

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MINUTES

April 23, 2025
6:30 p.m.

Bellevue City Hall
Room 1E-113

COMMISSIONERS PRESENT: Chair Goepple, Commissioners Bhargava, Ferris, Khanloo, Lu, Villaveces

COMMISSIONERS REMOTE: None

COMMISSIONERS ABSENT: None

STAFF PRESENT: Thara Johnson, Kate Nesse, Community Development Department; Nick Whipple, Kirsten Mandt, Development Services Department; Matt McFarland, City Attorney's Office

COUNCIL LIAISON: Deputy Mayor Malakoutian

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER
(6:30 p.m.)

The meeting was called to order at 6:30 p.m. by Chair Goepple who presided.

2. ROLL CALL
(6:31 p.m.)

Upon the call of the roll, all Commissioners were present.

Chair Goepple took a moment to recognize the selection of Commissioner Bhargava to fill the City Council seat vacated by Councilmember Stokes. The Commission's loss will be the Council's gain. During five years on the Commission, Commissioner Bhargava has had a substantial influence on the work of the Commission.

Commissioner Ferris commented that Commissioner Bhargava inevitably comes up with observations and different perspectives not raised by others, and the discussion is always richer as a result.

Commissioner Lu noted having joined the Commission while Commissioner Bhargava was serving as the Chair. Commissioner Bhargava provided steadfast leadership that set the tone for the work of the Commission.

Commissioner Villaveces said Commissioner Bhargava always acts with kindness in communicating with others, and will do very well as a Councilmember.

Commissioner Khanloo commented that Commissioner Bhargava is always very Zen, even in chaotic situations, and always finds a way to break down the issues and the problems when seeking common ground and solutions. The Council will benefit from those characteristics.

Deputy Mayor Malakoutian remarked on having served together on the Commission for four and a half years. Commissioner Bhargava always raises issues and finds solutions that others have not thought of. Commissioner Bhargava is at heart a good human being with outstanding qualities, and will serve with distinction as a member of the Council.

Commissioner Bhargava thanked the Commissioners for their kind and humbling words, and thanked the Council for their trust and support. The shoes of Councilmember Stokes will not be easy to fill. Commissioner Bhargava said each and every Commissioner has had a remarkable influence, and they are to be praised for their hard work. The city staff are remarkable and working with them has been an incredible experience.

3. APPROVAL OF AGENDA (6:41 p.m.)

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

A. Election of Vice Chair

A motion to nominate Commissioner Khanloo to serve as Vice Chair was made by Commissioner Ferris.

Absent additional nominations, Commissioner Khanloo was elected to serve as Vice Chair.

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS (6:44 p.m.)

Deputy Mayor Malakoutian said the appointment of Commissioner Bhargava to fill the vacancy created by the resignation of Councilmember Stokes was made on the strength of Commissioner Bhargava's strong qualifications. It was a competitive selection process as there were four candidates.

Deputy Mayor Malakoutian commended Chair Goepple for effectively representing to the Council the Commission's recommendations regarding the Wilburton Land Use Code Amendment, particularly highlighting the careful balance of growth, development, livability, and long-term vision that had been clearly articulated.

The Deputy Mayor highlighted the Council's approval of the Great Neighborhoods Program and specifically recognized the Planning Commission's ongoing efforts with the Crossroads and Newport neighborhood area plans and reported the Council's approval of an updated master plan for Ashwood Park, confirming it will remain exclusively park space, with the official name finalized as Ashwood Park.

5. STAFF REPORTS (6:49 p.m.)

A. Planning Commission Meeting Schedule

Planning Commission Liaison Dr. Kate Nesse took a few minutes to review the Commission's schedule of upcoming meeting dates and agenda items.

Chair Goepple added that the Commission received a written-only update on the Critical Areas Ordinance Land Use Code Amendment (LUCA) and will be receiving a presentation on the Critical Areas Ordinance LUCA on June 25, following engagement with the community.

6. WRITTEN AND ORAL COMMUNICATIONS (6:50 p.m.)

Chair Goepple took a moment to note that under Ordinance 6752, the topics about which the public may speak during a meeting are limited to subject matters related to the city of Bellevue government and within the powers and duties of the Planning Commission. Additional information about the new rules of decorum governing conduct of the public during meetings can be found in Ordinance 6752.

A. Written Communications (6:52 p.m.)

Dr. Kate Nesse noted the receipt of three written communications afternoon noon: one with a link to an article regarding residential property development; one with a comment on the Critical Areas Ordinance; and one available as a printout at the meeting.

B. Oral Communications (6:53 p.m.)

Given the number of persons signed up to speak, a motion to extend the Oral Communications period from 30 minutes to 45 minutes was made by Commissioner Ferris. The motion was seconded by Commissioner Khanloo and the motion carried unanimously.

Liz Boggs, a Bellevue renter and scientist, highlighted the difficulty of affording homeownership in Bellevue due to high housing prices, voiced support for going beyond the state requirements, and emphasizing benefits like reduced traffic from increased middle housing near transit stops. The LUCA represents a step toward a better Bellevue, which is not the city it was several years ago.

Ariel Davis argued for allowing more middle housing, particularly near transit, to counter Bellevue's high cost of living, and emphasized that expanding housing options will preserve neighborhood character and help families remain in Bellevue, mitigating middle-class displacement and declining school enrollment. Support was voiced for going beyond what the state requires. There are many who would like to be residents of Bellevue, and their voices are not being heard because they are not currently residents.

Ryan Mandel, a Downtown resident, noted having had frequent conversations with local workers from companies like T-Mobile, Microsoft, and Meta who desire, but who cannot afford, to live in Bellevue due to limited and expensive housing. The city has great potential, but it is too expensive to realize that potential. Support was voiced for adopting the LUCA as proposed to help address the issues.

