

From: [Campbell Mathewson](#)
To: [PlanningCommission](#)
Cc: [Horner, Rebecca D](#); [Steiner, Josh](#); [Whipple, Nicholas](#); [King, Emil A.](#)
Subject: Comment letter for 01.22.2024 Planning Commission meeting re: Wilburton LUCA
Date: Thursday, January 16, 2025 3:12:39 PM
Attachments: [1-22 Planning Commission Comment Letter - Ditty Mathewson.pdf](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear City of Bellevue Planning Commission,

Attached please find a copy of our comment letter for your meeting next Wednesday, January 22nd. Please include this letter in the planning commission packet. Thank you for your continued good work and for engaging with the community. Happy New Year.

Sincerely,

Campbell Mathewson

Manager / Ditty Mathewson, LLC

11647 NE 8th Street / Bellevue, WA 98005

M: 206-910-2448 / E: cmathewson@cmrepartners.com

Ditty Mathewson LLC

January 16, 2025

Planning Commission
City of Bellevue
450 110th Ave NE
Bellevue, WA 98004
PlanningCommission@bellevue.gov

Re: Updated Wilburton LUCA
Comments from Ditty Mathewson, LLC, property owner

Dear Planning Commissioners,

This letter is submitted in response to the version of the Wilburton Land Use Code Amendment (“LUCA”) released on January 3, 2025 and as a follow up to the letters we sent on November 4, 2024 and December 8, 2024 about our small 22,564 square foot site located at 11635-11647 NE 8th Street. We greatly appreciated the Planning Commission’s thoughtful Wilburton discussion at the meeting on December 11, 2024. We were pleased to see commissioners passing around the conceptual renderings we provided for our small site and hearing comments along the lines of “we need to allow for this kind of development.” We couldn’t agree more!

Thank you for providing feedback that resulted in updates to the draft LUCA to allow access on small sites through commercial driveways and to remove stepback requirements. Based on the analysis of a residential tower on the site, we urge you to consider additional changes for (1) further flexibility and (2) a reasonable mechanism to achieve bonus FAR (8.0 FAR to 17.0 FAR). These changes would allow us to build a residential tower on our small site, like the conceptual renderings in Exhibit A, and help execute on the City’s TOD vision for the Wilburton neighborhood.

1. Allow Development Agreements on Additional Sites Adjacent to Eastrail.

Our site is connected to the Grand Connection via Eastrail. As requested in our last letter, we urge you to make a modest adjustment to LUC 20.25R.010.D.5.b and add a sentence at the end of this subsection that says, “A property is considered adjoining the Grand Connection if it is adjacent to Eastrail south of NE 8th Street and north of NE 4th Street.” Eastrail connects to the Grand Connection. This stretch from NE 8th Street to NE 4th Street is adjacent to the designated Wilburton Urban Core. It provides the most walkable and dense experience in the neighborhood.

This change will allow a few additional sites to pursue a development agreement to respond to site-specific challenges and seize opportunities to connect to the Grand Connection. We support the policy intent of the current code language; we just request it to go a bit further.

This change is essential to allow sites like ours along Eastrail between NE 8th Street and NE 4th Street to modify development standards and create better projects with improved connections to

important Bellevue open spaces and public investments. We feel excited about the proposed Wilburton code framework, but we know it cannot predict every development scenario. We would appreciate having the option to pursue a development agreement to allow further flexibility on our constrained but important small site adjacent to Eastrail.

2. Create an Amenity Incentive System Exemption for Residential Towers on Small Sites.

As discussed in our last two comment letters, small tower sites are likely to have FARs at levels well above the modest base FARs in the code under either affordable housing Option A or Option B. To build residential towers on small sites, a viable and achievable mechanism for obtaining that bonus FAR must exist in the code. The initial analysis demonstrated the current amenity incentive system does not work for our site. It is too expensive to earn the bonus FAR from a low base to a very high FAR on a small site. Disincentivizing the development community from providing housing in projects similar to those shown in the exhibits seems contrary to the City's "housing density at light rail" goals. This remains true under the updated draft LUCA.

The best solution is either an FAR exemption for residential uses in towers or a specific exemption from the amenity incentive system for residential towers. If the City pursues Option A, then there will already be an affordable housing obligation. Under the current draft of Option A, 10% of units would need to be affordable at 80% of AMI, or a fee-in-lieu would be required on every square foot of the new project. On a residential tower project, this represents a massive affordable housing contribution and hundreds of new housing units.

Any additional amenity incentive system requirements make the production of housing more expensive and seem to be a misalignment of the policy intent in Wilburton. This is a uniquely challenging issue for small tower sites because the proposed FAR levels in towers are so high, and there is nowhere onsite to build bonus amenities. The current draft of the code does not fix this problem, and we respectfully urge the Planning Commission to address it as part of the affordable housing conversation.

We cannot overstate the importance of easily allowing sites, particularly small sites, to achieve higher FARs that allow projects like those shown in Exhibit A to be developed. This is the only way the City will create the housing stock necessary at 1,550 units per year as identified in the City's comprehensive plan.

3. Other Suggestions to Improve the Wilburton LUCA.

The following list of suggestions would also improve the code, and we encourage the commissioners to consider these updates.

- The residential fee-in-lieu should \$13 for all sites in Wilburton. High-rise construction is much more expensive than mid-rise construction, and if high-density urban development is desired around light rail stations, then the fee-in-lieu should not create an additional burden and disincentive to the development of residential towers in the area most desired for housing density.

- We understand additional legislation will be necessary, but for Option A to work, the 10% of affordable units provided in a project should be able to count toward MFTE obligations without a reduction in affordability levels. A project's participation in MFTE is still a meaningful benefit because an additional 10% of affordable units will be provided.
- The latest version of the LUCA allows small sites to be served by commercial driveways. Thank you for this good update. However, the code goes on to say, "If a sidewalk is required per Transportation Department review, a minimum 10-foot sidewalk is required adjacent to the commercial driveway." LUC 20.25R.020.B.3.g.i. This could be fine in some circumstances, but it would be challenging on small sites and the code gives no indication of what criteria the Transportation Department will use to determine whether a 10-foot sidewalk is required. This creates ambiguity and uncertainty in project planning because a 10-foot sidewalk could massively carve-out a small site. We request elimination of the 10-foot sidewalk or, at a minimum, additional clarification regarding the criteria.
- Please incentivize (rather than mandate) Eastrail connections in all locations and clarify that such connections are at grade level.
- Please add a small site active use exemption. Small sites will be required to provide 75% active use along Eastrail and 50% active use along streets. This will be very difficult to meet on small sites when all ground-level functions must be contained in a smaller footprint. Consider an active use exemption or predictable reduction for small sites.

Thank you for your good work advancing the Wilburton LUCA to support housing. We look forward to continued engagement with staff, the Planning Commission, and City Council. Please feel free to reach out with any questions.

Sincerely,



Campbell Mathewson
 Manager – Ditty Mathewson LLC
 11647 NE 8th Street, Bellevue, WA 98005
 M: 206-910-2448
 E: cmathewson@cmrepartners.com

Exhibit A





Conceptual rendering of the ground level experience along NE 8th for the 11635 Site.

11635 NE 8TH STREET | CMRE PARTNERS

PAGE 11 | WEBER THOMPSON
COPYRIGHT 2021 WEBER THOMPSON

From: [Chelsea Lee](#)
To: [PlanningCommission](#)
Subject: comment for 1/22/25 Bellevue Planning Commission Meeting
Date: Friday, January 17, 2025 4:01:27 PM

You don't often get email from chelsea@eastsideforall.org. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hello, Bellevue Planning Commissioners,

My name is Chelsea Lee, and I am the Equitable Development Coordinator with Eastside For All, a local nonprofit organization that supports housing justice and other priorities for communities of color in Bellevue. I have a Master of Urban Planning degree from the University of Washington, and I am an AICP certified planner with the American Planning Association.

I am writing to provide my support for a well-calibrated affordable housing requirement in the Wilburton Land Use Code Amendment (LUCA). The city's recently adopted comprehensive plan includes a vision statement that reads, "Our diversity is our strength. [...] Bellevue's people--its ultimate strength--define both the city and their neighborhoods." One of the most important things the city can do to achieve this vision is by boldly addressing the needs for attainable, accessible, affordable housing through a policy requirement. It has been well documented that unhoused populations are more prevalent in areas with high housing costs and low vacancy rates. As costs of living continue to outpace income levels, an affordable housing requirement is the most effective strategy the city can adopt to provide this fundamental human need for the people who call Bellevue home.

The recommendations you make with the Wilburton LUCA are part of an opportunity for the City of Bellevue to lead the way in the Puget Sound region and show that policy decisions can center equitable development to create communities where people truly belong.

Thank you for diligently working through this process to amend the land use code in a way that incorporates the needs of those most harmed by past policies, and pursuing a bright future that aligns with the City of Bellevue's vision.

Chelsea Lee, AICP
(she/her)
Equitable Development Coordinator
(425) 541-2747



Standing together - check out our [Advocacy Hub](#) for information and calls to action

From: [Valentina Vaneeva](#)
To: [PlanningCommission](#)
Cc: [Whipple, Nicholas](#)
Subject: Planning commission written communication: feedback on nonconforming provisions
Date: Friday, January 17, 2025 6:32:14 PM

You don't often get email from eittaf@outlook.com. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hello Planning Commission members,

I would like to express my concerns regarding the proposed land use code, particularly in relation to the requirements posed by the Lexus on its dealerships. While I understand the importance of supporting local businesses, I believe that **these requirements should not be a guiding principle for a code that will significantly impact a central part of our city**. This area will be one of the first things any visitor sees no matter how they arrive, and we should aim for a welcoming and vibrant cityscape.

I am not advocating for the bankruptcy of the Lexus dealership owner; there are viable options available to them, such as selling other types of cars or relocating the business. The land in this part of Bellevue is simply too valuable to be used primarily for car storage.

Furthermore, the Bel-Red land use code for non-conforming uses has clearly been a failure. While the code was adopted over 15 years ago, this neighborhood still resembles a giant parking lot with an occasional car repair hangar. Anyone visiting would never guess that it is intended to be an arts district; it is widely recognized as a car district instead.

We should learn from the mistakes made in Bel-Red to ensure that transit-oriented development does not end up looking like this:



Furthermore, this mistake should be fixed in Bel-Red too. **Let's make decisions based not on random car dealership requirements but on what would truly enhance our city.**

Thank you for considering my comments.

From: [Alia](#)
To: [PlanningCommission](#)
Subject: Affordable housing
Date: Sunday, January 19, 2025 9:32:46 PM

You don't often get email from aliawillingham@gmail.com. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hi everyone, I understand the commission will be talking about affordable housing and walkable streets on Wednesday. I will admit that I didn't understand the details. I simply want to add to the discussion that we should over plan affordable/middle housing zoning. If we plan for just enough, then it won't be enough because we won't get exactly what we plan.

Additionally, it's important not to segregate our housing in the city. There are reasons to have more dense housing in some areas, but we need a wide range of housing prices and options everywhere to ensure that there are "the poors" and "the rich" areas of the city. That would harm our image as a safe, nice city in all places. If people of all levels of affluence live everywhere, then we will make good decisions for all classes.

We don't want to be Seattle, and that means no red lines by race or class and plenty of housing. It's the only way out.

Thank you
Alia
From NE Bellevue

From: [Evan Lee](#)
To: [PlanningCommission](#)
Subject: Build the city of tomorrow: Public hearing 1/22
Date: Monday, January 20, 2025 8:10:01 AM

You don't often get email from evnl.business@gmail.com. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

I support the following:

- No minimum parking requirements. If a business decides to serve primarily pedestrian consumers, they should have the flexibility to do so.
- Sidewalk widths should be 10 feet. Since it seems like awnings to protect from sun and rain are already required, have we considered cantilevered upper floors in combination with some artificial lighting requirements?
- Developers should not be required to build affordable housing. Incentives are the fairest way to get them to build affordable housing. The more we build now, the more affordable housing we have in 20 years.

From: [Ben Mickle](#)
To: [PlanningCommission](#)
Subject: Wilburton LUCA
Date: Monday, January 20, 2025 3:47:26 PM

You don't often get email from benmickle@gmail.com. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear Bellevue Planning Commission,

My name is Ben Mickle, I'm a resident of Downtown Bellevue, and I've been following the Wilburton LUCA process closely because I'm excited about the vision of a transit-oriented and trail-oriented neighborhood in our city. I'd like to share some suggestions with you about topics you may be discussing this week.

On the subject of the amenity incentive program, I noticed several of the amenities offer bonus points in exchange for specific amounts of money spent (for example, on critical area restoration and public art), but I don't see any language indicating that these dollar amounts would automatically adjust with inflation over time. In order for the code to continue to function as intended in 10 or 20 years, all dollars amounts must automatically adjust for inflation by growing at the same rate as the Consumer Price Index.

On the subject of the green certification program, I know this has been shifted from a requirement to an amenity, and I wanted to suggest that you keep a requirement that natural gas cannot be burned in new buildings, while only moving the larger LEED certification aspect (which, as I understand, is more focused on energy efficiency than fossil fuel pollution) to be an amenity. I know that many buildings in Downtown still burn natural gas for water heating, even newer ones. You all just had a meeting about our city's aggressive Environmental Stewardship goals to reduce greenhouse gas emissions, and I believe this LUCA is a important opportunity to put those goals into action by banning natural gas for HVAC, water heating, cooking, etc.

On the subject of affordable housing, I support the mandatory approach, although I don't claim expertise on this subject. I would like to know if developers will be able to use the Multi-Family Tax Exemption (MFTE) to offset the cost of the required affordable housing. I saw several MFTE options in the development feasibility spreadsheet, and I was wondering where we landed on it, so I would appreciate hearing an explanation of that from the staff.

On the subject of sidewalk width, I strongly support the 10-foot requirement. I noticed that several developers have been urging you to reduce this requirement to 6 feet, but I think the 10 feet requirement is really important to the transit-oriented and trail-oriented vision, where people will need space to walk/bike to and from the Eastrail, the Grand Connection Crossing, and the light rail station. As Governor Inslee said in his speech at the opening of the 2 Line, the light rail is an artery of our sustainable transportation system, but we also need sidewalks and bike paths to be the veins and capillaries. I just don't see how 6 feet could safely accommodate both pedestrians and bikes (not to mention cafe seating). The LUCA says that bikes will share the road with cars, but you have to remember that children will be riding bikes, and it makes no sense to put unlicensed children in a busy road with vehicles.

On the subject of nonconforming provisions, I support the General approach over the BelRed approach because, according to the staff's helpful comparison, it appears that the BelRed approach would dramatically reduce the amount that property owners would need to spend on site improvements. I wouldn't want to see a situation like we have on 100th Ave by Bellevue Square Mall, where we still have an awful, narrow sidewalk that was probably built in the 1950s!

Thanks for volunteering to serve on the Planning Commission, and I hope you have a great meeting!

Ben Mickle
Downtown Bellevue

From: [John Darvish](#)
To: [Bhargava, Vishal](#); [Goeppeler, Craighton](#); [Cuellar-Calad, Luisa](#); [Negin Khanloo](#); [Andres Villaveces](#); [Ferris, Carolyn](#); [Lu, Jonny](#)
Cc: [Malakoutian, Mo](#); [PlanningCommission](#)
Subject: A few recommendations
Date: Tuesday, January 21, 2025 1:08:50 PM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear Planning Commissioners,

I sincerely hope you are off to a great start in 2025 and would like to wish you all happy new year. After the latest review of the Wilburton LUCA, there have been improvements, but there are still several issues that need your attention to make sure we make most of all the infrastructure investments that have been made in Wilburton.

Please consider this list as my humble suggestions to improve the LUCA and create more housing and jobs in Wilburton.

Encourage Residential Towers on Small Sites. I recognize the unique challenges of building infill towers on small sites. The cost of tower construction is very high, and there is less area to flexibly fit a tower and all the necessary improvements. Updates to the LUCA have created some exceptions for small sites, but the LUCA still fails to get adequately recognize the economic realities of building a residential tower, and it likely means residential towers will not get built under this LUCA. The CAI economic analysis commissioned by the city shows that the current incentives framework encourages mid-rise building heights. The LUCA should provide incentives, not road blocks, to the most dense housing near light rail.

Consider exempting small sites. To boost residential towers on small sites, consider exempting residential towers from the amenity incentive system. Under a mandatory affordable housing program, these projects will still provide affordable housing, but the current amenity point framework does not work for small tower sites. After all, we do not want to end up like downtown Redmond with mid-rise housing as a standard. This totally underutilizes the investments made in infrastructure projects in Wilburton.

Transportation Corridor Widths. The transportation Corridor width requirement has not been adjusted in the latest updated LUCA, despite multiple asks by Planning Commissioners. There are no clear reasons why this has not been addressed already. It is clear these wide transportation corridors are serving urban form (height, bulk, and scale) purposes, not technical transportation needs. At the very least, the land use code needs to include a departure process for transportation standards that go beyond the technical requirements.

Commercial Fee-In-Lieu. The proposed fee-in-lieu for commercial development in Wilburton is astronomical, \$24 per square foot under Option A and \$96 per square foot under Option B. These fee levels will effectively kill any future medical office in Wilburton, and it will completely undermine job creation and the balanced development of the Wilburton neighborhood. Medical uses address the needs for Wilburton residents and the broader region. There remains a need for medical uses in this neighborhood, but a \$24 or \$96 per square foot fee-in-lieu will deter any investment in critical services or jobs in this neighborhood. I would specifically urge you to consider a meaningfully lower fee for medical uses and other

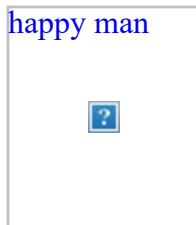
commercial uses you hope to see in Wilburton.

Pioneer Program. I also urge you to support a catalyst program that exempts early residential/commercial projects from these fees. This catalyst program responds to current market conditions and the need to keep a robust pipeline or redevelopment in Wilburton.

In closing I would like to thank you for the opportunity and look forward to be of assistance in answering any questions you may have.

Sincerely,

John Darvish



John Darvish

CFO

Holistique Medical Center

Desk: 206-321-2202 Fax: 425-462-8919

Address: 1200 116th Ave NE Suite C. Bellevue, WA – 98004

Web: holistique.com Email: jdarvish@holistique.com

The above e-mail may contain patient identifiable or confidential information. Because e-mail is not secure, please be aware of associated risk of e-mail transmission. If you are communicating with a Holistique medical provider, nurse, or other staff members via e-mail, your acceptance of the risk and agreement to the terms and conditions for e-mail communications is implied.

The information is intended for the individual named above or a legal guardian. If you are not the intended recipient, any disclosure, copying, distribution, or use of the contents of this e-mail is prohibited. Please notify the sender by reply e-mail, and then destroy all copies of the message and any attachments. Please see our Notice of Privacy Practices at www.holistiquehealth.com

From: [Bill Finkbeiner](#)
To: [PlanningCommission](#)
Cc: [Whipple, Nicholas](#); [Holly D. Golden](#)
Subject: WPOG priority list
Date: Tuesday, January 21, 2025 1:46:01 PM
Attachments: [Wilburton priorities Jan 16 2025 v 1.docx](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Attached please find the latest list of priority issues identified by the Wilburton Property Owners Group. We appreciate the work that has been done by the staff and Planning Commission that has resulted in a much shorter list.

Bill Finkbeiner

Priority Wilburton Issues, January 15, 2025

Bellevue's Comprehensive Plan requires 35,000 additional housing units to be added by 2044, an average of over 1,900 units a year. In recent years, even with the housing boom, the City has averaged only 800 residential units a year. Bold action is necessary to bridge this gap and build the housing our community needs. The priority issues flagged below reduce and slow housing production, decrease tax revenue and opportunities for new jobs, and potentially increase sprawl into neighborhoods. Some of these issues, particularly the flexible access corridor widths, not only drive-up costs – they stand to render some sites undevelopable and unusable.

MDP Phasing: The code needs to confirm that the first MDP phase can proceed without requiring full code compliance on future phases, including the 10% limit on surface parking, which is essential for continued operation of car dealerships and shopping centers. Code compliance needs to be limited to the proposed construction area in each phase, or proportional compliance per the Wilburton nonconforming provisions should apply until future phase full redevelopment. Without this fix, large sites will not be redeveloped in phases, which ultimately delays redevelopment of many sites in Wilburton.

Amenity Points: Recognize the unique challenges of building infill towers on smaller sites. Residential towers on sites under 105,000 s.f. should be exempt from the FAR amenity incentive system. Under the Option A mandatory affordable housing program, these projects will still provide affordable housing, but the current amenity point framework does not work for dense vertical development on smaller sites.

Affordable Housing Program Elements:

- 10% at 80% AMI as the first performance tier of mandatory “Option A” program for rental units.
- 10% at 100% AMI as the first performance tier of mandatory “Option A” program for ownership units.
- Double count MFTE units with mandatory units, without lowering affordability levels—include Council resolution directing this work at time of Wilburton code passage.
- Unit selection and placement adjustments to create a simplified process that does not require affordable units in the upper 2/3 of building (MFTE unit selection and performance unit selection).
- \$16.50 commercial fee in lieu in Wilburton.
- \$13.00 residential fee in lieu on all projects with residential product in Wilburton.
- Fee vests with rest of project land use code vesting—at land use permit application. If no complete building permit application is submitted within two years of land use permit application, fee resets to those in effect when building permit application is submitted.
- Catalyst program—no affordability requirement/fee for first 2,000 residential units and 800,000 s.f. of commercial space—vest into catalyst program at land use permit application, must “perfect” catalyst program participation by submitting complete structural building permit application within one year of land use permit approval.
- Off-site performance must also be included.
- **Applicability of MFTE double count and affordable housing only applies to Wilburton specifically.** Future mixed-use zones will need specific calibration based on their upzones and code requirements. For example, in Bel-Red, the focus may be on stream or habitat restoration, which is an additional significant cost not present in Wilburton. Analysis must be done not only to establish a nexus in future codes but also to ensure that the codes result in the desired development within the rezoned area. In all mixed-use areas double counting of MFTE may not be necessary. This approach is consistent with Redmond and Kirkland, which have different MFTE requirements in different neighborhoods.

