



Bellevue Planning Commission

October 11, 2023

PLANNING COMMISSION AGENDA ITEM

SUBJECT

Comprehensive Plan Periodic Update: Overview of Policy Changes in the Land Use and Neighborhoods elements

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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:

- Land Use
- Neighborhoods

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. 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)

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.

- July 14, 2022 (Summary of Engagement during Phase 1, especially the Vision Questionnaire)
- September 28, 2022 (Brief summary of engagement during Phase 2a)
- February 22 (Summary of engagement with strategy team stakeholder group)
- 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 the 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 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 about 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 may 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 Land Use and Neighborhoods elements include:

- Identification of Mixed Use Centers and Neighborhood Centers
- Future land use map
- Racially disparate impacts and displacement and exclusion in housing
- Land use incentive system

Identification of Mixed Use Centers and Neighborhood Centers. Mixed Use Centers are major commercial nodes surrounded by a mix of uses. They include Downtown, BelRed, Wilburton-East Main, Crossroads, Factoria, and Eastgate. Neighborhood Centers are smaller commercial nodes in areas that are primarily residential. PSRC has created a system of Regional Growth Centers which are foundational to the regional growth strategy (see Multi-county Planning Policies MPP-RGS-2, MPP-RGS-8, and MPP-RGS-9). Downtown Bellevue is one of the Regional Growth Centers. In the Vision 2050 update to the MPPs, PSRC created a framework for the establishment of Countywide Centers to be the focus of subregional growth and transportation investments (MPP-RC-8, MPP-RGS-11). King County created a process for identifying Countywide Centers (CPP-DP-37) and Bellevue has received conditional approval for five: BelRed, Crossroads, Eastgate, Factoria, and Wilburton-East Main. The boundaries of the

Countywide Centers differ from the boundaries of the neighborhoods of the same name (see attachment A). The Countywide Centers and the Regional Growth Center together, are referred to as Mixed Use Centers. In addition to the Mixed Use Centers, the MPPs and CPPs support the creation of local centers (MPP-DP-25, CPP-DP-38). These are areas that provide goods and services primarily to people locally. They can also serve as minor transportation destinations or mobility hubs. These areas do not need regional approval. In Bellevue, these local centers are referred to as Neighborhood Centers.

The DEIS analyzed a no action alternative and 3 action alternatives. The no action alternative included Downtown as a Regional Growth Center but did not include the designation of the five Countywide Centers. Alternative 1 included the designation of the five Countywide Centers as well as Downtown as a Regional Growth Center. Alternatives 2 & 3 added 13 Neighborhood Centers to the analysis. The DEIS found that one major impact under any of the alternatives is that there will be a greater frequency for buildings of different heights and development intensities located next to each other. An example is two adjoining parcels with the same zoning that redevelop at different times. A parcel with a strip mall redevelops into a four-story building, for example, while the one-story strip mall on the adjacent parcel remains. There would be the lowest possibility of this in the no action alternative and the highest possibility of this in Alternatives 2 and 3. The DEIS lists some mitigation measures the City can take to minimize the impacts of adjacent dissimilar development intensities include,

- Design guidelines
- Transition zones
- Limits on types of businesses or uses
- Complaint-based enforcement of the City's applicable regulations pertaining to noise, nuisance, and public safety
- Attention to the location of conflicting uses

In the statistically valid survey, respondents indicated their ideal neighborhood. This included a range from a neighborhood that is only single family with no businesses to a neighborhood of high-rises with world class businesses nearby. About 74 percent of respondents wanted some mix of housing types and businesses they can walk, bike or roll to in their ideal neighborhood. These mixes would be supported in Mixed Use Centers and Neighborhood Centers.

At the Community Deep Dives, participants expressed a desire for more "local and accessible" and more "quirky and active" neighborhoods. Community members and stakeholders identified several potential benefits to supporting more investment in Mixed Use Centers and Neighborhood centers including:

- The potential to provide more housing choice to meet the needs of people at different stages of life.
- The potential to support more socio-economically diverse neighborhoods.

- Making it easier for people to walk, bike, or roll to run errands and meet their daily needs.
- Allow more people who work in Bellevue to live in Bellevue.

