CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MINUTES

December 10, 2025 Bellevue City Hall
6:30 p.m. Room 1E-113

COMMISSIONERS PRESENT:	Vice Chair Lu, Commissioners Goeppele, Kennedy, Villaveces
COMMISSIONERS REMOTE:	None
COMMISSIONERS ABSENT:	Chair Khanloo, Commissioner Nilchian,
STAFF PRESENT:	Kate Nesse, Thara Johnson, Community Development Department; Nick Whipple, Mathieu, Development Services Department; Matt McFarland, Robbie Sepler, City Attorney's Office; Robin Xiao, Office of Housing
COUNCIL LIAISON:	Not Present
GUEST SPEAKERS:	None
RECORDING SECRETARY:	Gerry Lindsay

1. CALL TO ORDER
(6:32 p.m.)

The meeting was called to order at 6:32 p.m. by Vice Chair Lu who presided.

2. ROLL CALL
(6:33 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Chair Khanloo and Commissioner Nilchian.

3. APPROVAL OF AGENDA
(6:34 p.m.)

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

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS – None
(6:35 p.m.)

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.

6. WRITTEN AND ORAL COMMUNICATIONS

A. Written Communications
(6:36 p.m.)

Dr. Kate Nesse stated that a number of written comments had been received earlier in the day and forwarded to the Commissioners.

B. Oral Communications
(6:37 p.m.)

Vice Chair Lu took a moment to state 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 that are 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.

Samir Master, operator of a dermatology practice in the city that employes 25 people, stated that the practice is outgrowing its 6,000 square foot office space on 116th Avenue NE. A number of developers are seeking to convert a number of parcels on 112th Avenue NE and 116th Avenue NE to fully residential. One parcel at 2233 112th Avenue NE has existing office buildings that their proposal would remove. Such a residential development would not be near public transportation or schools. The corridor is important for patients to access medical care given its proximity to the freeway and the hospital. Options for relocating the practice have been explored, but none of the downtown office developers want small users. It is concerning that new space cannot be found. As the Commission continues to plan, a recommendation should be made to the Council that the concomitant zoning agreement in place for the property at 2233 112th Avenue NE, which excludes the potential for residential zoning, not be removed.

7. PUBLIC HEARING – None
(6:40 p.m.)

A. Land Use Code Amendment to Expand Housing Opportunities in Mixed-use Areas as Part of the City's "Next Right Work" Initiative to Boost Housing Production and Affordable Housing in the City

A motion to open the public hearing was made by Commissioner Goeppele. The motion was seconded by Commissioner Villaveces and the motion carried unanimously.

Assistant Director Nick Whipple remarked that following the public hearing the Commission may make a recommendation on the Land Use Code amendment to the City Council and went on to explain that the proposed code amendment is aimed at encouraging housing and affordable housing in targeted mixed use areas. It looks at zoning standards that are inhibiting housing development; creates an affordable housing program; and updates standards in the Land Use Code to be consistent with the new Comprehensive Plan. The proposal came about as part of the Council's Next Right work initiative that is aimed at unlocking more housing opportunities in the city. The amendment includes all mixed use zones, with the exception of Wilburton, BelRed and

East Main, and seeks to rezone areas for consistency with the Comprehensive Plan. It was noted that the Commission had held five meetings on the topic, including the public hearing.

Senior Planner Mathieu Menard said a significant amount of outreach to the community was conducted as part of the process. There were six informational sessions held, three virtual and three in person. There were also meetings held with various groups and individuals upon request. The proposed amendment includes two affordable housing options for the Commission to consider and make a recommendation. Under Option A there would be a mandatory affordable housing requirement for any project with ten or more units to include ten percent of those units as affordable at 80 percent of area median income, or seven percent at 65 percent of area median income, or five percent at 50 percent of area median income. The option includes a FAR bonus for the affordable housing, a fee in-lieu option, a commercial fee, and a land transfer approach. The option does not apply in the downtown. Option B employs a voluntary incentive approach. The option sets the FAR and building heights lower compared to Option A. Developers can earn additional FAR and height by providing affordable housing units, earning 0.5 FAR and ten feet of height for every 0.2 FAR of affordable housing. Up to 1.0 FAR and 20 feet of height can be achieved in the Office, Office/Limited Business, Neighborhood Business and Community Business zones. Up to 1.5 FAR and 30 feet of height can be earned in other districts. The maximums are all equal to those in Option A.

Mathieu Menard pointed out that Chapter 20.20.128 was moved to Chapter 20.15 and reorganized to make it more readable. Additionally, a loophole associated with the Wilburton affordable housing program was closed, and an existing land transfer option was added that is available only in Option A. It was clarified that the recommendation of the staff was to adopt Option A as the best way to ensure the production of affordable housing to meet the city's affordable housing targets. The Comprehensive Plan and input from the public stresses the need for affordable housing throughout the city. Option A increases consistency with the Land Use Code, and the economic analysis shows only minor impacts that would be negated by the FAR bonus.

Mathieu Menard then introduced the Community Mixed-Use Design District, which updates and expands on existing Community Retail Design District regulations. The new district would apply to all HOMA districts except downtown, Factoria 1, and the Eastgate Transit Oriented Development area. It incorporates existing design standards from several retail-oriented zones and adds new transition-area requirements, including a 25-foot landscaped setback at property lines abutting residential districts, and a 15-foot upper-level step-back for building facades over 80 feet in height. Pedestrian-oriented uses would be required in several of the districts that are intended to function as neighborhood or community centers, though such requirements would not apply in the OLB, OLB 2, and Office districts. While some developers expressed interest in excluding commercial uses to build townhomes, public feedback strongly supported retaining active ground-floor commercial elements, and staff recommended no changes to the standards.

At the previous Commission meeting, the Commissioners asked staff to prepare an alternative transition-area option permitting residential buildings no taller than adjacent residential structures to encroach into the setback. That standalone language was provided to the Commissioners as an attachment, but Mathieu Menard stressed staff was not recommending its adoption, explaining that it would significantly reduce the effectiveness of the transition area and diminish opportunities for sound attenuation and landscaping.

Mathieu Menard outlined the proposed FAR exemptions for specific community-benefit uses identified as important through both the HOMA outreach process and the Comprehensive Plan

update. The exemptions, generally provided on a one-to-one basis, would apply to affordable housing, childcare, grocery stores, nonprofit uses, affordable commercial spaces, and certain open-space features exceeding 30 percent of lot area.

Mathieu Menard outlined additional updates since the last meeting, including exempting parcels smaller than 20,000 square feet from the pedestrian-oriented use requirement to facilitate small-scale or townhome development. A rough GIS analysis suggested roughly 70 parcels might qualify, though not all are buildable. Developers may use the fee-in-lieu option to obtain additional height in the O, NB and OLB districts, something that was not clear in the way the footnote was written. There is a narrow departure in the code that allows an exemption from the round-floor retail requirements for parcels with significant topographic constraints and no arterial visibility. The proposal is to move it into the new Community Mixed-Use Design District and having it apply across all HOMA districts. The departure contains stringent criteria and would apply only to a limited number of properties.