Ben Mickle, a Bellevue resident, supported expanding middle housing density near transit beyond the state mandates, noting that Bellevue's inclusive character would benefit from accommodating young families. Bellevue's diversity and welcoming spirit is foundational to the identity of the community. It would be inappropriate to merely implement the minimum requirements of HB-1110. Six units per lot should be allowed within a quarter mile of bus stops and a half mile of major transit stops. Attention was called to a bill recently passed by the state legislature called the Parking Reform and Modernization Act. Under the bill, cities cannot require more than half a parking space per unit, and cannot require any parking for residential units smaller than 1200 square feet. It makes sense to align the parking requirements in the LUCA with the new law that is sure to be signed by the Governor.

Alia Atwell shared a personal journey of entering Bellevue's housing market and emphasized how housing affordability has drastically changed since then, making homeownership inaccessible for younger generations. Support was voiced for going with the highest-density options proposed given that they align with the type of housing that younger residents seek. The approach could restore accessible paths to homeownership.

Scott Aldridge, a representative to the state Democratic party for the 48th Legislative District, strongly supported the Middle Housing Land Use Code Amendment and emphasized the severe housing shortage facing Bellevue which negatively impacts economic activity by increasing commuting distances and raising costs for service industries. The Commission was urged to support LUCA to enhance the housing supply, density, and economic growth overall.

Nicole Myers raised concerns regarding the Floor Area Ratio (FAR) provisions in the proposed LUCA. Adjustments were suggested to FAR limits to prevent excessively large homes. Adding the 1.5 FAR to the parking allowed per unit and ADUs yields 19,400 square feet to be divided between six units, which would be 3200 square feet per unit. R-1 lots of 30,000 square feet could allow units of 5200 square feet. It was argued that large houses built under the guise of affordability could undermine community expectations and negatively impact neighbors. Jumping the FAR to 0.2 for 15,000 square foot lots would be a good compromise. Clear guidelines are needed for determining walking distances from transit stops to ensure accurate application of LUCA's proximity rules.

Anthony Hevia, a Bellevue tech worker, expressed strong support for the LUCA as a way to bring young people and young families to Bellevue. Even on a comfortable tech worker salary, it is not possible to afford housing in Bellevue. Insufficient affordable housing drives young professionals to relocate to other cities, taking their economic contributions elsewhere. Support was voiced for increasing density near transit, which can enhance economic vitality and reduce traffic congestion.

Ed Wang advocated strongly for adopting the LUCA and highlighted Bellevue's essential attributes of diversity, strong schools, and a robust economy, each of which is currently threatened by insufficient housing. Enrollment in local school districts is declining due to a lack of affordable family housing. The school district demographers have predicted that one in three school kids will be gone by 2033, leading to additional school closures. Bellevue is known as a business-friendly community, but businesses need workers, and workers need places to live. Pricing out the middle class makes hiring nearly impossible. The workers needed for a basic functioning city cannot afford to live within a reasonable commuting distance of Bellevue. Other communities, including Greenwood in North Seattle where land costs are similar to those in Bellevue, has found a way to bring in new market-rate family housing for less than \$800,000.

Sometimes change is needed in order to preserve the things that really matter.

Heidi Dean shared concerns about unintended negative consequences associated with the proposed LUCA, particularly the potential increase in property taxes due to a recent state bill allowing lot splitting. HB-1096 passed both chambers and is awaiting the Governor's signature. The bill will act as a multiplier to land values and property taxes, and that could push long-term residents, especially seniors on fixed incomes, out of Bellevue. The speaker described a negative personal experiences involving water runoff issues resulting from nearby increased density development and cautioned that expanded impervious surfaces could cause property damage and foundation issues for neighboring homes. The Commission was urged to carefully consider the implications when adopting the LUCA.

Cameron Kast supported the proposed middle housing LUCA and emphasized that the availability of middle housing built many years ago had allowed him to live affordably in Bellevue. More people deserve the opportunity to live in a home that best suits them in terms of size, location and affordability. Housing affordability challenges are being faced by middle-income families, including those in older generations who struggle to downsize within Bellevue due to limited housing options. Increasing middle housing density near transit hubs will gradually help meet the demand, enable families to settle in Bellevue for the long-term, reverse declining school enrollments, and preserve the city's future vitality. A very large percentage of Bellevue residents support middle housing near transit and jobs. Bellevue has jobs, people want to live in Bellevue to work those jobs, and the city should let them.

Valentina Vaneeva spoke in favor of the proposed LUCA and advocated for middle housing as a more cost-effective alternative to high-rise developments. Middle housing is a less expensive solution to the city's housing problems. The recommendation of the staff should be adopted, but the Commission should also consider expanding the allowable density further away from major transit stops; a one-mile walk to transit is reasonable and common for many. Support was also voiced for aligning Bellevue's parking requirements with the forthcoming Parking Reform and Modernization Act, which reduces the amount of mandated parking for certain housing types, thereby enhancing housing affordability and encouraging greater utilization of transit.

Todd Woosley expressed support for increasing Bellevue's housing supply through middle housing, and specifically requested the retention of the existing FAR exemption in LUC 20.20.390. The exemption allows the construction of visually appealing, centrally situated homes on lots, making efficient use of attic spaces. It promotes intergenerational housing options, and reduces overall construction costs. Preserving the exemption would result in housing designs less that are less imposing on neighborhoods and better tailored to community needs.

Alex Tsimerman began with a Nazi salute and called the Commissioners dirty damn Nazi Gestapo pigs and mafia banditos. The situation in Bellevue is unique. Electing Commissioner Bhargava to the Council is a pure crime. Twenty people from District 5 applied but Mayor Robinson never shared those names with the public. The Council ultimately selected Commissioner Bhargava over those from District 5 who applied.

Chair Goepple interrupted the speaker to point out that the remarks made are unrelated to the Planning Commission's responsibilities and are in violation of the city's meeting conduct rules established by Ordinance 6752.

Alex Tsimerman said the issue is important to the city because Commissioner Bhargava is a criminal for accepting the City Council appointment. The Council is doing the same for District

1 but they are not because Mayor Robinson is a pure criminal and is ignoring all the rules and regulations.

Alex Tsimmerman was asked to leave the room due to continued disruptive behavior and inappropriate campaign-related statements. Chair Goepppele asked the record to reflect that the comments made by Alex Tsimmerman were another violation of Ordinance 6752.