Community members and stakeholders also raised several concerns about growth in the Mixed Use Centers and Neighborhood Centers including:

- A recognition that more housing choice wouldn't necessarily lead to more affordability.
- Supporting high quality neighborhood centers will require more investment in pedestrian and bike infrastructure and traffic calming measures.
- The City will need to be thoughtful about adding green space and gathering space in more dense and urban parts of the City to support both sustainability and social connection.

The FEIS will include additional information about the land use impacts of the Preferred Alternative. The Preferred Alternative that is being studied in the FEIS includes Downtown as a Regional Growth Center, the five conditionally approved Countywide Centers and density increased to varying degrees in Neighborhood Centers.

The current Comprehensive Plan identifies Mixed Use Centers. These were the basis for the identification of the Countywide Centers under the King County framework. These have conditional approval by the county but need to be included in the update to the Comprehensive Plan before they can receive final approval. The current Comprehensive Plan does not identify Neighborhood Centers specifically, although commercial areas outside of the major employment centers are mentioned, though it does include policies for commercial areas outside of the Mixed Use Centers. Key policy moves include,

- Creating a Mixed Use Center section of the Land Use Element and updating those policies to meet all the requirements of Regional Growth Centers and Countywide Centers
- Identifying Neighborhood Centers
- Creating a framework for identifying future Neighborhood Centers
- Creating a framework for reviewing policies for Mixed Use Centers and Neighborhood Centers at a neighborhood level

This would primarily impact the Land Use and Neighborhoods elements, though the Transportation Element would be impacted to a lesser degree.

Future land use map. The future land use map is adopted as part of the Comprehensive Plan. It shows the vision for the future use of land within Bellevue. The land use designations have a defined relationship to the zones in the Land Use Code. For example, the current land use designation Multifamily-Medium (MF-M) is related to the zones, R-15 and R-20. If a property owner wants to rezone their property, they must show that it is in alignment with the

Comprehensive Plan. If not, the property owner would need to apply for a Comprehensive Plan amendment to change the land use designation before changing the zone. The charge from the City Council at the launch of the project (outlined in the February 28, 2022 agenda memo) included instructions to consider the relationship between land use designations and zoning districts. The aim is to reduce the number of land use classification categories so that the Comprehensive Plan gives more general direction on future land use rather than dictating specific zones.

The Growth Management Act requires jurisdictions to plan for their adopted growth targets. Bellevue's growth targets (35,000 new housing units and 70,000 new jobs between 2019-2044) were adopted by King County in the CPPs and ratified by the Bellevue City Council in spring 2022. The most recent Urban Growth Capacity report, completed in June 2021, found that Bellevue has enough capacity for the job target but not enough capacity for the housing target. Although the City has added some capacity since the Urban Growth Capacity Report was published, the citywide capacity for housing is very close to the housing target, giving the City very little flexibility to respond to market demands and meet the changing needs of City residents. It's important to note that analysis of housing capacity to date has not incorporated new state requirements in HB 1110 (middle housing) or HB 1337 (accessory dwelling units). These were signed into state law in May 2023, after the DEIS was published.

The DEIS analyzed a no action and three action alternatives that included capacity for growth in different areas of the City and to different degrees. The no action alternative had the least capacity for meeting the growth targets and alternatives 1, 2, and 3 had increasingly more capacity. The growth targets remained the same for all alternatives. Although the DEIS analyzed the informed build out of each alternative, the City does not expect that buildout would occur by 2044. The additional capacity gives the City a greater ability to respond to market demands for housing and work space for jobs. The DEIS found that the no action alternative moderately adversely impacts the City's ability to meet its growth targets because, While housing and job capacity under the No Action Alternative are above the adopted targets, it does not meet other new planning requirements for affordable housing across income bands or a range of housing types. No adverse impacts to meeting the City's growth targets are expected under any of the action alternatives.

The FEIS will include analysis of the Preferred Alternative which includes a revised land use map. This new land use map includes land use parameters consistent with HB 1110 and HB 1337, recent state legislation that allows for up to four units on any parcel that allows a single-family house and allows up to two accessory dwelling units on any residential parcel. The FEIS will also include analysis of King County's recently adopted updated Countywide Planning Policies in fall 2023 that include affordable housing needs by jurisdiction.

