

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MINUTES

May 14, 2025
6:30 p.m.

Bellevue City Hall
Room 1E-113

COMMISSIONERS PRESENT: Chair Goepple, Vice Chair Khanloo, Commissioners Ferris, Lu

COMMISSIONERS REMOTE: None

COMMISSIONERS ABSENT: Commissioner Villaveces

STAFF PRESENT: Kate Nesse, Thara Johnson, Department of Community Development; Josh Steiner, Kristina Gallant, Nick Whipple, Mathieu Menard, Department of Development Services, Robert Sepler, 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
(6:32 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Villaveces.

3. APPROVAL OF AGENDA
(6:32 p.m.)

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

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS
(6:33 p.m.)

Deputy Mayor Malakoutian said two important topics were on the table at the Council's May 13 meeting. One issue was middle housing and there were groups present to speak both in favor and against it. There was a great discussion and the Councilmembers had a lot of good questions for staff. Chair Goepple did an amazing job of presenting the Commission's work. The other topic was the Meydenbauer Bay Park Phase II expansion project. It was also controversial with people speaking on both sides of the issue. There will be additional Council discussion on both topics at

future meetings.

5. STAFF REPORTS
(6:35 p.m.)

A. Planning Commission Meeting Schedule

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

6. WRITTEN AND ORAL COMMUNICATIONS
(6:36 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
(6:37 p.m.)

Dr. Kate Nesse confirmed that written comments submitted by 11 a.m. were shared with the Commissioners. Four additional emails were subsequently received, three related to middle housing and one focused on calls for increased community engagement on HOMA in Newport Hills.

B. Oral Communications
(6:38 p.m.)

Brady Nordstrom spoke representing the Housing Development Consortium and the Eastside Affordable Housing Coalition and expressed support for the HOMA LUCA, emphasizing its alignment with the Bellevue Comprehensive Plan. The speaker advocated for Option A, which includes an affordable housing requirement in mixed-use areas. The necessity of a 10 percent affordable housing set-aside was underscored. Affordable housing should not be considered a discretionary amenity but a vital community requirement. Bellevue should use the unique legal opportunity to implement a balanced and equitable housing policy.

Suzanne Baugh spoke representing residents from Newport Hills, Lake Heights, Greenwich Crest, and Newport Shores and they expressed enthusiastic support for the redevelopment of the Newport Hills Shopping Center. Noting a long-standing engagement on the issue spanning over two decades, the speaker noted that prior efforts to improve the center had been repeatedly thwarted by various challenges. With the progress made under HOMA and the new Comprehensive Plan, a viable opportunity now exists to realize a shared community vision.

Daniel Nygaard expressed strong support for the HOMA LUCA as it pertains to the refined development standards for the Neighborhood Business (NB) zone and the B-Zone. While acknowledging that final details remain unresolved, the NB zone affects multiple parts of Bellevue beyond just Newport Hills. The speaker advocated for a low-rise mixed-use designation allowing three to five stories in Newport Hills, which was deemed suitable for the neighborhood. It was noted that approximately fifteen years prior, the City of Bellevue had requested a

feasibility study from the ownership group of the Newport Hills Shopping Center. That study concluded that a mixed-use development featuring retail and housing would be appropriate. Enthusiastic support was voiced for the ownership group's vision, which includes varied housing types, open spaces, gathering areas, retail, and dining establishments. The approach will create a truly walkable community and a gathering place for all to enjoy. It is time to move forward; it is not time to stagnate in the past.

Jessie Clawson addressed the Commission to express opposition to the mandatory affordable housing requirement proposed under the HOMA LUCA, advocating instead for Option B, the incentive-based model. The Commission should assess whether the incentive program offers sufficient Floor Area Ratio (FAR) to support the development of new housing projects; it in fact does not. The Commission should call for a detailed economic analysis of the incentive program's effectiveness. Legal concerns were raised regarding Option A, citing its failure to meet the principle of rough proportionality. A uniform 10 percent affordable housing requirement across all zones fails to account for differing neighborhood impacts. There are also legal and financial challenges relative to the Downtown portion of the proposal given that unvested office projects could face substantial fees without receiving increased development capacity. One project could be hit with a \$1.5 million fee without gaining any additional square footage. Such mandates would deter housing development during a housing crisis. The economic study shows significantly negative land values for all affordable housing scenarios. Some may argue that even so, now is the right time to implement the fee while rezoning. It would not be responsible in the midst of a housing crisis to adopt policies the data shows will delay housing production. Imposing a 10 percent affordable housing requirement at 80 percent of area median income will reduce land values by 30 percent or more. Instead, Bellevue should expand the proven multifamily tax exemption (MFTE) program, which requires 20 percent affordability at 80 percent of area median income, which has already enabled numerous residential projects.