Howard Liu addressed two technical issues regarding the proposed LUCA, first recommending altering the wording from "dwelling units per lot" to "dwelling units per acre" to avoid unintended consequences, such as forcing demolition of existing buildings. It was argued that retaining existing structures and building additional units alongside them preserves embodied energy and affordability. Secondly, Liu requested language clarifying that designs meeting or exceeding the code requirements should be explicitly recognized, allowing for the more flexible, efficient use of land and thus enhancing affordability and sustainability. Illustrative drawings were provided to clarify the suggestions.

Pamela Johnston began by reflecting on having brought up in a crowded household and emphasized that not all lots are suitable for uniform development due to topographical variation. A concern was expressed that the current discourse has become too focused on minor details rather than addressing broader housing policy issues. The idea of subsidizing housing at 100 percent or 120 percent of area median income was criticized given that such a policy does not align with Bellevue's economic realities. Bellevue's desirability has driven up housing costs and the state legislature lacks an understanding of the city's specific economic context. Expanding the Growth Management Act boundaries and investing more in low-income housing would be more effective strategies. The impact of new legislation on existing multi-generational homes was questioned, and a concern was stated that redevelopment could increase prices rather than promote affordability.

Phyllis White thanked the Commission for planning for Bellevue's future. It was noted that the Washington State Department of Commerce defines middle housing as a range of housing types intended to be compatible with and integrated into single family neighborhoods. There are many elderly residents living in the neighborhoods who could face increasing land values and taxes, forcing them out of their homes. Renton was referenced as a cautionary example of rapid growth outpacing infrastructure. Housing density does not guarantee affordability or infrastructure sufficiency. The city should retain the floor area ratio restrictions to limit overbuilding and maintain neighborhood livability. Additionally, accessory dwelling units should be included in the middle housing count. The importance of preserving tree coverage was stressed. Any proposal that would significantly reduce lot coverage limits should be opposed.

Kari Marino addressed the magical thinking around transportation-related misconceptions. A resident of Surrey Downs, the speaker noted that although light rail is nearby, it is not easily accessible for all residents. An experience was shared about walking long distances to access transit and it was asserted that most residents will still require personal vehicles. The Commission was urged to mandate at least one off-street parking space per housing unit. A concern was also raised about stormwater runoff in light of the fact that a neighboring development was required to build a retention pit onsite. Increased lot coverage would intensify impervious surfaces, necessitating the removal of trees and potentially leading to unmanageable drainage issues.

7. PUBLIC HEARING – None (7:41 p.m.)

8. STUDY SESSION
(7:41 p.m.)

A. Middle Housing Land Use Code Amendment to Implement House Bills 1110 and 1337

Assistant Director Nick Whipple noted that the Commission's recommendation will be forwarded to the Council for action in May. By state mandate, there is a deadline of June 30. The outreach efforts built on what was done for the Comprehensive Plan Periodic Update process but did include some more targeted efforts once some of the regulations were drafted. There have been questions raised about why the city should choose to go beyond the baseline requirements in HB-1110, and there have been questions around how it all relates to Bellevue's adopted housing growth target. The city plan is for 35,000 additional housing units, or about 1400 units per year. Since 2020, the city has produced only about 1200 units annually, fewer than needed to meet the growth targets. About 3000 additional units are anticipated in areas outside of the major transit corridors, which averages out to 120 units annually and translates to between eight and ten units per neighborhood per year. Over the past five years, the average has been only new 68 units per year in those areas. If more housing is not allowed in those areas, the targets will not be met.

Code and Policy Senior Planner Kirsten Mandt summarized the options to be evaluated by the Commission relative to HB-1110 and HB-1337. It was noted that HB-1110 requires cities to allow at least six out of nine defined middle housing types. Rather than rigidly categorizing them by structure type, the recommendation was to take a flexible approach that allows any of the nine housing forms to be proposed, with density controls serving as the primary regulatory mechanism.

HB-1110 mandates that cities permit four dwelling units per lot and includes a provision for allowing six units if two of the units are affordable. HB-1337 separately requires that two accessory dwelling units (ADUs) be allowed per lot. The legislation does not dictate whether ADUs count toward the overall density, leaving that to local discretion. Bellevue's proposal offers options, including not counting either ADU type or counting only detached ADUs. A fee-in-lieu mechanism is proposed for developers who choose not to build the affordable units required for the six-unit allowance.

In areas near transit, state law requires additional density allowances within a quarter-mile of major transit stops. Bellevue is proposing to extend the buffer to a half-mile in alignment with the state parking exemption guidance, and to apply similar six-unit allowances in areas near frequent transit service, regional growth centers, countywide candidate centers, and neighborhood centers, measures that go beyond the state requirements.

The Commission was also presented with options related to floor area ratio (FAR), although no alternatives were proposed beyond Bellevue's current model. It was noted that the state's model code allows significantly higher FARs. The setback requirements, while not up for modification in the current phase, were reviewed for clarity. The proposal allows building height for middle housing to be up to 38 feet, but for DADUs the height is limited to 24 feet, or 28 feet above an existing accessory structure. A five percent increase is proposed for lot coverage for cottage development, and an exemption for porch areas is included to encourage covered porches.

The Commission was informed that the proposal includes some clean-up items relative to trees, an alternative planting option, and a reduced credit for cottage development. There are also

landscaping and open space requirements for cottages, including minimal dimensional standards and impervious surface maximums. The maximum cottage size is set at 1750 square feet, with a 250 square foot exemption for a garage. Cottage housing density is proposed to be regulated through FAR rather than by unit count. Kirsten Mandt argued the approach promotes better site design and flexibility.

Kirsten Mandt reminded the Commissioners that the issue of co-living housing in the form of HB-1998 is coming down the pike. It will apply anywhere where six units are permitted by right. It would not apply to areas where six units would be available as a bonus.

