

City of Bellevue



STAFF REPORT

DATE: December 10, 2025

TO: Chair Khanloo and Members of the Planning Commission

FROM: Nick Whipple, Code and Policy Director, 452-4578

Mathieu Menard, Senior Planner, 452-2564

Development Services Department

SUBJECT: Proposed Land Use Code Amendment (LUCA) to encourage housing and affordable housing in mixed-use areas. File No. 25-106478 AD.

I. BACKGROUND

Bellevue adopted an updated Comprehensive Plan in the fall of 2024. The Comprehensive Plan sets a goal of 35,000 new housing units and 75,000 new jobs by 2044 and emphasizes the creation of new housing opportunities throughout the City, increasing walkability and multimodal transportation options, and creating vibrant neighborhood centers. The Housing Opportunities in Mixed-Use Areas (HOMA) Land Use Code Amendment (LUCA) will implement updated policies in the Comprehensive Plan and align development regulations with the land use designations in the Future Land Use Map (FLUM). The LUCA touches on many aspects of the Comprehensive Plan, especially the Housing, Land Use, and Urban Design Elements.

Additionally, the City has adopted a target to create 5,700 affordable housing units between 2026-2036. The LUCA will assist the City in achieving this goal by creating a new affordable housing program in the mixed-use areas covered by this LUCA scope.

II. PROPOSED LUCA

The proposed LUCA encourages housing and vibrant neighborhood centers in the City's mixed-use areas by increasing allowed residential densities and building heights, modifying form and site standards detrimental to housing production, providing incentives for uses beneficial to the community, requiring pedestrian-oriented commercial spaces, and incentivizing or requiring affordable housing.

The proposed LUCA currently under consideration by the Planning Commission provides two distinct options for addressing affordable housing needs in the city.

Option A proposes a mandatory affordable housing requirement, meaning that projects subject to HOMA must include affordable housing as part of development, pay a fee in-lieu, or transfer land to the city for future affordable housing development. This requirement is

balanced with higher base floor area ratios (FAR) and building height, allowing for more "by-right" development.

Option B proposes a voluntary affordable housing approach through incentive zoning. Under this option, projects can provide affordable housing in exchange for additional building height and floor area. Compared to Option A, this approach features lower base FARs and building heights and requires developments provide affordable housing to "earn" additional FAR and building height.

A high-level summary of the proposed changes are listed below by topic area. Complete strikeds of the proposed changes are included as Attachments A-D.

Topic Area	Proposed Updates
<i>Dimensional Standards</i>	<p>In all HOMA districts other than Factoria 1 and Eastgate TOD:</p> <ul style="list-style-type: none"> • Removed limits on dwelling units per acre and replaced with FAR metric instead • Increased allowable FAR • Eliminated setback and landscaping requirements (except tree retention and where properties border residential land use districts) • Removed limits on lot coverage by structures • Removed requirements for projects to provide multifamily play areas <p>Eastgate TOD and Factoria 1 Districts:</p> <ul style="list-style-type: none"> • Made limited changes to both districts • Grocery stores, childcare providers, non-profits, affordable commercial square footage, and some open space are exempted from FAR calculations <p>Other districts:</p> <ul style="list-style-type: none"> • Established two new land use districts: <ul style="list-style-type: none"> ○ Mixed Use: 7 Story (80' bldg. height) ○ Mixed Use: 16 Story (170' bldg. height)
<i>Affordable Housing</i> (two options for Planning Commission review)	Option A (Mandatory):