Charlie Bauman spoke representing the BelRed Property Owners Group and emphasized the strategic opportunity presented by the BelRed neighborhood, which will soon be served by four light rail stations. Despite the area's potential, it has experienced minimal development over the past 15 years. The stagnation can be traced to outdated code provisions, including an inefficient street grid, restrictive development standards, and critical area regulations that block redevelopment and ecological restoration. The speaker highlighted the extensive work undertaken by staff and stakeholders over the past three years to address the issues and called for the upcoming "Look Forward" code and Critical Areas Ordinance to embody the lessons learned. The new code must be practical, flexible, and facilitative of housing production near transit, drawing from successful precedents such as Wilburton's LUCA. The BelRed Property Owners Group is ready to collaborate with the Commission to ensure the new code removes past obstacles and supports transformative growth.

Martin Selig, a longtime Bellevue resident and property owner, urged the Commission not to decouple the proposed zoning changes for low-rise, mid-rise, and high-rise Downtown portions of the code amendment. The advantage of bringing together those zoning changes will be to recognize the evolution and interconnectedness of the city's planning and zoning code. A holistic approach would not disadvantage some property owners and communities as others take advantage of code updates and modernization. What is needed is a comprehensive, unified approach to zoning updates that will simultaneously implement low-rise and high-rise code changes, ensuring equity and fairness across all property owners and communities. Low-rise multifamily apartments are less costly to build than high-rise structures, which enhances the feasibility of producing affordable housing. The staff should present comparative data on the proportions of Downtown properties zoned for high-rise versus low- and mid-rise development.

If the low-rise and mid-rise portions are higher than the high-rise portions, delaying the mid-rise portion of the zoning changes would slow down development across a wider area, thereby delaying housing.

Alan Cantlin with the Trammell Crow Company expressed concern over the proposed HOMA LUCA language. The company is currently developing a property under the IOC program on Main Street. Between the IOC program and the MFTE program, the project will include approximately 76 affordable housing units. The IOC program is a good and effective approach to developing affordable housing. The proposed HOMA text undermines the benefits of the IOC program. The IOC-related provisions are in fact deleted and replaced with something else in the proposed code. Staff should revise the language to allow existing IOC projects to vest under the current code.

Suchi Xu noted currently being in the process of developing a project at 929 109th Avenue NE in the Downtown. Under the current code, the project can achieve a 5.8 FAR through a combination of base, amenity, and affordable housing incentives. While the proposed HOMA update increases the potential affordable housing incentive FAR by 50 percent over the base, the project cannot take advantage of it due to height and floor plate restrictions. With greater design flexibility, the project could add 22 affordable units, significantly aiding Bellevue's housing goals. The Commission should consider relaxing the restrictions to fully utilize the full development capacity and deliver more affordable housing.

Brett Parmacek spoke on behalf of a small neighborhood between 148th Avenue NE, NE 8th Street and 140th Avenue NE. While the neighborhood is not opposed to density, there is a need for a deliberate and measured approach to it. Support was voiced for the recommendation of Councilmember Bhargava for specific performance parameters to evaluate impacts on traffic, infrastructure, the environment, and the tree canopy. Also endorsed was Mayor Robinson's call for consideration of unique neighborhood characteristics during implementation. The city's past outreach efforts were criticized, noting the lack of targeted engagement with existing single-family neighborhoods. Of the six public outreach sessions, only half specifically addressed middle housing, with the rest linked to the Comprehensive Plan update. Middle housing should be prioritized at the entrances of neighborhoods, particularly adjacent to main roads, where walkability and access to transit would be improved. The approach would allow the city to assess impacts incrementally, observe challenges, and refine implementation strategies prior to extending development into the core of residential neighborhoods. The city should also require design standards that reflect existing neighborhood character, including specific parameters such as a minimum front setback of twenty feet, a maximum building height of thirty feet, which is consistent with R-20 zoning, and visual alignment with existing homes. The images of small cottages used in public materials were misleading, as the actual building forms allowed under the current proposal could be significantly larger and visually disruptive. The Rockwood-Lancaster neighborhood serves as an example of an area already situated within a transitional and mixed-use zone, bordered by major thoroughfares. Such neighborhoods should be deprioritized for further density increases, as they already satisfy the state mandates and are currently impacted by traffic congestion.

Alex Tsimerman delivered remarks that veered off-topic and included discriminatory statements unrelated to the Planning Commission's jurisdiction or the subject matter of the meeting. The comments were in regard to the total and fascist control held by the City Council and the Chamber of Commerce.

Chair Goepple ruled the comments made by Alex Tsimerman to be another violation of

Ordinance 6752, which governs decorum during public meetings. The Chair formally stated that such remarks did not reflect the values of the city or the majority of its residents. The speaker was asked to leave the meeting.