Assistant City Attorney Robbie Sepler explained that the purpose of the nonconforming code is to facilitate the gradual transition of projects built under older regulations into compliance with current code and policy, thereby ensuring that the built environment evolves to reflect present standards rather than outdated ones. The transition occurs through proportional compliance, a mechanism requiring that, as investment or alteration occurs on a site, a proportional amount of improvement be made to bring the project closer to present requirements. The policy question before the Commission and ultimately the Council involves the desired pace of the transition. The draft proposal adopts a gradual approach aligned with practices already in use in the Wilburton and BelRed subareas. Under the approach, nonconforming updates utilize a series of off-ramps to ensure that compliance is required only when appropriate, including a cost threshold and a cap limiting compliance-related expenditures to no more than 20 percent of the value of the proposed alteration. The approach reflects direction previously given by the Council through the Wilburton Land Use Code amendment.

Matthew Menard introduced proposed updates specific to the Downtown involving minor modifications to the amenity incentive program, including the incorporation of FAR flexibility authorized under the Interim Official Control that initiated the HOMA effort. The flexibility allows perimeter-overlay projects to shift unused FAR to areas of the site that are less constrained by form restrictions, addressing challenges developers have faced in achieving maximum FAR within the overlay. Under the revised proposal, projects in the perimeter overlay may receive design flexibility if they provide 0.5 FAR of exempt square footage, a return to the standard included in the Interim Official Control. Instead of requiring the full amount in affordable housing, the updated version allows 0.1 FAR to be provided as affordable housing and 0.4 FAR as exempt market-rate space, consistent with the four-to-one exemption ratio.

Under the proposal, developers can apply the same square footage of affordable housing both to the amenity incentive program and to the FAR exemption, effectively enabling one square foot of affordable housing to generate four square feet of exempt market-rate area plus four square feet of amenity incentive credit. The revision resulted from a request by the downtown development community. The draft also adjusts the outdoor plaza requirement associated with exceeding the trigger height, lowering it from ten percent to seven percent to align with the requirements in Wilburton and to prevent projects from satisfying amenity thresholds through the provision alone, which diminished the value of the affordable housing bonus.

Mathieu Menard reminded the Commission that the project is now in Phase 3, beginning with the public hearing. While the Commission could make a recommendation immediately following the

public hearing, it does not have to and the deliberations can be continued to future meetings. After the Commission issues its recommendation, the proposed Land Use Code amendment will advance to the City Council, which the holds final decision-making authority. The decision criteria for Land Use Code amendments are consistency with the Comprehensive Plan; enhancement of the public health, safety, and welfare; and alignment with the best interests of residents and property owners. Staff affirmed the belief that the HOMA proposal meets all three criteria, particularly given the city's urgent affordable housing needs and the substantial FAR increases proposed for mixed-use areas.

Vice Chair Lu opened the floor to testimony from the public.

Misha Rodart, a partner and real estate broker with Legacy Commercial, spoke representing the ownership of several properties on 112th Avenue NE across from City Hall. Concerns were expressed regarding the application of HOMA to the Downtown, and the proposal was characterized as imposing a new affordable housing tax on recent zoning that was adopted in 2017 after extensive collaboration between the city and the development community. Many projects initiated under the 2017 zoning remain active and imposing new requirements mid-process could force redesigns, project delays, and result in significant financial losses. While HOMA provides upzoning incentives in other areas of the city, no comparable benefit is being offered in the Downtown. Frustration was expressed that no city representatives had reached out to Downtown owners during development of the proposal. The Downtown should be removed from the HOMA package in favor of a separate, fully engaged outreach process beginning in 2026.

Deborah Duitch, a Newport Hills resident for more than 44, voiced strong support for the adoption of HOMA, describing it as essential both for their neighborhood and for the broader Bellevue community. The importance of affordability was emphasized, drawing on professional experience with working families in the YMCA and the Bellevue School District who struggle to secure housing despite earning too much to qualify for financial assistance. Supported was expressed for staff's recommendation of Option A and the city was encouraged to maintain and expand its multifamily tax exemption programs. The city was also urged to provide adequate support for small businesses that may be displaced by redevelopment associated with HOMA. Speaking as a member of the Newport Community Coalition, the speaker expressed the community's desire for revitalization of its shopping center, and for completing the HOMA process in a manner consistent with the Comprehensive Plan.

Brady Nordstrom spoke representing the Housing Development Consortium and the Eastside Affordable Housing Coalition and voiced strong support for Option A in the mixed-use areas for which HOMA is proposed, which does not include the Downtown. The Commission was strongly urged to support the proposal, and it was emphasized that a well-calibrated mandatory affordable housing requirement is, in the Coalition's view, the most effective tool for producing affordable units while remaining compatible with market-rate development once conditions improve. Citing both the city's own findings and a pro forma analysis conducted by developers in the Coalition, it was stated that very few projects are financially feasible under the current economic conditions regardless of the requirements. The Commission was encouraged to focus on what will work over multiple economic cycles rather than in a single adverse moment. Such affordable housing requirements are common across the region and the proposal can be characterized as one of the lightest-touch versions. Eighty percent of area median income in King County is roughly $85,000 for an individual, and that still represents moderate-wage workers who need housing options in Bellevue. The negative impact of the approach is modest compared to other cost factors such as parking, interest rates, land costs, and rents, especially

when balanced with the proposed upzoning, FAR bonuses, and other cost offsets. Strong support was expressed for using the multifamily tax exemption to complement the program, and consistency with the Wilburton framework was urged. It is not consistent to treat design features such as wedding cake massing and buffer zones as essential and to say that affordable housing is too onerous given that the latter is among the smallest relative costs. The proposal fundamentally is about people and Bellevue's future and should be adopted in support of moderate- and modest-wage workers, families, and aging adults.

Jessica de Baros, Vice President of Policy and Intergovernmental Affairs for the King County Housing Authority, spoke in support of HOMA. The Housing Authority has a long and successful partnership with Bellevue and currently owns and operates approximately 3,000 housing units in the city, representing about 25 percent of its overall portfolio. Highlighting the disparity between what the Bellevue rental market can bear and what low-income households can afford, it was stressed that every possible tool is needed to support affordable housing production in such a high-cost environment. The Commission was urged to make affordable housing a top priority in the HOMA Land Use Code update, and to support Option A and the affordable housing requirement in mixed-use areas. Upzoning increases land value and it is both reasonable and appropriate to capture a portion of that added value to produce more and deeper affordability. The tradeoffs are warranted to maintain Bellevue as a welcoming, diverse city that includes moderate- and lower-income workers and families. HOMA advances the Comprehensive Plan vision by pairing new residential capacity with tools such as an affordability requirement, thereby helping the city meet its ambitious housing goals.