The current Comprehensive Plan includes a plan for the job and housing targets set for 2035 which were an additional 15,800 housing units and 51,800 jobs over 2012 levels. The Urban Growth Capacity Report showed that Bellevue has increased both jobs and housing units but has produced about 3000 fewer jobs than targeted and about 2000 fewer housing units than targeted in 2018. Since that time, the City has started to come closer to the targeted rate of

growth but is still falling short of the 2035 targets. While the City still has overall capacity to meet those 2035 targets, the updated targets for 2044 are higher, anticipating a faster rate of growth. The key policy changes include,

- Update the growth targets for the City to reflect the adopted growth targets
- Reclassification of the relationship between land use designations and zones.
- Update of the land use map to add capacity for housing and jobs.
- Removal of the land use map from the neighborhood area plans so the map is a stand alone chapter or appendix.

These changes would primarily impact the Future Land Use Map. Although there is a link to the overall Future Land Use Map on the Comprehensive Plan webpage, it is currently located in the neighborhood plans in Volume 2.

Racially disparate impacts, displacement and exclusion in housing. 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)

While these requirements are for the Housing Element, the City wanted to look across the elements to identify the racially disparate impacts and potential for displacement. The City conducted Racially Disparate Impact Analysis to support this. The analysis showed that racial disparities in housing exist in Bellevue today and some policies in the Comprehensive Plan contribute to sustaining the disparities. The analysis includes recommendations on updating specific policies. Most policies are in the Housing Element since this is the focus of the new requirement but there were recommendations for policies in the Land Use and Neighborhoods elements as well. These recommendations include,

- Use more specific language that can be enforced objectively,
- Clarify subjective terms such as “high-impact,”

- Rephrase deficit-based language,
- Acknowledge that concepts like “quality of life” evolve and differ between community groups and will need to be continually determined through engagement with affected groups,
- Prioritize and seek out the input of groups most affected by the policy,
- Reframe the distribution of public resources to consider historical context and greatest needs as a metric for investment.

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.

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. Key policy changes in the Housing Element will be addressed in a future memo. The key policy changes in the Land Use and Neighborhoods elements include,

- Using more specific language to describe the intent of the policy,
- Being specific about how subjective terms are defined and how the City prioritizes input into the definitions,
- Changing language to be explicit about balancing aesthetics with other City priorities,
- Incorporating equity as part of the City’s land use strategy.

This impacts most elements but specifically the two being discussed in this memo, Land Use and Neighborhoods elements.

Land Use Incentive System. A land use incentive system is a way for the City to recapture some of the increase in development value of property to benefit the community. This could be through requiring the development of parks, housing or other amenities. The incentive systems currently used in Bellevue are voluntary where developers get an extra benefit, such as taller buildings or more density, if they add a community benefit. The system could also include some mandatory provisions where developers are required to add specific community benefits to their developments. An incentive system is not required by state or regional policy but it is one way to work toward meeting the need for affordable housing and other amenities in Bellevue.

The City engaged with developers of market rate and affordable housing as well as neighborhood leaders and others through the Strategy Team, a group assembled to talk about complex issues on a periodic basis. The feedback we heard from that team is that market rate developers would prefer an incentive system while affordable housing developers would prefer a mandatory system. All agreed that the system would have to be carefully calibrated to make sure that the incentives or requirements do not dampen development opportunity.

The DEIS considered several approaches including the current voluntary program that the City has in Downtown and BelRed (in the No Action Alternative), mandatory affordable housing in the City's growth corridor (Downtown, East Main, Wilburton Commercial Area, BelRed) in Alternative 1, a voluntary program in both the Mixed Use Centers and the Neighborhood Centers in Alternative 2, and mandatory affordable housing in Mixed Use Centers and a voluntary program in the Neighborhood Centers in Alternative 3. The DEIS concluded that mandatory programs have been shown to create a greater supply of affordable units and suggest that Alternatives 1 and 3 would create more affordable units than Alternative 2. There were many comments during the DEIS Comment Period in support of both strategies.

At Council's direction, the FEIS will include an additional analysis of a comparison to an all voluntary program and a mandatory program. This is a comparison that Planning Commission also expressed an interest in better understanding.

The current Comprehensive Plan includes policies in support of the systems currently in place. If the system changes, key policy moves would need to be made to support the new system. The primary impacted element is Land Use.

ATTACHMENTS

- A. Map of the Regional Center and Countywide Centers (Mixed Use Centers)