The proposal allows all nine types of middle housing and provides for infill flexibility. The proposal includes removing the transition overlay and embedding the landscape transition requirements between multifamily and single family into the citywide landscaping code. The proposal revising the land use district names to better align with the recently adopted Future Land Use Map, and to ensure that the names will not be confusing relative to densities. The city already allows for a unit lot subdivision, which allows for lots to be individually owned. The proposal allows for the process without having to meet the minimum lot size and dimensional standards, which is a required component of HB-1110 and which provides more flexibility for ownership options. It was clarified that the way the unit lot subdivision code is written, once the unit lots are developed they cannot qualify for middle housing densities, and there are restrictions with regard to what can be built on them.

Nick Whipple said there were nine different topic areas for the Commission to review: types of middle housing; unit density, which has the subtopics of the overall density, major transit stops, frequent transit, centers, ADUs, and the fee in-lieu; floor area ratio; development regulation flexibilities; parking; building height; cottage housing; courtyard housing; and ADU regulations.

Commissioner Bhargava said the city needs more density. The question is how to apply it and make it work.

With regard to the CC&R overlays, Commissioner Bhargava asked to what degree they could limit the effectiveness of the proposed LUCA changes. Nick Whipple acknowledged that the city does not maintain a complete inventory of CC&Rs. The restrictions, where present, will supersede the LUCA, potentially limiting the areas in which middle housing can be developed. Commissioner Bhargava suggested that is a fundamental issue to understand in determining how effective the proposal will be.

Commissioner Bhargava inquired whether the city has a parallel infrastructure development plan to ensure that utilities such as water and sewer can support the proposed densification. Kirsten Mandt responded that infrastructure upgrades are managed on separate timelines but are generally coordinated in line with expected development. However, there is no comprehensive plan to match infrastructure improvements directly with the pace of middle housing development. Developers are required to prove that utility access is viable. The cost of extending infrastructure may act as a deterrent in some cases, such as in the case of a \$2 million sewer extension in Bridle Trails. While zoning changes enable density, feasibility is determined by multiple factors, including infrastructure readiness, cost, and restrictive covenants. Such considerations are expected to limit how much of the theoretical capacity will be realized in practice.

Commissioner Bhargava asked if the walking distance to transit will rely on actual walkable paths rather than a straight-line measurement. Kirsten Mandt confirmed that applicants will be

required to demonstrate actual walkable routes, not direct aerial distance, ensuring a more realistic assessment of transit accessibility.

Commissioner Lu raised three main concerns. First, a discomfort with the use of variable definitions in code, specifically regarding "high-frequency transit." Transit frequency can fluctuate over time, and vesting eligibility at the time of application may lead to inequities. Second, it is questionable as to whether infrastructure planning adequately supports the anticipated housing growth, especially in relation to energy systems managed by Puget Sound Energy (PSE). Relying on a case-by-case review without a synchronized long-term infrastructure planning effort might be inadequate. Third, middle housing must be tailored to meet Bellevue's demographic needs, particularly for families, and the Commissioner advocated for appropriately sized units to address the gap between supply and actual housing demand.

Nick Whipple responded by saying the concerns over fluctuating transit service are valid and had been raised in the public comments. The City is coordinating with PSE on reliability and future planning. The Comprehensive Plan, that was recently updated does provide guidance on coordinating utility and infrastructure planning as we are planning for growth. Dr. Kate Nesse added that the planning includes city departments such as transportation, utilities, police, and fire. The updated Comprehensive Plan provides a long-term framework to guide infrastructure improvements in line with the expected growth.

Commissioner Villaveces affirmed support for the proposal, stating that it aligns with the city's long-term vision. There have been fears surrounding the growth voiced in previous meetings, but those fears are based on current conditions, such as the construction of large single-family homes, which are already disrupting neighborhoods. Middle housing will not significantly alter the physical scale of buildings. Examples of modest fourplexes and sixplexes in other Washington cities were provided to illustrate gentle, neighborhood-compatible developments. The Commissioner proposed that Bellevue should consider adopting pre-approved design templates or "pattern zoning," the approach implemented in Spokane and Whatcom County, to reduce costs and streamline the permitting process. Proactive, thoughtful policy is necessary to address the complex housing issues and it should not be undermined by undue caution.

Commissioner Ferris highlighted that most elements of the proposal are state-mandated, leaving only limited local discretion. There is a clear need for Bellevue to ensure its broader systems are prepared to support the densification. Various barriers, such as economic conditions, restrictive covenants, and infrastructure constraints, will likely prevent full realization of the potential housing capacity outlined in the proposed LUCA. While strongly supportive of the intent behind middle housing, particularly in providing flexibility for property owners and meeting the needs of families and workers, it was noted that the actual scale of development is likely to fall short of expectations. Kirsten Mandt agreed that the implementation of middle housing will not result in immediate, large-scale change. Development will occur gradually, and it will be shaped by the feasibility of acquiring property, extending utilities, and economic conditions. The process can best be described as incremental rather than transformative in the short term.

Commissioner Khanloo emphasized the importance of preserving Bellevue's urban forest and tree canopy and expressed concern over recent tree losses in the Downtown and the insufficiency of the replanting efforts. The city should approach tree protection with greater honesty and transparency. Additionally, there is a need for inclusive planning, particularly for elderly and disabled residents who may not be able to rely on walking or biking in the future. The discussions around walkability and transit access must consider physical diversity and ability. Commissioner Khanloo also expressed some skepticism about the use of fee-in-lieu payments for

affordable housing, asserting that such payments, currently proposed at \$150,000 per unit, will do little to ensure actual affordability, especially in areas where housing costs are high. The mechanism will primarily benefit developers and will not ultimately deliver affordable units, leading instead to expensive market-rate construction under the guise of increased density. Policy adjustments are needed to create true affordability.

