



Bellevue Planning Commission

February 8, 2023

PLANNING COMMISSION STUDY SESSION ITEM

SUBJECT

Study Session on a proposed Land Use Code Amendment (LUCA) to establish criteria and procedures in the Land Use Code (LUC) for certain properties owned by religious organizations and located in single family land use districts to be rezoned to allow permanently affordable multifamily housing. The LUCA advances the City's Affordable Housing Strategy (AHS) Action C-1. File No. 23-100486-AD.

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POLICY ISSUES

The proposed LUCA advances Action C-1 of the AHS, which seeks to "increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing". The City adopted the AHS in 2017, in order to address Bellevue's affordable housing needs. The City Council initiated work on Affordable Housing Strategy Action C-1 on July 20, 2020.

On December 6, 2021, as a first step in implementing Action C-1, the City Council adopted a 50 percent density bonus for affordable housing developments meeting Action C-1 ownership criteria. During the process, Council noted that some religious organizations' properties in single-family land use districts have location characteristics that could support higher densities and multifamily housing. They directed a second phase of work to further increase capacity for affordable housing on these properties through a Comprehensive Plan Amendment (CPA), LUCA and rezone. On December 12, the City Council adopted the CPA necessary for this LUCA, adding a note to the City's Land Use Map and two new Housing Element policies:

- **Comprehensive Plan Policy HO-36:** Allow properties in single family designated areas on the Comprehensive Land Use Plan map to reclassify to multifamily when they meet all the following criteria:
 1. one hundred percent of the housing being developed will be permanently affordable housing; and
 2. the property is owned or controlled by a religious organization; and
 3. the property is located near high capacity transportation infrastructure and services; and
 4. the property is located near other multifamily residential or commercial use districts.
- **Comprehensive Plan Policy HO-37:** Inform and educate religious organizations about the opportunity to develop affordable housing.

AHS Action C-1 is also consistent with the following City policies and initiatives:

- **Comprehensive Plan Policy HO-7:** Encourage the development of affordable housing through incentives and other tools consistent with state-enabling legislation.
- **Comprehensive Plan Policy HO-26:** Provide incentives and work in partnership with not-for-profit and for-profit developers and agencies to build permanent low- and moderate-income housing.
- **Diversity Advantage Plan Guiding Principle Opportunity:** Share prosperity by connecting residents, schools, businesses, faith and nonprofits to work together for the common good.

DIRECTION NEEDED FROM THE PLANNING COMMISSION

ACTION

DIRECTION

INFORMATION ONLY

Staff will be presenting the components of the proposed LUCA in two study sessions. After the study sessions, the Planning Commission will be asked to hold a public hearing on and recommend approval of the proposed LUCA.

	Topic Areas
<input type="checkbox"/>	<p><u>Study Session 1 (February 8): Affordable Housing (AH) Suffix, Eligibility Criteria</u></p> <ul style="list-style-type: none"> • Topic 1. Affordable Housing (AH) Suffix • Topic 2. Eligibility Criteria
<input type="checkbox"/>	<p><u>Study Session 2 (March 8): AH Suffix Designation Criteria</u></p> <ul style="list-style-type: none"> • Topic 3. AH Suffix Designation Criteria
<input type="checkbox"/>	<p><u>Public Hearing (April 12):</u></p> <ul style="list-style-type: none"> • Required Public Hearing • Planning Commission Recommendation

BACKGROUND/ANALYSIS

2022 C-1 Comprehensive Plan Amendment

The AHS established a goal of adding 2,500 affordable homes in Bellevue within 10 years of implementation. Action C-1 is one of 21 actions identified under the five AHS strategy areas. Action C-1 calls for “increasing development potential on suitable land owned by public, non-profit housing, and faith-based entities for affordable housing” and can make a significant contribution to achieving the AHS goal.

In 2020, the City adopted several policies in the Comprehensive Plan Housing Element to advance AHS Action C-1 and to respond to RCW 35A.63.300, adopted by the Washington State Legislature in 2019, requiring the City to offer a density bonus for affordable housing development on property owned by religious organizations. These policies call for implementation of a density bonus and modifications to other standards and requirements in the LUC for eligible properties, in order to increase affordable housing development. On December 6, 2021, as a first step in implementing the 2020 CPA, the City

Council adopted a 50 percent density bonus for affordable housing developments meeting Action C-1 ownership criteria.

During the process of reviewing the 2021 LUCA, the Planning Commission and City Council both noted that some religious organizations' properties in single-family land use districts have location characteristics that could support higher densities and multifamily housing. This issue could not be addressed without additional amendments to the Comprehensive Plan. Council directed a second phase of work to further increase capacity for affordable housing on these properties through a second CPA, LUCA and rezone.