Transportation:

- Reduce Transportation Corridors Requirements:
 - Reduce the FAC width from 51 feet to 37 feet minimum (two 10' drive aisles, two 6' sidewalks, one 4' planting strip, and two 6" curbs), with further reductions allowed for one-way FACs.
 - Update the active transportation corridor (ATC) standards to allow “back of house” service corridors that provide 20 feet minimum for fire lane, garbage, and incidental loading.
 - Reduce pedestrian corridors from 14 feet to 10 feet minimum.
 - Reduce sidewalk widths from 10 feet to 6 feet minimum, except on 116th or other arterial streets.
 - Eliminate potential for 10-foot sidewalk on commercial driveway.
 - Eliminate public easement requirement for commercial driveway. This is a driveway serving a private garage, not a public way.
- Eliminate Local Street Requirements. The locations are illogical, and there is no nexus to projects or proportionality to the impacts of projects. If necessary to implement the code, then there should be transportation impact fee credits for the improvements. There was no analysis in the EIS to support the requirement.
- Ensure Half-Corridor Improvements are available on project borders—otherwise we are stuck with another Bel-Red problem.

From: [Valentina Vaneeva](#)
To: [PlanningCommission](#)
Cc: [Whipple, Nicholas](#); [Steiner, Josh](#)
Subject: Wilburton LUCA written comment: sidewalk width
Date: Tuesday, January 21, 2025 5:12:52 PM
Attachments: [photo-1635590072003-67a54b240953.png](#)

You don't often get email from eittaf@outlook.com. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hello Planning Commission members,

As a resident of Bellevue living in an area with 6-foot sidewalks, I am writing to express my strong support to **keep wider sidewalks**—at least 10 feet, ideally 12 feet—in the Wilburton area code. The benefits of that are numerous and will profoundly impact vibrancy, accessibility, and overall appeal of our community.

Wider sidewalks encourage foot traffic, which helps local businesses

When people have the space to walk leisurely and linger, they are more likely to explore shops and cafes. Imagine a family of four with two children walking together—the whole 10 feet can easily be taken up by just this one group. Now one of the kids sees a cupcake shop, and so the whole family has to go inside for cupcakes. This can happen only if the sidewalk is comfortable and pleasant enough for the family to take a stroll there, not just to squeeze by.

Factor in space needed for opening doors, shop signs, and outdoor seating. Now add kids running around, people walking their dogs, and joggers into the mix, and the need for wider sidewalks is even more obvious.

A prime example of the necessity for wider sidewalks can be seen on Main Street in Old Bellevue. Despite having sidewalks that are 10–12 feet wide, they still had to convert some on-street parking into outdoor seating, resulting in an awkward layout that is not aesthetically pleasing. The amenity zone on Wilburton streets—for trees, garbage cans, and utilities equipment—will help but only up to a point. Picture a group of friends standing in front of a bench, eating ice cream and chatting, as often happens in front of Molly Moon's near Downtown Park. Again, they can easily block most of the sidewalk. Wider sidewalks will provide the space needed for such communal activities without overcrowding.

Wider sidewalks are needed on arterials

Maintaining at least 10 feet of sidewalk width on arterials is also crucial to create a buffer between noise and pollution from cars and people. This space is also important as many active mobility users will avoid the road due to safety concerns and will choose to stay on the sidewalk.

You are told that wider sidewalks will limit housing opportunities, but consider this:

1. The proposed housing in Wilburton is unlikely to be any more affordable than new constructions in Downtown, and those shiny new buildings of the Spring District

provide no affordable housing either.

2. Wilburton alone will not solve Bellevue's housing crisis, no matter how narrow the sidewalks are. The supply will simply not be sufficient nor affordable enough to make that kind of impact.

But the sidewalks will stay as they are for years and years to come, and smaller walking spaces will deprive current and future residents and visitors of the opportunities to enjoy a good quality of life.

I ask you to look into the future and imagine a bustling, active Wilburton—a place where people of all ages and all incomes can walk, interact, and *enjoy* themselves. We can create a community that is not only functional but truly flourishing.

Sidewalk in the center of Yerevan for your inspiration (much, much wider than 12 feet):



From: [Jazmine Smith](#)
To: [PlanningCommission](#)
Cc: [Johnson, Thara](#); [Whipple, Nicholas](#); [King, Emil A.](#); [Horner, Rebecca D](#); [Steiner, Josh](#); ["Patience Malaba"](#); ["Joe Fain"](#)
Subject: Wilburton Comment, Eastside Housing Roundtable
Date: Tuesday, January 21, 2025 5:23:32 PM
Attachments: [Outlook-2k1hnogp.png](#)
[EHR Jan 2025 Wilburton Letter.pdf](#)

You don't often get email from jazmine@futurewise.org. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear Bellevue Planning Commission:

I am pleased to submit, after thoughtful deliberation, the position and recommendations on the Eastside Housing Roundtable on the Wilburton LUCA on behalf of the co-chairs, Joe Fain and Patience Malaba. Please see attached, and I look forward to speaking to our comments tomorrow.

Best,

Jazmine Smith (she/her)

Director of Local Advocacy



**future
wise** 

Futurewise

1201 3rd Ave, Suite 2200

Seattle, WA 98101

e: jazmine@futurewise.org

m: 425.381.9269

futurewise.org



January 17, 2025
Bellevue Planning Commission
450 110th Ave NE
Bellevue, WA 98004

Subject: Recommendations for Housing Affordability in Wilburton

Dear Bellevue Planning Commission:

The Eastside Housing Roundtable ("EHR") greatly appreciates the City of Bellevue for its commitment to updating the Wilburton code in a way that supports the City's housing need and stated goals for affordable housing at scale in a vibrant, transit-oriented neighborhood.

To assist city leaders with the series of complex decisions they face as part of this critical rezone, EHR has spent significant time analyzing and debating many concepts and provisions of this draft code over the past twelve months. We have included a diverse group of stakeholders, advocates, and housing experts in our work to balance the need for both affordability and supply in our housing pipeline.

This package of recommendations is carefully balanced. As such, we ask that they not be viewed as a menu of severable options, but rather as complete set of policies that will make the Wilburton community one of the most attractive areas for dense housing development, while creating both incentives and directives for housing affordability.

We appreciate your consideration of these carefully constructed recommendations and look forward to working with you, staff, and the City Council in adopting a robust land use code for the Wilburton subarea.

1. Code-based Cost Reductions

We Recommend: Implementing additional measures to prioritize housing production in the Wilburton code. These code improvements include the following:

- Further reduce open space requirements from 10% to 7%.
- Amenity incentive system exemptions for residential towers on smaller sites to ensure smaller sites can build towers.
- On sites less than 105,000 sf, driveways serving the site should meet driveway standards in the Transportation Design Manual (TDM), not the flexible access corridor (FAC) standard.
- Commercial driveways should not need to provide 10' sidewalks or public access easements when serving private garages.
- Reduce FAC widths to 37'.



- Update the active transportation corridor standards to allow “back of house” service corridors that provide 20 feet minimum for fire lane, garbage, and incidental loading.
- Reduce pedestrian corridors from 14 feet to 10 feet minimum.
- Reduce sidewalk widths from 10 feet to 6 feet minimum, except on 116th Ave or other arterial streets.
- Allow an early MDP phase to proceed without requiring full code compliance in future phases, including the 10% limit on surface parking, to produce housing as quickly as possible on large sites.

When you link affordable housing with development, reducing development costs is an important component to a viable affordable housing strategy. The whole code must come together for this critical benefit to the public.

2. Affordable Housing Performance Option: AMI Levels, Set-Asides, MFTE and Stacking

We Recommend: using the city’s “Option A” base code with the following modifications:

- Preserving the proposed 10% set aside at 80% AMI for rental units, with alternative options for lower incomes and adjusted set aside percentages (7% at 60% AMI, 5% at 50% AMI)
- For ownership units, requiring a 10% set aside at 100% AMI or 7% set aside at 80% AMI
- Applies to developments of 10+ units only
- MFTE units be allowed to be located anywhere in the building so long as they are not clustered together on the same floor. For reference, the City currently has a guideline where no more than 40% of affordable units can be located on a single floor ([reference](#)). Vertical stacking of affordable units is allowed. No affordable units shall be required to be constructed within the top 1/3 of a mid-rise or high rise residential or mixed-use building;
- Fixtures and appliances in affordable units should have the same functionality but do not need to be identical in form, (i.e., Lighted vs unlighted mirrors, galley configuration vs. island; stacked vs. side-by-side washer/dryer).
- Additionally, Option A’s affordable housing requirement must be allowed to “stack” with MFTE without requiring reduced AMI levels that are currently required in the city’s MFTE code for double-counted units. The set aside percentages in Wilburton are not well-calibrated without the inclusion of MFTE.

3. Affordable Housing Fee-In-Lieu Option



We Recommend: Allowing developers to pay a fee-in-lieu as an alternative to building affordable units onsite. Set a predictable fee-in-lieu schedule for both residential and commercial development. A commercial fee-in-lieu option is necessary to balance residential and commercial demand. The affordable housing requirement approach, when implemented alongside other cost-saving measures and a fee-in-lieu option, allows Bellevue to ensure predictable affordable housing in Wilburton and robust private development.

We Recommended:

- A fee schedule of \$13/sf for all projects that include residential product and \$16.50/sf for nonresidential;
- That this fee would readjust annually with the Seattle area Consumer Price Index ("CPI"), however, these annual adjustments would not begin until after all development qualifying for the catalyst program (outlined below) is permitted;
- Fee calculation vests at land use application for a 2-year period where the vesting provisions would expire if a building permit has not been submitted;
- Off-site, fee, and on-site performance may be used in combination with one another;
- Off-site performance must continue for the life of the project, covenants must be recorded on sending and receiving properties;
- Off-site performance allowed for a bond or other security, with some parameters (i.e. time limit for security), at the time a fee would normally be due.

4. Catalyst Program

We Recommend: Including phased implementation of the mandatory affordability program through a catalyst/pioneer program. Participation and vesting into the pioneer program should be established at project land use application, not permit issuance, to avoid uncertainty during the entitlement process. A project loses its place in the catalyst program if a building permit application is not submitted within one year of land use application.

Projects required to have affordable housing under the mandatory provision should be exempt from this requirement equal to the first 200 affordable units. These 200 affordable homes provided in market-rate projects to meet the affordable housing requirements in Wilburton, translates to 2000 units in the transition period of total housing across income levels. We further recommend that units in projects that are entirely affordable, like those developed by nonprofit developers, not count towards this 200-unit pioneer provision exemption.



Additionally, the Commercial Fee should have a similar catalyst program to ensure that necessary commercial development is not unintentionally disincentivized by a new affordable housing requirement as the real estate market recovers. As such, commercial projects representing the first 800,000 square feet of permitted non-residential developments should be exempt from this fee.

5. Conclusion

These recommendations have been carefully considered to maximize housing development for the Wilburton sub-area. **The provisions and calibrations are specific to the Wilburton sub-area and should not be viewed as suggestions for city-wide adoption.**

The Roundtable looks forward to collaborating with the city to ensure that the Wilburton Community is a vibrant, transit-oriented neighborhood that is affordable to all.

Respectfully,

Patience Malaba, HDC

Co-Chair

Joe Fain, Bellevue Chamber

Co-Chair

From: phyllisjwhite@comcast.net
To: [PlanningCommission](#); [Goepppele, Craighton](#); [Cuellar-Calad, Luisa](#); [Bhargava, Vishal](#); [Khanloo, Negin](#); [Malakoutian, Mo](#)
Cc: [Krueger, Morgan \(DFW\)](#); [Scoggins, Bethany O \(DFW\)](#); Timothy.Stapleton@dfw.wa.gov; [Council](#); Stewart.Reinbold@dfw.wa.gov; Marian.Berejikian@dfw.wa.gov; [Dykstra, Jesse F \(DFW\)](#); Kara.Whittaker@dfw.wa.gov
Subject: Urgent Need to Preserve the Kelsey Creek Watershed and Protect Tree Canopies in the Wilburton/NE 8th Subarea Amidst Upzoning and Comprehensive Plan Implementation
Date: Wednesday, January 22, 2025 12:42:00 AM
Attachments: [2024_0216_DFW_2024 Comprehensive Plan Comments.pdf](#)
[Bellevue Wilburton Plan Comments.pdf](#)
[2024-1-24 Planning Commission Letter.docx](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Please add this to the public records:
Dear Chair Goepppele, Vice-Chair Cuellar-Calad, and Commissioners Bhargava, Ferris, Khanloo, Lu, and Villaveces, and Deputy Mayor Malakoutian,
Attached is a letter signed by 14 Bellevue Residents for today's Planning Commission Meeting. Also attached are emails and documents from the WDFW.
We appreciate your time and attention in this matter.
Best regards,
Phyllis



State of Washington

Department of Fish and Wildlife, Region 4

Region 4 information: 16018 Mill Creek Blvd, Mill Creek, WA 98012 | phone: (425)-775-1311

February 16, 2024

Brandon Crawford, Consulting Planner
The City of Bellevue
bcrawford@migcom.com

Dear Mr. Crawford and team,

On behalf of the Washington State Department of Fish and Wildlife (WDFW), thank you for the opportunity to offer our comments regarding Bellevue's draft Comprehensive Plan update as part of the current Periodic Review period. We provide our comments and recommendations in keeping with our legislative mandate to preserve, protect, and perpetuate fish and wildlife and their habitats for the benefit of future generations – a mission we can only accomplish in partnership with local governments. Specific comments on the draft Comprehensive Plan policies are provided in the following table.

Table 1. Recommended changes to draft Comprehensive Plan policy language.

Policy Number	Policy Language	WDFW Comment
Growth Management LU	Policy Suggestion Seek opportunities for acquiring land encumbered by critical areas, reserving these sites for public recreation, habitat connectivity and restoration opportunities.	With the requirements of WAC 365-196-335, we suggest incorporating habitat connectivity into relevant land use policies. It is important to merge uses (such as habitat connectivity and outdoor recreation space) to create win-win scenarios.
Mixed Use Centers and Countywide Centers LU 20-23	Policy Suggestion	We suggest this section include an open space related policy. Planning for open space as part of all development ensures recreational opportunities for all community members, while simultaneously creating space for wildlife to live and move.
Capital Planning CF Or General Non City-Managed Utilities UT-49	Policy Suggestion Coordinate with WSDOT, King County, and neighboring jurisdictions to plan and prioritize culvert upgrades to ensure fish passage barrier removal, adequate projected stormwater passage, and continued climate-related adaptations to handle water passage into the future throughout Bellevue, especially where terrestrial species connectivity can be restored simultaneously (i.e., with wider bridges).	We suggest incorporating fish passage within your Capital Facilities Plan in order to plan for future climate related conditions. For more information, see Incorporating Climate Change into the Design of Water Crossing Structures: Final Project Report .

Transportation Environmental Considerations	Policy Suggestion To the greatest extent feasible, allow transportation projects to follow natural boundaries to determine routes, if this is the least impactful option on environmental values and functions.	It is important to keep in mind natural features of the landscape when planning transportation into the future. Channel migration zones can move, geologically hazardous areas can become steeper, and general characters of the landscape can become more pronounced.
TR-138	Consider areas of high wildlife movement and mortality and the needs of all roadway users when designing and building neighborhood traffic safety projects.	We suggest keeping wildlife movement in mind when designing any transportation project, to minimize wildlife mortality and hazard to motorists.
CL-2	Minimize, and where practicable, e Eliminate the release of substances into the air, water, and soil that may have harmful impacts on people, wildlife, or the environment. If total elimination is not practical, minimize to the greatest extent feasible.	It is important for these policies to stay in alignment with the proper mitigation sequencing outlined in state code (WAC 197-11-768).
Fish and Wildlife Habitat (CL)	Policy Suggestion Recognize the important role Bellevue plays in recovering salmon populations by acting on the goals of the WRIA 8 Salmon Recovery Council, the Puget Sound Partnership Action Agenda, the Washington Salmon Coalition, and other related groups and collaborative salmon recovery documents.	Representatives from the city of Bellevue signed the WRIA 8 Plan Interlocal Agreement which states the adjacent goals outlined in this policy suggestion. Continuing to deliver on these general goals and the more specific goals of the WRIA 8 Chinook Salmon Conservation Plan (signed by Mayor John Stokes) is important to keep in mind when developing these policies. For example, Bellevue's shoreline is rated as Tier 1 (highest importance) for Chinook recovery. Much of Bellevue is also in the Tier 2 category (occasional chinook use).

WDFW appreciates the efforts Bellevue is undertaking to protect and improve habitat and ecosystem conditions throughout their jurisdiction. We look forward to continuing to work with you during the review and implementation of the city's updated Comprehensive Plan, Shoreline Master Program, Critical Area Ordinance update, and related policies and regulations.

If you have any questions, please call me at (425)-537-1354.

Sincerely,

Morgan Krueger
Regional Land Use Planner, WDFW Region 4

CC:

Kara Whittaker, Land Use Conservation and Policy Section Manager (Kara.Whittaker@dfw.wa.gov)

Marian Berejikian, Environmental Planner (Marian.Berejikian@dfw.wa.gov)

Stewart Reinbold, Assistant Regional Habitat Program Manager (Stewart.Reinbold@dfw.wa.gov)

Jesse Dykstra, Habitat Biologist (Jesse.Dykstra@dfw.wa.gov)

Catherine McCoy, WA Department of Commerce (catherine.mccoy@commerce.wa.gov)

Wilburton Vision Implementation Land Use Code Amendment (LUCA)



Krueger, Morgan (DFW) <Morgan.Krueger@dfw.wa.gov>
To: Gallant, Kristina
Cc: Dykstra, Jesse F (DFW)

[Reply](#) [Reply All](#) [Forward](#) [More](#)

Mon 10/14/2024 3:34 PM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hi Kristina,

I am writing to acknowledge the considerable work being undertaken for the Wilburton Vision Implementation and the Land Use Code Amendment (LUCA) project. The approach taken to integrate green building standards, enhance open spaces, and prioritize sustainability within the Wilburton Transit-Oriented Development area demonstrates a comprehensive strategy to address the area's unique environmental and development needs.

I am particularly interested in how the LUCA addresses both the unique ecological features of the Wilburton/BelRed subarea and the practical needs of a rapidly developing neighborhood. I work with many jurisdictions that seem to have trouble connecting these important factors, and I'm keen to learn more regarding the implementation of this project. Could you let me know where I might access a copy of specific land use code amendments that have been proposed?

Thank you in advance,



Morgan Krueger (she/her)
Regional Land Use Lead, Habitat Division
Washington Dept. of Fish and Wildlife
Region 4
Morgan.Krueger@dfw.wa.gov
425-537-1354



State of Washington

Department of Fish and Wildlife, Region 4

Region 4 information: 16018 Mill Creek Blvd, Mill Creek, WA 98012 | phone: (425)-775-1311

October 31, 2024

City of Bellevue
Josh Steiner
450 110th Ave NE
Bellevue, WA 98004

WDFW Comments Regarding the Wilburton Vision Implementation Land Use Code Amendments

Dear Mr. Steiner,

On behalf of the Washington Department of Fish and Wildlife (WDFW), thank you for the opportunity to comment on the city of Bellevue's Wilburton Vision Implementation Land Use Code Amendment. Within the State of Washington's land use decision-making framework, WDFW is considered a technical advisor for the habitat needs of fish and wildlife and routinely provides input into the implications of land use decisions. We provide these comments and recommendations in keeping with our legislative mandate to preserve, protect, and perpetuate fish and wildlife and their habitats for the benefit of future generations – a mission we can only accomplish in partnership with local jurisdictions.

Fish and Wildlife Resources and Recommendations:

Congratulations on the recent land use code updates proposed to successfully implement the Wilburton Subarea Plan. Integrating green building incentives, open space provisions, and other sustainable development measures reflects Bellevue's commitment to fostering a vibrant and environmentally conscious community.

To further strengthen these efforts, we recommend incorporating WDFW's [Best Available Science \(BAS\) for riparian management zones](#) (RMZs), including the Site Potential Tree Height at 200 years (SPTH₂₀₀) standard. Think of SPTH₂₀₀ like a measuring cup for riparian ecosystems— it provides the exact "recipe" for buffer width determination, ensuring adequate filtration, erosion control, and shade requirements are met to protect water quality and aquatic habitats, especially for sensitive species like Chinook salmon in Kelsey Creek.

[Our data](#) shows that a 196 ft RMZ (or ‘buffer’ width) is needed in the Kelsey Creek area to protect all critical ecosystem functions and values. According to our BAS [management recommendations](#), a minimum of 100 feet is required to filter most pollutants, whereas buffers under 100 feet, such as the current 50-foot width, are insufficient for safeguarding water quality and ecosystem integrity. Utilizing WDFW’s BAS can help Bellevue align with its [interlocal agreement](#) commitments and provide lasting environmental benefits.

WDFW’s BAS also underscores the importance of protecting all streams, not just those with fish presence, and prioritizing the retention of mature vegetation over compensatory mitigation planting. In addition to supporting fish life, healthy riparian vegetation stabilizes stream banks, prevents erosion, and provides the necessary shade to maintain cool water temperatures. These ecosystem functions are challenging to replace, particularly those provided by mature plants. With climate change increasing the likelihood of severe heat and storm events, protecting vegetated buffers will help absorb floodwaters, mitigate future high-flow conditions, and maintain cooler water temperatures, ultimately contributing to community resilience.

