

**CITY COUNCIL AGENDA TOPIC**

Recommended Land Use Code Amendment and the proposed Bellevue City Code Amendment revising the City's regulations in response to the passage of House Bills 1110 and 1337, requiring cities to expand housing options and densities in residential areas.

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**EXECUTIVE SUMMARY****INFORMATION  
ONLY**

Staff will introduce the recommended Middle Housing Land Use Code Amendment (LUCA) and proposed Bellevue City Code Amendment (BCCA). Planning Commission Chair Goepple will present the Planning Commission recommendation approving the LUCA without modification. The Resolution documenting this recommendation is included as Attachment A.

Staff is seeking Council input on the recommended LUCA and proposed BCCA. Discussion will continue at a future study session.

**RECOMMENDATION**

Provide any further input on the content of a future study session for the recommended LUCA and proposed BCCA.

**BACKGROUND/ANALYSIS****Background**

In 2023, the Washington State Legislature passed, and the Governor signed into law, House Bills (HB) 1110 and HB 1337, amending the Growth Management Act, Chapter 36.70A RCW (GMA). These amendments require many cities to update their codes to allow additional densities and middle housing in predominantly residential land use districts, along with several other associated requirements to help encourage the development of these housing types. Under the state mandate, middle housing includes housing types with two to six units (such as duplexes through sixplexes), as well as townhouses, stacked flats, courtyard apartments, cottage housing, and may also include accessory dwelling units.

Before this GMA amendment, the City Council already initiated work on the middle housing code updates in January 2023 as a part of the "Next Right Work" program to boost housing supply in the city. Now, Bellevue is required to adopt necessary amendments to comply with these new GMA requirements by June 30, 2025.

**Requirements of HB 1110 and HB 1337**

By June 30, 2025, the City must amend the LUC to comply with the following key requirements of HBs 1110 and 1337. Key compliance requirements are noted below:

### Minimum Required Densities

As a Tier 1 city, the City is required to implement at a minimum the following middle housing densities for any residentially-zoned lot:

- Four units/lot.
- Six units/lot when two are affordable.
- Six units/lot when within one-quarter mile walking distance of a Major Transit Stop (e.g., light rail or RapidRide stops).

### Middle Housing Types

Bellevue must allow *at least* six of the following nine middle housing types:

1. Duplexes
2. Triplexes
3. Fourplexes
4. Fiveplexes
5. Sixplexes
6. Townhouses
7. Stacked flats
8. Courtyard apartments
9. Cottage housing

### Accessory Dwelling Units (ADUs)

Bellevue must allow at least two ADUs (attached or detached) per lot in single-family land use districts.

- Minimum size: 1,000 square feet; minimum height: 24 feet.
- Parking exemptions are similar to middle housing, except for the Major Transit Stop definition.
- Cannot impose frontage improvements or impose impact fees more than 50% of those for single-family homes.

### Unit Lot Subdivisions

HB 1110 requires that cities allow “zero lot line” subdivisions where the number of lots created is equal to the permitted middle housing density. This type of subdivision already exists in the City’s Land Use Code under the name “unit lot subdivision.”

### **LUCA Process and State Model Ordinance**

The recommended LUCA reflects both the baseline state requirements and additional provisions to further support middle housing feasibility and align with our recently adopted Comprehensive Plan, which encourages increased housing opportunities near transit, jobs, and services. A strike-draft of the LUCA is provided as Attachment B.

The LUCA staff report, which includes background information on the code amendment process, summary of outreach efforts, and an analysis of how the LUCA meets the decision criteria for changes to the Land Use Code is provided as Attachment C.

The State Department of Commerce provided a model ordinance that includes both required and optional provisions for Cities to consider as they develop code. Importantly, if a jurisdiction does not

adopt its own compliant ordinance by the June 30, 2025, deadline, the entirety of the model ordinance will take effect, including optional provisions that may not align with Council priorities around simplifying and streamlining development review.

The intent of the model ordinance and guidance was to provide support and information to local jurisdictions, particularly small jurisdictions with limited staff that may have challenges developing their own ordinance. Due to this, there are many components of the ordinance that are not compatible with the City's existing code and housing development goals. A detailed comparison between the Planning Commission's recommended LUCA and the model ordinance and state requirements is provided as Attachment D.

### **Components of the Recommended LUCA**

The recommended LUCA provides direct compliance with HBs 1110 and 1337 and incorporates recommendations from public comment, stakeholder engagement, and the Planning Commission to ensure the regulatory and process amendments meet the requirements of the bills. Key components of the LUCA are detailed below:

#### Minimum Required Densities

The proposed LUCA includes the following minimum densities

- Four units/lot citywide
- Six units/lot when:
  - Two units are affordable, when paying a fee of \$150,000 per unit in-lieu of providing two affordable units, or a combination of in-lieu fee and affordability
  - Within one-half mile walking distance of a Major Transit Stop (e.g., light rail and RapidRide stops)
  - Within one-quarter mile walking distance of Regional and Candidate Countywide Growth Centers
- Detached ADUs (DADUs) count towards the total allowable density on a lot
- Attached ADUs (AADUs) do not count towards the total allowable density on a lot

#### Floor Area Ratio (FAR)

The recommendation includes maximum FAR requirements based both on the lot size where the proposed development is located, as well as the number of units proposed. This inclusion recognizes the diversity of lot sizes in the City and addresses the infill development needs for both, in order to provide family-sized units. The FAR section also includes a revision to the FAR when one unit is being developed on one lot that removes the exemption criteria to go beyond a 0.5 FAR and instead replaces it with a tapered down FAR for lots over 10,000 square feet.