Valentina Vaneeva, a resident of the Crossroads area, expressed favor for expanding mixed-use development in more parts of the city, and explained that their household chose Crossroads specifically for its walkability to daily needs such as stores, transit, and cafés, as well as amenities like a climbing gym, park, and cinema. However, the current configuration of the Crossroads mall block is inefficient and uninviting with its low one-story commercial buildings set amid large expanses of parking, making the area less pleasant for pedestrians. Appreciation was expressed for the city being prepared to change the conditions. Two aspects of the staff proposal are particularly important: bonuses for affordable commercial spaces, and for nonprofit uses. Drawing on observations from Crossroads, the speaker described how smaller, locally oriented shops tend to endure, while larger chain stores that close or go bankrupt leave behind difficult-to-lease spaces, which is wasteful. A concern was expressed that Bellevue currently lacks a dedicated program to help small businesses relocate if they are temporarily or permanently displaced by redevelopment. With regard to housing, the support was voiced for Option A. Bellevue's multifamily tax exemption program, according to a recent Council report, is widely used by developers. Combining Option A with the multifamily tax exemption program will allow the city to secure both an overall increase in housing supply and a greater number of affordable units.

Yichuan Zhao, president of Imagine Housing, the largest nonprofit affordable housing developer and operator in East King County and based and founded in Bellevue, and a long-time Newport Hills resident, described having witnessed significant changes in the Newport Hills area over many years, and recalled a time when the neighborhood shopping center had a different grocery store and other local businesses that ultimately were unable to succeed, in part because there were not enough residents to support them. A personal observation was shared regarding Newport Heights Elementary School staff, including aides, cafeteria staff, and bus drivers, who struggle with housing costs and in some cases have had to leave the community. There is a need for more people, and therefore more housing. Drawing on professional experience in economic analysis of housing for working families, the speaker voiced strong support for the staff's

HOMA proposal in the mixed-use areas, including Option A and the associated upzoning, while noting that Imagine Housing had not analyzed the Downtown area in detail. The successful transformation of the Lake Hills shopping center into a mixed-use area with housing, restaurants, and small businesses serves as evidence that Bellevue can effectively deliver such projects. It is a good example of a place residents enjoy. The HOMA package is a well-calibrated next phase for Bellevue that will provide housing at a range of income levels, foster vibrant walkable communities with small businesses and restaurants, and allow the many people who contribute to Bellevue's character and vitality to continue living in the city.

Daniel Nygaard, a resident of Newport Hills for more than 25 years, spoke on behalf of the Newport Community Coalition, which includes residents of Newport Hills, Lake Heights, Greenwich Crest, Newport Shores, and surrounding neighborhoods. Strong support was expressed for HOMA and for the opportunity it provides to redevelop the Newport Hills Shopping Center. Community members have sought improvements at the center for more than two decades and multiple earlier attempts by different developers were thwarted by various obstacles. The Coalition has met with both city staff and representatives of the current ownership group and is enthusiastic about the emerging vision for the site. The Commission was reminded that approximately 15 years earlier, and at the city's request, the ownership group commissioned a feasibility study which concluded that mixed-use development with housing and retail was well suited to the property. The proposed HOMA framework offers a chance to finally pursue that concept in alignment with the new Comprehensive Plan. There is community excitement about the ownership group's ideas for varied housing types, open spaces, gathering places, retail, and restaurants that together could create a truly walkable, attractive community hub. The Commission was urged to approve HOMA so that the proposal can advance to the City Council for final action.

Suzanne Baugh identified as a long-time Lake Heights resident and a member of the Newport Community Coalition. There have been numerous community efforts over the years dating back to the 1990s that encouraged redevelopment of the Newport Hills Shopping Center. The Coalition, which includes residents of Newport Hills, Lake Heights, Newport Shores, and Greenwich Crest, have affirmed support for the Comprehensive Plan, has emphasized the need for additional housing of all types, and has endorsed the latest version of HOMA. Underscored was the Coalition's support for housing affordable to essential workers such as teachers, nurses, police officers, firefighters, and adult children who may wish to return to or remain in the neighborhood. It was stated explicitly that the Coalition and the shopping center ownership group do not support seven- to ten-story buildings on the site. Instead, they support NB zoning that allows three to four floors, with bonuses enabling up to five floors. A thriving retail center requires more local residents and additional housing is needed to provide the consumer base necessary to sustain it. The speaker noted that after meeting with the shopping center's ownership representatives, all are confident that the envisioned redevelopment would be a positive and meaningful improvement for South Bellevue. It is time for the community's support to be recognized. The Commission was urged to advance HOMA so that redevelopment of the shopping center can proceed.

Eric Paulson identified as the owner of the Trailers Inn site at SE 37th and 156th Avenue SE on the south side of I-90 in Eastgate. The property was described as being located on a dead-end street adjacent to residential zoning, a site that should be redeveloped with multifamily housing under HOMA. However, concern was expressed that the proposed commercial-use requirement and associated departure criteria were too restrictive for such challenging sites. It was argued that the visibility test tied to I-90 should be removed on the argument that visibility to freeway traffic does not translate into viable retail activity, and the dead-end nature of the site makes any retail

component unrealistic. There were unsuccessful attempts in 2019 to attract automotive manufacturers to the site due to its location and low traffic volume, which drops sharply east of the arterial. The current departure criteria negatively impacts the site. The criteria should be widened to promote additional housing for the city. A detailed letter that was previously submitted was referenced and the Commissioners were invited to review it.

Kevin Wallace described two downtown Bellevue projects sites Wallace Properties has been pursuing for several years. While neither is significantly affected by the portion of HOMA under discussion, the issue is that the housing targets for the Downtown under the Comprehensive Plan calls for 14,500 units between 2019 and 2044, or approximately 580 units annually. Because production in the first six years fell short, the city now needs to deliver 700 to 750 units per year in the Downtown alone. That is an extraordinary challenge, equivalent to producing three large towers each year. HOMA carries forward important incentives for those providing affordable housing, but the concern is that for others it effectively imposes a new affordable housing tax through amenity point requirements that has not previously existed. Reasonable code tweaks should be sought that would ease the permitting process without altering the overall building forms already contemplated by staff. A memo previously submitted was referred to which summarized three categories of potential revisions, including several adjustments to the HOMA ordinance, alignment with items from other parts of the affordable housing and Downtown codes, and a vesting option for applicants who have already submitted master development plan applications. Staff began constructive discussions on the issues only in recent days. The Commission should delay making a recommendation to allow time for continued dialogue, refinement of proposals, and staff feedback.

Anne Brashear acknowledged familiarity with the Newport Hills Shopping Center's longstanding importance to the neighborhood and explained that previous redevelopment attempts had failed because they would have replaced the shopping center with extensive townhouse development, eliminating the commercial and recreational amenities central to the neighborhood's character. There were extensive discussions during the Comprehensive Plan process, including debates over appropriate density levels for Newport Hills and the determination that neighborhoods without transit access, which includes Newport Hills, should not be targeted for large-scale density increases. The Comprehensive Plan ultimately designated a low-rise category, generally understood to mean two to four stories, for the center of Newport Hills. Concern was expressed that HOMA now proposes a five-story baseline, with the possibility of six stories through incentives, a shift that can only be described as unsettling. The Commission was urged not to rush given the need to integrate HOMA with other ongoing initiatives such as middle housing and state-mandated co-housing measures that are already beginning to influence neighborhood development, including a recent four-townhouse project on a single-family lot in Newport Hills. There are practical questions about the shopping center parcels, which consist of three parcels, two of which are under 20,000 square feet. One question is whether those parcels would be exempt from retail requirements under HOMA. Additional concerns were raised that redevelopment could inadvertently impair access for existing businesses, such as the Newport Hills Chevron station, by altering access to shared parking areas. The Commission was urged to consider the issues carefully and ensure that any redevelopment will preserve the shopping center's essential commercial role and avoid any unintended consequences.