Chair Goepple voiced strong support for middle housing, describing it as a positive step toward diversifying Bellevue's housing options. However, the geographic extent of implementation and the adequacy of the city's infrastructure to support such growth is concerning. In the area of unintended consequences is HB-1098, which mandates cities to allow co-living arrangements in areas zoned for six units by right. That could potentially supersize the density in areas for which six units are granted by right. The policy of not counting ADUs toward the unit cap is concerning in that it will allow for expanded density beyond what is visible on paper. Nick Whipple responded that the interpretation of staff is that ADUs excluded from the count would not trigger the co-living provisions, since those apply only where six units are allowed explicitly by right. HB-1098 permits co-living configurations where each rentable room is treated as 0.25 of a dwelling unit in each district where six units are allowed by right. The parking requirements for co-living units also follow the ratio. Although Bellevue already allows co-living in limited forms such as boarding houses or congregate housing, the new legislation will require a broader adoption. Adoption of the HB-1098 requirements must be accomplished by December, and the city is preparing for the adjustment.

Chair Goepple touched on the question of restrictive covenants, noting that while some public commenters had urged the city to create a comprehensive inventory of the existing covenants, undertaking such an effort would be impractical. Covenants are private legal agreements and their enforcement is not within the city's control, and their legal validity varies. Land use decisions should be based on public zoning policy, not private covenants.

****BREAK****

(8:34 p.m. to 8:46 p.m.)

A motion to extend the meeting to 10:28 p.m. was made by Commissioner Ferris. The motion was seconded by Commissioner Villaveces and the motion carried unanimously.

A motion to recommend to the City Council that the proposed Middle Housing Land Use Code Amendment be adopted, consistent with the decision criteria set forth in the Land Use Code 20.30J.135, was made by Commissioner Lu. The motion was seconded by Commissioner Ferris. Chair Goepple opened the motion for discussion.

With regard to the nine types of middle housing, Commissioner Khanloo noted personally struggling with five- and six-plexes. A preference was voiced for picking six of the nine in HB-1110.

Commissioner Ferris supported the inclusion of all nine types as a means of providing greater flexibility, which is necessary given the variety in lot topography, size, access, and orientation. Since many development limitations exist outside of the city's control, as many forms as possible should be allowed to accommodate different conditions and property owner goals. Commissioner Villaveces agreed.

Commissioner Bhargava agreed that there will be variability across sites in terms of topography, access, and the shape of the lot. It would be very difficult to create a rational selection that would

universally suit every site across the city. It will take flexibility to effect the outcome.

Commissioner Villaveces raised a concern related to tree preservation, echoing earlier comments about the potential environmental impact of densification. The Commission should entertain the idea of allowing “stacked” ADUs or cottages to reduce building footprints and preserve more tree canopy and open space. Nick Whipple clarified that such configurations would be permitted under the LUCA, and added that mixed building typologies could coexist on a single lot under current rules.

Chair Goepple also voiced support for the proposed LUCA and the flexibility it provides.

The Commission determined that since the LUCA already includes all nine middle housing types, no amendment to the motion was required.

Kirsten Mandt outlined the citywide proposal relative to unit density, noting the intent not to count ADUs toward the overall unit density. The baseline is four units per lot, and the proposal would allow six units per lot where two of the units are affordable or through paying a fee in-lieu. The options could be to count the detached ADUs toward the total but not attached ADUs; or to have all types of ADUs count toward the total.

Commissioner Bhargava suggested an Option B, which would not count attached ADUs toward the total, but would count detached ADUs given their larger size and independent structure. A detached ADU of 1200 square feet with a 250-square-foot garage exemption is substantial enough to justify inclusion in the count.

Commissioner Khanloo agreed but voiced concern about the implications of HB-1098, which mandates allowing co-living wherever six units are permitted by right.

Commissioner Ferris voiced the understanding that the proposed LUCA would not count attached ADUs but would count detached ADUs. Kirsten Mandt clarified that in the LUCA as written, both attached and detached ADUs would be excluded from the count. Commissioner Ferris indicated support for Option B.

Commissioner Lu agreed with Option B as well.

Commissioner Villaveces also agreed with Option B but asked about the language allowing the Director to approve an increase in floor area beyond 1200 square feet in certain circumstances. Nick Whipple said the language is aimed at making efficient use of the space. The language was included in the 2022 ADU LUCA reform under the 40 percent or 1200 square feet rule. Flexibility was allowed there for larger units where everything is all on one floor.

Answering a question asked by Commissioner Lu, Nick Whipple explained that under Option B, counting detached ADUs would contribute to the unit total and potentially trigger co-living applicability under HB-1098. However, since six units would not be permitted by right in such cases, the co-living requirement would not apply.

A motion to amend the LUCA to adopt Option B was made by Commissioner Ferris. The motion was seconded by Commissioner Villaveces and the motion carried unanimously.

Turning to the topic of increased density near major transit stops, Kirsten Mandt said Option A, the current LUCA proposal, permits up to six units per lot by right within a half-mile walking

distance of light rail and the B-Line bus service. Option B would limit the allowance to the one-quarter-mile baseline required by HB-1110.

Commissioner Ferris indicated support for the LUCA as written.

Commissioner Villaveces observed that as proposed, “major transit stop” is as defined in RCW 36.7A.696. Kirsten Mandt noted that HB-1110 and HB-1337 actually define “major transit stop” differently. The decision was made to defer to the definition in the RCW, which for Bellevue means the light rail stops and any rapid ride or other BRT service, including the K Line that will come on board in 2030. Commissioner Villaveces suggested that referring to the RCW instead of drafting in a clear definition could be confusing for many, but otherwise supported Option A.

Commissioner Lu voiced support for Option A.

Commissioner Khanloo reiterated that the elderly and the disabled could struggle under the half-mile provision that qualifies for a six-unit development.

No amendments were made and Option A relative to major transit stops was approved.

The discussion then shifted to whether middle housing should be permitted within a quarter-mile walking distance of all frequent transit service stops. Option A in the LUCA allows up to six units by right within a quarter mile walking distance. Option B would require that such parcels also lie within a quarter-mile of a designated growth center, which Option C would eliminate the provision entirely, restricting middle housing expansion only to areas required by HB-1110.

Commissioner Bhargava remarked that frequent transit service stops change over time based on various factors and asked what the upshot would be for someone who develops six units with a quarter mile of a frequent transit stop, only to later see that transit stop eliminated. Kirsten Mandt said the units would already be in place and they would remain.