Housing Opportunities in Mixed-Use Areas LUCA

25-106478 AD

Page 3 of 7

	<ul style="list-style-type: none">• Requires a portion of housing units be affordable, with alternatives of 10% at 80% area median income (AMI), 7% at 60% AMI, or 5% at 50% AMI• Flexibility in meeting the requirement through a fee-in-lieu or land dedication• Provides an option for commercial developments to contribute through a fee-in-lieu based on square footage• Allows an exemption of four square feet of residential FAR for each square foot of affordable housing provided <p>Option B (Voluntary):</p> <ul style="list-style-type: none">• Provides up to 10 feet of additional building height and 0.5 FAR for every 0.2 FAR of affordable housing provided at 80% AMI• In O, OLB, NB, and CB districts: allows up to 20 feet of additional height and up to one additional FAR• In OLB2, NMU, EG-TOD, MU7, MU16, F1, and F3 districts: allows up to 30 feet of additional height and up to 1.5 additional FAR
<i>Downtown</i>	<ul style="list-style-type: none">• Updates the affordable housing exemption to allow four square feet of market-rate housing to be FAR exempt for every one square foot of affordable housing provided• Allows individual projects within the Perimeter Overlay and Downtown Mixed-Use District (DT-MU) to transfer unutilized FAR from the Perimeter Overlay to the DT-MU District• Provides building form flexibility in the Perimeter Overlay when at least 0.5 FAR of exempt residential FAR is provided• Revises the voluntary amenity incentive system by redistributing the current requirement that the first 75 percent of amenity points be earned through open-space amenities. The LUCA proposes that the first 25 percent of points would be earned through affordable housing, the next 50 percent through open-space-related amenities, and the remaining 25

	percent through any other amenity option, consistent with the current system.
<i>Community Mixed-Use Design District</i>	<p>The Community Mixed-Use Design District (CMUDD) updates the existing Community Retail Design District Chapter (LUC 20.25I) and applies to all districts included in HOMA other than Downtown, Factoria 1, and Eastgate TOD:</p> <ul style="list-style-type: none">• Sets locational requirements related to surface parking, loading docks, and storage areas• Requires pedestrian-oriented uses (POUs) within 10' feet of the back of sidewalk in most districts• Requires POUs provide entrances accessible from the sidewalk with weather protection• Exempts grocery stores, childcare providers, non-profits, affordable commercial square footage, and some open space from FAR calculation• Requires projects to connect to adjacent open spaces
<i>Transition Areas</i>	<ul style="list-style-type: none">• Requires mixed-use projects be setback 25 feet from adjacent residential land use districts• Requires landscaping within the 25-foot setback• Requires an additional 15-foot stepback for any building facades above 80 feet in height when facing a residential district
<i>Other</i>	<ul style="list-style-type: none">• Reorganizes the Affordable Housing Section of the Land Use Code (LUC 20.20.128) into a new chapter (LUC 20.15)• Consolidates and standardizes the non-conforming language into a single section of the Land Use Code (LUC 20.20.561)

III. REVIEW PROCESS

The City Council initiated this LUCA on December 12, 2022, as a two-phase project. Council was provided an update on further refinements to the scope on December 10, 2024.

To provide an introduction to the LUCA, a Planning Commission Study Session was held on February 26, 2025.

Three additional study sessions were held on May 14, September 10, and October 8 to review various details of the LUCA and collect public input. At the October 8 study session, Planning Commission directed staff to schedule a public hearing on the LUCA for December 10. Following the public hearing, the Planning Commission will be asked to make a recommendation for transmittal to the City Council for final action.

IV. STATE ENVIRONMENTAL POLICY ACT (SEPA)

Environmental review will be completed as part of this LUCA process. A SEPA environmental checklist will be prepared, and public notice of the associated comment period will start once the materials are published in the city's Weekly Permit Bulletin. The review will draw heavily on the analysis contained in the Comprehensive Plan Periodic Update and Wilburton Vision Implementation Draft and Final Environmental Impact Statements ("DEIS" and "FEIS") published on February 1, 2024 (2024 CPPU/WVI DEIS and FEIS), along with any additional information necessary to address the scope of the LUCA. It is not anticipated that this proposal will result in any potential environmental impacts that are not already identified, discussed, and analyzed in the 2024 CPPU/WVI DEIS and FEIS for the Comprehensive Plan Periodic Update.

V. PUBLIC ENGAGEMENT

Required Public Notice

The notice required for City Council Legislative Actions (Process IV) is governed by LUC 20.35.415 through 20.35.450. Notice of the LUCA application and public hearing was published in the Weekly Permit Bulletin on November 19, along with availability of this staff report. The City's Weekly Permit Bulletin was noticed in The Seattle Times.