While a broader code update is anticipated in 2025, establishing protections now ahead of increased development activity will help ensure that the Wilburton area’s streams continue to provide essential ecosystem services while allowing development in suitable areas. Riparian areas can also serve as open spaces that enhance community character, offering recreational areas and natural spaces for residents to enjoy. By preserving adequate RMZs delineated using the SPTH₂₀₀ standard, Bellevue can foster a more resilient, livable, and ecologically connected Wilburton area.

Incorporating our recommendations helps align this plan with BAS standards (WAC 365-195-900) and further demonstrates Bellevue’s leadership in sustainable urban development. Our recommendations further align with the policies within the Wilburton/N.E. 8th Street Plan, such as “S-WI-9. Protect and enhance streams, drainage ways, and wetlands in the Kelsey Creek Basin,” and “S-WI-10. Prevent development from intruding into the floodplain of Kelsey Creek.”

We would be happy to assist in providing additional information on WDFW’s recommendations or explore opportunities to integrate these environmental and community benefits into future planning. Please also see the WA Department of Ecology’s funding opportunity, the [Climate Resilient Riparian Systems Grant](#). See also NOAA’s grant opportunity, [Restoring Fish Passage through Barrier Removal Grants](#).

Thank you once again for your dedication to enriching Bellevue’s natural and built environments. Please feel free to reach out to our Reginal Land Use Lead for further collaboration (Morgan Krueger, Morgan.Krueger@dfw.wa.gov).

Sincerely,



Timothy Stapleton

Washington Department of Fish and Wildlife
Region 4, Habitat Program Manager

CC:

Morgan Krueger, Regional Land Use Lead (Morgan.Krueger@dfw.wa.gov)

Kara Whittaker, Land Use Conservation and Policy Section Manager
(Kara.Whittaker@dfw.wa.gov)

Marian Berejikian, Land Use Conservation and Policy Planner (Marian.Berejikian@dfw.wa.gov)

Stewart Reinbold, Assistant Regional Habitat Program Manager
(Stewart.Reinbold@dfw.wa.gov)

Bethany Scoggins, Habitat Biologist (Bethany.Scoggins@dfw.wa.gov)

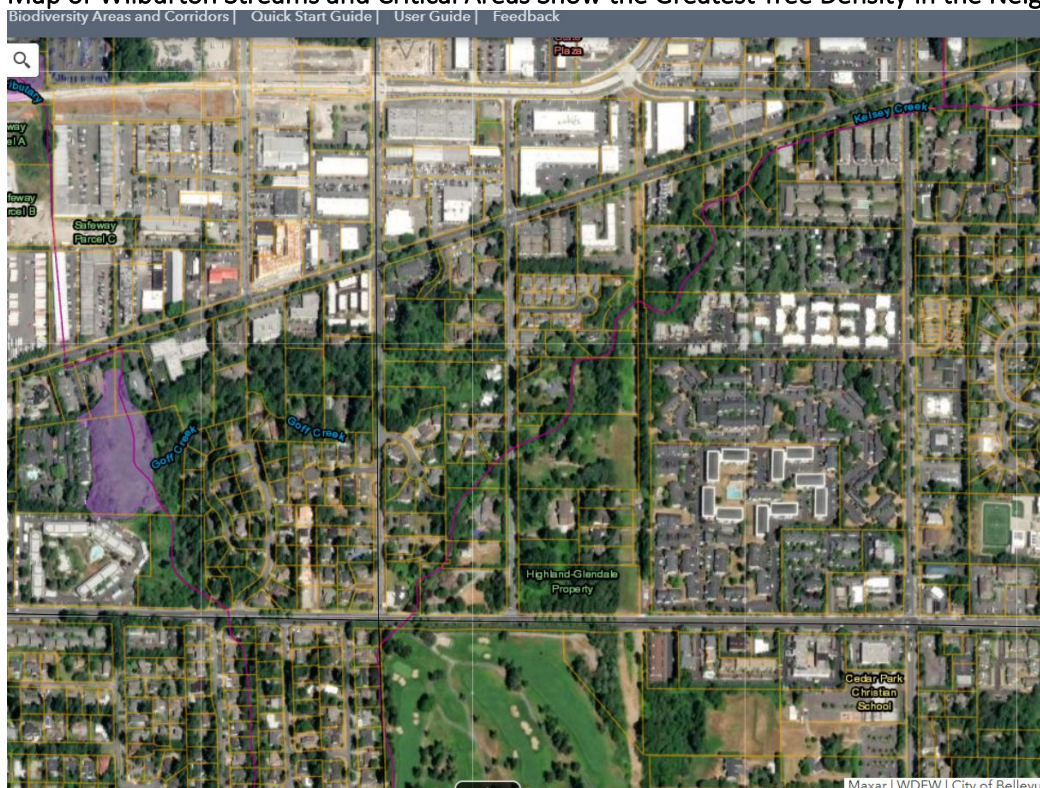
Jesse Dykstra, Habitat Biologist (Jesse.Dykstra@dfw.wa.gov)

Subject: Urgent Need to Preserve the Kelsey Creek Watershed and Protect Tree Canopies in the Wilburton/NE 8th Subarea Amidst Upzoning and Comprehensive Plan Implementation

Dear Chair Goepppele, Vice-Chair Cuellar-Calad, and Commissioners Bhargava, Ferris, Khanloo, Lu, and Villaveces,

The [Kelsey Creek Watershed](#), located in the heart of the Wilburton neighborhood, is Bellevue's most critical urban stream ecosystem. It plays a vital role in sustaining wildlife, mitigating urban flooding, and maintaining the city's ecological resilience. However, increased development pressure threatens these vital functions. [As residents, we urge the Planning Commission Board and the city of Bellevue to prioritize the protection of riparian corridors, tree canopies, and wildlife habitats in the Wilburton/NE 8th Subarea, particularly in the area near BelRed, specifically 130-136th streets \(130th, 132nd, 134th, and 136th streets\) north of NE 8th Street.](#) An email from Morgan Krueger, of the Washington Department of Fish and Wildlife (WDFW), notes that the **Wilburton/BelRed subarea has unique ecological features** and questions the practical needs of a rapidly developing neighborhood in this vital part of the Kelsey Creek Watershed.

Map of Wilburton Streams and Critical Areas Show the Greatest Tree Density in the Neighborhood North of NE 8th Street:



Concerns About Development and Habitat Loss

Wilburton has experienced the greatest loss of tree canopy compared to other Bellevue neighborhoods. The Kelsey Creek sub-basin has the lowest riparian canopy cover and the highest impervious surface cover of all Bellevue watersheds. The watershed supports a rich urban biodiversity, providing critical habitats for endangered and priority species such as bald eagles, great blue herons, Chinook salmon, and Western Pond turtles, while protecting against urban pollution and flooding.

Unchecked upzoning and housing expansion will further degrade these already vulnerable ecosystems unless stronger environmental protections are adopted as **85.5% of Wilburton's riparian corridor lies on private property.**

[Greater Kelsey Creek Watershed Assessment Report prepared by Jacobs Engineering Inc. in Support of the City's Watershed Plan](#)

- The Kelsey Creek Watershed Assessment Report emphasizes the significance of the Kelsey Creek Watershed as a critical stream ecosystem in Bellevue as **one of the last remaining significant riparian corridor within urban residential areas**.
- Urban development has severely impacted the watershed, leading to habitat fragmentation, reduced tree canopy, and degraded water quality. However, its relatively intact floodplain and wetlands provide opportunities for restoration and ecological resilience.
- The riparian areas along Kelsey Creek are priority habitats, essential for maintaining biodiversity in Bellevue. These corridors act as linkages for wildlife, facilitating ecological connectivity and resilience

Wilburton and Its Surrounding by High-Density Growth

Bellevue's housing goals can be met without destroying Wilburton's last urban riparian corridor, as significant density developments are already being planned for this area :

- **BelRed District:** 5,000+ new housing units, exceeding Wilburton's total housing stock.
- **Spring District:** A high-density, transit-oriented urban center with thousands of new apartments and commercial spaces.
- **Wilburton Vision Implementation Plan:** Further high-rise, mixed-use developments that will more than double Wilburton's current housing density.

With these developments already providing substantial growth, preserving Wilburton's critical habitats and wildlife corridors ensures that growth does not come at the expense of Bellevue's most valuable natural ecological resources.

Wilburton Residents Concerns About Upzoning & Environmental Impact

To better understand residents' perspectives, we conducted a Wilburton Housing Poll, distributing 79 surveys to the approximate 100 single-family homes in Wilburton **north of NE 8th Street**, from 130th to 136th (130th, 132nd, 134th and 136th streets) in the Wilburton/BelRed/NE 8th Subarea. 63 of the 79 were completed and returned. The results of the 63 surveys revealed the following:

- **97%** feel increasing density with middle housing options would negatively impact the neighborhood's quality of life.
- **92%** believe preserving the environment outweighs the benefits of increasing housing density to preserve the Wilburton's ecosystem.
- Public comments expressed deep concerns over infrastructure strain.

Residents Support the Washington Department of Fish and Wildlife (WDFW) Recommendations

We, residents of Wilburton and throughout Bellevue strongly support the Washington Department of Fish and Wildlife (WDFW) recommendations to strengthen environmental protections in the Wilburton/NE 8th Street Plan, particularly for the critical riparian corridor north of NE 8th Street, encompassing Wilburton's 130th – 136th streets. WDFW emphasizes **immediate action** to adopt WDFW's Best Available Science (BAS) protections for the Wilburton/NE 8th Subarea, before any rapid development which will prioritize increased development over environmental resilience in the Wilburton Kelsey Creek Watershed.

The lack of climate resilience is evident in other parts of the city. For example, recently, an 8-Tower, 26-story project is in review in Downtown Bellevue. Pinnacle Development is applying to build 3,300 additional units and does not include any open green space or adding any measurable tree canopy contribution.

Preserving the environment is a fundamental responsibility for any city striving for sustainable growth. Bellevue, as a leader in urban development, has an opportunity to set a precedent by prioritizing the protection of its natural resources. The Kelsey Creek Watershed and its tributaries, one of the last remaining urban riparian wildlife corridors in Wilburton, deserves special attention as a critical ecological asset. Its preservation not only safeguards biodiversity and climate resilience but also ensures a livable and balanced future for current and future generations.

Climate resilience, and the protection of natural resources should remain Bellevue's highest priority over development. While bicycles can reduce carbon emissions, they cannot replace the vital role of trees in mitigating urban heat islands, improving air quality, managing stormwater, and supporting biodiversity. Once these century-old trees are lost, their ecological functions cannot be replaced--displacing animals that depend on them, and further along the food chain. To ensure balanced growth and climate resilience, development and greenery should be integrated into less sensitive areas, while preserving critical area habitats and their trees.

Additionally, pursuing rapid development in critical areas before updating critical area policies may lead to unintended risks and short-sighted outcomes.

WDFW's Key Recommendations

1. Expand Riparian Buffer Zones Using BAS:

- Use **Site Potential Tree Height (SPTH) at 200 years** to determine minimum buffer widths in place of Bellevue's outdated stream typing.
- Transition from outdated stream setbacks to **Riparian Management Zones (RMZs)** to ensure habitat connectivity.

2. Strengthen Tree Canopy Protection & Expansion:

- Wilburton has experienced the sharpest tree canopy decline in Bellevue, falling below the **40% retention target**.
- Require a **3:1 tree replacement ratio** for any lost canopy to offset urban heat impacts.
- Preserve **landmark and heritage trees (200+ years old)**, which provide critical nesting habitats for raptors, herons, and migratory birds, protection and the cooling, and purifying effects for the watershed and for residents.

3. Expand Wildlife Protections Beyond Fish Corridors:

- Protect and restore **urban wildlife corridors connecting Wilburton, Mercer Slough, and Lake Washington** to prevent further displacement.
- In line with the Transit-Oriented Development (TOD) vision in support of open space and natural systems, foster the Comprehensive Plan's natural determinants policies:
 - S-WI-16 Protect and enhance, streams, drainage ways, and wetlands in the Kelsey Creek Basin
 - S-WI-17 Prevent development from intruding into the floodplain of Kelsey Creek and the Goff Creek.

4. Align Zoning with Bellevue's Environmental Policies:

- **Growth Management Act (RCW 36.70A):** Mandates the use of BAS to protect critical areas and natural resources.
- **Shoreline Management Act (RCW 90.58):** Safeguards urban water bodies and floodplains.
- **King County Climate Action Plan (2024):** Calls for expanding tree canopy and improving stormwater management.
- **State Environmental Policy Act (RCW 43.21C):** Requires comprehensive Environmental Impact Assessments (EIAs).

The Kelsey Creek Watershed: A Vital Riparian Corridor

1. Kelsey Creek is a Vital Riparian Corridor in a Rapidly Urbanizing Area

- The Kelsey Creek Watershed is one of the last remaining riparian corridors intersecting with Bellevue's urban residential neighborhoods. Development pressures in the Wilburton/NE 8th/BelRed Subarea threaten its ecological resilience. (1)
- Its preservation ensures habitat connectivity in a city increasingly defined by impervious surfaces and fragmented green spaces. (1)

2. Critical Habitat for Priority and Endangered Species

- The Kelsey Creek Watershed supports the endangered and priority species Chinook salmon, Coho salmon, and Steelhead trout, under the Washington Department of Fish and Wildlife (WDFW) Priority Habitats and Species Program.
- It provides habitats for land-based priority species wildlife such as bald eagles, great blue herons, and Western Pond turtles, which rely on its riparian zones for nesting and feeding.

3. Urban Flood Mitigation and Water Quality

- Kelsey Creek plays a key role in stormwater management, absorbing runoff and reducing flood risks in surrounding residential and commercial areas.
- Its riparian vegetation improves water quality by filtering pollutants before they enter the stream.

4. Tree Canopy and Urban Heat Mitigation in Wilburton

- The watershed contains mature tree canopies that mitigate urban heat islands, improve air quality, provide shade, protection, purifying the air, and cooling temperatures.
- [Kelsey Creek in Wilburton has the lowest riparian canopy coverage and highest impervious surface percentage of all Bellevue watersheds](#), highlighting the urgency of its preservation.

Comparison to Other Bellevue Watersheds

Compared to other watersheds like Coal Creek or Mercer Slough, Kelsey Creek is uniquely positioned:

- **The Kelsey Creek Watershed directly intersects with urban residential neighborhoods and is immediately impacted by upzoning pressures.**
- Mercer Slough, while also critical, benefits from larger, intact wetland areas, whereas Kelsey Creek is fragmented and more vulnerable to urbanization.
- Coal Creek flows through less densely developed areas, making Kelsey Creek's proximity to growth areas more ecologically at risk.

Requested Action by the Planning Commission to Support the Vision of the City for Ecological Resilience

We urge the Bellevue Planning Commission to:

1. Integrate WDFW's Recommendations in the Wilburton/NE 8th Subarea Plan, specifically the Wilburton north of NE 8th Street, 130th, 132nd, 134, and 136th streets for the ecological natural preservation of the Kelsey Creek Watershed.
2. Expand and restore riparian buffers, strengthen wildlife protections, and increase tree canopy restoration efforts.
3. Support the WDFW's recommendations for riparian buffers and WDFW's tree recommendations for the watershed connectivity.
4. Increase transparency and encourage public participation.

The Kelsey Creek Watershed and Wilburton's wildlife corridors and its ecosystem are irreplaceable resources. If we are to pursue climate resilience, protecting the remaining urban area of the Kelsey Creek Watershed in the Wilburton/NE 8th/BelRed subarea is critical. This is key to preserving and supporting Bellevue's vision of the city and ensure its resilience. Granted we have the Bellevue Botanical Gardens, a manmade open garden, but we have an opportunity to preserve this area as its natural environment. This will ensure Bellevue's climate resilience.

By protecting this area, it will ensure the watershed's natural ecology for future generations.

Thank you for your time and consideration. We look forward to working collaboratively for a sustainable, environmentally responsible future for Wilburton.

Sincerely,

Signatures of Phyllis White & Concerned Residents of Wilburton and Bellevue:

Phyllis White
Linda Ulrich
Joel Ulrich
Craig Spiegle
Nicole Myers
Barbara Hughes
Cheryl Wang
Renay Bennett
Erin Powell
Liz Hale
John Wu
Lee White
Heidi Dean
Suresh Velagapudi

References & Attachments

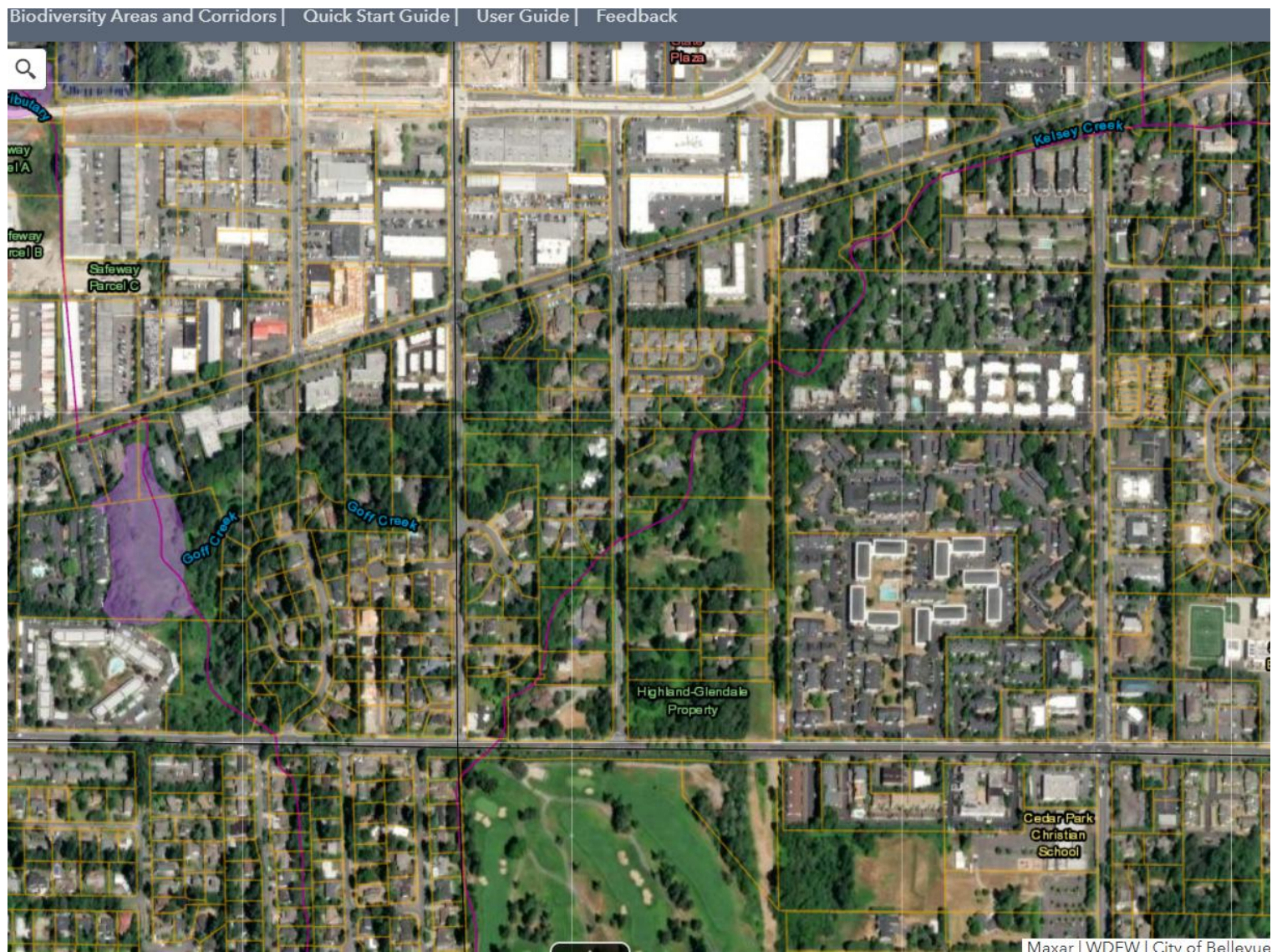
1. Kelsey Creek Watershed Assessment Report (2021), p. 2-67.
https://bellevuewa.gov/sites/default/files/media/pdf_document/2021/KelseyCreek_Assessment_Report_2021_1130.pdf
2. WAC 365-195-900
Background and purpose.
(1) Counties and cities planning under RCW [36.70A.040](#) are subject to continuing review and evaluation of their comprehensive land use plan and development regulations. Periodically, they must take action to review and revise their plans and regulations, if needed, to ensure they comply with the requirements of RCW [36.70A.130](#).
(2) Counties and cities must include the "best available science" when developing policies and development regulations to protect the functions and values of critical areas and must give "special consideration" to conservation or protection measures necessary to preserve or enhance anadromous fisheries.
RCW [36.70A.172](#)(1). The rules in WAC 365-195-900 through [365-195-925](#) are intended to assist counties and cities in identifying and including the best available science in newly adopted policies and regulations and in this periodic review and evaluation and in demonstrating they have met their statutory obligations under RCW [36.70A.172](#)(1).
(3) **The inclusion of the best available science in the development of critical areas policies and regulations is especially important to salmon recovery efforts, and to other decision-making affecting threatened or endangered species.**
(4) These rules are adopted under the authority of RCW [36.70A.190](#) (4)(b) which requires the department of commerce (department) to adopt rules to assist counties and cities to comply with the goals and requirements of the Growth Management Act.