Jessie Clawson stated that while HOMA's goals are vital to meeting Bellevue's housing needs, the draft ordinance is not yet ready to advance. The Commission was urged to direct staff to make targeted revisions to ensure that the code will result in actual housing production. It is not the right moment to impose mandatory affordability requirements in either the Downtown or the

mixed-use zones given that market-rate developers deliver most of the city's housing and only proceed when projects are financially feasible. With current construction costs and interest rates, many projects do not pencil. Requiring ten percent of units at 80 percent of area median income would further erode feasibility. Wilburton was cited as an example where mandatory affordability worked only because the strengthened multifamily tax exemption program offset the associated costs. Without a comparable multifamily tax exemption enhancement, HOMA will yield little or no near-term housing, which is urgently needed. The Commission was encouraged to take incentive zoning seriously and to request a comparative table showing how mandatory and incentive approaches would differ in unit production. The Commission was also urged to modernize the mixed-use zones originally drafted in the 1980s. The update offers the appropriate moment to correct outdated standards. Specific concerns highlighted included extensive active frontage requirements that can force inappropriate retail in locations such as the Eastgate Trailers Inn site, and the suburban impervious surface limits, such as Eastgate's 60 percent maximum, that prevent more than one-third of a property from being used for housing. Also referenced was the importance of revisions in the Downtown as described by an earlier speaker. Downtown pipeline projects should be vested to avoid being subjected to HOMA without receiving any benefits. The nonconforming provisions were described as overly complicated and the Commission was encouraged to examine the simpler approaches used in Seattle. The speaker submitted written comments for the record.

Cindy Ju spoke representing Hines, a long-time investor and property owner in Bellevue and the developer of the Home District mixed-use project in the Downtown. Hines agrees with the city's goal of increasing housing production and believes the city has been a great partner in the past, but has serious concerns about the effect of HOMA's Downtown provisions on the Home District project. The proposal imposes a new affordable housing tax on Downtown development. Hines has already invested tens of millions of dollars over five years in navigating pandemic-related challenges and rising construction costs. HOMA changes the goalposts mid-game and the financial impact of the new requirements, measured in millions of dollars, could be decisive in determining whether or not the project will proceed. If a project becomes infeasible, the city will lose not only prospective housing units but also substantial future tax revenues. As an Interim Official Control project, there must be clear vesting language exempting the Home District from the new requirements. The Commission was urged to delay its recommendation and to direct staff to engage Downtown owners and developers in the coming year, and to work collaboratively toward a revised plan that will preserve housing feasibility.

James Brothers, Executive Vice President of Westbrook Properties and an owner of The Woodlands at Bellevue, the former Boeing Eastgate campus north of I-90, characterized the vacant, underutilized office site as an ideal example of the type of property HOMA seeks to transform. However, several elements of the draft ordinance impose restrictive suburban standards and would impede redevelopment. The Commission was urged to remove the limits on the number of structures and dwelling units per acre, and to eliminate the impervious surface and lot coverage caps. The Wilburton updates replaced such restrictions with a more appropriate seven percent open space requirement. There is a need for greater flexibility for the ground-level commercial requirements, including staff's recent proposal to exempt lots under 20,000 square feet, but the exemption should be expanded to include more flexible departures for locations where retail cannot succeed. Citing national data, it was explained that forcing retail into nonviable areas creates vacant spaces, reduces FAR available for housing, and imposes hidden costs on renters. Needed is a careful consideration of the mandatory affordability requirements. HOMA's density increases are far more modest than the transformative allowances in Wilburton. The code should expressly allow consolidation of the required affordable units into apartment buildings when a project includes both townhouses and apartments, to maintain townhouse

feasibility.

Linda Haller, a Lake Heights resident of more than twenty years, spoke in support of the Newport Community Coalition and expressed enthusiasm for the long-awaited redevelopment of the Newport Hills Shopping Center, and affirmed support for new housing, particularly housing accessible to young families and workers who cannot currently afford to live in Bellevue. Despite years of vocal opposition from some residents, many in the community strongly support revitalization, including three- to five-story development, new housing options, and a renewed shopping center. The Commission was urged to move HOMA forward so that the neighborhood can finally achieve a redevelopment outcome that residents have sought for years.

Ian Morrison with McCullough Hill addressed the Commission with a focus on shopping centers outside Newport Hills. There are many strong elements included in HOMA, but additional refinement is needed for commercial requirements at shopping centers throughout the city. Referencing a recent statewide report encouraging redevelopment of shopping centers into housing, it was noted that Bellevue staff recognize the opportunity such sites represent. The report's primary recommendation, soon to be proposed in legislation, is to reduce mandates for ground-floor commercial. While staff's proposed departures for small parcels are helpful, more flexibility is needed citywide because large portions of Bellevue cannot support 50 to 66 percent ground-floor commercial. An ECONorthwest analysis showed that forced retail in nonviable locations can cost renters an additional $25 per month, amounting to over $90,000 annually in a 300-unit building. Such unfunded mandates can render projects unfinanceable and impede the housing production HOMA seeks to achieve. Affordability mandates can be especially challenging for smaller shopping center sites, particularly those with operating grocery stores. Although expressing appreciation for FAR incentives that support grocery and affordable commercial space, the Commission was cautioned that the current covenant language requiring a grocery store in perpetuity is not financially realistic in a rapidly changing retail landscape. The Commission was urged to direct staff to continue refining ground-floor commercial requirements to ensure that redevelopment remains feasible across all shopping center sites.

Ben Mickle, a resident of downtown Bellevue, expressed strong support for the HOMA work and stressed the importance of quickly sending the proposal to the City Council. The staff have done an excellent job incorporating feedback from the Commission. The Commission was urged to resist further incremental changes that could delay implementation. It was emphasized that prompt adoption of the Land Use Code amendment is necessary to allow permits for urgently needed housing to move forward, and to enable staff to turn their attention to other important community priorities.

William Leedom, a managing director with Urban Renaissance Group, the owner, manager and operator of more than ten million square feet of property in the Puget Sound region, including several high-rise office buildings in downtown Bellevue and the Cascade Yard property in Eastgate. Cascade Yard has an approved master development plan that could yield up to 700 housing units. However, the HOMA ordinance as currently drafted will not facilitate new housing production or encourage redevelopment of suburban campus-style properties such as Cascade Yard. The existing limits on impervious and hard surfaces, including a 60 percent cap in Eastgate, are suburban in character and too restrictive for urban development. Staff should review each zone and substantially revise the standards to better support efficient housing construction. A concern was expressed about the complexity of the nonconforming use provisions, and the suggestion was made that Bellevue should look to Seattle's simpler framework as a model. The proposed changes to the multifamily tax exemption program would impose significant new costs without providing sufficient additional FAR to offset them, thus

reducing housing feasibility. The Commission was urged to request feasibility analyses comparing mandatory and incentive approaches, and to adjust the standards to ensure that housing can be delivered in the near term. Developers such as Urban Renaissance Group support additional housing but believe further analysis and refinement of HOMA are needed.