On December 12, the City Council adopted the CPA necessary for this second phase of work, adding a note to the City's Land Use Map and two new Housing Element policies. The map note makes it possible to rezone certain properties in single family land use districts consistent with the project purpose, while the comprehensive plan policies establish general ownership and location eligibility criteria for rezones. The map note is as follows:

Properties owned or controlled by religious organizations, as defined by LUC 20.20.128.B.2,¹ and located in single family designated areas shown on the map may be reclassified to multifamily through a rezone process, subject to Part 20.30A LUC, when developed with one hundred percent permanently affordable housing in accordance with housing policy HO-36.

This proposed LUCA will establish the specific criteria and procedures necessary to implement the map note and Policy HO-36.

Components of Proposed LUCA

The proposed LUCA will amend LUC 20.20.128 and amend other provisions in chapter 20.10 LUC to establish criteria and procedures in the LUC for certain properties owned by religious organizations and located in single family land use districts to be rezoned to allow permanently affordable multifamily housing.

Topic 1. Affordable Housing (AH) Suffix

The intent of this LUCA is to allow eligible properties to be rezoned to allow housing density consistent with that of multifamily land use districts, on the condition that any multifamily housing developed on these properties is 100 percent permanent affordable housing. At the same time, the intent is to provide multifamily affordable housing development as an additional option for eligible property owners while retaining their ability to maintain their existing development and develop as allowed under their existing single family land use districts. If properties are simply rezoned to multifamily, there is no mechanism to ensure that future multifamily development is affordable. In order to accomplish the intent of the Land Use Map note and Policy HO-36, the proposed LUCA introduces the use of an Affordable Housing (AH) suffix.

¹ LUC 20.20.128.B.2 defines religious organization as “the federally protected practice of a recognized religious assembly, school, or institution that owns or controls real property as defined in RCW 35A.63.300, now or as hereafter amended.”

The proposed AH suffix consists of AH and a number, enclosed in parentheses and appended to the land use district classification applied to a property. The suffix numbers correspond to alternate multifamily Land Use Districts which are applicable to affordable housing development when consistent with the requirements established with the proposed LUCA. The proposed suffixes and their associated multifamily Land Use Districts are shown in **Table 1**. If a property is rezoned from R-5 to R-5 (AH-2), for example, the property may be developed consistent with the R-15 land use district when all proposed housing units are permanent affordable housing. The property may also use the 50% density bonus, applied to the R-15 land use district density. The property may still develop consistent with R-5 when not meeting this requirement.

Table 1. Alternate Land Use Districts

Affordable Housing Suffix	Associated Land Use District
(AH-1)	R-10 (10 Units per Acre)
(AH-2)	R-15 (15 Units per Acre)
(AH-3)	R-20 (20 Units per Acre)
(AH-4)	R-30 (30 Units per Acre)

Owners of rezoned property will be under no obligation to build affordable housing or redevelop at all. The rezone would ensure that building permanent affordable multifamily housing is a readily available, additional option for these properties.

Topic 2. Eligibility Criteria

The proposed LUCA will amend LUC 20.20.128 to establish ownership and location criteria for properties to be eligible for an AH suffix rezone. To be eligible for a rezone, the property must be:

- Owned or controlled by a religious organization; and
- Located in any Single-Family Residential Land Use District; and
- Located on an arterial street; and
- Located within one-half mile of a transit stop that receives services at least four times per hour for 12 or more hours per day or a future light rail or bus rapid transit station scheduled to begin service within two years, or within one-quarter mile of a transit stop that receives service at least two times per hour for 12 or more hours per day; and
- Located within 500 feet of a Land Use District where multifamily housing or commercial uses are permitted.

Proposed criteria for establishing the AH suffix available to eligible properties will be presented at the next study session.

Public Engagement

Staff developed a public engagement plan with four modes of outreach to ensure the public, stakeholders, and interested parties have the opportunity to be informed and to provide comments.

1. Process IV Requirements. Process consistent with Chapter 20.35 LUC procedural requirements to provide opportunities for public comment, including:
 - Notice of Application of the proposed LUCA on January 19; and
 - Public hearing on the proposed LUCA anticipated in April.
2. Direct Engagement and Feedback. Dialogue with representatives of religious organizations, affordable housing providers, and neighborhoods.
3. Public Information Session. Virtual public information session on January 31 to provide information about the project to the general public and respond to questions.
4. Online Presence. City webpage to provide opportunities for the public to stay informed, including:
 - Staff contacts; and
 - Public information regarding LUCA progression.

Staff will continue to collect feedback from the public, stakeholders, and interested parties and summarize their comments for the Planning Commission throughout the LUCA process.

Anticipated Schedule

The Planning Commission will be introduced to and asked to consider the proposed LUCA. The anticipated timeline for processing the LUCA is as follows:

- Planning Commission Study Sessions: February 8 and March 8
- Planning Commission Public Hearing and Recommendation: April 12 (tentative)
- City Council Study Session: to be scheduled
- City Council Action: to be scheduled

ATTACHMENT

- A. Map of Eligible Areas Under Proposed LUCA