Commissioner Khanloo pointed out that there are neighborhoods that are struggling with the proposed approach. The better option would be to just go with the requirements of HB-1110.

Commissioner Villaveces said the proposed approach is correct. The unknown is what level of confidence can be placed in the transit system, and whether or not housing policies should be tied to services that are variable and beyond the city's control. Kirsten Mandt explained that transit providers generally expand service in areas with increased density and demand, but agreed that financial constraints and other factors may trigger changes in transit services and routes.

Chair Goepple expressed support for Option C, the state minimum under HB-1110, due to the uncertainty of bus services.

Commissioner Lu echoed the Chair’s sentiment. Both the definition of transit stops and transit services are outside the control of the city.

A motion to adopt Option C was made by Commissioner Khanloo. The motion was seconded by Commissioner Lu. Chair Goepple opened the motion for further discussion.

Commissioner Bhargava expressed hesitation, suggesting the Commission table the motion until after further discussion on growth centers given that the two issues are interrelated.

There was agreement to table the motion.

With regard to centers, Kirsten Mandt said the Option A would allow up to six units per lot by right within a quarter mile walking distance of both neighborhood centers, regional growth centers and countywide growth centers. Option B would limit the allowance to parcels that is both within a quarter mile walk of a center and frequent transit service. Option C would prioritize either neighborhood centers or regional and countywide centers exclusively. Option D would remove the provision entirely.

Commissioner Ferris offered initial support for Option B.

Commissioner Lu suggested that allowing middle housing within a quarter-mile of designated regional and countywide growth centers makes sense if those centers also have access to major transit service, an approach that aligns with a preference to anchor increased density to consistent infrastructure. Neighborhood centers are more scattered. Support was voiced for Option C.

Commissioner Ferris pointed out that Option C is not tied to transit being local. Lakemont, for instance, has no transit whatsoever.

Kirsten Mandt clarified that Option B involves any center that overlays with frequent transit service. Option C focuses only on neighborhood centers or regional and countywide growth centers, but not both. There could be an Option E under which lots would have to be within a quarter mile of a regional or countywide center and frequent transit service.

Commissioner Ferris said six units per lot should be allowed by right if close to the neighborhood centers and the countywide centers, provided that they have access to transit, as defined by the state, within a quarter mile.

Chair Goepple returned the conversation to the tabled motion relative to frequent transit to approve Option C, the minimum requirement set by HB-1110, thereby eliminating additional allowances based on the city's frequent transit definition. The motion carried with only Commissioner Villaveces voting against the motion.

Returning to the centers topic, a motion to adopt Option C focused on the Regional and Countywide Growth Centers only was made by Commissioner Lu. The motion was seconded by Commissioner Khanloo.

Commissioner Bhargava asked for clarity on whether Option C includes every neighborhood center. Option C as Commissioner Lu defined it, restricts additional density to just the larger regional centers – the Regional and Countywide Growth Centers.

Commissioner Khanloo voiced the understanding that Option A involves all centers that are close to the B Line and transit lines. That would exclude centers that do not have frequent transit service. Kirsten Mandt said Option B as drafted is intended to apply just to the Frequent Transit Network. Any parcel within a quarter mile walking distance of frequent transit service or a center would be permitted the additional density. One modification could be a parcel within a quarter mile walking distance of any of the centers and also within a half mile walking distance of a major transit stop. Option C could be focused only on the quarter mile walkshed from regional and countywide growth centers.

Chair Goepple supported the motion on the table favoring Option C.

The motion in favor of Option C carried with only Commissioners Commissioner Ferris and Commissioner Villaveces opposed.

The discussion then moved to the LUCA's fee-in-lieu policy, which allows developers to pay a set fee instead of building affordable units on-site when proposing six-unit developments. Kirsten Mandt said the three pricing tiers of high, medium and low were based on consultations with the regional housing consortium ARCH, nonprofit developers, and private developers. The proposed tiers were \$150,000, \$100,000, and \$75,000 per required affordable unit. The highest fee can be expected to generate meaningful funding but would likely be used sparingly due to the limited economic appeal for developers. The lowest fee would encourage broader participation and increase density but would generate significantly less funding for affordable housing. The medium \$100,000 tier was presented as a policy compromise.

Answering a question asked by Commissioner Ferris, Kirsten Mandt said the fees in-lieu would apply regardless of unit type, and the regardless of whether the units are available for rent or purchase. Commissioner Ferris suggested there is a huge difference between rental housing and for sale housing. There is no way the city can have someone build an affordable for-purchase unit at any reasonable cost. There should be something specifically for rental housing and specifically for purchased housing.

Commissioner Khanloo raised concerns about the effectiveness of the fee-in-lieu mechanism in to generate actual affordable housing in Bellevue. Given the high cost of construction and land in the city, a \$150,000 contribution per unit would be insufficient to produce meaningful affordability, especially in the Downtown area where a 500-square-foot condominium can cost \$500,000 or more. Nick Whipple said the state incentive is an incentive on paper. It asks for a 33 percent set aside for developers. Based on the outreach conducted, it is unlikely to be utilized. It is, however, a useful tool for non-profit housing developers, providing an easier path for them to get to six units. The fees in-lieu can be leveraged to build affordable housing elsewhere; it will certainly not provide affordable housing within the middle housing program.

Commissioner Ferris voiced a fear that with a fee in-lieu of \$150,000 developers simply will say projects will not pencil out and will elect not to develop. Nick Whipple said the fee in-lieu options are based on assumptions around for-sale products. ARCH provided some analysis around land and development costs around a six-unit product, the assumed profits for the developers, and the residual profit. The \$150,000 per unit represents a portion of a residual profit. The fee in-lieu likely will lessen the areas that might be attractive for developers. The medium fee of \$100,000 per unit was based on feedback received from various groups as being more likely to result in both units and funds. Feedback from the Master Developers was that the \$75,000 level would be more attractive to them.

Commissioner Ferris voiced a leaning toward the medium option. At \$150,000 developers in most cases to choose not to develop either market rate or affordable units. The \$75,000 level is the most realistic, but will not generate much by way of funding.