Adam Dibba, a long-time resident of the Lake Hills and Crossroads areas, Executive Director of Africans on the East Side, and a housing advocate in Bellevue, strongly supported Option A, characterizing it as crucial for the community. Rising rents and home prices are putting severe pressures on families across Bellevue. Many residents, including immigrants, refugees, and low-income households are struggling to remain housed and stable. Option A is not merely a policy choice but a necessity for the well-being of residents who work, raise children, and contribute to the city. Citing repeated instances of families being pushed out by escalating costs, it was argued that Option A will play a vital role in creating protections, expanding affordability, and ensuring equitable access to stable housing in Bellevue.

Sterling Yun expressed clear support for Option A and its associated affordability requirements, and stating that it is past time for Bellevue to match neighboring jurisdictions and other cities in advancing stronger housing policies. A Somerset resident and graduate of the Bellevue School District, it was noted that the only thing that makes it possible to live in Somerset is because there are family members there. Rents have risen beyond the reach of many young adults who grew up in Bellevue and wish to return, start families, and build lives similar to those previous generations could achieve on working-class incomes. By traveling to Eastgate and Newport Hills it can be seen that there are inefficient and underutilized spaces, which should be viewed as opportunities to introduce additional housing, including affordable units, and to provide urban amenities appropriate to a growing city. Referring to existing studies and the staff analysis highlighting the benefits of density and affordable housing for transit use and urban vitality, the Commission was urged to adopt policies that support current residents, small businesses, and future generations, including those too young to participate in public hearings, so that they will be able to live in Bellevue in the years ahead.

Jack McCullough addressed issues in the Downtown only on behalf of more than a dozen Downtown property owners who collectively have developed tens of millions of square feet in the city over the past two decades. It was argued that the Downtown does not fit in the HOMA framework in the same way that older mixed-use neighborhoods do. Whereas many mixed-use zones were originally established in the 1970s and 1980s, the Downtown was comprehensively rezoned in 2017, and numerous large projects are currently in the permit pipeline under that relatively recent framework but are not yet vested. The Downtown already has an affordable housing incentive program, adopted in 2017, and it should be allowed time to function before imposing a new overlay. Mixed-use areas subject to HOMA are generally receiving significant upzoning and other compensating benefits in exchange for affordable housing obligations, whereas the Downtown, outside of a limited perimeter design district and a subset of projects using affordable housing incentives, would receive no comparable density benefits under the proposal. For most Downtown projects, HOMA effectively functions as a new tax without offsetting advantages. The Downtown is the economic heart of Bellevue and has historically enjoyed a special relationship with city leadership. There are ongoing city efforts such as the Grand Connection and it is anticipated that there will be future requests for Downtown property owners to help fund such initiatives. Those owners may feel overburdened if additional obligations are imposed without commensurate benefits. The Commission was urged to either remove Downtown from HOMA or defer its application so that owners and staff can work together on a more appropriate approach.

Jeremy Lui spoke representing Stanford Hotels, the property owner and developer of the Cloudvue site at 108th Avenue NE and NE 8th Street, which is approved for approximately two million square feet of office space and more than 400 residential units. The city has historically been a strong partner and a desire was expressed to continue that relationship. The Downtown was rezoned only eight years ago and projects like Cloudvue are still in mid-stage development. In the context of a post-COVID environment with a significantly altered office demand, developers now need incentives to shift from commercial to residential uses, not additional disincentives. The downtown HOMA framework imposes a tax without providing benefits, especially since other areas under HOMA receive additional density; the Downtown does not. The cost of constructing high-rise housing in the Downtown is roughly 30 percent higher than constructing wood-frame residential buildings outside the Downtown. While affirming support for the underlying goal of affordable housing, the request was made to remove the Downtown from HOMA as it is currently drafted. Downtown stakeholders are willing to engage collaboratively with the city to design a framework that better aligns with both the city's goals and the economic realities of high-density development.

Tony Marrese, a long-time Newport Shores resident and member of the Newport Community Coalition, voiced support for HOMA and for the opportunities it presents to add housing, retail, and amenities at the Newport Hills Shopping Center. The prior assertions that the center is unimportant to Newport Shores was disputed. It was affirmed that residents of that neighborhood consider it their shopping center and value its existing restaurants, which they hope will remain through redevelopment. Drawing from three decades of experience as a realtor, the speaker highlighted the increasingly prohibitive cost of housing in Bellevue and argued that adding both market-rate and affordable housing at the shopping center, and at other neighborhood centers, would meaningfully address the region's housing challenges. The Commission was urged to advance HOMA so that long-held aspirations for revitalization of the center can be realized.

James Rivard spoke on behalf of SRM Development, a developer of both market-rate and affordable housing that currently has approximately one thousand units in the Bellevue pipeline. The earlier testimony from other downtown developers was echoed, and the extreme difficulty of developing housing in the current economic environment was emphasized. Imposing additional costs through HOMA would further hinder feasibility at a time when only one or two residential projects are under construction in the Downtown. Concern was expressed that the ordinance appears rushed, and that outreach to Downtown stakeholders had been insufficient compared to the city's usual practice. The Commission was encouraged to review the proposed revisions advanced by other Downtown representatives, to take additional time to consult with stakeholders, and to ensure that any Downtown requirements include incentives rather than penalties. The importance of market viability for commercial components was stressed, noting that retail success depends on location and demand.

Nicole Myers raised concerns about the proposed FAR flexibility for the Downtown by referring to the provisions indicating that unused FAR must be deployed within a single project. It was argued that that may not offer adequate flexibility, especially in light of recent approvals such as the Pinnacle project. Serious reservations were expressed about tower spacing in Downtown developments, warning that insufficient separation between towers, sometimes resulting in windows and balconies in close proximity, could produce privacy impacts and create fire-safety risks at heights challenging for emergency responders. The Commission was urged to calibrate the FAR allowances to realistic development scenarios that respect appropriate open-space and form standards, rather than relying on after-the-fact adjustments. With regard to pedestrian-oriented uses, support was voiced for maintaining active ground floor requirements even on smaller lots, and the suggestion was made to tailor the requirements to include assurances of

affordability so that local small businesses can continue to find viable commercial spaces.

Heidi Dean corrected several claims made earlier, noting that efforts to address redevelopment of the Newport Hills Shopping Center have been underway for nine years, not 20. Referencing the 2010 Heartland study, which recommended mixed-use redevelopment with a specific focus on senior housing, it was observed that a senior-living opportunity existed in 2019 but did not proceed because the property owner declined to work with the prospective buyer. The ownership group, not neighborhood opposition, bears responsibility for delays in redevelopment. The Newport Community Coalition represents only a small portion of local residents and its messaging is coordinated by a consultant employed by the ownership group, whereas opponents of large upzones speak independently from their own experience. The opposition voices are not anti-development but are concerned about the scale of the proposed upzones for neighborhood centers. It was further argued that recent state housing legislation enacted after the Next Right Work process began will produce significant residential capacity throughout Bellevue. The new measures have only just been adopted and the city has no data regarding their effects. The Commission was urged to refrain from recommending HOMA at the time, contending that it addresses only the housing element of the Comprehensive Plan while ignoring other elements, and that major zoning changes should not proceed without understanding the impacts of the recently adopted statewide housing reforms.

