-displacement efforts
- Emphasize which areas have been identified through the regional allocation process and HNA as gaps (especially 0-30 percent AMI and 30-50 percent AMI)
- Providing affordable options in every neighborhood

The primary impacted element is Housing.

**Increasing housing options and overall supply.** The availability and diversity of housing options, as well as a balanced overall housing supply, are pivotal factors in ensuring the well-being and prosperity of the community. Housing needs and preferences vary widely – depending on factors like household size, income level, stage of life, disability, and household/family configuration. A diverse housing supply that includes a wide range of housing types, configurations, and sizes is needed to respond to the unique needs and preferences of a diverse population. A sufficient housing supply not only helps prevent housing shortages and affordability crises, but also supports economic stability and growth.

House Bill 1110 (2023) is a legislative measure aimed at promoting housing affordability and choice by facilitating the development of additional housing types in residential areas. The bill requires cities to adopt or amend their policies and zoning regulations to allow for a range of middle housing types – defined as structures compatible in scale, form, and character with single-family homes and containing two or more attached, stacked, or clustered units. The bill requires large cities such as Bellevue to allow up to four units on a lot on all lots zoned predominantly residential, and up to six units on a lot when the lot is either within ¼ mile of a major transit stop or when at least two of the units are affordable. HB 1110 is a major step in promoting more housing options throughout the City, especially in areas previously restricted to single-family housing.

As identified in the Housing Needs Assessment, demographic trends highlight the community's need for a range of housing types to accommodate its population. In particular, housing is needed for young adults (20-44 years) which are Bellevue's most prevalent age group, families with children, and seniors which have almost doubled since 1990. Bellevue's housing stock is not aligned with its population in terms of unit size. The City also lacks homeownership options. Over the past two decades, Bellevue has almost exclusively produced multi-family housing, and therefore, mostly rental housing. In addition, the City has a housing growth target of 35,000 new housing units between 2019 and 2044. Bellevue will need to add, on average, 1,400 units per year to meet this target.

In the statistically valid survey, 74 percent of respondents said their ideal neighborhood has some mix of housing types, from low scale residential – a mix of single family homes, townhomes, and duplexes – to an urban center – a mix of different scales of apartment and condos. In addition, most people said they want to live within easy access – walking or rolling – of small businesses where they can meet their daily needs. There is support for a greater mixing of housing types and integration with commercial uses than is currently available in Bellevue now.

The current Comprehensive Plan does include policies that support housing variety and choice. However, key policy changes include:

- Providing housing options for everyone in every neighborhood
- Allowing and encouraging more middle-scale housing
- Increasing ownership opportunities

As noted above, the City will also need to amend its Comprehensive Plan and regulations to meet state requirements and allow middle housing types in more areas.

**Addressing racially disparate impacts.** As described in the previous Planning Commission memo on Land Use and Neighborhood policy issues, racially disparate impacts are policy decisions and actions at all levels of government that result in different outcomes for different races. While many overtly discriminatory practices have been outlawed, some existing policies in the City's Comprehensive Plan could lead to different outcomes for different races. This means that even today people of some races find it harder to obtain certain types of housing and are excluded, even unintentionally, from some parts of the city. Displacement is when people have to change their housing situation even though they do not want to. This may be because the cost has increased to an unaffordable level or because their house or apartment building has been bought and is going to be redeveloped for different tenants.

The Growth Management Act was updated (through HB 1220) to include new requirements for documenting and addressing racially disparate impacts, displacement, and exclusion in housing. The new requirements for the Housing element include,

- Policies to address and begin to undo racially disparate impacts, displacement, and exclusion in housing,
- Identify areas at risk of displacement
- Establish anti-displacement policies (RCW 36.70A.070(2), f-h)

The City of Bellevue's RDI analysis also provides information on the historical context, current conditions, and evaluation of policies.

In addition to the housing affordability challenges described above, the RDI Analysis provides further insight into current racial disparities. The Crossroads, Eastgate, and Factoria neighborhoods, which proportionally house more Black and Hispanic residents, as well as other communities of color and those identifying as two or more races, have a history of under investment. Rapidly rising housing prices are exacerbating wealth inequalities between homeowners and renters, a gap that already exhibited disparities along race and ethnic lines a decade ago. Income disparities exhibit similar patterns by race, putting homeownership farther out of reach, faster, for Black households and Hispanic households. Housing conditions in the City of Bellevue are at risk of growing more inequitable through displacement without specific policy and program interventions, and enforcement of Fair Housing laws.

Revising the housing policies in the Comprehensive Plan is an important part of remediating the past inequities. The RDI reviewed existing policies in the Comprehensive Plan using a policy evaluation framework to identify policies that are supportive or challenging to the City's ability to achieve the GMA goal for housing and to address racially disparate impacts. The evaluation identified numerous policies in the Housing element that need to be updated so they do not perpetuate inequitable outcomes for the community.

The key policy changes include:

- Recording, referencing, and remedying past inequities/injustices
- Removing inequitable language, particularly that which gives precedence to some residents over others
- Removing special protective language for single family areas
- Emphasizing underserved and/or underrepresented community members in future efforts

The primary impacted element is Housing, although the RDI recommends policy updates to several other elements as well.

**ATTACHMENTS**

A. N/A