[Statutory Authority: RCW [36.70A.050](#) and [36.70A.190](#). WSR 23-08-037, § 365-195-900, filed 3/29/23, effective 4/29/23. Statutory Authority: RCW [36.70A.190](#) (4)(b). WSR 01-08-056, § 365-195-900, filed 4/2/01, effective 5/3/01; WSR 00-16-064, § 365-195-900, filed 7/27/00, effective 8/27/00.]

3. Washington Department of Fish and Wildlife (WDFW) Recommendations (October, 2024), Attachment to email titled Bellevue Public Comments.
4. Washington State Growth Management Act (RCW 36.70A).
5. Shoreline Management Act (RCW 90.58).
6. King County Climate Action Plan (2024).
7. WDFW Priority Habitats & Species Program.
8. Wilburton/NE 8th Street Subarea Plan (2024)

Trees along the Goff Creek and Kelsey Creek providing shelter and a balance ecological habitat for in the Wilburton/BelRed/NE 8th Subarea. They are essential for a connected wildlife corridor.

(Enlarged image)



Flood Zone: King County Public Records



From: [Jacquie Quarre](#)
To: [PlanningCommission](#)
Subject: Comment Letter - Brierwood Center
Date: Wednesday, January 22, 2025 10:48:45 AM
Attachments: [01.22.25 Planning Commission Comment Letter - Brierwood Center.pdf](#)

You don't often get email from jacquie@tharsis.land. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hello,

Please find the attached comment letter submitted on behalf of the owners of Brierwood Center in Wilburton. We look forward to attending the Planning Commission meeting this evening.

Jacquie

Jacquie Quarré
Tharsis Law P.S.
jacquie@tharsis.land
Direct/cell: 425-891-7842



January 22, 2025

Tharsis Law
Jacquie Quarre
425-891-7842
jacquie@tharsis.land

City of Bellevue Planning Commission
450 110th Ave NE
Bellevue WA 98004

VIA EMAIL TO: PlanningCommission@bellevuewa.gov

Dear Planning Commission:

We represent the owners of the Brierwood Center property located at 12001-12005 NE 12th Street in Bellevue, Washington 98005 (“Brierwood Center”).¹ Brierwood Center is a shopping center developed over 50 years ago by Hal Woosley. His sons still own Brierwood Center, and care deeply about the future of Wilburton. T.J. Woosley and Todd Woosley have been involved in the Wilburton Property Owners Group (“WPOG”). We support the feedback and input that WPOG is providing City Staff and the Planning Commission on the Wilburton Land Use Code Amendment (“LUCA”). We appreciate all the work that City Staff and the Planning Commission have put into the LUCA.

We acknowledge that the Planning Commission’s January 22, 2025 meeting is focused on affordable housing policies for Wilburton and the amenity incentive program. But even the most robust affordable housing strategy will not work unless the City fixes problems in the LUCA that will make development of housing unfeasible. The changes outlined below are needed to reach Bellevue’s Comprehensive Plan requirement of 35,000 additional housing units by 2044.

- **Change No. 1: Remove the local street requirement.** As detailed in Section 2 below, the City should remove from the LUCA the requirement of local streets in specific locations, including removing draft 20.25R.020.C.2 and Figure 20.25R.020.C.1. The local street requirement violates RCW 82.02.020 and impairs development by requiring public streets in

¹ King County Parcel Nos. 1099100165 (54,242 SF), 1099100168 (20,660 SF), 1099100169 (20,039 SF), and 1099100170 (22,462 SF).

places that do not benefit the public and may create a neighborhood that is less walkable and has worse traffic congestion. We propose replacement code language in Section 2 below.

- **Change No. 2: Reduce access-related restrictions.** As detailed Section 3 below, the City should also adopt the following solutions to avoid impairing development with unnecessary access-related requirements.
 - Reduce the Flexible Access Corridor width from 51 feet to 37 feet minimum (two 10' drive aisles, two 6' sidewalks, one 4' planting strip, and two 6" curbs), with further reductions allowed for one-way Flexible Access Corridors.
 - Update the active transportation corridor ("ATC") standards to allow "back of house" service corridors that provide 20 feet minimum for fire lane, garbage, and incidental loading.
 - Reduce pedestrian corridors from 14 feet to 10 feet minimum.
 - Reduce sidewalk widths from 10 feet to 6 feet minimum, except on 116th or other arterial streets.
 - Eliminate potential for 10-foot sidewalk on commercial driveway.
 - Eliminate public easement requirement for commercial driveway. This is a driveway serving a private garage, not a public way.

We are supportive of the changes to the non-conforming use and structures language in the most recent draft LUCA.

1. Brierwood Center provides unparalleled opportunities for mixed-use housing and transit-oriented development.

The map below shows the location of Brierwood Center, which is bounded by NE 12th Street to the north, 120th Ave NE to the west, Bel-Red Road to the south, and private property to the east. Over the years, the City has taken property from Brierwood Center for public streets on the north (NE 12th Street), west (120th Ave NE), and south (Bel-Red Road) sides. This has significantly reduced the size of the property. As discussed in Section 2, the draft LUCA seeks to take even more from Brierwood Center by requiring a local street at the east of the property. The City has not provided any analysis or justification for taking additional property from Brierwood Center for this local street. Hindering development of Brierwood Center by requiring a local access street – taking yet a fourth side of the property for a public street – does not align with the Comprehensive Plan's policies for the Wilburton Subarea.

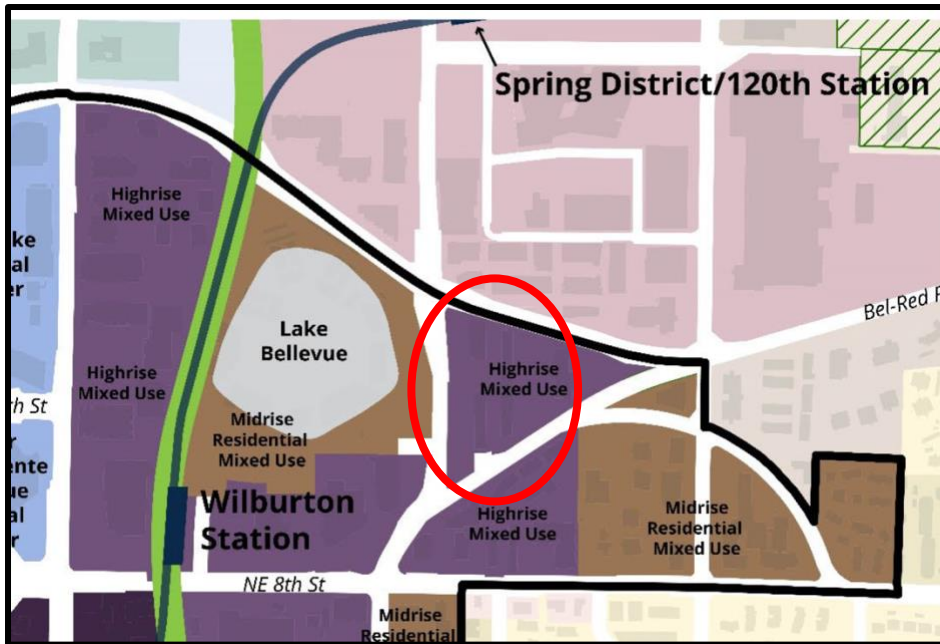


Brierwood Center is the epitome of “walkability” and transit-oriented development. It is centered between two light rail stations: it is only a 5-10-minute, roughly quarter mile walk to the Wilburton and Spring District Sound Transit stations. The property is also only two blocks from the Eastside’s only METRO RapidRide line and has a local bus stop on its northern border. Brierwood Center is the “gateway” property to the Bel-Red Corridor from Wilburton and provides a unique opportunity to connect Wilburton to Bel-Red Subarea and the Spring District.

Under the newly adopted Wilburton Subarea Plan, Brierwood Center is zoned High-rise Mixed Use (see figure below).² We support the zoning under the draft LUCA of Brierwood Center as Mixed-Use Highrise (MU-H), which is intended “to provide for a mix of housing, retail, service, office, and complementary land use at a high scale and density.”³ The comments and proposed solutions for the draft LUCA offered in this letter aim to achieve this level of density and provide opportunities for desperately-needed housing nearly transit.

² <https://bellevue.legistar.com/View.ashx?M=F&ID=12880923&GUID=3BA698EA-DA35-4AA2-9329-45EB76210FA6>

³ Wilburton Vision Implementation Land Use Code Amendment (LUCA) Meeting Materials for the January 22, 2025 Planning Commission Meeting: Ex. A, LUCA Option A Strike-Draft, available at (<https://bellevue.legistar.com/View.ashx?M=F&ID=13675227&GUID=B1A8EDD5-9A88-4A9A-893B-DB58E2009C24>).



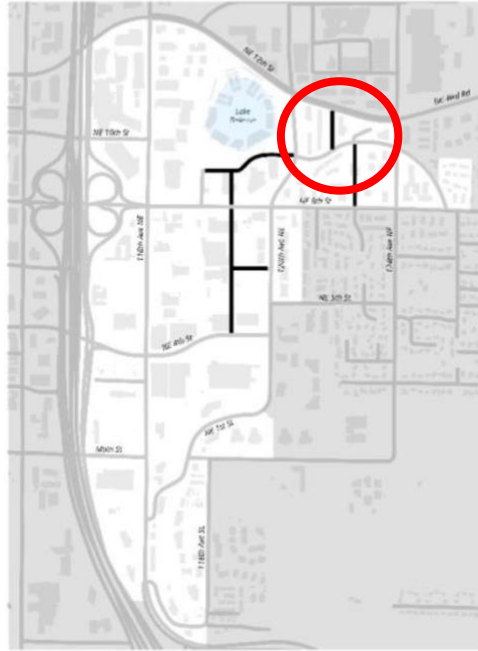
We also note that the corner lot to the southwest of Brierwood Center along Bel-Red Road and 120th Ave NE is owned by the City and presents an incredible opportunity to provide the additional open space and public parks envisioned by the City in the Comprehensive Plan policies. The Staff Memo for the January 22, 2025 Planning Commission meeting cites policies such as S-WI-54 (increase community access to open space opportunities), S-WI-58 (provide for centrally located public space), and S-WI-77 (support a wide range of active uses and gathering spaces). These policies are just a few of many that highlight the opportunity for the City to use its own corner property to provide a new park or public open space that would create a more inclusive Wilburton neighborhood and connect the Grand Connection with adjacent neighborhoods.

2. Change No. 1: Remove the blanket requirement for local streets that violates RCW 82.020.020 and does not serve the public; evaluate the need for local streets or other access on a project-specific basis.

The requirement of local streets in specific locations in draft 20.25R.020.C.2 and Figure 20.25R.020.C.1 (below) should be removed from the LUCA. The locations are illogical, and there is no nexus to projects or proportionality to the impacts of projects. If necessary to implement the code, then there should be transportation impact fee credits for the improvements.

These draft code provisions prematurely require private property owners to build local streets across private property before the City or property owners know what uses and structures will be built. The local streets in Figure 20.25R.020.C.1 have not been studied under SEPA and are not part of Bellevue's capital plans for transportation improvements. For the local street adjacent to Brierwood Center, there is no demonstration that a local street is reasonably necessary to mitigate any impact of development of Brierwood Center (nor is any specific development currently proposed). This cannot satisfy the requirements of RCW 82.02.020. The requirement of local streets in specific locations should be removed from the Wilburton LUCA.

Required Local Streets in Wilburton Subarea



[N]o county, city, town, or other municipal corporation shall impose any tax, fee, or charge, either direct or indirect, on the construction or reconstruction of residential buildings, commercial buildings, industrial buildings, or on any other building or building space or appurtenance thereto, or on the development, subdivision, classification, or reclassification of land. However, this section does not preclude dedications of land or easements within the proposed development or plat which the county, city, town, or other municipal corporation can demonstrate are reasonably necessary as a direct result of the proposed development or plat to which the dedication of land or easement is to apply.

This section does not prohibit voluntary agreements with counties, cities, towns, or other municipal corporations that allow a payment in lieu of a dedication of land or to mitigate a direct impact that has been identified as a consequence of a proposed development, subdivision, or plat. ...

5

(1) The payment shall be held in a reserve account and may only be expended to fund a capital improvement agreed upon by the parties to mitigate the identified, direct impact;

(2) The payment shall be expended in all cases within five years of collection; and

(3) Any payment not so expended shall be refunded with interest to be calculated from the original date the deposit was received by the county and at the same rate applied to tax refunds pursuant to RCW 84.68,100; however, if the payment is not expended within five years due to delay attributable to the developer, the payment shall be refunded without interest.

No county, city, town, or other municipal corporation shall require any payment as part of such a voluntary agreement which the county, city, town, or other municipal corporation cannot establish is reasonably necessary as a direct result of the proposed development or plat.

...

Nothing in this section prohibits counties, cities, or towns from imposing or permits counties, cities, or towns to impose water, sewer, natural gas, drainage utility, and drainage system charges. However, no such charge shall exceed the proportionate share of such utility or system's capital costs which the county, city, or town can demonstrate are attributable to the property being charged. Furthermore, these provisions may not be interpreted to expand or contract any existing authority of counties, cities, or towns to impose such charges.

RCW 82.02.020. The Washington Supreme Court has interpreted this statute to require “strict compliance” by municipal governments. *Trimen Development Co. v. King County*, 124 Wn.2d 261, 677 P.2d 187 (1994); *R/L Associates v. Seattle*, 113 Wn.2d 402, 409, 780 P.2d 838 (1989).

Our Supreme Court and Courts of Appeals have also been clear that the municipal burden of proof extends beyond dedications and voluntary payments:

- In *Citizens Alliance for Property Rights v. Sims*, 145 Wn. App. 649, 187 P.3d 786 (2008), the court held that RCW 82.02.020 was applicable to a provision limiting clearing when developing individual lots, even though no fee-in-lieu was applicable. The court found the blanket prohibition on clearing violated RCW 82.02.020.
- In *View Ridge Park Associates v. Mountlake Terrace*, 67 Wn. App. 588, 839 P.2d 343 (1992), the court held that RCW 82.02.020 was applicable to a permit condition that required on-site recreational improvements.
- In *United Development Corp. v. City of Mill Creek*, 106 Wn. App. 681, 698-99, 26 P.3d 943 (2001), the court held that RCW 82.02.020 was applicable to a condition requiring frontage improvements for drainage along an adjacent street to a development.
- In the leading Washington Supreme Court case of *Isla Verde International Holdings, Inc. v. City of Camas*, 146 Wn.2d 740, 759, 49 P.3d 867 (2002), the court held that RCW 82.02.020 applied to a permit condition requiring a 30 percent on-site set-aside for open space. The Supreme Court held that the permit condition violated RCW 82.02.020

because the City of Camas failed to show that the open space condition was reasonably necessary to mitigate a direct impact that is a consequence of the proposed development.

There are provisions in the LUCA that (1) give the Director authority to modify the location of local streets and improvements, and (2) recognize that the local street must be reasonably necessary to mitigate the direct transportation impacts resulting from the associated development project. Draft LUCA 20.25R.020.C.2, 5. These provisions (while better than nothing) attempt to put band aids on a problem that RCW 82.02.020 prohibits: the LUCA sets a baseline requirement that property owners build local streets without any demonstration that those streets are needed because of a project. The City needs to first demonstrate that a local street is reasonably necessary as a direct result of a specific proposed development on the property. The burden is on the City to make the demonstration of nexus and proportionality – not on the property owner to disprove it.

In addition to not meeting the requirements of RCW 82.02.020 and case law requiring nexus and proportionality, the City has not specifically analyzed the local streets required in the LUCA as part of the Wilburton SEPA process.

Aside from the legal problems the local street requirement creates, requiring a local street to the east of Brierwood Center puts an unnecessary limitation on redevelopment, taking away from much-needed housing and limiting redevelopment close to transit. The updated Comprehensive Plan stresses the need for flexibility to encourage redevelopment and housing – the inclusion of a rigid and presumptuous local street requirement is the opposite of flexibility. If the City wants new public streets, the burden is on the City (not private property owners) to fund and construct these public rights of way. The proposed streets need to be included in all the City's capital plans addressing transportation, and the full public process for identifying and including those streets in capital plans must be followed.

Removing the local street requirement is supported by WPOG and is integral to creating a code that complies with RCW 82.02.020 and encourages infill housing.

SOLUTIONS

To solve this problem, the City should strike draft 20.25R.020.C.2 and Figure 20.25R.020.C.1. The following alternate language could be included in 20.25R.020.C.2 to legally provide for local streets:

Strike in the Current Draft LUCA	Replace with Proposed Language
20.25R.020.C. Location-specific access and design. ...	20.25R.020.C. Location-specific access and design. ...
2. Required local streets. Figure 20.25R.020.B.1 identifies the general location of required local streets and associated improvements in the Wilburton/N.E. 8 th Street	2. Local streets. The Director may require a local street for a project if, after submittal of a complete land use application, the Director

Subarea. The Director may approve modifications to the location of required local streets to respond to specific site conditions, property ownership, and phasing considerations; provided, that the modified location satisfied the intent of subsection C.1 of this section and meets the applicable	determines that a local street is reasonably necessary to mitigate impacts that are a direct result of the proposed development of a site and that a Flexible Access Corridor or other means of private vehicular access cannot mitigate the impacts of the proposed development. A local street required pursuant to this subsection must comply with the applicable standards below.
--	--

3. Change No. 2: Reduce access-related restrictions that prevent development and reduce housing opportunities.

The current LUCA creates numerous access corridor requirements that will impair the ability to develop sites. These following changes are needed to allow flexibility to develop on different size sites with different needs for topography, physical bounds, and access.

SOLUTIONS

- Reduce the Flexible Access Corridor width from 51 feet to 37 feet minimum (two 10' drive aisles, two 6' sidewalks, one 4' planting strip, and two 6" curbs), with further reductions allowed for one-way Flexible Access Corridors. This is particularly important because the current LUCA does not allow departures from Access Corridor widths, and the presently excessive width of 51 feet could impede development on midsize sites.
- Update the active transportation corridor ("ATC") standards to allow "back of house" service corridors that provide 20 feet minimum for fire lane, garbage, and incidental loading.
- Reduce pedestrian corridors from 14 feet to 10 feet minimum.
- Reduce sidewalk widths from 10 feet to 6 feet minimum, except on 116th or other arterial streets.
- Eliminate potential for 10-foot sidewalk on commercial driveway.
- Eliminate public easement requirement for commercial driveway. This is a driveway serving a private garage, not a public way.

These changes are supported by other Wilburton property owners. As demonstrated in the comment letter submitted by KG Properties for the January 8, 2025 Planning Commission meeting, the reduction of access corridor requirements alone could create hundreds or even

thousands more housing units in the Wilburton subarea. Habitat for Humanity's comment letter for the January 8, 2025 Planning Commission meeting was also publicly supportive of the first four of these changes.

4. Other Suggestions to Improve the Wilburton LUCA.

The following list of other suggestions would also improve the code:

- The exceptions in the LUCA allowed for sites less than 105,000 square feet should be slightly increased to include sites less than 140,000 square feet.⁴ 105,000 square feet arbitrarily excludes several other sites, including Brierwood Center, that are small and constrained by existing transportation infrastructure that serves the public. This change allows the flexibility needed for smaller and constrained sites with development limitations but maintains the distinction between constrained sites and large sites with fewer limitations.
- There should be an FAR exemption for residential use in towers, or a specific exemption from the amenity system for residential towers. As noted above, this should apply to sites smaller than 140,000 square feet. This will help address the problem faced by towers on smaller and constrained sites (including Brierwood Center which is already constrained on three sides by public right of way), where the FAR of a tower is very high, but there is nowhere onsite to build bonus amenities to attain the FAR and the cost of attaining the additional FAR needed to maximize the tower is too expensive to be feasible. It is crucial that sites, especially small and constrained sites (including Brierwood Center), be allowed to attain higher FARs for residential development for Bellevue to provide the housing units required in the Comprehensive Plan.
- The affordable housing program should have a catalyst program with no affordability requirement/fee for the first 2,000 residential units and 800,000 square feet of commercial space. The land use permit application should vest to this catalyst program, with a building permit application completed within one year of land use permit approval.
- For any level of mandatory affordable housing to succeed, the affordable units provided in a project must be able to count toward MFTE without a reduction in affordability levels. Without this, it will be too expensive to build much-needed housing.
- The LUCA needs to confirm that the first Master Development Plan phase can proceed without requiring full code compliance on future phases, including the 10% limit on surface parking. Code compliance needs to be limited to the proposed construction area in each phase, or proportional compliance per the Wilburton nonconforming provisions should apply until future phase full redevelopment. Without this fix, large and midsize sites will not be redeveloped in phases, which ultimately delays redevelopment.

⁴ See LUCA 20.25R.020.B.2.a-c.

- Consider adding to the LUCA a pioneer project that reduces traffic impact fees, similar to what the code allowed in Bel-Red, to incentivize early redevelopment and reduce impediments to building housing.

We appreciate the time and thought that the Planning Commission and City Staff have put into this and look forward to continuing to work with you as the process continues.

Sincerely,

A handwritten signature in black ink, appearing to read "J.C.2.", with a stylized, cursive script.

Jacquie Quarre
Tharsis Law

From: [Jacquie Quarre](#)
To: [PlanningCommission](#)
Subject: Comment Letter - Beta-Bellevue
Date: Wednesday, January 22, 2025 10:59:38 AM
Attachments: [01.22.25 Planning Commission Letter - Beta Bellevue.pdf](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hello,

Please find the attached comment letter submitted on behalf of the owner of the Beta-Bellevue property in Wilburton. I look forward to attending the Planning Commission meeting this evening.