#### Development Regulation Flexibilities

Consistent with the state model code and guidance, the recommended LUCA reductions to setbacks, and increases in lot and impervious surface coverage, particularly for cottage developments. The LUCA also includes a small increase in the allowable building height from 35 to 38 feet.

#### Parking

Rather than applying a separate standard based on lot size as included in HB 1110, the recommended LUCA includes a requirement of one parking space per unit for all middle housing types and ADUs. Consistent with the baseline requirements of HB 1110 and HB 1337, the recommendation includes a parking exemption for middle housing and ADUs that are located within one-half mile walking distance of Major Transit Stops.

#### Cottage and Courtyard Housing

The recommended LUCA allows cottage developments to determine unit yield based on the maximum potential FAR based on lot size. Unit yield will be driven FAR, the maximum size for cottages, and other open space and site requirements. Both courtyard and cottage housing have open space minimum requirements, including maximum impervious surface coverage, dimensional standards, and landscaping requirements.

#### Accessory Dwelling Units

In addition to the recommended density allowances for ADUs noted above, the recommendation also includes maximum size and height requirements for ADUs, including the retention for size flexibility for attached ADUs. Parking standards are consistent with the parking standards for middle housing units, and dimensional standards for DADUs are also consistent with the dimensional standards for middle housing. AADUs are subject to the same dimensional standards as the primary unit.

#### **Planning Commission Process**

The LUCA was reviewed by the Planning Commission during three study sessions ahead of the public hearing, a briefing on October 9, 2024, and subsequent study sessions on February 12 and March 12. Following the third session, the Planning Commission directed staff to prepare the LUCA for public hearing on April 9.

During the LUCA review process and public hearing, the Planning Commission received public comments with both general and specific suggestions regarding various topics. The areas where the most public comment was received related to the proposed density increases beyond the baseline requirements of the state bills, concerns about impacts to the natural environment and critical areas, and concerns about impacts to infrastructure and traffic. Other comments were received encouraging Planning Commission to adopt larger density increases due to concerns about housing affordability and availability.

After public testimony, Planning Commission closed the public hearing and directed staff to return to Planning Commission on April 23 to hold a study session discussing the proposed LUCA and to decide on a recommendation to City Council.

On April 23 Planning Commission held a study session as a follow-up to the public hearing to discuss the proposed draft and to provide a recommendation for staff to bring to Council. Planning Commission also heard additional public comment, the majority of which were comments in support of the proposed draft. Some comments included concerns about growth and infrastructure, and the potential impacts of middle housing to the neighborhoods. Planning Commission went through the major topic areas and reviewed options to amend the LUCA, which are included in the summary of the LUCA components above.

## **Components of the Proposed BCCA**

The proposed BCCA includes clean-up revisions to the transportation code in order to comply with the requirements of HB 1110, as well as to address access requirements for middle housing projects. Other items include clean-up items for the tree code to align with clean-up items in the LUC, and a revision to the clearing and grading code to revise grading buffer requirements for project sites near critical areas. A strike-draft of the proposed BCCA is included as Attachment E.

## **Project Timeline**

Public engagement around middle housing in general began as early as November 2022 as part of the 2024 Comprehensive Plan Periodic Update.

Work on this LUCA was initiated by Council on January 17, 2023, as a part of the “Next Right Work” effort, ahead of the adoption of HBs 1110 and 1337. This coincided with the ongoing Comprehensive Plan periodic update work initiated in 2022. Development of the LUCA began in 2024 with a comprehensive review of engagement efforts to date regarding middle housing and housing policy, as well as review of the Comprehensive Plan policies on land use, housing, and neighborhoods and the associate environmental review work.

## **Public Engagement**

Staff followed a public engagement plan with three modes of outreach and engagement to ensure the public, stakeholders, and interested parties had access to up-to-date project information and the opportunity to provide comments. This work complemented and was built off of the robust engagement work completed with the public through the Comprehensive Plan periodic update process. Additional detail on the public engagement process is noted above as well as in the staff report provided with the notice of public hearing, Attachment C.

1. Process IV Requirements. Process consistent with Chapter 20.35 LUC procedural requirements to provide opportunities for public comment, including:
  - Notice of Application and Public Hearing for the proposed LUCA
  - Public hearing on the proposed LUCA
2. Community Outreach:
  - Six total community engagement events, including two in person and four online
  - Fielding inquiries from the public and stakeholders via phone, e-mail, and in-person meetings
  - Bellevue Development Committee engagement
  - Direct engagement with stakeholders in the design and development community, including affordable housing stakeholders
3. Online Presence. City webpage to provide opportunities for the public to stay informed and to request additional information, including:
  - Staff contact information
  - Information regarding the LUCA
  - A StoryMap with interactive web maps and an online questionnaire regarding potential increase densities beyond the baseline requirements of HB 1110.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The recommended LUCA and proposed BCCA are consistent with the housing and land use elements of the Comprehensive Plan.

### **Fiscal Impact**

The recommended LUCA and proposed BCCA may have a small fiscal impact by reducing some of the regulatory and process requirements associated with projects that are required to conform to design regulations and that are subject to the administrative design review permit process.

## **OPTIONS**

N/A

## **ATTACHMENTS**

- A. Planning Commission Resolution
- B. Middle Housing LUCA Strike-draft
- C. Staff Report
- D. PC Recommendation vs. Model Ordinance
- E. Middle Housing BCCA Strike-draft

## **AVAILABLE IN COUNCIL LIBRARY**

N/A