

## CITY COUNCIL REGULAR SESSION

Public Hearing and action on Ordinance designating the Crossroads Multifamily Project Site, a 7.5 acre area in Planning District E of the Crossroads Subarea, as a residential targeted area for eligibility in the City's Multifamily Housing Property Tax Exemption Program; providing for severability; and establishing an effective date.

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## EXECUTIVE SUMMARY

As directed by Council on April 12, this Ordinance will designate the Crossroads Multifamily Project Site as a residential targeted area for eligibility in the City's Multifamily Housing Property Tax Exemption Program (MFTE Program). The Project Site will be included in the MFTE Program as consideration for the affordable housing enhanced public benefit provided in the Development Agreement (DA) for the Crossroads Multifamily Project. Council is asked to hold a public hearing on this Ordinance, and following the public hearing, to adopt the Ordinance in order to include the Project site in the MFTE Program consistent with the terms of the DA.

## RECOMMENDATION

Move to adopt Ordinance No. 6577.

## BACKGROUND/ANALYSIS

### **The DA for the Crossroads Multifamily Project**

The Land Use Code (LUC) 20.10.440 Land Use Charts - Residential, note 6 prohibits multifamily development in Planning District E of the Crossroads Subarea north of NE 8<sup>th</sup> Street, except through a City Council-approved DA. The DA must be consistent with Chapter 36.70B RCW, the Local Project Review Act.

The property owner and Applicant, Terranomics Crossroads, originally submitted an application for Design Review (File No. 18-132391-LD) for a mixed-use development (the Project) at 15600 NE 8<sup>th</sup> Street (the Project Site). The Project is comprised of 224 residential units, 14,500 SF of ground floor retail uses, and a parking garage with a total of 253 stalls. Consistent with the LUC and Comprehensive Plan Policies S-CR-79, S-CR-81 and Figure S-CR.2, the Project includes multiple public benefits that were memorialized in and required by the draft DA.

Per Council direction at the January 25 Study Session, the DA was revised to include an affordable housing enhanced public benefit as a component of the Project. Additionally, as requested by Council, the Project Site will be included in the City's MFTE Program, Chapter 4.52 of the Bellevue City Code (BCC), as consideration for the affordable housing public benefit. Council considered the revised DA at

the April 12 Study Session, including adding the Project Site in the MFTE Program. After discussion, Council directed that the City schedule public hearings for the finalized DA and for inclusion of the Project Site in the MFTE Program.

### **MFTE Program Procedural Requirements**

Pursuant to BCC 4.52.030.C, the City Council may, by ordinance, in its sole discretion, include the Project Site as a residential targeted area in the MFTE Program after a public hearing. An analysis of the Project's consistency with applicable Comprehensive Plan policies and the process for including the Project Site in the MFTE Program is provided in the Agenda Memo for the April 12 Study Session.

On April 26, Council adopted Resolution No. 9927 to state the City's intention, consistent with RCW 36.70B.200 and RCW 84.14.040, to hold May 10 public hearings prior to approval of the DA and in order to include the Project Site in the MFTE Program. The required public hearing on the DA will occur immediately prior to the required public hearing to include the Project site in the MFTE Program.

### **Public Process**

The Notice of Application (NOA) for the Project was published on January 24, 2019. A Public Meeting was held on February 13, 2019.

The Applicant conducted a Community Outreach Survey in January 2019. The Applicant also installed an exhibit at Mini City Hall at Crossroads Mall with display boards and survey response cards. Information about the Applicant's outreach is described in detail in the Agenda Memo for the January 25 Study Session.

The Project was re-noticed on January 7 to provide information regarding the DA and State Environmental Policy Act (SEPA) review, and to solicit any public comments. SEPA review will be phased, with Phase 1 for the DA and Phase 2 for the Design Review. The City issued a Determination of Non-Significance for the Phase 1/DA on January 28.

As discussed above, this public hearing is required to include the Project Site in the MFTE Program, in tandem with but distinct from the required public hearing on the DA. The City provided notice for this action in the Seattle Times on April 26 and May 3, as required by RCW 84.14.040 and City Code.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

As explained during two Study Sessions (January 25 and April 12), the Crossroads Multifamily DA will enable the proposed multifamily development to occur in Planning District E of the Crossroads Subarea and will implement Comprehensive Plan Policies S-CR-79, S-CR-81, HO-7, HO-21, HO-23, HO-29, and HO-30. The proposed Project, with this DA, will provide multiple public benefits, including pedestrian connections, park connections where appropriate, and public open space. Per Council's request and as a result of Applicant Terranomics Crossroads' cooperation, the Project will also deliver the affordable housing enhanced public benefit consistent with the terms of the DA. In exchange for the affordable housing enhanced public benefit, the City will designate the Project Site as a residential targeted area for eligibility in the City's MFTE Program.

**Fiscal Impact**

There is no fiscal impact associated with including the Project Site in the MFTE Program.

**OPTIONS**

1. Hold the public hearing and action on Ordinance designating the Crossroads Multifamily Project Site, a 7.5 acre area in Planning District E of the Crossroads Subarea, as a residential targeted area for eligibility in the City's Multifamily Housing Property Tax Exemption Program; providing for severability; and establishing an effective date.
2. Hold the public hearing, do not adopt the Ordinance and provide alternative direction to staff.

**ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Ordinance No. 6577

**AVAILABLE IN COUNCIL LIBRARY**

N/A