Jacquie

Jacquie Quarré
Tharsis Law P.S.
jacquie@tharsis.land
Direct/cell: 425-891-7842



January 22, 2025

Tharsis Law
Jacquie Quarre
425-891-7842
jacquie@tharsis.land

City of Bellevue Planning Commission
450 110th Ave NE
Bellevue WA 98004

VIA EMAIL TO: PlanningCommission@bellevuewa.gov

Dear Planning Commission:

We represent Beta-Bellevue Auto Center, L.L.C. (“Beta-Bellevue”). Beta-Bellevue is the owner of property in the City of Bellevue’s Wilburton planning area, located at 620-638 116th Ave NE (“Beta-Bellevue Property”). The Beta-Bellevue Property is a lightly developed, approximately 134,000 SF parcel located less than 500 feet from the Sound Transit Wilburton Station. It is a crucial property for making the vision for Wilburton’s Urban Core come to life.

We have been involved in the Wilburton Property Owners Group (“WPOG”), and we support the feedback and input that WPOG is providing City Staff and the Planning Commission on the Wilburton Land Use Code Amendment (“LUCA”) process. We appreciate all the work that City Staff and the Planning Commission have put into the LUCA.

We acknowledge that the Planning Commission’s January 22, 2025 meeting is focused on affordable housing policy for Wilburton and the amenity incentive program. But even the most robust affordable housing and amenity incentive strategies will not work unless the City fixes problems in the LUCA that will make development of housing unfeasible. The changes outlined below are needed to reach Bellevue’s Comprehensive Plan requirement of 35,000 additional housing units by 2044. Some of these changes not only drive-up costs but may physically impair redevelopment of properties (for example, excessive Flexible Access Corridor widths).

Please see the specific solutions and code changes proposed in Section 2 below. Of these listed solutions, there are three proposed changes that are specific to the Beta-Bellevue Property and vital to redevelopment:

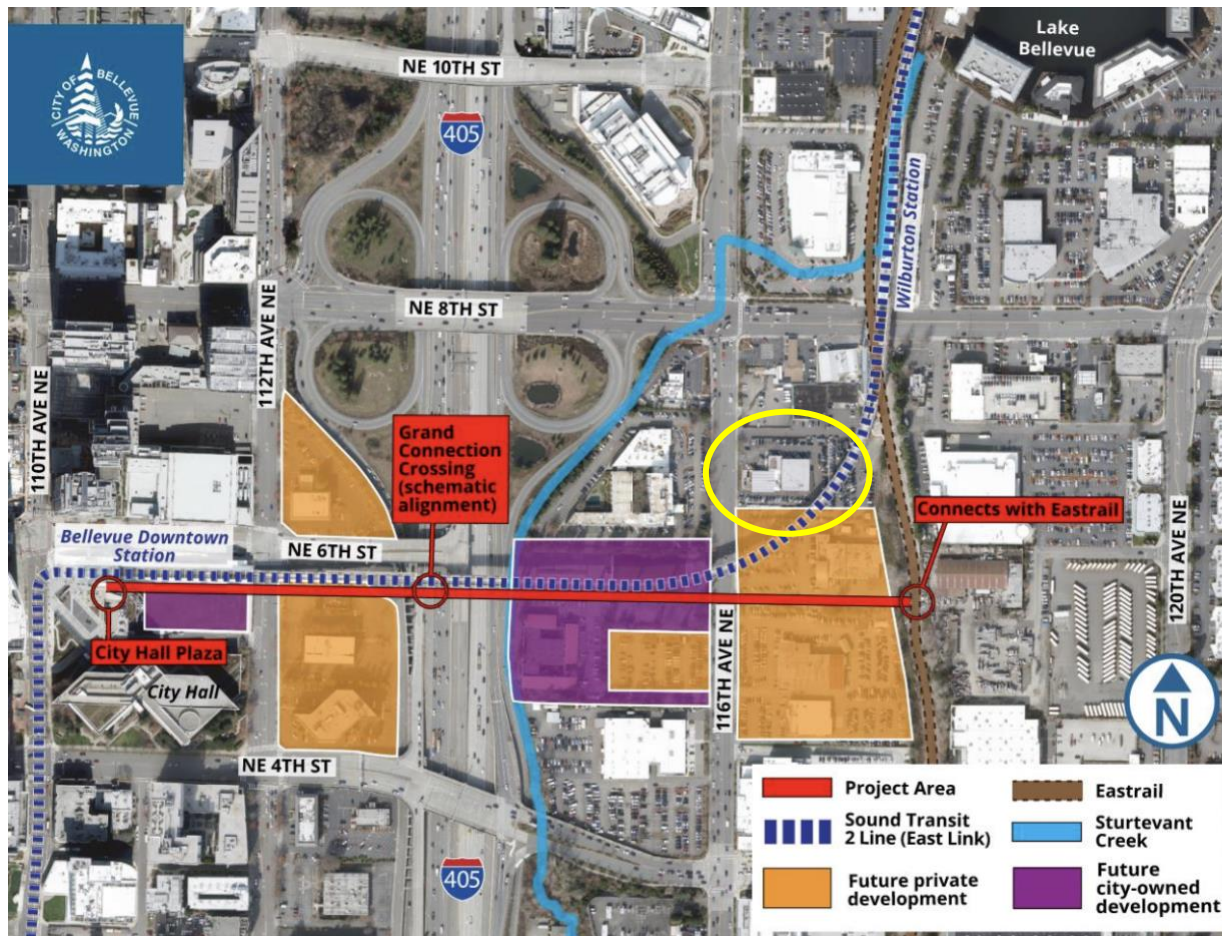
- Allow exceptions for the Beta-Bellevue Property that are the same as those for sites that are less than 105,000 square feet because it is uniquely limited by Sound Transit's guidetrails crossing it and limiting developable land.
- Do not require Eastrail connections where they conflict with Sound Transit easement rights.
- Allow development agreements on properties adjacent to Eastrail and the Grand Connection, which includes the Beta-Bellevue Property.

1. The Beta-Bellevue Property is pivotal to Wilburton and the Grand Connection.

The Beta-Bellevue Property is located adjacent to where the City plans for the Grand Connection to connect to Eastrail. It is highlighted in yellow below:

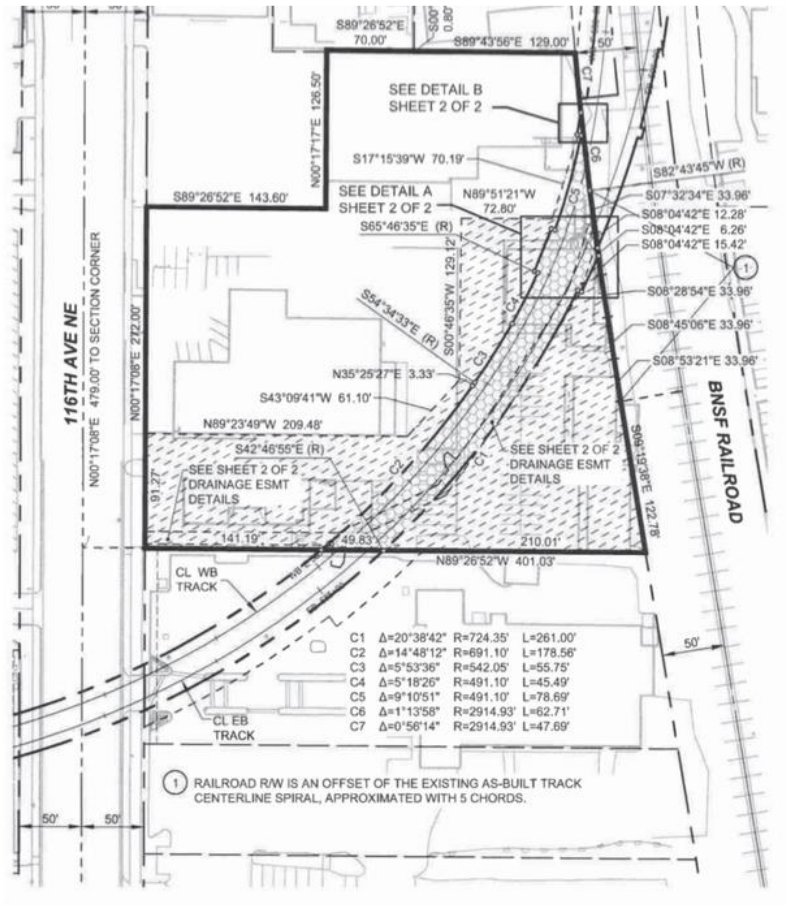


The following snapshot from the City’s website shows the Beta-Bellevue Property in relation to the City’s plans for the Grand Connection (Beta-Bellevue Property circled in yellow):



As shown in these images, the Beta-Bellevue Property is transected by Sound Transit's guideway. Sound Transit’s guideway is the impetus behind the City of Bellevue’s TOD planning in Wilburton that makes redevelopment on the City's envisioned scale possible. The Beta-Bellevue Property’s encumbrances are unique in this respect, and the Wilburton zoning regulations should make necessary zoning accommodations for the Beta-Bellevue Property so that it may be redeveloped in harmony with the aerial guideway.

More specifically, the Beta-Bellevue Property is encumbered by a permanent aerial guideway easement (“Guideway Easement”) and a permanent drainage easement (“Drainage Easement”), both in favor of Sound Transit. The Guideway Easement expressly prohibits “permanent structures” in the easement areas. The Drainage Easement requires the perpetual placement and maintenance of drainage system including vaults, manholes, and pipes. The easement areas are depicted as follows:



The following changes are needed to enable development on the Beta-Bellevue Property, particularly at the density and scale that the City envisions for the heart of the Urban Core zone.

2. Solutions to enable development in the Urban Core and on the Beta-Bellevue Property.

a. Site-Specific Solutions for the Beta-Bellevue Property.

The following changes are needed to address concerns that are unique to the Beta-Bellevue Property:

- ◇ **Allow exceptions for the Beta-Bellevue Property that are the same as those for sites that are less than 105,000 square feet.** The exceptions that apply to sites under 105,000 square feet in the code should either be increased to include sites that are under 140,000 square feet, or the code should expressly include properties located along 116th Avenue NE and crossed by the Sound Transit guiderrails. 105,000 square feet arbitrarily excludes several other sites, including the Beta-Bellevue Property, that are relatively small and constrained by existing transportation infrastructure serving the public. In the case of the Beta-Bellevue Property, although the overall square footage of the lot is approximately 134,013 square feet, a considerable portion of the lot is covered by the Sound Transit guiderrail and associated easement areas for that guiderrail, making the actual development square footage significantly smaller. The Beta-Bellevue Property should not be penalized with impediments to

development when it provides the infrastructure that enables TOD development for Wilburton and makes way for the Grand Connection. Two possible simple solutions to this problem in the LUCA are:

1. Option 1: Increase the square footage for exceptions in the code from 105,000 square to 140,000 square feet, which fully encompasses the Beta-Bellevue Property (additions to the LUCA in bold and underline):

20.25R.020.B.2.a. A block shall be bordered on all sides by any of the following access corridors. This requirement shall not apply to sites less than 105,000 <u>140,000</u> square feet in area.
--

20.25R.020.B.2.b. Block dimensions. These requirements shall not apply to sites less than 105,000 <u>140,000</u> square feet in area.

20.25R.020.B.2.c. For sites that are less than 105,000 <u>140,000</u> square feet in area, the following shall apply: . . .

2. Option 2: *Alternatively*, include specific exceptions for the Beta-Bellevue Property in the following sections (additions to the LUCA in bold and underline):

20.25R.020.B.2.a. A block shall be bordered on all sides by any of the following access corridors. This requirement shall not apply to sites less than 105,000 square feet in area-, <u>or to sites located adjacent to 116th Avenue NE and crossed by the Sound Transit guidetrails.</u>

20.25R.020.B.2.b. Block dimensions. These requirements shall not apply to sites less than 105,000 square feet in area-, <u>or to sites located adjacent to 116th Avenue NE and crossed by the Sound Transit guidetrails.</u>
--

20.25R.020.B.2.c. For sites that are less than 105,000 square feet in area, <u>or sites located adjacent to 116th Avenue NE and crossed by the Sound Transit guidetrails,</u> the following shall apply: . . .
--

- ◇ **Do not require Eastrail connections where they conflict with Sound Transit easement rights.** The LUCA also needs to recognize the constraints on the Beta-Bellevue Property due to the Sound Transit guidetrails where the LUCA requires connections to Eastrail. Connections may not be legally feasible if they conflict with the requirements of Sound Transit's easement areas. In general, we recommend that the LUCA incentivize Eastrail connections instead of mandate them as currently drafted. But if the mandate remains, we propose following language to clarify that connections should be at grade level, and resolve the possible conflict with Sound Transit easement restrictions (additions to the LUCA in bold and underline):

20.25R.020.C.3

a. Non-motorized access.

- i. Development on any site adjoining the following segment of the Eastrail Corridor shall provide non-motorized access to Eastrail every 350 feet of frontage along the corridor **at grade level, except no connections are required where connections would conflict with Sound Transit's easement rights on a site**: Beginning at a point on Eastrail 1000 feet north of the intersection of Eastrail and NE 8th Street and going south long Eastrail to a point 500 feet south of the intersection of Eastrail and NE 4th Street.

- ◇ **Allow development agreements on properties adjacent to Eastrail and the Grand Connection.** We agree with the comment letter submitted by Campbell Mathewson of Ditty Mathewson LLC dated January 16, 2025. We second Mr. Mathewson's urging for the City to make a modest adjustment to LUC 20.25R.010.D.5.b and add a sentence at the end of this subsection that says, "A property is considered adjoining the Grand Connection if it is adjacent to Eastrail south of NE 8th Street and north of NE 4th Street." This captures the few parcels that are immediately to the north and south of the Grand Connection, including the Beta-Bellevue Property. This change will allow a few additional sites to pursue a development agreement to respond to site-specific challenges and seize opportunities to connect to the Grand Connection. It gives an option for flexibility, within limits set by the code, to help enable the type of development that the City wants to see one-of-a-kind sites such as the Beta-Bellevue Property.

b. Access-Related Solutions.

The following changes are needed to avoid situations where unnecessarily large minimum widths and requirements end up preventing the types of development that the City wants to see in the Urban Core:

- ◇ Reduce the Flexible Access Corridor width from 51 feet to 37 feet minimum (two 10' drive aisles, two 6' sidewalks, one 4' planting strip, and two 6" curbs), with further reductions allowed for one-way Flexible Access Corridors. This is particularly important because the current LUCA does not allow departures from Access Corridor widths, and the presently excessive width of 51 feet could impede development on midsize sites.
- ◇ Update the active transportation corridor ("ATC") standards to allow "back of house" service corridors that provide 20 feet minimum for fire lane, garbage, and incidental loading.
- ◇ Reduce pedestrian corridors from 14 feet to 10 feet minimum.
- ◇ Reduce sidewalk widths from 10 feet to 6 feet minimum, except on 116th or other arterial streets.

- ◇ Eliminate potential for 10-foot sidewalk on commercial driveway.
- ◇ Eliminate public easement requirement for commercial driveway. This is a driveway serving a private garage, not a public way.

These changes are supported by other Wilburton property owners. As demonstrated in the comment letter submitted by KG Properties for the January 8, 2025 Planning Commission meeting, the reduction of access corridor requirements alone could create hundreds or even thousands more housing units in the Wilburton subarea. Habitat for Humanity's comment letter for the January 8, 2025 Planning Commission meeting was also publicly supportive of the first four of these changes.

c. Affordable-Housing Solutions.

To the extent that the City is inclined to pursue mandatory affordable housing in Wilburton, the following changes are needed to enable redevelopment:

- ◇ The residential fee-in-lieu for affordable housing should be \$13 for all sites in Wilburton. High-rise construction is much more expensive than mid-rise construction. If high-density urban development is desired between the Wilburton light rail station and the Grand Connection, then the fee-in-lieu should not create an additional burden and disincentive to the development of residential towers in the area most desired for housing density.
- ◇ The affordable housing program should have a catalyst program with no affordability requirement/fee for the first 2,000 residential units and 800,000 square feet of commercial space. The land use permit application should vest to this catalyst program, with a building permit application completed within one year of land use permit approval.
- ◇ For any level of mandatory affordable housing to succeed, the affordable units provided in a project must be able to count toward MFTE without a reduction in affordability levels. Without this, it will be too expensive to build much-needed housing.

d. Other Important Code Solutions

- ◇ **Provide an FAR exemption for residential towers on small and constrained sites, including the Beta-Bellevue Property.** We support the point made in Mr. Mathewson's letter and advocated for by WPOG that there should be an FAR exemption for residential use in towers, or a specific exemption from the amenity system for residential towers. Residential towers on sites under 105,000 square feet or on sites located adjacent to 116th Avenue NE and crossed by the Sound Transit guidetrails (including the Beta-Bellevue Property) should be exempt from the FAR amenity incentive system. Another way to make sure the Beta-Bellevue Property is included in this FAR exemption would be to set the threshold for applicability at 140,000 square feet, instead of 105,000 square feet. This will help address the problem faced by towers on smaller and constrained sites where the FAR of a tower is very high, but there is nowhere onsite to build bonus amenities to attain the FAR and the cost of attaining the additional FAR needed to maximize the tower is too expensive to

be feasible. It is crucial that sites, especially small and constrained sites (including the Beta-Bellevue Property), be allowed to attain higher FARs for residential development for Bellevue to provide the housing units required in the Comprehensive Plan.

- ◇ **Provide an active use exemption for small and constrained sites, including the Beta-Bellevue Property.** We also support the request in Mr. Mathewson's letter for an active use exemption for small and constrained sites, including the Beta-Bellevue Property. Under the current LUCA, even small sites will be required to provide 75% active use along Eastrail and 50% active use along streets. This is difficult to meet on small and constrained sites where all the ground-level functions of a building have to fit within a smaller footprint. The code should allow an exemption from these requirements for small and constrained sites, including the Beta-Bellevue Property, or at least provide a predictable path for reducing the requirement to facilitate better developments.
- ◇ **Master Development Plan needs to limit code compliance to each phase.** The code also needs to confirm that the first Master Development Plan phase can proceed without requiring full code compliance on future phases, including the 10% limit on surface parking. Code compliance needs to be limited to the proposed construction area in each phase, or proportional compliance per the Wilburton nonconforming provisions should apply until future phase full redevelopment. Without this fix, larger sites will not be redeveloped in phases, which ultimately delays redevelopment.
- ◇ **The non-conformity language has improved.** We are supportive of the changes to the non-conforming use and structures code in the most recent LUCA draft.

We appreciate the time and thought that the Commission and City Staff have put into this process and look forward to continuing to work with you as the process continues.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Quarre'.

Jacquie Quarre
Tharsis Law

From: [Suresh Velagapudi](#)
To: [Council](#); [PlanningCommission](#)
Subject: Input for Wilburton rezoning - Please make preserving the Kelsy creek watershed higher priority than home density
Date: Wednesday, January 22, 2025 3:37:40 PM

You don't often get email from sureshv@outlook.com. [Learn why this is important](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear Mayor, Deputy Mayor, and Council members,

I am a resident of the Wilburton neighborhood in Bellevue. I also run two small businesses in the city of Bellevue, located on Bel-Red Rd.

I wanted to reiterate my input on the matter of riparian zones within the larger Wilburton geography ([see map here](#)). The area hosts a watershed, meaningful swaths of wetlands, and riparian elements that should be cared for in the new plan. I request that WDFW recommendations (link [here](#)) be adopted for the Wilburton watershed and the Wilburton-NE 8th subarea along with their tree code in the zoning plan. I think the recommendations will help us in protecting the wildlife that lives in these areas.

The Kelsey Creek Watershed, located in the heart of the Wilburton neighborhood, is Bellevue's most critical urban stream ecosystem. It plays a vital role in sustaining wildlife, mitigating urban flooding, and maintaining the city's ecological resilience. However, increased development pressure threatens these vital functions. As residents, we urge the Planning Commission Board and the city of Bellevue to prioritize the protection of riparian corridors, tree canopies, and wildlife habitats in the Wilburton/NE 8th Subarea, particularly in the areas near BelRed, *specifically 130-136th streets (130th, 132nd, and 134th streets)*.

I am thrilled when I come across great variety of wildlife in our watershed. I think Bellevue is truly a city in the park and I would love to see its character continue close to downtown. We are exceptionally fortunate to call Bellevue our home and I thank you for keeping parts of it pristine. I understand growth will require sacrifices from all aspects, but I think keeping the Wilburton water shed and its riparian zones preserved to the extent we can will contribute to the balance between nature and growth our city always strives for.

I appreciate your consideration of my input.

Thank you
Suresh Velagapudi
4258352427

From: [phyllisjwhite](#)
To: [PlanningCommission](#)
Cc: [Malakoutian, Mo](#)
Subject: Public Comments
Date: Thursday, January 23, 2025 12:05:23 AM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear Chair Goepple, Vice-Chair Calad and Planning Commissioners Board Members,

Thank you for your hard work and time spent to improve the quality of lives for everyone.

There was a public comment made by Nick against another public commentator, Heidi Dean, who compared her personally to Alex Zimmerman. It felt hostile, unsafe, personal, and threatening. Heidi Dean was offering a public comment of the experience of someone she knew. We should be able to offer a public comment without being personally attacked due to a difference of opinion.

I hope you will take the following into consideration.

<https://www.planning.org/harassment/policy/>

Thank you,

Phyllis White

From: leesgt@aol.com
To: [PlanningCommission](#)
Subject: Bellevue Planning Commission 1/22/2025
Date: Saturday, January 25, 2025 11:57:57 AM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

To start the 2025 off right, I would like to identify what I see as your accomplishments:

In the Planning Commission, I have shared in meetings the effort on a large number of topics/issues/future concerns/listening/visiting areas in the city though spoken rarely. The complexity that I have witnessed is just the surface of your efforts. The importance of these struggles and the results are critical to our city for now and in the future.