Elizabeth Maupin expressed appreciation for the Commission's focus on mixed-use areas and shared observations from work with communities pursuing mixed-use and affordable housing strategies. The integration of residential uses within commercial districts strengthens safety and security, creates opportunities for employees to live near their workplaces, and reduces commuting burdens. The Commission was urged to consider allowing residential uses on portions of ground floors, particularly for individuals with disabilities who may face life-safety risks if elevator access is lost during power outages. General support was offered for Option A of the HOMA proposal.

Heidi Schoen, a resident of the condominiums and townhomes immediately behind the Newport Hills Shopping Center, stated that outreach about HOMA and the potential redevelopment of the center had been insufficient in the neighborhood. Many residents are unaware of the ongoing discussions. Concern was expressed about the existing age of prior studies, the absence of updated analysis, and possible impacts on schools, traffic, utilities, parking, and pedestrian and bicycle access. Redevelopment of the center should be supported so long as retail uses and local businesses remain a central component. The need for new housing levels that are reasonable for the surrounding neighborhood was highlighted. A new development study is needed to better inform the planning decisions.

Alexey Kon stated strong support for the staff-recommended Option A and urged the Commission to advance HOMA to the City Council without delay. While the code may not be perfect, the housing crisis is urgent and individuals with limited means cannot wait years for additional deliberations. The Commission was urged to consider the needs of residents who face displacement due to the rising cost of living, not just the financial concerns of large development interests.

Ray Osborne, a Newport Hills resident, recalled that the shopping center historically hosted a mix of small businesses and community services despite various management challenges. Skepticism was expressed that the current owner is committed to community-serving revitalization, suggesting instead that the property has been allowed to deteriorate to support arguments for more intensive redevelopment. It was asserted that HOMA does not adequately

address the affordability needs of small businesses, and does not sufficiently account for the physical constraints, traffic circulation issues, and isolation of the Newport Hills neighborhood. Adding substantial density, particularly via four- or five-story buildings, would significantly worsen congestion on the narrow local streets. A sense of abandonment by the city in planning decisions that do not reflect neighborhood realities was expressed.

Gary Studt, a long-time resident of Delmore Woods near the boundary with Newcastle, described evolving traffic conditions along Coal Creek Parkway and in and around the Newport Hills Shopping Center. Deep concern was expressed that redevelopment at the building heights contemplated under HOMA would overwhelm local streets and alter the character of the neighborhood. Support was voiced for affordable housing generally but not at the scale proposed, which would undermine the texture of the community. The speaker recounted having participated in earlier annexation efforts and reiterated an appreciation for Bellevue's stewardship while urging caution regarding the density levels under consideration.

Pam Raider, a Newport Hills resident of more than 20 years, expressed deep appreciation for living in Bellevue and praised the city for effective management of transportation systems and public engagement. A personal reflection was offered about a family member who had left the region because of housing costs, noting that many who grew up in Bellevue cannot afford to return. No position was taken in regard to the specific HOMA provisions, but gratitude was expressed for the Commission's work and the city's responsiveness.

There being no additional speakers, a motion to close the public hearing was made by Commissioner Goeppele. The motion was seconded by Commissioner Kennedy and the motion carried unanimously.

BREAK
(8:33 p.m. to 8:40 p.m.)

A motion to extend the meeting to 10:00 p.m. was made by Commissioner Goeppele. The motion was seconded by Commissioner Villaveces and the motion carried unanimously.

Commissioner Villaveces thanked staff for their extensive work and acknowledged the complexity of HOMA and its many interlocking components. The Commissioner stated a general belief that the proposal is moving in the right direction but expressed the view that it is not yet ready for final action. Staff was asked to comment on the process and timing for future revisions should the Commission recommend the code amendment, and should the Council adopt it and implement it. Mathieu Menard said the City Council sets the Commission's work program on a two-year cycle, and any subsequent Land Use Code amendments, including revisiting elements of HOMA, would occur at the Council's discretion within that schedule and as constrained by the overall staff capacity. Nick Whipple added that the Downtown Livability 2.0 effort will be coming to the Commission in the future as a separate, more holistic review of the Downtown standards, and that will provide another opportunity to revisit the Downtown standards.

Commissioner Villaveces agreed with many of the concerns raised by those providing testimony the regarding ground-level use requirements, and acknowledged the importance of avoiding inactive ghost streets while suggesting that there may be tools other than mandated retail or storefronts to achieve that goal. The current approach appears to be creating discomfort for a number of stakeholders.

Commissioner Villaveces raised a specific question about the applicability of the affordable housing program. Referring to language indicating that the requirement is triggered for projects with ten or more dwelling units and also for projects with more than 4,000 square feet, the Commissioner asked if that means any 4,000-square-foot project would be subject to the requirement, and if the threshold might be excessive. Nick Whipple clarified that, at least in the Wilburton context, the 4,000-square-foot threshold pertains to commercial development and is used to define what constitutes a major commercial project. Although 4,000 square feet may seem modest for that label, it is the standard used within the department. Staff will check the precise language to ensure that the trigger is correctly limited to commercial floor area. The draft section in question, which is now organized under section 20.25 of the Land Use Code, establishes distinct criteria based on project type: for all-residential projects, the program is triggered by the presence of ten or more units, whereas for mixed projects that include commercial uses, the 4,000-square-foot commercial threshold applies. Staff emphasized that the framework is consistent with what was previously adopted for Wilburton. With that clarification, Commissioner Villaveces acknowledged having misread the provision and expressed appreciation for the explanation.

Commissioner Kennedy also thanked staff for their work and noted the high level of public engagement, including 33 oral comments that evening and additional written comments received after 1:00 p.m. Commissioner Kennedy observed that the issues raised span both the Downtown and the mixed-use areas and suggested that additional time for follow-up might be warranted; the proposal may not yet be ready for a final recommendation.

Commissioner Kennedy's asked about the nonconforming use and development provisions, noting that several commenters had referenced other jurisdictions, particularly Seattle, as having simpler approaches. Robbie Sepler allowed that staff had not yet compared Bellevue's proposal to frameworks in other jurisdictions. Instead, staff focused on harmonizing Bellevue's own code by examining the seven different nonconforming sections that currently exist and developing a single, consolidated approach. The draft represents the most gradual transition toward compliance among those internal models and is based on the approach recently adopted for Wilburton. A willingness was expressed to research how Seattle addresses nonconformities if the Commission believes the information would be useful. Commissioner Kennedy suggested the comparison would indeed be of interest, particularly in light of repeated public references to Seattle's practices.

Commissioner Kennedy referenced the economic feasibility and structure of Option B and asked for more clarity on how the specific ratio in Option B, 0.2 FAR of affordable housing yielding 0.5 FAR of bonus, along with the additional height, had been derived, and why those levels had been considered to be a sufficient incentive. Commissioner Kennedy also noted that both developers and affordable housing advocates had expressed concerns that Option B may not provide enough inducement and asked why the city could not rely more heavily on incentives rather than a mandate, or whether adjustments might be possible. Mathieu Menard explained that the bonus structure was calibrated by balancing the value of additional floor area against the public value of the affordable housing provided, using the floor-area and land-value assumptions from the economic analysis previously shared with the Commission. Bellevue's experience and that of jurisdictions nationwide has been that mandatory programs generate significantly more affordable units than voluntary programs. Additionally, affordable housing providers have consistently and strongly favored the Option A approach.