Department of Commerce Notice

Pursuant to the Washington State Growth Management Act, proposed amendments to the LUC must be sent to the Washington State Department of Commerce to review and comment on the proposed amendments to the LUC. The required notice to the Department of Commerce and the initial draft LUCA were transmitted on November 15, 2025. No comments have been received from Commerce as of the date of this report.

Public Comments

A summary of public engagement events and themes from public comments on the LUCA can be found in the Engagement Report, provided as Attachment E.

Opportunity for Public Comment has also been provided at all the City Council and Planning Commission Study Sessions and Public Hearing.

VI. DECISION CRITERIA

LUC 20.30J.135 establishes the decision criteria for an application to amend the text of the Land Use Code. Those criteria, and the relationship of these proposed amendments to them, are discussed below:

A. The amendment is consistent with the Comprehensive Plan; and

Finding: The proposed LUCA is consistent with the Comprehensive Plan. The City of Bellevue has adopted the following comprehensive plan policies that encourage the development of a variety of housing options in compact, livable patterns in areas with access to jobs, services and transportation:

- **LU-1, LU-7** which address population and job growth
- **LU-3, LU-10, LU 16, LU 18, LU-20, NH-2, HO-18, ED-26, UD-23** which promote walkable, and vibrant neighborhood centers and mixed-use areas that serve resident's daily needs
- **LU-24, HO-8, HO-48, HO-62** which address commercial and residential displacement
- **LU-34** which addresses consistency between the Land Use Code and Future Land Use Map
- **LU-36, HO-13, HO-33, HO-35, HO-36, HO-46, HO-47, HO-48, HO-62** which address funding, incentives and requirements for affordable housing and other uses that provide a public benefit
- **LU-47, HO-18, TR-3, TR-94, HO-43** which encourage development patterns that encourage public transportation and active transportation access and use
- **NH-4** which promotes access to healthy food in all neighborhood areas
- **HO-10, HO-11, HO-14, HO-16, HO-18, HO-44, HO-63, ED-18** which encourage the provision of a diverse and affordable housing stock available to all residents throughout the city and to eliminate housing discrimination
- **HO-15, HO-56** which promote the reduction of regulatory barriers to housing development
- **ED-23** which encourages economic development in the city's commercial areas

- **CL-59** which encourages the city to limit the amount of impervious surface area in developments
- **UD-14, UD-15** which encourage buffers between higher-intensity and lower-intensity uses
- **UD-18, UD-40** which address urban design in the public realm

B. The amendment enhances the public health, safety or welfare; and

Finding: This LUCA will enhance public health, safety, and welfare by promoting vibrant and walkable neighborhood centers and encouraging housing and affordable housing production, a noted need in the City.

C. The amendment is not contrary to the best interests of the citizens and property owners of the City of Bellevue.

Finding: The proposed LUCA is not contrary to the best interests of the citizens and property owners of the City of Bellevue. The LUCA serves the best interests of Bellevue's citizens and property owners by promoting a diverse housing stock, allowing residents to find housing that is cost, size, and form appropriate to their needs, promotes walkable and healthy neighborhoods, and incentivizes needed uses as identified by the community.

VII. RECOMMENDATION

Staff has concluded that the HOMA LUCA, as drafted in Attachments A, B, C, and D are consistent with the decision criteria required for adoption of amendments to the text of the LUC, pursuant to Part 20.30J LUC. Staff recommends Option A (Mandatory Affordable Housing Approach) along with Attachments C and D to the Planning Commission and further recommends that the Commission direct staff to prepare Option A and related attachment for recommendation to the City Council.

ATTACHMENTS:

- A. HOMA LUCA Strikedraft - Option A (Mandatory Affordable Housing Approach)
- B. HOMA LUCA Strikedraft - Option B (Voluntary Affordable Housing Approach)
- C. HOMA LUCA Strikedraft - Affordable Housing Chapter Reorganization
- D. HOMA LUCA Strikedraft - Nonconforming Language Update
- E. HOMA Engagement Report