I am sure that I do not comprehend all the work that goes on beyond the meetings and venues that we have shared. On the other hand, those things that I have witnessed lead me to believe that you have done your best to help each area of Bellevue both now and into the future as best as anyone can. I will rarely ever know what motivates you to volunteer for this position but I can say without a doubt that your efforts for the city and its residents both now and to the future are beyond reproach. The areas that occurred last year were incredibly daunting as to Wilburton changes that expanded to include Crossroads, tree retention (especially Landmark/Significant indigenous trees), Affordable housing for those less privileged, increase population expected, Comprehensive Plan changes towards 2044, State law changes to expand housing opportunity and Code verbiage changes, traffic concerns with inclusion for more and safer bike options, sustainability requirements for the future, etc. Plus more day to day kinds of issues.

Based on the above mentioned changes and responsibility for those changes that I have seen: I applaud your efforts and value how well you represent the people of the city of Bellevue. These are tough presentations and are not always accepted but the effort made to expand the opportunities for all the existing and potential citizens of Bellevue deserves commendation and promotes great expectations for the future.

Thank you for your diligent effort!! You have maintained a great effort to meet peoples needs that live and/or work in this city.

The leadership changes and each new leader brings different methods of approaching things. This last meeting(1/22/25) Committee Chair Craighton responded to Alex with firmness and direction to the committees' topics which seems very important for a committee with limited options as to deviation from them. I guess the most surprising and grateful for me was the response from Alex that changed the nature of the majority of his presentation except for preamble and postscript and kept the sharing at a better decibel level and slightly more directed to the Committee topics of concern. This certainly made the rest of the meeting go more smoothly where needed. (This is a product-I believe-of the joint effort of the City Council and Planning

Commission efforts. Well done!!)

You each deserve more than one poor citizen can share. I want you to know that 2024 was a great effort and success and I look forward to another just like it-although hopefully a little less stressful because of the myriad changes required for the Comprehensive Plan 2044 and state mandated wording changes. WOW!

Because of you, 2025 looks brighter for all of us in Bellevue!!

The year 2025 begins:

Your first meeting this year on 1/8/25, was a very interesting one as well with the setting of concerns about being more directed and limited in what is discussed because of your limited ability to make/suggest items beyond your limits. This allowing for more expeditious and productive efforts and shortening the topic timeline. (I know that I am out of line here but, while I basically agree with that discussion, I believe that there is need to stretch the limits when there is a grave city concern that is being ignored or the presentation is so difficult to comprehend where it is going in options.) Sometimes there is a good reason to take a longer look at what is being done/suggested.

I appreciated Vice-Chair Luisa sharing concerns about the Wilburton committee changes on 1/22/25 as it clearly pointed out the concern about committee suggestions and lack of incorporation in the current version of the Wilburton process. This allowed for some very good discussion to follow both on the staff side and the rest of the committee. (I think this was very good at showing what was missing by all and how it was to be dealt with. No power doesn't mean no voice.)

(1/22/25-I didn't like the last external comment at the end of the meeting sharing about the immediately preceding external commenter was a worse presentation than Alex because there wouldn't be any low income inclusion that will need cars. While I sort of agree that we will have few really low income people, it is still relevant to consider that those on the lower end of the financial scale are the more likely to change jobs and need transportation to locations beyond reasonable transit. And that review of the previous comment was important to make me think of why that last person's comment was relevant.)

Live and learn,

Lee Sargent

16246 NE 24th ST

Bellevue, WA 98008

Home: 425-641-7568

Mobile: 206-8616140

From: [p.johnston](#)
To: [PlanningCommission](#)
Subject: Affordable housing
Date: Thursday, January 30, 2025 4:47:06 PM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

. ADU are not affordable housing
Duplexes triplexes for plexus are not affordable housing. That is why the state needs
affordable housing at six Plex where it begins to be affordable.

pamela.johnston.

425-200-2224

From: [p.johnston](#)
To: [PlanningCommission](#)
Subject: Affordable housing: LAND BANK
Date: Thursday, January 30, 2025 5:12:51 PM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Land banking is our best strategy for affordable housing. Bellevue cannot be affordable without some sort of social housing. Land banking creates assets that can fund future investments in affordable housing.

HO-54. Explore the creation of a land bank to acquire land for future affordable housing needs as opportunities arise.

Land banking is an investment strategy. The City acquires or devotes land to this strategy. That land is an asset the City can use to borrow or keep as an asset until needed. The land is put to use for housing or a source for affordable housing fund., The dollars available for affordable housing grows, rather than being a sunk cost. Bellevue can use this land to make contracts with affordable housing organizations to use it for housing or can use the ability to borrow on it for affordable housing or both.

Fyi
The State uses land banking for open space.

-p

From: [p johnston](#)
To: [PlanningCommission](#)
Subject: land banking is used by what commercial in Bellevue
Date: Thursday, January 30, 2025 5:19:50 PM
Attachments: [COB Affordable Housing Land Banking 2021_08-11-21 \(F\).pdf](#)

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

See attached

I became aware of Land banking When developers in downtown Bellevue used the strategy for their investments

Land Acquisition for Affordable Housing In the City of Bellevue White Paper

Aug 11, 2021
Prepared for City of Bellevue

INTERNAL ASSESSMENT

Guidance:

Arun Jain, FAICP
Principal Planner & Chief Urban Designer
Community Development Department

Additional Input:

Lindsay Masters
Executive Manager
ARCH

Thara Johnson
Comprehensive Planning Manager
Community Development Department

Coordination:

Liesl Olson
Management Fellow
City Manager's Office

ECONorthwest

ECONOMICS • FINANCE • PLANNING
Park Place
Suite 615, 1200 Sixth Avenue
Seattle, WA 98101
206-823-3060

This page intentionally blank

Table of Contents

A.	EXECUTIVE SUMMARY	1
1.	PURPOSE OF WHITE PAPER.....	2
2.	CONTEXT: THE WHAT, WHO, AND HOW OF LAND BANKING	3
3.	LAND ACQUISITION FUNDING	16
4.	SUGGESTED APPROACH & TIMING FOR BELLEVUE	24

This page intentionally blank

A. Executive Summary

This white paper has three big takeaways.

1. **Land banking works.** Land banking for affordable housing is a mid- and long-term real estate investment strategy that leverages Bellevue's ability to develop or dispense of property to advance its affordable housing goals and objectives. The value of land acquired increases with time, so holding such properties provides a crucial buffer against land costs the city cannot control. The biggest barrier to overcome is one of having enough resources to purchase and then carry the costs related to owning land until it can be redeveloped.
2. **HB 1590 funds need to be supplemented with other sources** to achieve affordable housing land banking at scale. HB1590 funding alone is inadequate to run a sustainable land acquisition program. However, when bundled over time with other funding sources (including bonds backed by either specific or general tax sources), and properly curated, a well-funded land acquisition program could substantially leverage Bellevue's ability to increase its share of affordable housing.
3. **Organization & Management.** A long term oriented land acquisition bank (having both monetary and property assets) requires a steady supply of funding (ideally growing). But just as crucially it needs the organizational and management structures necessary to use this funding in timely and effective ways. Such an organizational structure must manage and curate the funds, have a pipeline of projects that require land, and be able to manage the properties acquired. This also means having the ability to coordinate across the range of considerations identified in this white paper.

The desired organizational and management structure can be incrementally developed over time as direction and context become clear. This means Bellevue can, and should begin by using its existing staffing, resources from appropriate departments, and ARCH to their fullest capabilities. Outside expertise can be hired to fill any operational gaps.

Next steps

There are many ways to accomplish the above. Should this effort gain consensus to move forward, it is recommended the following four broad elements are developed in sequence.

- A. Delineate Policy Goals
- B. Create an Ambitious Funding Plan
- C. Establish Property Acquisition and Disposition Goals
- D. Determine Acquisition Strategy and Organizational Model

1. Purpose of White Paper

Introduction

The City of Bellevue is currently discussing approaches to support its affordable housing goals. In response to rising needs in the housing arena, the City has made affordable housing a priority. Buoyed by recent state legislation, Bellevue has acted to collect dedicated affordable housing monies via a state sales tax credit as well special local option sale tax (respectively, HB 1406 and 1509). Each legislation has clear stipulations on how such monies collected may be spent. This white paper focuses on a brief overview of how “land banking” can assist affordable housing development.

Land banking is the practice of acquiring and aggregating parcels of land for their development. In this case, to support affordable housing production. This overview seeks to enable City decision-makers to better understand Bellevue’s options and approaches for organizing and using available funds for buying, holding, and disposing of real estate intended for affordable housing. It will also explore how other funding sources and organizational approaches can create momentum and amplify desired outcomes.

Guiding Questions

This white paper is organized into three sections addressing three areas of inquiry.

1. What is the context and that a city might organize itself for land banking activities? This section is an overview of state and local mechanisms and organizations for land acquisition and land banking to support affordable housing production.
2. What other funding resources are available? This is a summary of the various funding sources that could be mixed and matched to acquire land and leverage HB 1590 funds.
3. What is a Bellevue sensitive viable approach and timing to this effort? This is a summary of the “pros and cons” of land acquisition options that fit within Bellevue’s landscape. What would enhance Bellevue’s ability to deliver affordable housing across short- and longer-term time horizons? What are the ongoing issues that will need continued internal and external discussion?

2. Context: The What, Who, and How of Land Banking

What is land banking?

Land banking is a tool that is used to purchase private land for public benefit. Due to the growing cost burden of housing city governments have become more proactive towards the acquisition of land for affordable housing development. Spurred by the rapidly increasing rate of urban and suburban land prices, a growing number of city governments have, tailored to their unique circumstances, developed mechanisms that support their affordable housing land acquisition strategies. These include targeted tools, methods, and funding sources.

Land banking itself is not new. Local government, and nonprofit groups have pursued it to efficiently acquire, hold, manage, and develop affordable housing. Generally, the acquisition and holding of property are the main functions of a land bank. Another is the ability to transfer acquired properties to new owners that will support local goals, in this case, affordable housing.

In some instances, when distressed real estate is purchased or acquired, underwriting any existing liabilities on the land may be necessary but also, as land value's rise, doing so may be worth the upfront expense depending on the timing and direction of the market in that neighborhood.

Examples of land banking

Dallas Urban Land Bank Program

Texas state law allows cities to enter into an agreement with the county sheriff to sell eligible tax-foreclosed property to a "land bank" rather than auction it off to the highest bidder. The land bank may then resell the tax-foreclosed property to eligible developers who agree to build affordable housing units or develop approved commercial uses on the land. The City of Dallas designated the Dallas Housing Acquisition and Development Corporation as its land bank.

Twin Cities Urban Land Bank

Twin Cities Urban Land Bank (Minneapolis - St Paul), is a community development financial institution serving the real estate needs of mission driven entities, many of them affordable housing groups. The land bank can purchase, hold, and maintain the property while a partner groups bring the necessary project components together to take the project to the next step of development.

Property Acquisition & Equity Funds

Land Banking: Reducing or Eliminating Land Costs as a Strategy

Land banks support affordable housing development by reducing or eliminating land costs from development. Their mechanisms and organizational structures for accomplishing this can take several forms. Many land banks are administered by a nonprofit or non-governmental entity with the specific mission of managing a portfolio of properties to support affordable housing development over many years or even decades. In addition to outright purchase, land

can also enter these land banks through property tax liens on parcels which could result in local government ownership.

Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development.

To manage their land banks cities often partner with non-profits or other affordable housing entities. Cities may also donate, sell, or lease publicly owned land for the development of affordable housing even without a formal 'land bank' organization. This typically occurs when a City owns property that it no longer needs for its operations and chooses to dispose of it for affordable housing development through a formal proposal process.

Well-managed land banks have staff with real estate and development expertise who help coordinate with developers on strategies and plans for individual sites. For effectiveness, this staff must be organizationally and operationally in sync with the city's housing policies, goals and objectives and, with the city's housing department if it has one.

At this moment, there is no known large scale land bank programs in Washington. While there are many reasons for this, the high financial carrying costs of land and the high demand for affordable housing limit available sites. Examples of cities that have created land banks in the U.S. include:

- **Houston, Texas** has a land bank that partners with a community land trust (CLT) to provide newly constructed, single-family homes for people earning up to 80 percent AMI. Since 2019, the Houston Land Bank has helped 118 families. As of December 2020, it holds 520 properties. Currently, 200 of them are available for builders of new homes.¹
- **Eugene, Oregon** has a land bank for developers to partake in their competitive bidding process. Since 1979, Eugene has acquired 91 acres of land enabling the construction of 992 units for low-income households.²
- **Minneapolis and St. Paul, Minnesota** has a land bank that purchases and holds properties for developers and nonprofits to build affordable or mixed-income projects. Since 2009, Land Bank Twin Cities has spent \$109 million to acquire land, enabled 3,544 units and completed 1,415 projects.³

Property Acquisition & Equity Funds

As an alternative to direct acquisition of property by the City or other public entity, property acquisition and equity funds provide capital for the purchase of developable land. Often these funds are created through partnerships between local government, lenders, and charitable

¹ https://houstonlandbank.org/wp-content/uploads/2016/05/year-end-review_final_03.12.21.pdf

² <https://www.eugene-or.gov/DocumentCenter/View/35383/Summary-of-Land-Acquisition-for-affordable-housing-program?bidId=>

³ <http://www.landbanktwincities.org/why-our-work-matters/>

organizations to gain attractive rates. They are typically intended to be a short-term financing option for developers to purchase land that they will build for affordable housing. The reason for these short-term loans is to “bridge” the gap between purchasing a property and securing permanent financing.

Viable approaches for Bellevue could involve contracting with a CDFI (Community Development Financial Institution) to administer a loan program or adding capacity within ARCH to administer a loan program (which would be cost efficient). Funds set aside in this way could uniquely provide long term equity meant to stay in the project rather than acting as a short term funding gap bridge. Developers prefer this commitment.

Some examples of property acquisition and equity funds include:

- **New York City, NY** has had this fund for 10 years. It is managed by four lending partners - Corporation Supportive Housing, Enterprise, Low Income Investment Fund, and Local Initiatives Support Corp.
- **Denver, Colorado** created an acquisition fund centered around transit-oriented development to ensure its affordable housing is in proximity to their expanding light rail. The fund is managed by Enterprise.
- **Boston, Massachusetts’** fund targets vacant site acquisition. It requires developments to reserve 40% of the units for people at or below 70 percent AMI.

In Washington State, there are several programs that offer low-cost bridge financing to help fund the acquisition of land for affordable housing development and preservation: It is important to note that individual jurisdictions are not likely to have used these tools since they are specifically targeted at affordable housing developers and non-profits.

- **King County Interim Loan Program**⁴ provides low-cost financing for the acquisition of property that will be developed for affordable housing, prioritizing permanently affordable housing development proposals with at least 25 percent of the units reserved for homeless households. Additionally, these units must be affordable to households at or below 50 percent of AMI.
- **Regional Equitable Development Initiative (REDI)**⁵ Fund, administered by Enterprise, helps finance the acquisition of property along transit corridors within ½ mile of light rail or commuter rail, or within a ¼ mile of frequent bus service or streetcar stops to preserve the affordability of future housing and community facilities. Only projects in King, Snohomish, and Pierce counties are eligible. Projects financed by the REDI Fund must have a minimum of 10% of units affordable to households at or below

⁴ More information: <https://www.kingcounty.gov/depts/community-human-services/housing/services/housingfinance.aspx>

⁵ <https://www.enterprisecommunity.org/financing-and-development/community-loan-fund/redi-fund>

80% AMI or 20% of units below the market rate rent for a similar unit in the same submarket as the acquired site. Bellevue, along with other ARCH cities, has already invested in the REDI Fund.

- **Washington State Housing Finance Commission (WSHFC) Land Acquisition Program (LAP)**⁶, assists nonprofits to purchase land suited for affordable housing development. LAP functions as a revolving loan program meant to assist with site acquisition for the future intended use as affordable housing. Microsoft has funded an expanded LAP to support more acquisition activity in East King County. LAP's purpose is to act as a revolving loan program for entities to purchase land for multi- or single-family affordable housing developments and maintain affordability for 30 years.
- **Impact Capital Acquisition Loan Product.**⁷ Impact Capital, a CDFI, provides pre-development, acquisition, and construction loans to nonprofits, housing authorities, and tribal governments to assist with the purchase of land for residential, commercial, or mixed-use properties that are intended to serve low-and moderate-income households and/or contribute to a defined community development strategy.

⁶ <https://www.wshfc.org/mhcf/lap/index.htm>

⁷ <https://www.impactcapital.org/wp-content/uploads/2020/06/Impact-Capital-Loan-Product-Summary.pdf>

What are the models of land purchase?

“Land banking” is the process or policy construct by which local governments acquire surplus properties and convert, or hold, them for long-term strategic public purposes. “Land banks” are usually orchestrated by public authorities or special purpose not-for-profit corporations that are deliberately structured to specialize in land banking activities. Land banking can also be undertaken by other public agencies, and not all communities need to create a separate land bank.

In some communities, redevelopment authorities can and do serve as a modified land banking function. In others, a land banking function is often managed by a housing and community development department. Undertaking this function early even on an ad hoc basis gives cities time to mature more established and grounded institutional structures and mechanisms.

In recent decades, redevelopment authorities have tended to be narrowly focused within a specific geographic area or on a specific redevelopment project. In doing so they lack the flexibility to acquire a meaningful surplus of funds or land.

Similarly, housing and community development departments within city or county governments commonly lack the capacity for property management and are constrained by state and local laws on their ability to direct the disposition of property.

There are generally three models for land acquisition:

1. **Land Purchase** – A direct purchase of land. This is the most straightforward path. Land is directly acquired and owned by a local government. The local government may choose to retain, dispose of, or ground lease the land for a specific public purpose of its choosing or prescribed mandate. Options for land purchase may include purchase option agreements.
2. **Joint Ventures** – In this instance, multiple parties such as: a public sector entity, developers, and/or property owners, create an agreement or pool of resources to specifically acquire and develop land. The agreement often defines cash flow distributions, capital and equity contributions, management and control, and terms for exiting the joint venture.

Local Public Development Authority Example

SCIDpda

The Seattle Chinatown International District Preservation and Development Authority (SCIDpda) is a community development organization whose mission is to preserve, promote, and develop the Seattle Chinatown International District. SCIDpda owns and/or manages over 280 units of affordable housing in the heart of the Chinatown International District.

While not working as land bank per se, SCIDpda works to acquire and develop land for affordable housing. SCIDpda is working with the Seattle Housing Authority and Community Roots Housing (another public development authority) on a joint venture to develop 156 apartments of affordable homes for working families in and around the communities of Yesler Terrace, Little Saigon, and the Central District in Seattle.

3. **Land Acquisition Fund** - Funds are loaned to public or private partners to acquire land on the open market. The fund establishes the underwriting criteria and long-term development obligations for the property. The fund may be administered by an intermediary, or by the local government.

Within each of these models, there are four groups of entities that participate during the process of the ultimate development of the land that is acquired.

- A. **Funders** – Once land is identified for development; financing sources are secured to ensure its purchase. For affordable housing development, there are usually multiple sources of financing available. These include federal, state, and local governments funds and grants, equity investor contributions, and private bank financing.

Local entities in the Seattle metro area that continue to serve these roles include: regional banks, Enterprise Community Partners, Washington State Housing Finance Commission, ARCH, HUD Community Development Block Grants (CDBG) and Seattle Foundation.

- B. **Developers & Contractors** – These are the real estate and construction experts who develop a project. Local affordable housing developers include: Plymouth Housing, Low Income Housing Institute, Bellwether Housing, and GMD Development.

- C. **Operators** – Entities in this group act as a project's day-to-day property managers. They may or may not be the same entity as the developer. Local examples include: YWCA of Seattle, King County and Snohomish County, Archdiocesan Housing Authority / Catholic Community Services, and King County Housing Authority.

- D. **Human Service Providers** – These social, senior, and/or mental health service providers support special needs populations who will live in a new development. These services are necessary and more common in age-restricted or deeply affordable housing projects. Local programs that fill these needs include: United Way of King County Out of the Rain Initiative, Life Wire, and Hopelink.

Examples of purchase and ownership entities

Typically, a broad range of entities are involved in the purchase and ownership of land for affordable housing development. They support a project's organizational and governance structures, financing abilities, and the size and scope of developments. They include governments, non-profits, public development authorities, as well as community development financial institutions. In Washington state, the acquisition, and ownership of land for affordable housing development has generally taken two forms:

1. Land held by a public entity as a permanent ground lease or sold (eventually) to an affordable housing developer and management entity.

2. Affordable housing developers who hold or seek to acquire land for development and may require some form of public subsidy to do so.

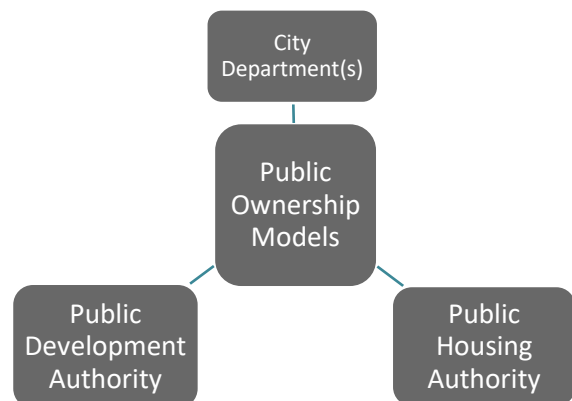
Here are some examples of entities who are typically involved in the acquisition or holding of land for a public benefit.