While acknowledging that the bonus in Option B could be increased, Mathieu Menard cautioned that doing so would mean the city is offering more in terms of development capacity than it

would receive in affordability benefits. The notion of creating parity between the two approaches involves aligning the maximum FAR and building heights available under each so that one path is not materially privileged over the other. Additionally, building heights are constrained by the Comprehensive Plan, which limits how far incentives can be increased without creating plan inconsistencies.

Commissioner Kennedy recognized the complexity of the tradeoffs and referenced the public testimony that urged more detailed feasibility testing across different building forms and market conditions, then asked whether the analysis had considered the differing impacts on smaller projects, such as six-story timber-frame buildings and townhomes versus taller non-timber high-rises, and whether the incentives were meaningful in both weaker and stronger market cycles. Mathieu Menard reminded the Commissioner that the earlier economic analysis included a better market scenario, with positive residual land values, to illustrate how a mandatory program affects feasibility when conditions improve. In practice, height-based incentives have limited value for projects likely to be built as townhomes or lower-rise forms because such developments do not typically seek additional height. As a result, voluntary programs tend to produce little or no affordable housing in ownership and townhome projects. Bellevue has seen almost no owner-occupied affordable units delivered outside of Habitat for Humanity projects in the absence of a mandate. That is the significant drawback to a purely voluntary approach for smaller-scale developments and a central reason for the staff's preference for a mandatory framework.

Commissioner Kennedy noted that several comments had characterized the proposed affordable housing provisions as a mandatory tax on Downtown development. A clarification was sought as to whether the description was accurate and why it appears to reflect a widely shared perception among commenters. Mathieu Menard said the program is not a tax, mandatory or otherwise, but rather an expansion of the existing amenity incentive system long used in Downtown Bellevue. The program continues to rely on a base FAR and a base height framework, under which additional development capacity is available only when a developer elects to provide designated amenities. Affordable housing would simply become one of the amenities listed within the program. The proposal would require that the first 25 percent of amenity points come from affordable housing only if a developer chooses to participate in the incentive program; participation itself remains voluntary. Developers currently make broad use of the incentive system because it provides substantial benefits, including an effective exchange whereby each square foot of affordable housing yields eight square feet of market-rate housing. That is a significant bonus that contradicts the public testimony asserting the absence of a meaningful incentive.

Mathieu Menard acknowledged, however, that much of the concern stems from pipeline projects already designed around the existing amenity framework. For those projects, adding a new amenity requirement can feel akin to a late-stage burden, particularly when a fee-in-lieu option would apply. The City has previously discussed exempting projects that are in the pipeline at the time of ordinance adoption through the inclusion of language in the adopting ordinance rather than by embedding project-specific exemptions in the Land Use Code. Any such exemptions would ultimately be a Council decision, though the Commission is free to recommend that Council consider providing relief for active pipeline projects.

Nick Whipple said there are additional incentives that were incorporated into the proposal in response to Downtown stakeholder feedback. They include reducing the open space requirement from ten percent to seven percent for all Downtown zones, reducing the residential parking requirements by 50 percent without requiring any affordability threshold, and providing

increased flexibility for locating upper-level step-backs. Several other downtown form issues were raised during testimony and have already been scoped for discussion in the forthcoming Downtown Livability 2.0 process.

Commissioner Goeppele stated that the proposal is in fact close to being something the Commission can recommend, and noted personally leaning toward Option A, though there are several issues requiring additional discussion. Ground floor use is a concern, particularly where retail space is required but remains unoccupied. What is proposed for the Downtown is fair, except for projects already in the pipeline; such projects should not be disadvantaged by changes introduced at the late stage. The Commission may have limited authority to address vesting issues, but the concern should be reflected in the record.

Commissioner Goeppele asked for clarification regarding the 60 percent impermeable surface limit that was repeatedly criticized during public testimony. Mathieu Menard explained that impermeable surface limits have historically served several purposes, including stormwater management, protection of municipal utilities, reduction of urban heat island effects, and preservation of landscaping and tree canopy. While acknowledging that the current stormwater regulations and building practices may reduce the necessity of such limits, removing the restriction entirely would have tradeoffs. Even so, the staff are open to exploring alternate mechanisms, such as direct open-space requirements, if the Commission believes a different approach is preferable.

Commissioner Goeppele stated having an increased comfort level with the transition standards for most areas but noted still being uneasy about situations in which residential properties may sit adjacent to buildings reaching 80 or 100 feet. Staff was asked to explain how the proposed step-back requirement addresses the concern, and whether a larger or differently placed step-back might be warranted. Mathieu Menard replied that the proposed stepback at 80 feet was chosen deliberately because it occurs above the height of typical wood-frame construction, which is the most feasible building type for producing mid-rise housing. Stepbacks are easier to implement in steel or concrete structures and pose a greater challenge for wood-frame construction. The 15-foot stepback primarily improves sunlight and reduces shadowing. The Commission is free to recommend adjustments to size or elevation. When considering the cumulative effect of the rear setback on a residential parcel, the proposed setback on the mixed-use parcel, the stepback, and the presence of mature tree buffers that often reach 80 to 100 feet in height, the resulting separations between structures are already substantial. Context is important in assessing the real-world impact of the proposed standards.

Vice Chair Lu agreed with the comments regarding the need for clarity on vesting and pipeline protections, and stated that any recommendation to the Council should ideally include a clear proposal or framework for handling vesting for existing projects that could be affected by the new code.

Vice Chair Lu asked about the impacts of the proposed uniform fee-in-lieu structure across different types of development, and asked if the burden would fall more heavily on low-rise or high-rise projects in terms of cost and project feasibility. Mathieu Menard said the proposed fee-in-lieu amounts were intentionally set at conservative levels compared to regional peers. High-rise development is currently the least feasible building type due to construction and financing costs. The fee-in-lieu likely would have the greatest proportional effect on such projects. Developers building owner-occupied affordable units face additional challenges, even as the city has prioritized providing more opportunities for affordable homeownership.

Vice Chair Lu asked for clarification regarding the proposed fee-in-lieu for commercial development. Mathieu Menard confirmed that a commercial fee-in-lieu is included in the proposal and is consistent with Wilburton at $16.50 per square foot. The Downtown incentive program's fee-in-lieu is proposed at $13 per square foot. Vice Chair Lu expressed personal reservations about commercial fee-in-lieu mechanisms, citing existing challenges with activating commercial spaces.

Vice Chair Lu asked staff to explain how Eastgate redevelopment aligns with Bellevue College's master plan. Mathieu Menard said Bellevue College's zoning will undergo a separate code amendment process in the coming year. The Eastgate TOD area presently functions largely as an underutilized office district with high vacancies. Introducing mixed-use development, housing, and neighborhood-serving retail could better support Bellevue College students, most of whom currently commute. Additionally, requirements for pedestrian-oriented uses are applied selectively to locations identified as appropriate neighborhood centers. Some nearby areas, including the OLB and Boeing properties, are intentionally exempted from the retail mandates.