Commissioner Villaveces voiced the understanding that the density bonus allows for adding two additional dwelling units if both are affordable at 60 percent of area median income for rent, or 80 percent of area median income for sale. Given that, developers would be unlikely to go through all the trouble for little if any gain.

Commissioner Ferris stated that from a policy level, it would be better to go with the low, \$75,000, option, and to see units built.

Kirsten Mandt reiterated that under HB-1110, four units can be built, six if the additional two units are affordable. The feedback received was that the additional two units are unlikely to be built. The fee in-lieu proposal is aimed at capturing the density of the six without having to provide the two additional units.

Chair Goepple agreed with the comments offered by Commissioner Ferris. The approach chosen should create some benefit from an affordability standpoint. The lower fee in-lieu is probably more realistic.

Commissioner Lu indicated support for going beyond HB-1110.

Nick Whipple confirmed for the benefit of Commissioner Khanloo that the baseline under HB-1110 and HB-1337 is four units per lot by right, and two additional units if those additional units are affordable. Commissioner Khanloo questioned the logic of offering developers the ability to increase property value by millions through densification while requiring only relatively modest fee contributions. Nick Whipple stressed that the \$300,000 would be used to leverage more money for building affordable housing elsewhere.

Commissioner Khanloo cited real estate listings and market dynamics to illustrate that developers could purchase a \$2 million lot, build six units, and sell them for a combined \$9 million, while paying only \$300,000 in fees under the highest proposed tier. The approach places the burden of future affordability on uncertain municipal planning rather than demanding direct contributions from developers.

Nick Whipple stressed that the feedback has been that the state incentive is not strong, so even the two additional affordable units cannot be guaranteed. The state approach envisions a 33 percent set aside. For Wilburton the Commission decided on a ten percent set aside at 80 percent of area median income. Expecting a developer to set aside as affordable two units just so they can have their four-unit project comes without any real incentive.

Commissioner Villaveces questioned if a developer would make any money providing the two additional affordable units and paying the fees in-lieu.

Commissioner Lu said effectively the question is whether or not to allow two additional units in conjunction with an additional cost for each, whether or not the units are affordable.

Chair Goepple said the additional units should be viewed as a bonus for the public benefit.

A motion to amend the LUCA to set the fee in-lieu option at \$75,000 per unit was made by Commissioner Ferris. The motion was seconded by Commissioner Villaveces. Chair Goepple opened the motion for further discussion.

Commissioner Bhargava suggested there is a lack of data to drive the thinking to say \$75,000 is better than \$150,000. Minimizing the impact will maximize the probability of units getting built at a higher density. Nick Whipple said ARCH did a lot of work on the issue and compiled an extensive spreadsheet to help understand the residual profit and the assumed costs. It was heard that on larger lots \$150,000 per unit is supportable, but there are far fewer of the larger parcels.

In discussions with the development community, there was more interest in the \$100,000 level, but many said \$75,000 would be more attractive for getting the bonus units.

Commissioner Khanloo brought up a scenario in which a lot is purchased for \$2 million on which to build a fourplex. Adding the two additional units would make six lots in all. Each of the six units could be sold for \$1.5 million in the current market for a total of \$9 million. Essentially, the value of the \$2 million land becomes \$9 million, and the city would gain only \$300,000 to put toward affordable housing at \$150,000 fee in-lieu per unit.

Commissioner Lu stressed the importance of the fee in-lieu issue, noting that essentially it is tied to allowing six units by right throughout the city in exchange for a fee paid by the developer. A fee of \$150,000 will translate to a per-unit cost of about \$50,000 when spread across all of the units, and \$75,000 will translate to about \$25,000 per unit. Absent knowing exactly where the stakeholders landed, it would be better to come in at the high end of the proposal as recommended by staff.

The motion on the table to amend the LUCA to adopt a fee in-lieu of \$75,000 per unit failed, with Chair Goepple and Commissioner Ferris voting in favor and all other Commissioners voting against.

Commissioner Bhargava argued that the Commission might be overestimating the deterrent effect of a higher fee and underestimating the need for leveraging greater funds for off-site affordable housing. It is not clear that the higher fee will in fact act as a barrier and therefore minimize the production of off-site affordable housing. The Commission should go with the staff recommendation of \$150,000.

A motion to eliminate the fee-in-lieu option altogether and revert to the default mandate in HB-1110, which would require developers to build two affordable units if seeking to build six total units, was made by Commissioner Khanloo. There was no second to the motion.

With no alternative motions offered, the Commission accepted the proposed \$150,000 fee-in-lieu.

In addressing the FAR proposal in the LUCA, Kirsten Mandt explained that the proposal had been tailored to match Bellevue's larger average lot sizes, while also addressing feedback related to family-sized housing and garage space. The LUCA provides a 250 square foot exemption per unit for garages or unheated storage and excludes attached ADUs from the FAR calculations, but not detached ADUs.

Commissioner Villaveces proposed increasing the garage exemption from 250 square feet to 300 square feet per unit to account for bike or additional storage. Double height spaces count toward the FAR, but that should be eliminated so that a living room with a vaulted ceiling will not get punished for it. The suggestion was made to standardize the method for calculating square footage in A-frame cottages, which is measured differently from other structures, leading to inconsistencies. Kirsten Mandt confirmed that the latter issue had already been updated in the code so that cottages will be measured using the same FAR standards.

Answering a question asked by Commissioner Villaveces, Kirsten Mandt explained that the current code has no FAR exemption so long as the exemption criteria is followed. The feedback received was that since its implementation there has not been much of a reduction in the size of the larger homes. The option previously discussed was to allow the 0.5 FAR up to 10,000 square

feet, and 0.3 beyond that.

A motion to increase the 250 square foot exemption for a garage to 300 square feet was made by Commissioner Villaveces. The motion was seconded by Commissioner Ferris and the motion carried unanimously.

Commissioner Villaveces proposed allowing 0.5 FAR on single family lots up to 10,000 square feet provided that an ADU is located on the property.