Long Term Public Ownership

Local governments routinely own and acquire land for their own facility and operational needs. These include: Office and administrative buildings, service, and maintenance sheds as well as staging and parking sites. When land is no longer needed for a local government's operational needs, it can be disposed of or repositioned for affordable housing development. The local government can then take an ownership stake in any project by becoming a development partner through land contribution and receiving a portion of the project's cash flow, or through ground leasing the land to a developer and in doing so, receive an annual payment.

In this way, as a city's land assets increase or establish new revenue streams from land leases. Additionally, the city has the added ability and advantage of being able to borrow off that retained land's equity and any additional revenues. Further, as a property stakeholder the city can influence the nature and character of development in and around these sites. Consequently, the city has a stronger hand in locating and building community assets (such as parks, community services like day care and elderly clinics, public parking, public transit sites etc.) which private development is typically hard pressed to do. This also improves the city's ability to underwrite more affordable housing (or acquire more land) by adding these revenues to the land acquisition fund, which would also be embellished by other funding sources.

Achieving these benefits depends on the City's ability to form partnerships and execute agreements with the development community. In taking this approach a city must be clear and acknowledge that not all land is suitable or desirable for housing development. Further, prevailing local zoning rules and regulations (which can be suitably changed) may limit the immediate desirability of any given parcel of land as an affordable housing development. As mentioned, even sites unsuitable for affordable housing may have long term equity value which can be leveraged for desired housing.



Despite these concerns, directly, or indirectly, there are great advantages and important opportunities from acquiring land for affordable housing that Bellevue should consider. The City would gain from a coherent and extended strategy that matures over time.

Within the public ownership realm of possibilities, a city can pursue one or more of the following common governing entities (see graphic):

- The city as a municipal corporation
- Public housing authorities
- Public development authorities

The City as a Municipal Corporation (Multi-Departmental)

Municipal corporations in Washington are organized under the applicable State constitution and laws, with powers of government expressly or implicitly conferred by State constitution and laws, and by charter. This gives Bellevue broad authority to lease buy, hold, lease, and sell real property if such authority is exercised “for the common benefit” under RCW 35.27.010.

Except for property originally acquired for public utility purposes under chapter 35.94 RCW, Washington state statutes only indicate in general terms that a town or city council has the authority to control, dispose of, and convey real and personal property within its jurisdiction.

State law does not otherwise establish specific procedures which must be followed when leasing municipal-owned property. The ultimate authority concerning determining whether a property should be sold or leased rests with each city council.

Potential Bellevue Approach

If Bellevue was to eventually ramp up towards creating either a dedicated multi-departmental team or a department mandate that included land banking it would need to link such purpose with housing and community development expertise that would also provide appropriate real estate and property and asset management support.

Bellevue already employs staff within A Regional Coalition for Housing (ARCH), who have administered funding programs for affordable housing on behalf of Bellevue for nearly three decades. This capacity could be expanded and tailored to specific local objectives for land acquisition, which would have the benefit of built-in coordination with existing funding programs that may be a part of long-term project financing.

Such a team would need to function with a full understanding of state and local policies, affordable housing financing, as well as the legal constraints regarding property disposition. Since land acquisition, management and development operations at this scale are not typically a city service, these new activities would require their own staffing and operational costs, some of which could be offset by revenue from transactions. Alternatively, the city could look to support its existing expertise in the area using consultant and contract services.

Housing Authorities

Every housing authority in Washington is a public corporation of the State of Washington. This statute was created in 1939 under the provisions of chapter 35.82 RCW. Such authorities are exempt from all taxes and special assessments of the city, county, the State of Washington, or any other political subdivisions of the State per the provisions of state law, RCW 35.82.210. Although housing authorities have a strong relationship with local, state, and federal governments, they are independent agencies and act as such.

Chartered by cities and counties, a housing authority is an autonomous, not-for-profit public corporation. This organizational structure allows housing authorities to work in conjunction with local governments and agencies to develop long-term housing strategies for communities.

Though independently run, housing authorities are required to follow federal regulations. In addition, housing authorities receive a subsidy from the U.S. Department of Housing and Urban Development (HUD). Housing authorities do not automatically receive any funds from state or local governments but do compete for these resources alongside other affordable housing providers.

Potential Bellevue Approach

Bellevue could enter into a partnership agreement with the existing King County Housing Authority (KCHA) or establish its own new housing authority that operates within city limits. The essential jurisdictional basis and construct for creating a new housing authority would need to be carefully researched. Because KCHA's capacity and reputation is well-established, the former option is likely more prudent. Bellevue has worked with the King County Housing Authority (KCHA) on past projects.

The commitment to utilize a housing authority whose role would include land banking would better leverage KCHA's expertise in land acquisition and real estate operations. The added benefit of such a partnership would result in a housing authority that understands the funding and legal landscape of affordable housing specific to Bellevue. An effective partnership would need to establish the conditions under which the new housing authority would operate the city's land bank.

Public Development Authorities

Cities, towns, and counties may form Public Development Authorities (PDAs), sometimes known as "public corporations," to assist in administering federal grants or local programs, enhance governmental efficiency and service provision, and/or improve a municipality's general living conditions. These PDAs are special-purpose quasi-municipal corporations that are primarily authorized under RCW 35.21.730-.759. This provision allows local governments to create or contract with public corporations, commissions, or authorities. PDAs do not have any independent taxing authority.

Communities establish PDAs for a variety of reasons. Many experts recommend creating a PDA only for unusual endeavors that, for a variety of reasons, the parent city or county would not want to undertake itself. For example, limiting a municipality's liability for any debts or obligations taken on by the authority, or developing and operating a specific piece of real estate such as an industrial park, a city hall, or affordable housing. RCW 35.21.745 requires any city, town, or county that creates a PDA to control and oversee the PDA's operation and funds to ensure the PDA reasonably accomplishes its purposes and corrects any deficiencies.

Potential Bellevue Approach

Bellevue could consider pursuing a strategy much like the SCIDpda example cited earlier created by the City of Seattle. Such a public development authority could be specifically designed to operate Bellevue's land bank. PDAs of this type are best understood as a specialized municipal enterprise that can marshal resources and expertise to execute the city's land banking mission. As is typical, a Bellevue PDA would need to maintain an "arms-length" distance between the city with respect to the day-to-day operations of its land bank.

While PDAs offer more flexible options to support development of housing and other mixed uses, funding the initial and ongoing operation and infrastructure of a PDA with no existing real estate assets would likely require heavy up front investment.

Nonprofits

Most affordable housing developers are nonprofits. They are mission-driven organizations that seek to preserve and create affordable housing and are often local community-based organizations that provide other services to their community. Nonprofits can be involved in all stages of land acquisition. They may contribute equity capital to a project, or philanthropic proceeds. They may also be property managers (operators) or human service providers. Typically, these roles are distributed across several nonprofits. One nonprofit may focus strictly on housing development, while another may contract to offer specialized services for vulnerable or disabled residents.

Some communities have non-profit Community Land Trusts (CLTs). These entities are dedicated to the acquisition, development, and ownership of affordable housing development while also managing and holding land that helps support their mission.

Local governments usually work directly with active CLTs. They dedicate publicly held land to them to specifically advance affordable housing development goals. Local governments also rely on CLT's to manage their acquired land to reduce the city's own administrative burdens. Bellevue can also help build the capacity of local non-profit affordable housing developers by helping them identify, finance, or acquire land for affordable housing development. The City can also assist with identifying and pooling together the myriad of public resources that exist in the region.

Potential Bellevue Approach

Bellevue has several options. First, it could partner with a housing authority or with existing affordable housing non-profits. This would add to the city's capacity by leveraging either partner's expertise in real estate to operate the city's land bank (given Bellevue has no current community land trust).

Second, Bellevue could work to create its own special purpose non-profit to operate its land bank. This approach would be akin to creating its own PDA. The decision to pick a Special Purpose Non-Profit, or a PDA structure would depend on the relative benefits and drawbacks of each and how best they align with desired land banking outcomes.

Public Private Partnerships

In many instances, when city governments hold land they would like to see developed, the city will issue a Request for Proposal (RFP) to solicit the land. The City will evaluate received proposals and award them accordingly. To maximize affordable housing development, many municipalities will sell or ground lease its land at or below market value, often at substantial discounts.

This approach is effective because it is impossible for affordable housing development efforts to meet demand and satisfy regional mandates by paying market land prices, particularly in high-cost urban areas such as Bellevue and Seattle. To achieve desirable development outcomes for both public and private entities, partnerships between them will need regulatory agreements that define the nature and terms of the partnership, including issues like the depth and duration of affordability. These partnership terms will need periodic review and updates by all involved.

Successful regulatory agreements between public private partner must also embody the following considerations. The non-profit (or for-profit) affordable housing partner should have a history and commitment to affordable housing development as well as a strong track record of property management (alternatively, any entity that will hold a property management contract). Also, the City of Bellevue should have well defined parameters that define both the scope and nature of the relationship with clear performance expectations and detailed repercussions for failure.

Potential Bellevue Approach

Public-private partnerships provide both solutions and unique challenges. These include:

Minimizing the inherent ambiguity of “public-private partnerships”. Both public and private funders operate in and have fundamentally different roles and responsibilities. Strong and resilient personal relationships between partners is essential to keep the alliance effective.

Public Private Partnerships where the city contributes land in exchange for affordable housing and public benefits have been used many times in the region. Since every project is different with respect to the, site, its development, and degree of partnership necessary, achieving large scale numerical outcomes over time can remain challenging. Bellevue could consider a variation on this by opting to acquire land bank sites and then partner with land developer to hold a site until the conditions are conducive to developing affordable housing.

Housing Cooperatives

A housing cooperative or "co-op" is a type of residential housing option that is a corporation whereby the owners do not own their units outright. Instead, each resident is a shareholder in the corporation based in part on the size of the unit. Co-ops have traditionally been a popular form of homeownership in high costs markets such as New York City. This is because co-ops are often less expensive than rental apartments. This is possible because they operate on an “at-cost” basis, collecting money from residents to pay bills and building maintenance. Co-ops have traditionally formed when groups of people band together to construct housing or take over an existing apartment building and convert it.

While co-ops are often a more affordable alternative to condos, it can be challenging to secure their financing, especially on the West Coast. Since there are fewer co-ops in the Seattle region, lending institutions often require higher down payments than conventional mortgages. This results in higher upfront costs for prospective residents. Additionally, housing cooperatives must be managed by the shareholder residents, which could result in both poorly and well managed properties. Specialized training would need to be provided to ensure that any housing cooperatives are adequately managed. If Bellevue were to partner with nonprofits or mission driven developers to secure land and develop them, co-ops could become more common. Substantially easing existing front end financial barriers would help make co-ops a more common homeownership model. Increased popularity overtime will enable more financing options and will lower front end financing costs.

Potential Bellevue Approach

Bellevue would set a leading regional precedent if it succeeded in fostering and partnering to create housing cooperatives. Appropriate legal and regulatory frameworks would need to be created. To help further this model Bellevue would have to commit to decoupling the ownership of the land and the structures on it. This means acquired land would eventually be transferred to and owned by the designated housing cooperative. Alternatively, a ground lease could be levied on the housing cooperative that is covered by monthly maintenance charges.

Separately, each household would own a share in the housing structure (which may or may not include land). The exact details of how this arrangement between land and affordable housing provision are complex but a housing cooperative land bank would need to operate at large scale (i.e., across multiple properties) to make the housing cooperative model more common and accepted. Bellevue could support and offer efficiencies and higher levels of affordability by selling discounted shares (underwritten by the city's land purchase) to eventual homeowners or set-a-side units at targeted AMIs for renters.

3. Land Acquisition Funding

Housing Types and Their Funding

As indicated in the section above, there are many methods, tools, structures, and entities that support the acquisition, development, and financing of affordable housing.

The creation of affordable housing is a complicated effort that requires the pooling of many financing sources and negotiating the details of each development project across a full range of stakeholders, from elected officials, involved agencies, and community groups.

Tailoring each project to a specific housing type and the population segment served adds complexity. Depending on the housing type, only some of the various funding sources that are available for Bellevue may be applicable. Successful outcomes will depend on Bellevue's approach and commitment to supporting its affordable housing needs. Here is a cross section of various affordable housing types.

- **LIHTC Affordable Housing:** Currently most affordable housing development across the US (and Washington State) is funded through the Low-Income Housing Tax Credit (LIHTC) program which adds to other supporting funding sources. The program works with projects where rents across all housing units in that project average 60% AMI or less. The program offers both 4% and 9% tax credits that help to fund either approximately 30% or 70% of the total project costs. Most states reserve the 9% tax credits for projects that offer deeper affordability, which is where the need for the additional equity contribution is greatest. It is likely that Bellevue's funding sources will serve as gap funding to leverage available LIHTC monies. This means the use of any banked lands (properties) could be included as part of the city's overall financial contribution package to a project.
- **Affordable Housing with special set-asides.** Most LIHTC projects may specifically serve segments of the population having special needs or are simply extremely low-income (generally, 30% AMI and lower). This means a specific number of units in these projects are reserved for pre-defined certain populations, such as persons with disabilities, large families, or people exiting homelessness.
- **Senior Housing** covers a range of housing types that range from age-restricted multifamily properties to subsidized properties that are both rent and age-restricted. Like standard affordable housing, rent-restricted affordable senior housing can obtain LIHTCs to help finance development but must similarly restrict rents to an average of 60% AMI across the units. If Senior Housing is funded through LIHTC then the development must remain affordable for 30 years after which they could potentially be returned to market rate housing.

- **Transitional Housing** is designed for households that are homeless and seeking to transition to more permanent housing. The intent of such housing is to bridge the gap from homelessness to a home by offering structure, supervision, and support to this population segment to ensure the transition to permanent housing is successful and lasting. It is possible that Bellevue's 1590 funding could qualify to serve as gap funding to leverage other public monies for such housing.
- **Permanent Supportive Housing** is a type of affordable housing designed for residents experiencing homelessness who need supportive services to achieve housing stability. These units are deeply subsidized and usually are awarded the full 9% LIHTC allowed to help fund 70% of the project development costs. It is likely that Bellevue's 1590 funding will be able to serve as gap funding to leverage the LIHTC monies allocated for such units.
- **Group Homes** can be defined broadly. They tend to be small and meant to house small groups of people who require medical care and have complex health needs and chronic disabilities. They typically have an on-site 24 hours a day caregiver to serve resident needs.
- **Public Housing** refers to a type of federally subsidized affordable housing that is owned and managed by local housing authorities. Residents pay thirty percent of their income toward housing.
- **Mixed-Income Housing** can be defined in different ways but is generally understood to mean multifamily developments that offer units to residents with varying incomes. Mixed-income housing is often a goal of inclusionary zoning policies that try to incent the inclusion of more affordable units into market-rate developments. It is rare for these projects to pursue public financing programs such as LIHTC that would increase the percentage of affordable units in a property above 20%.

Funding Sources

The universal barrier for all forms of acquiring and developing land for affordable housing is the inadequate supply of public or other low-cost capital. Funding land purchases, building construction, and the operation of affordable housing is challenging. Currently affordable housing development requires a mix of public and private funding and financing sources to make such projects financially viable. This is because the financial return on investments that come from building and operating housing for lower income households are not high enough to support an unsubsidized approach to development (i.e., only equity and debt).

As a result, public funding and financing sources are needed to make affordable housing development possible. This implies adopting mechanisms that compensate for the inadequacies of the traditional lending markets. Creative collaboration by all involved is essential to realize the large scale shifts needed to correct current affordable housing shortfalls.

Housing developments are usually financed based on high market rents or sale prices that will guarantee the repayment of construction loans to lending institutions and must produce enough profit for developers to willingly assume associated development risks. Accordingly, most housing is constructed for residents at market levels that balance achievable rents and production costs within a lender's agreeable timeframe. This handicap can be overcome by below market rate lending (low interest gap financing or second position mortgages) over longer or extended payback periods.

Increasingly, philanthropies and big tech companies on the East Side of Lake Washington (which would be immediate beneficiaries of housing affordability) are supportive of creating lower-than-market-rate financing mechanisms to incentivize and achieve big increases in the supply in affordable housing. Such financial support remains an untapped resource for Bellevue. If coupled with mechanisms that remove or minimize the cost burdens of land on end users, Bellevue would likely see bigger increases in affordability within accelerated time periods.

Further, local governments can, and should consider, the use of alternate public funding sources to encourage affordable housing development. Traditionally, these funding sources have included local taxes, tax incentive programs for developers, as well as state or federal grant and low-cost financing programs. Some of these grant programs are "block grants" that are based upon specific formulas, while other grants are awarded on a competitive basis. Here is a summary of funds currently available for affordable housing in Washington State.

Funds Currently in Use in Bellevue

HB 1406 Funds

In 2019, the Washington state legislature approved House Bill 1406 which created a funding tool for cities and counties to make deeper investments in affordable housing by retaining a larger portion of the state sales and use taxes. The same year, the City of Bellevue passed Resolution 9683 and Ordinance 6486 which showed the intent to "*adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406*" and amended the City Code to implement the tax credit.⁸

Under these provisions the tax credit available for 20 years and would be 0.0146% of the sales and use tax. The estimated revenue for Bellevue is estimated to be ~\$625,000 based on 2018 sales tax revenue.⁹

⁸ <https://publicrecordscenter.bellevuewa.gov/Resolutions/9683.PDF> and <https://publicrecordscenter.bellevuewa.gov/Ordinances/6486.PDF>

⁹ https://kingcounty.gov/~media/depts/community-human-services/housing-homelessness-community-development/documents/affordable-housing-committee/Meeting_07-30-2019/HIJT_Memo-HB_1406_Implementation_Overview_Analysis.ashx?la=en

This revenue must be used for projects serving those at or below 60 percent AMI. The revenue can be used towards acquiring land, rehabilitating properties, or constructing affordable housing and for the operations and maintenance costs of new affordable units. The resolution stipulates that the City of Bellevue cannot use these funds for rental assistance since it has a resident population greater than 100,000.

HB 1590 Funds

In 2020, the Washington state legislature approved HB 1590 which builds on HB 1406 and allows cities to impose a 1/10th of a percent of sales and use tax for affordable housing without the need to send the rate increase to a public ballot. According to the city adopted budget, the projected annual sales tax collection from this source is estimated to be between \$8.5-9 million.

Applicability: At least 60 percent of the revenue collected from this fund must be used for those that at or under 60 percent AMI and towards:

- Constructing affordable housing
- Constructing mental health and behavioral health-related facilities
- Funding operation and maintenance costs of new affordable housing units

The remaining 40 percent must be used towards mental health programs or “housing-related services” and does not have population group restrictions.

ARCH Housing Trust Fund

Capital funds from this source are used for the construction of affordable housing in East King County, and are managed through ARCH. Bellevue, along with other East King County cities, pools funds on an annual basis, primarily drawing from local general funds, but also local allocations of Community Development Block Grant (CDBG), fee in lieu funds, and most recently, cities’ collection of affordable housing sales tax authorized by HB 1406.

Applicability: The majority of affordable housing in Bellevue has been funded and financed by the ARCH Housing Trust Fund. The presence of this fund has attracted other funding sources.

Fee-in-Lieu payments

A developer that is subject to inclusionary or incentive zoning requirements may request the use of Alternative Compliance in which a payment in lieu of providing affordable housing is made to the City (RZC 21.20.050). The criteria for alternative compliance should be defined. Fee-in-lieu monies represent “one-time” revenue opportunities. Monies so collected are volatile, and coincident with the timing of land development (i.e., their purchasing power for properties diminishes as land costs rise).

Applicability: In Bellevue, such payments are allowed in BelRed. More generally, if such fees are used for land acquisition, they can be combined with other sources of money (such as the HB 1590 monies). There is currently no period of performance stipulations with these monies, so the city has some discretion on when it chooses to spend such money collected to purchase land. The use of fee-in-lieu monies for land purchase do not serve the city well unless there are immediate land purchases the city can make upon receipt of these fees.

Other Dedicated-Restricted Funds

Housing Levy

This levy is a city-levy voted property tax currently not levied in Bellevue. If put to, and passed, by voters, levy funds would be available to support a range of affordable housing production activities. When authorized by a majority of voters in a taxing district such levies provide a ready resource for subsidies, grants, or loans for non-profit affordable housing development.

Washington State law allows cities to impose regular property tax levies that do not exceed \$0.50 per thousand dollars assessed valuation each year for up to ten years. This levy is only available to finance affordable housing for very low-income households (50% AMI or less, RCW 84.52.105), although additional flexibility may be available to serve a broader range of household incomes.

Seattle is the only jurisdiction in King County with a voter-approved housing levy. Voters have renewed these measures five times since 1981, with the most recent \$290 million levy passing with over 70% voter approval in 2016. The estimated cost to a median homeowner is \$10/month. Other jurisdictions in Washington have also adopted local housing levies, including Bellingham and Olympia.

Applicability: The Washington State legislature has also authorized the use of these levy dollars¹⁰ for affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for households earning less than 80% AMI.

Washington State Housing Trust Fund

The Washington Legislature makes biennial appropriations in the capital budget and directs the Department of Commerce on how to invest the funds. The Housing Trust Fund provides capital financing in the form of loans or grants to affordable housing projects through annual competitive application cycles. Each biennium, the legislature establishes the priorities and parameters for this fund, often earmarking dollars for specific projects or special populations, or activities such as preservation. These funds are in high demand.

Applicability: Housing Trust fund dollars can be mixed with other funding and financing sources, including any commitments by the City of Bellevue that support affordable housing development. Given their high demand, available funds may remain chronically inadequate.