Commissioner Villaveces observed that the issue of vesting and pipeline projects had been addressed in a prior session, resulting in an understanding that such projects would not be subject to the updated code. Assistance was requested from staff in locating the record of the earlier conclusion.

Commissioner Villaveces stressed that the core objective for ground level uses is to promote eyes on the street by having numerous doors and windows, increased pedestrian activity, and to avoid blank walls. It is not necessary to mandate retail in every circumstance. Residential uses can serve the same urban design function in many contexts; there are numerous examples, including major cities such as New York and Paris, that demonstrate the success of predominantly residential ground floors when properly designed.

Commissioner Villaveces endorsed the public comment that suggested affordable units in mixed townhouse and apartment projects should be allowed to consolidate within the apartment portion of the development. Townhomes, due to their form and construction constraints, offer limited flexibility and disproportionately consume land and building area if used to satisfy affordability requirements, whereas apartments allow for greater efficiency.

Commissioner Villaveces raised a concern about ground-floor bike-parking requirements, explaining that such mandates significantly burden site planning by competing for limited ground-floor area alongside entries, utilities, trash and recycling rooms, and other required functions. Bicycle storage is inherently flexible and can be accommodated in multiple locations within a building, including within dwelling units themselves, and should not be treated as needing equal priority with primary pedestrian access on the ground floor.

Commissioner Villaveces said the proposal is very close to completion and incorporates many valid public comments. Another session is needed, however, before making a recommendation. Staff should meet with the stakeholder group, as suggested earlier by members of the development community, to provide responses to the issues raised during the public testimony. The additional coordination would help fill critical gaps before the Commission proceeds.

Commissioner Villaveces voiced a desire to see a more robust and balanced Option B. Incentives tend to produce better outcomes than mandates. Although Options A and B were presented as yielding comparable results, they begin from very different baselines, and Option B appears to be constructed in a way that naturally guides the Commission toward selecting Option A. Nick

Whipple sought clarification as to which specific stakeholder comments should be addressed. Because the proposal does not envision changes to the vesting language, the appropriate mechanism for ensuring flexibility for pipeline projects would be for the Commission to formally include in its recommendation to Council a request for the Council to exempt or provide opt-in/opt-out options for such projects. That direction would guide the preparation of the ordinance for the Council's consideration. Commissioner Villaveces said many of the comments that merit attention were contained in the detailed written submissions, including those from Kevin Wallace, McCullough Hill, and the Plush Committee. The impervious surface limits were highlighted as a prime example of where developer feedback should be reviewed in depth. Maintaining a 60 percent impervious surface cap in multifamily zones would severely constrain development feasibility by limiting building footprints and introducing unnecessary barriers when other regulatory mechanisms, such as FAR, setbacks, and height limits, already control building scale. The staff were urged to review such provisions in consultation with the commenters to identify where code adjustments may be needed.

Commissioner Kennedy expressed appreciation for the possibility of recommending a pipeline exemption and emphasized the importance of regulatory certainty for those projects. Also highlighted was the need to revisit the balance of ground floor commercial requirements given that the public comments reflected diametrically opposed concerns. Some neighborhoods emphasized the need for pedestrian-oriented spaces to support local businesses, while other commenters warned that commercial requirements in certain locations, particularly highway-adjacent sites, would produce vacant frontage. The staff were asked to review the comments and assess if the proposed standards strike the appropriate balance. Hopefully the Commission will be positioned at the next meeting to advance Option A and finalize its recommendation.

Commissioner Goeppele reiterated concerns about mandating ground floor uses that may remain unoccupied, citing the I-90 corridor example as especially compelling, and called for heightened flexibility in those contexts. More specificity is needed in regard to the vesting mechanism the Commission might recommend to the Council; it should fair for developments
That are already in process. With regard to the impervious surface limitations, it was suggested that accommodating higher density may require relaxing those constraints while still ensuring adequate landscape and open-space outcomes.

Returning to the concern about transition areas between multifamily zones and adjacent lower-density residential areas, Commissioner Goeppele stressed a continuing discomfort with tall buildings, particularly those between 80 and 100 feet, constructed directly behind existing homes. The staff were asked to explore alternatives such as expanded setbacks or larger stepbacks to mitigate shadowing and abrupt scale transitions. Mathieu Menard asked if the desire was for alternative standards with larger setbacks or stepbacks. Commissioner Goeppele said the concern primarily involves the upper end of proposed building heights. What is needed is an additional analysis of any options that could soften impacts without undermining the broader housing goals.

Commissioner Villaveces added that transitions should be evaluated with attention to solar access. If a residential property lies south of a development site, additional setbacks or stepbacks may be warranted to prevent permanent shadowing, even if the existing transition standards are adequate elsewhere.

Commissioner Kennedy agreed with the discussion regarding transition areas and expressed support for the refinements suggested by Commissioner Villaveces. Returning to the previously raised point concerning the nonconforming use provisions, Commissioner Kennedy pointed out

that several commenters had highlighted that the proposed approach may differ from other jurisdictions; it would be helpful to have staff review all comparable codes, at a minimum Seattle's, to determine whether the proposed thresholds and procedures align with regional norms or if they should be adjusted. If a full comparison would be overly burdensome, the staff should seek other ways to validate that the proposed nonconforming standards fall within a reasonable range. Also emphasized was the importance of reviewing the detailed red-line comments submitted by stakeholders before the next Commission meeting to ensure that the draft code contains adequate flexibility to achieve the goal for expanded housing production and affordability. The Commission should also be presented with a draft of any vesting exemption language in order to clearly articulate a recommendation to the Council. Nick Whipple agreed to examine Seattle's nonconforming code and to follow up directly with the commenter who referenced it to better understand which elements of Seattle's approach were considered preferable. That context will enable staff to target the review and provide a more useful analysis when bringing the matter back to the Commission.

Vice Chair Lu reiterated support for including vesting-related language in the Commission's future recommendation, and affirmed an interest in receiving additional information regarding transition areas, including the possibility of visual materials or renderings to clarify massing and shadow impacts. Those Commissioners absent from the meeting should be provided with the opportunity to weigh in. As such, the deliberations should be paused to allow staff to respond to stakeholder comments and Commissioner requests before the Commission proceeds.

8. STUDY SESSION – None
(9:30 p.m.)

9. OTHER BUSINESS – None
(9:30 p.m.)

10. APPROVAL OF MINUTES
(9:30 p.m.)

A. October 8, 2025
B. October 22, 2025
C. November 5, 2025

A motion to approve all three sets of minutes was made by Commissioner Kennedy. The motion was seconded by Commissioner Goeppele and the motion carried unanimously.

11. EXECUTIVE SESSION – None
(9:31 p.m.)

12. ADJOURNMENT
(9:31 p.m.)

A motion to adjourn the meeting was made by Commissioner Goeppele. The motion was seconded by Commissioner Villaveces and the motion carried unanimously.

Vice Chair Lu adjourned the meeting at 9:31 p.m.

Kate Nesse
Staff to the Planning Commission

1/15/2026
Date