Commissioner Bhargava pointed out that ADUs are already discounted in the current proposal. A person with a 10,000 square foot lot can build a 5000 square foot home and still be allowed an ADU. Under Commissioner Villaveces' proposal to allow 0.5 on lots up to 10,000 square feet and 0.3 beyond 10,000 square feet, the owner of a 20,000 square foot lot could build an 8000 square foot home and still be allowed an ADU. If the 0.5 FAR is allowed on the entire site by virtue of including an ADU, the home could be 10,000 square foot.

Commissioner Villaveces said the purpose of the FAR reduction is to discourage large family homes and to encourage more density. If more density is provided, the property owner should be able to take advantage of the 0.5 FAR, provided an ADU is also provided.

Commissioner Bhargava said the upshot would be that an even larger single family house could be constructed.

There was no support for the approach proposed by Commissioner Villaveces.

Kirsten Mandt allowed that the FAR chart will be revised to make clear that attached ADUs do not count but detached ADUs do count.

With regard to development regulation flexibilities in regard to setbacks, Kirsten Mandt said the approach taken was to review the suggestions of the model ordinance against the existing setback standards and to generally apply a ten-foot reduction overall, which generally aligns with the model ordinance. Additionally, attached units developed on adjacent lots would be permitted to reduce setbacks to zero.

There were no objections regarding the approach.

Regarding lot coverage, it was noted that the proposal included a five percent increase for both impervious and hard surface coverage. Kirsten Mandt clarified that Bellevue defines hard surfaces as including both impervious and pervious surfaces. The modest increases met with no objections on the part of the utilities and stormwater departments. An additional five percent coverage allowance is proposed for cottages and an additional 25% when covered porches are included.

Commissioner Villaveces questioned whether the 40 percent lot coverage limit might be too low compared to cities like Seattle and Kirkland. Kirsten Mandt clarified that Bellevue's lower limits correspond with the larger lot sizes found in R-1 through R-4 zones.

The Commission agreed to proceed with the proposed LUCA.

With regard to parking requirements, Kirsten Mandt explained that the requirements of both HB-1110 and HB-1337 are for one space per unit for lots 6000 square feet or less, and two spaces per

unit for larger lots. A transit exemption would apply within a half-mile walking distance of major transit stops. Option A would be to require one space per unit regardless of lot size, and Option B would adopt the HB-1110 and HB-1337 baseline requirements.

Commissioner Ferris stressed that those are the minimum standards. Anyone wanting to provide more parking would be free to do so. Kirsten Mandt said the feedback received from developers reportedly expressed more concern about parking maximums than minimums. They emphasized the need for sufficient parking to ensure marketability.

There was no support for changing the proposed LUCA, and the Commission agreed to proceed with the LUCA as written.

With regard to building height, Kirsten Mandt said the proposal is to increase the currently allowed 35 feet with a pitched roof to 38 feet. The goal is to provide flexibility for different housing types and roof designs, such as townhomes with rooftop decks.

Chair Goepple commented that with the proposed setbacks, the prospect of a 38-foot structure immediately next door in an existing residential area could be daunting. Kirsten Mandt said reasoning behind the height increase was predicated on the smallest height increase needed to make the various housing typologies feasible.

Commissioner Bhargava pointed out that even at 38 feet of height, there is no way to build an extra story.

Commissioner Villaveces suggested including a note limiting development to three stories. It is possible that four stories could be packed in under the 38-foot height limit. Nick Whipple allowed that there are complexities that must be factored in, including daylight basements. The advice received from the building folks was to avoid it if possible. It is unlikely that a developer would utilize eight-foot floor heights and stack them up to four floors.

A motion to adopt Option C was made by Commissioner Lu, but there was no second to the motion.

The Commission moved forward with the LUCA as proposed.

Regarding cottage housing, Kirsten Mandt said the proposal is largely in line with the model ordinance in regard to maximum size, minimum open space and common open space. Option A was to allow the maximum FAR to drive the unit yield. Option B was to allow a cottage to count as 0.5 of a dwelling unit, and Option C was to regulate the unit yield the same as for other middle housing types. Based on the Commission's earlier action, the garage exemption will be increased to 300 square feet.

Commissioner Villaveces raised a specific concern about the existing code language that says for cottage housing developments of four or fewer units, the area used for driveway access may be utilized as common open space. As it reads, developments with five or more units could not use the driveway access area as common open space.

No changes were proposed relative to the issue of courtyard housing.

Kirsten Mandt explained that for ADUs, the provisions include maintaining two units per lot, a 1200 square foot size limit, an increased garage allowance from 250 to 300 square feet, and

height exemptions consistent with HB-1337. The Commission agreed with the proposal without debate.

Returning to cottage housing development, a motion to allow areas used for driveway access to be counted as common open space for the first four cottage unit, and to require any additional cottages in the development to provide additional open space separate from driveway access areas, was made by Commissioner Villaveces. The motion was seconded by Commissioner Ferris.

Kirsten Mandt clarified that the proposed code is that for cottage developments with 4 or fewer units, the driveway may be counted toward the open space requirement however in cottage developments with five units, none of the driveway may be counted toward the open space requirement. There is no associated lot size requirement.

The motion carried unanimously.

Commissioner Villaveces raised the issue of unit lot subdivisions and short divisions noting that a number of persons from the public had indicated a desire to be able to subdivide and sell to allow for additional development, rather than having to develop the site and selling it after. Kirsten Mandt said the challenge is that unit lot subdivisions are driven by the development on a site irrespective of the minimum lot standards and the minimum lot dimensional standards. Nick Whipple added that an option would be to go through the short plat process. However, the resulting lot would have to meet the minimum lot size requirements for the district.

The original motion, as amended by individual actions taken during the meeting, carried unanimously.

9. OTHER BUSINESS – None
(10:24 p.m.)

10. APPROVAL OF MINUTES – None
(10:24 p.m.)

11. EXECUTIVE SESSION – None
(10:24 p.m.)

12. ADJOURNMENT
(10:24 p.m.)

A motion to adjourn was made by Commissioner Ferris. The motion was seconded by Commissioner Lu and the motion carried unanimously.

Chair Goepple adjourned the meeting at 10:24 p.m.