Lodging Taxes

According to RCW 67.28.150 and RCW 67.28.160, lodging taxes can be used to repay general obligation bonds or revenue bonds issued for affordable workforce housing within a half-mile of a transit station. King County has utilized this tool to create a TOD fund and has earmarked funds in the initial bond for various geographic regions, including Bellevue.

¹⁰ MRSC, Affordable Housing Programs: <http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects-Plan-Elements/Affordable-Housing-Ordinances-Flexible-Provisions.aspx>

Applicability: The ability to use this tax towards land acquisition is limited strictly to TOD related projects.

Real Estate Excise Taxes (REET)

This option allows a portion of city REET funds to be used for affordable housing projects and the planning, acquisition, rehabilitation, repair, replacement, construction, or improvement of facilities for people experiencing homelessness.

Applicability: This option is currently limited for Bellevue because the City did not exercise this provision prior to 2019. However, the City could include in its legislative agenda more proactive advocacy to expand REET options for affordable housing. Projects using this resource must be listed in city's the capital facilities plan. (RCW 82.46.035).

Corporate and Philanthropic Capital

Private philanthropy can provide enterprise-level funding. Increasingly, groups have provided seed initiatives that bring private capital to bear in the form of debt and equity (rather than just grants).

For example, Microsoft's affordable housing initiative, some of which has been in the form of a line of credit to the Washington State Finance Commission, is part of a \$750 million commitment. They have also provided some cash grants as part of this venture. In the past two years of its commitment, Microsoft has allocated \$380 million to support the preservation or creation of over 6,500 affordable housing units in the greater Seattle area. Most of the housing that has received initial investment on the Eastside has been housing preservation undertaken by KCHA, including some developments purchased in Bellevue and Kirkland.

Typically, such philanthropic resources require a coherent housing strategy to their liking, as well as a clear delivery plan.

Applicability: Within State and local statutes, such funding and financial underwriting offers Bellevue considerable flexibility to advance its goals and, support its future land acquisition strategy. This is a substantial untapped resource for Bellevue. The creative collaboration and the use of such resources are usually open to negotiation with donors.

Other Non-Dedicated Funds (Restricted and unrestricted)

City General Fund and Fee Revenues

A City can use its general fund tax revenues to directly invest in specific affordable housing projects. Bellevue has done so for many years through its contributions to the ARCH Trust Fund. They can structure these funds as grants or loans that can serve as gap funding to improve development feasibility.

Applicability: The use of this resource for land acquisition must compete with other Bellevue priorities and funding allocations.

Payroll Tax (King County)¹¹

This is a City implemented tax on its employers based on the wages of their employees. The tax varies depending on benchmarks set by the city. The City of Seattle has recently passed the “JumpStart” tax to employees making more than \$150,000 per year on Seattle companies with payrolls of more than \$7 million.

Applicability: Although currently politically difficult, even a modest burden under this provision would greatly supplement a housing land acquisition fund for Bellevue.

WA Tax Increment Financing Bill Tax Increment Financing

The recently passed ESH1198 “TIF for Jobs bill” now allows government entities to utilize an expanded TIF to capture nearly *all* additional local property tax revenue to finance the designated public infrastructure and improvements. This funding increases borrowing capacity for municipalities for public infrastructure.

Allowed uses for this TIF include the cost of long-term affordable housing (including retrofitting) and land acquisition for historic preservation purposes under RCW 35.21.395. The primary limitation is jurisdiction may only have two TIF districts at any given time, those areas cannot overlap, and the TIF must sunset in 25 years. This TIF is expected to be a catalyst for public-private partnerships because it can remove uncertainty for private developers and confirm that the infrastructure will be built. With this increased assurance private developers can engage with public jurisdictions more confidently.

Applicability: This new TIF statute offers a significant revenue boost and time tested resource for Bellevue. Given high property values, it is likely that two new TIF districts within the city of Bellevue would generate significant revenues that could substantially grow the city’s land acquisition fund – particularly if coupled with other funding sources. However, many details would need to be worked out on how TIF monies collected will support affordable housing.

Bellevue would need to identify these provisions in its enabling legislation.

The effective use of increased funding for this purpose makes creating an organizational structure to manage and use such funds urgent.

Basis for selecting an appropriate funding mix

Bellevue’s considerations in determining appropriate funding sources for land acquisition should include:

Capacity

- Are there limitations that impede revenue generation?
- How much revenue (or benefit) can it generate?
- Does the tool have a high potential for revenue growth over time?

¹¹ [New and Untapped Revenue Sources.ashx \(kingcounty.gov\)](#)

Timing

- Does revenue accrue soon after implementation? Alternatively, does the mechanism require a long planning or waiting period? (example: land banking – may not see a benefit for many years). If the eventual gains are worth it, can the city tolerate any associated carrying costs?

Administrative ease

- How easy is it to collect the revenue?
- Is there an established mechanism in place to collect revenue?
- Does it require staffing resources to implement this tool?
- Does it involve multiple decision-makers to implement?

Stability

- Is the funding source intermittent or regular (one-time events)? How do the various funding sources add up to a reliable size for ongoing land acquisitions while also replenishing the fund?
- Is it durable or easy to remove?
- Is the funding source term-limited or does it last decades or indefinitely?
- Does it experience major volatility or seasonality?
- Is there a coherent investment strategy to grow the fund prior to use?

Flexibility

- Does the tool require a nexus between revenue source and expenditure?
- Does the tool's geographical boundary determine where the revenue can be spent?

Applicability:

For example, if evaluating a transit lodging tax Bellevue might use the above basis such:

- **Capacity:** Washington State allows jurisdictions to impose an excise tax of two percent on the sale of or charge made for the furnishing of lodging for periods of less than 30 consecutive days. The City of Bellevue has a 0.058 hotel tax rate. Increasing the tax rate would increase revenue.
- **Timing:** This tax generates immediate revenue as it is collected at the time of service.
- **Administrative Ease.** Bellevue already has this tax in place. Changes to the tax rate would not generate any additional administrative burden or staffing needs.
- **Stability:** As this tax relies on visitors/tourists, it can fluctuate based on seasons, events, or other factors that impact visitors' desire and ability to travel to the area. The new light rail line should increase accessibility to the area and may increase visitors requiring lodging services.
- **Flexibility:** Regarding affordable housing, revenue from this fund can only be used toward workforce housing within a half-mile of a transit station.

4. Suggested Approach & Timing for Bellevue

Acquisition Financing Approaches and Structures

Depending on the requirements of the funding sources available and Bellevue's public finance and policy preferences, there are many ways Bellevue could approach and structure its funds to support the acquisition of land for affordable housing development. Many of these mechanisms will vary based on the depth of affordability desired and the individual project needs.

Land Acquisition Approaches for Bellevue

Establish a Housing Acquisition Trust Fund

Housing trust funds are distinct funds typically established by city, county, or state governments that receive ongoing dedicated sources of public funding for the preservation and production of affordable housing. Housing trust funds systemically shift affordable housing funding from annual budget allocations to the commitment of dedicated public revenue. While housing trust funds can also be a repository for private donations, *they are not* public/private partnerships.

In parallel and complementary to the Housing Trust Fund managed by ARCH, Bellevue could dedicate its funds to establish an affordable housing land acquisition trust fund that focuses exclusively on acquiring land.

This would be a clear signal to the affordable housing development community that a pot of funds exists to support their efforts to acquire land and develop or preserve affordable housing. Since this special purpose trust fund ideally would be designed to remain a resource that grows over time, it could be structured to be capitalized through a revenue bond (i.e., a City issued bond that is paid for by a specific ongoing stream of local government revenue), or a similar mechanism. This would ensure there are sufficient funds in the early years to support efforts by nonprofit or for-profit affordable housing developers to acquire properties and advance development.

Establishing such clearly defined purpose trust fund enables Bellevue to support land acquisition without the need to establish an entirely new agency or department and hire new city employees that would staff it. A new city department or division would prematurely eat up

Possible Fund Sources?

What would a Bellevue Housing Acquisition Trust Fund look like? Bellevue has taken advantage of some of the funding tools the state has made available to cities. It has discussed other options, like a housing levy, as well.

There are new tools, like the possibility of creating TIF districts, that can provide additional funds. Together these tools could serve as the main tranche of the fund that could be used to leverage other outside funding sources from other public agencies or perhaps local philanthropic sources.

- HB 1590 Sales Tax
- HB 1406 Sales Tax Credit
- Potential Housing Levy?
- Potential TIF Funding?
- Potential Philanthropic Funding?
- Potential State Funding?
- Bonding

limited dedicated funds. Initially the effort to search and acquire appropriate land for affordable housing development could be conducted with existing resources (for example, a multi-departmental task force).

Trust funds in other cities are often managed by dedicated affordable housing finance experts such as Enterprise, LISC, or Forsyth Street, who typically charge a loan fee for their services.

These entities have expertise in managing funds for these purposes. Bellevue could also expand staffing within ARCH to directly administer a city land acquisition program, leveraging existing structures that would maintain relatively lower overhead costs. The challenge with this approach is that it puts the onus on the development community to find land and apply for the funds, which may be slower than ideal. However, a large fund with favorable terms would likely attract significant interest. In a highly competitive market, delays between when a developer may be ready to launch a project and when funding for the land is available may result in missing opportunities to purchase properties that would be most desirable for affordable housing.

Creating a trust fund that is solely focused on land acquisition in Bellevue, would enable projects to continue to seek out complementary purpose trust fund dollars from ARCH or other affordable housing funders that are needed to finance affordable housing development over land acquired. In this construct the Bellevue trust fund would simply act as an additional source that is focused exclusively on land acquisition.

Pursue Direct Land Purchase

Bellevue could also choose to directly acquire land and then reposition such properties for affordable housing development. Like establishing a housing acquisition trust fund, this path may need to issue a revenue bond backed by dedicated ongoing funds such as 1406 and 1590 to ensure sufficient funds are maintained. To purchase any significant amount of land, an additional funding source would likely need to be adopted.

To pursue and mature this approach, Bellevue will need to hire appropriate real estate brokers to assist in this effort, but also steer incrementally towards creating a dedicated department (or team/division within a department) that is adequately staffed with experts who can put forth a real estate and acquisition strategy focused on affordable housing development. Bellevue would also need a comprehensive strategy to identify and source (in advance) the most “promising” land purchase prospects that could support future affordable housing projects while meeting the community’s need for affordability. In the short term it would be efficient and effective for Bellevue to contract with the King County Housing Authority (KCHA) to obtain necessary expertise.

This approach requires many considerations including a coherent city wide approach to all land acquisition. The three biggest ones are as follows.

First, acquiring land for affordable housing development often requires discounting it since the discount is used to underwrite the affordability of the project (i.e., the lower cost of land in an affordable project translates to lower effective affordable rents). Affordable housing projects struggle to work with market-rate residential land prices and require support or deeply discounted land to make their developments financially feasible. This is because restricted rents on affordable housing projects, have lower net-operating incomes than market rate developments.

For example, if the zoning on a parcel allowed a 100-unit multifamily apartment building, a market rate developer could afford a higher price for that land because higher rents would support it. An affordable housing provider however would earn less income from rents since they would be priced for lower-income households but with the same or higher costs as a market rate project. This means that such an affordable housing project would be challenged to pay the same price for land as a market rate project. Given such economic realities, land subsidies would greatly favor affordable housing.

Additionally, the higher rents on market rate projects in Bellevue generally support the development of more expensive (per square foot) residential towers (which yield more units). The resulting higher returns allow such developments to afford higher land prices. The lower rents on affordable housing projects and a general scarcity of funding sources, means affordable housing providers must use lower-cost construction which is not feasible for tall structures (yielding fewer units) and thus cannot afford market rate prices for the same land. This implies that affordable housing in high rise buildings is not financially feasible without even bigger subsidies.

Second, not all land is suitable for housing development and the cheapest land is often in industrial or in aging low-density commercial areas that may not currently allow residential development.

Bellevue will need to consider its land acquisitions as part of a larger housing strategy and more locally as part of individual large site master plan development.

Accordingly, Bellevue should consider strategic approaches towards acquiring cheaper properties and then rezoning them. Less expensive land may sometimes have contaminants and although cleaning them up adds expense and time, in the mid to long term these rehabilitated sites are likely to become extremely valuable while also boosting the investment attractiveness of the immediate area around them. Clean-up fees could be underwritten using other funding sources or could be incorporated in added fees as land costs in the area rise if the land is held for a longer period. Finally, all city owned property assets (even those not best suited for affordable housing) accumulate equity over time. This equity can be borrowed against and the money used for affordable housing or related community building purposes.

Third, Bellevue will have to solicit the affordable housing development community to build affordable housing development on acquired land. If a reasonable developer or partner is not found, then development could be stretched out across timeframes that could get progressively expensive with time.

While this could be offset by increased land value, this implies ideally the city will have a ready pipeline of projects with complete development packages pre prepared to minimize development costs and time. This in turn requires an internal city organizational structure that is designed to facilitate such speedy and efficient outcomes. It also means well established partnerships will streamline delivery. In the immediate short term, mobilizing appropriate City of Bellevue staff and relying on added support from ARCH would address this concern.

Financing and Deal Structures

Whether Bellevue chooses the establishment of an affordable housing land acquisition trust fund or pursues acquiring land directly, there are many ways that it could structure the uses of available funds for the acquisition and/or the disposition of land. These include:

Acquisition Loans or Grants. As part of a future affordable housing land acquisition trust fund, Bellevue could provide loans to affordable housing developers to help acquire land. Such help could be structured as low-interest bridge loans to help obtain permanent loan financing. If the proposed project is seeking to provide supportive housing or deeply affordable units, the city may decide that it is more appropriate to grant the funds or structure a loan that accrues and balloons when affordability restrictions end in the year 30 loan period to incent extending affordability.

Ground Lease. If Bellevue opts to acquire land directly, the city may (as part of its solicitation process) charge a nominal ground lease on the land as a percentage of any cash flow that project may have. This could take the form of a small ground payment, particularly if the project is deeply affordable. The benefits of a ground lease enable the city to have recourse on the land if a developer is not abiding by its regulatory agreement. Long term leases also allow the city to realize equity from its land holding(s), and periodically use that equity to upgrade the development should it so choose. Conversely, legal protections that shield the City from development associated building operations or maintenance liabilities will be prudent.

Land Transfer/Sale. During the solicitation process, the city may opt for disposing of acquired land for nominal amounts. The land sale price at the time of transfer would depend upon how much of a land sale price the project could support. On deeply affordable housing projects it is not uncommon for land to be disposed of for the token amount of \$1.00. This approach does not yield additional funds returning to the city to further land acquisition efforts, but it may in specific instances, limit the City's potential legal liability.

Equity Based Partnering. Regardless of its acquisition approach and strategy, Bellevue could structure its funds or land as an equity contribution to affordable housing projects. This means that the city could become an equity partner, effectively granting funds or the value of land to the project in exchange for some portion of the cash flow. This type of structure will require heavy negotiation and some developers may not like the idea of having a city as an equity partner. The positive for Bellevue is that this is yet another equity based financial gain over time thereby adding to its overall financial resources and ability to underwrite even more affordable housing projects.

Timing of Acquisition & Additional Policy Considerations

Land banking for affordable housing is a mid- and long-term real estate investment strategy that leverages Bellevue's ability to develop or dispense of property to advance its affordable housing goals and objectives. The value of land acquired increases with time, so holding such properties provides a crucial buffer against land costs the city cannot control.

To undertake such an endeavor, Bellevue must create an appropriate internal organizational and operational infrastructure consistent with a comprehensive housing policy and strategy. These operational and management structures can be evolving, but their purpose needs to be clear with broad consensus and city commitment, as well as an increased level of tolerance for financial risk. Doing so will create broad public credibility, as in the development community and provide the consistency necessary to address development efforts on projects that need many phases over many years.

This also means that ongoing diligent research and hands-on management are essential to ensure that Bellevue's land banking fund remains financially sustainable. Each project will inevitably have environmental considerations, financing, political, and market realities that will dictate the success of every venture. Bellevue needs to carefully devise the means to credibly address these varying concerns in an effective way.

Bellevue will be best positioned to accomplish these requirements if it views its land banking approach as a long-term investment in its community. This with the full understanding that the positive gains necessary to make a tangible difference will need time to mature. In a land-scarce and economically successful Puget Sound there are great benefits for Bellevue should it choose to acquire and hold the land for several years while it finds suitable development partners and grows its affordable housing development and support infrastructure. This approach extends well beyond affordable housing. In taking this approach, (like any long-term investor), Bellevue must pragmatically consider and be prepared for:

- Changes in financing/interest rates
- Evolving environmental issues
- Market downturns
- Periods of constrained cash flow
- Unexpected management needs, repairs, and capital investment

Despite these concerns there are significant benefits for Bellevue.

- The ability to achieve its broader community development goals and leverage positive change over time
- Deepening the city's stake in affordable housing in the community
- Creating financial buffers against increasing market barriers to affordability
- Expanding investment in Bellevue's diverse and rich communities
- Creating more trust in City government
- Improved civil society
- Improved financial equity and financial leverage

Opportunities & Challenges

The City of Bellevue's Affordable Housing Strategy is best realized when imagined as a mix of land use, incentives, partnerships, and direct financial investments designed to increase the level of Bellevue's housing affordability. Ideally "balanced" communities are inclusive when they have: a good distribution of families, ethnicity, incomes, housing types, as well as community serving assets (i.e., parks, schools, community centers, health clinics, retail, and services) - all well served by multiple transit options affordable by all. Accomplishing this across all of Bellevue's neighborhoods is a challenge. The new Washington State TIF provisions can substantially help achieve these integrated outcomes.

Although it is not necessary for the City of Bellevue to integrate and have a unified organizational structure for all its land acquisition needs, a long term goal of creating such a basis would allow for better strategic acquisitions. This means a maintenance or service facility owned by the city could in the future become an affordable housing site. Alternatively, the land equity of properties could be tapped to acquire other properties better suited to affordable housing. Although such a unified approach is not essential at this time, orienting towards it might be a future oriented consideration.

To realize more "complete communities" within all of Bellevue's 16 neighborhoods a comprehensive strategy that not only provides the needed housing, but also related human and management services, with all the social and infrastructure connections necessary for full acceptance and integration would help. This means a broad based city approach to affordable housing could be part of a larger development model Bellevue adopts (presumably in its Comprehensive Plan update). Doing this will require creativity, a willingness to strategically change policy and regulation, a concerted strategy to adapt social services, open space, and transit alignments, and clear evidence of a widespread net public benefit.

Next Steps for a Viable Land Acquisition & Banking Approach

City leadership under direction of the city council should consider developing a permanent platform for land acquisition and banking. This strategy can be used to support decision making regarding HB 1590 monies as well as other affordable housing programs and initiatives.

The following four recommended steps are intended to help Bellevue create a viable conceptual model and strategy.

1. Delineate Policy Goals

Every local government considering creation of a land bank should be very clear about the precise goals and functions to be accomplished by its creation. Generally, the larger the number of expectations from a land bank, the greater the number of functions it is expected to perform. All of this will add to the organizational complexity and risk that will be undertaken. A relatively simple set of goals derived from the City's existing Comprehensive Plan and Affordable Housing Strategy may be all that is needed to define this structure. Success should be defined within the specific policy goals created to achieve desired outcomes. These policies will make it possible to tailor effective procedures.

2. Create an Ambitious Funding Plan

Bellevue now has funding capacity for affordable housing investments through both one-time and dedicated sources. However, while meaningful, even these resources are unlikely to unlock a supply of land that will create a dramatic difference in the current and future housing needs of the community. To prepare for the accelerating level of demand for housing an ambitious funding plan with new revenue tools must be a foundational element of the City's efforts. This is critical to achieving significant amounts of affordable housing construction necessary to comply with the GMA.

It should be noted that Bellevue has competing interests for its available investments. The question of funding adequacy therefore is really a question of how Bellevue defines success for its land acquisition strategy.

3. Establish Property Acquisition and Disposition Goals

The local governments that create land banks bear responsibility for establishing the broad operational goals and priorities that govern their key functions. This implies targeting properties for acquisition, assemblage, and disposition; identifying how the property can support future affordable housing; identifying the most important new uses for the properties; and determining the methods of enforcing commitments made by transferees of these properties.

Bellevue's land bank must be fluent with the broad range of government and non-profit entities that support housing production. As a bridge to the private sector, a land bank must comprehend and anticipate the nature of private real estate development in a manner unlike other public agencies. To do this it must develop clear and streamlined intergovernmental partnerships.

4. Determine Acquisition Strategy and Organizational Model

This task requires Bellevue to determine if it wants to acquire land directly, seed a fund, or contract with entities. If Bellevue's land bank is to be a separate entity outside its direct management, the city will have to decide on whether it will:

- A. Create the land acquisition organization itself (i.e., PDA) or,
- B. Partner with existing capable provider (i.e., housing authority such as the King County Housing Authority (KCHA) or another similar non-profit entity.

Finally, even if Bellevue's landbank is an independent corporate entity with its own powers it need not have its own independent staff. This means to meet its goals, the land bank must have access to a broad range of technical skills, including real estate managers, financial analysts, project managers, and marketing specialists. This staff can be wholly within the new organization or a blend of staff drawn from existing Bellevue city government departments. Alternatively, appropriate parts of the land bank's work could be conducive to third party expertise based management contracts.

From: [Renay Bennett](#)
To: [PlanningCommission](#)
Subject: Affordable and increased housing
Date: Friday, January 31, 2025 2:47:32 PM

[EXTERNAL EMAIL Notice!] Outside communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Dear Planning Commission,

I hope that you will consider now that illegals will be deported and self-deporting, that the housing stock will be increased. More supply will bring down housing costs. Perhaps this isn't the best time to work on increased housing.

Thanks for considering,

Renay Bennett