A motion to extend the public comment period to 7:15 p.m. to accommodate additional speakers was made by Commissioner Lu. The motion was seconded by Commissioner Ferris and the motion carried unanimously.

Heidi Dean asserted that efforts to redevelop the Lake Hills Shopping Center had not in fact been ongoing for the past twenty years, as was previously claimed. After the passing of David Shaw Sr., who had maintained the center, the second generation of Rainier Northwest took over, and the shopping center went into decline while attempts were made to sell to developers. A 2010 feasibility study conducted at the height of the recession recommended mixed-use development with a residential focus on senior living. A potential buy came forward in 2019, but the property owner refused to come to the table. It is not true that the neighborhood does not want to see the shopping center redeveloped; rather, the neighborhood wants to see it redeveloped appropriately in a way that will benefit the neighborhood. The biggest impediment to redevelopment of the site is Meredith Tall of Clipper Navigations and Clipper Vacations, Dr. Lisa Tall, and David Chou, Jr, the three principals of Rainer Northwest. With regard to the Commission's recommendation to keep Neighborhood Business (NB) and Community Business (CB) at Lowrise-Mixed Use, it was pointed out that NB was not studied under the FEIS at the high levels. Concern was voiced over the fact that FAR Phase 2 has been rebranded as HOMA and rolled out during the holidays when no one was paying attention. The subsequent outreach efforts did not even come close to the affected neighborhood centers of Newport Hills, Belle East, and Northtowne. The proposed increase in building heights and reduction in transitional zoning buffers could impose disproportionate impacts on adjacent residential properties. The Commission was urged to pause the process and conduct further study on HOMA before advancing its provisions.

Dan Sherman, owner of a property on 130th Avenue NE, home of Pacific Plumbing Supply since 1967, expressed an interest in redeveloping the site. However, there is a proposal to implement a street grid that would bisect the property, rendering it essentially unusable for higher-density development. The site is suitable for an eight- or nine-story mixed-use building. The speaker questioned the efficacy and cost of constructing a new street through the parcel given that the land is now highly valuable. Acquiring it for a small segment of roadway would be inefficient and financially burdensome for the city. More meaningful flexibility in the street grid implementation should be considered.

7. PUBLIC HEARING – None
(7:11 p.m.)

8. STUDY SESSION
(7:11 p.m.)

A. BelRed Look Forward Land Use Code Amendment (LUCA) – Introduction

Planning Manager Kristina Gallant reminded the Commission that the effort is focused on updating the established subarea plan and associated code for the BelRed neighborhood that was first implemented in 2009. Since then, the neighborhood has seen the development of over 2,700 housing units and more than one million square feet of office space, which confirms the emergence of the neighborhood as a mixed-use community. However, over time, new challenges and opportunities have emerged, necessitating updates to the original plan. In October 2024, the

City adopted updates to the subarea plan and the Future Land Use Map. In February 2025, the Council formally initiated work on the BelRed LUCA.

Code and Policy Senior Planner Josh Steiner said the primary objective of the LUCA is to implement the recently adopted subarea plan and Future Land Use Map by refining, rather than completely overhauling, the existing Land Use Code. Unlike the Wilburton LUCA, which involved a comprehensive rewrite, the BelRed LUCA focuses on targeted updates based on feedback from the past decade and the city's evolving priorities.

The BelRed LUCA supports broader citywide planning goals, including the accommodation of 35,000 new housing units and 70,000 jobs by 2044. Of those, BelRed is expected to provide approximately 7,900 new housing units and 14,000 new jobs, positioning it as a significant center for both residential and economic growth.

The proposed scope of the LUCA includes a wide range of topic areas aligned with the subarea plan policy goals, including land use, housing, urban design, transportation, utilities, ecological restoration, and arts and culture. Josh Steiner emphasized the importance of cultivating distinct neighborhood districts and economic centers within BelRed, particularly around the light rail stations which are seen as key nodes for higher-density, mixed-use development. The plan seeks to promote diverse housing, support small businesses, and preserve and expand affordable arts and cultural spaces. Also included are growing the capacity of the area and a greater recognition of the BelRed Arts District using a variety of tools.

In terms of mobility and infrastructure, the LUCA prioritizes creating a multimodal transportation network by investing in pedestrian and bicycle infrastructure, establishing a trail system with regional connections, especially to the Eastrail corridor, and ensuring seamless access to light rail stations. There is a significant focus on making BelRed more accessible and walkable, with an emphasis on improving bike and pedestrian infrastructure that has been highlighted as a priority by the Mayor and the Council.

Various environmental goals are also addressed, including stream daylighting and regional stormwater management in coordination with the Critical Areas Ordinance and other cross-departmental initiatives. Josh Steiner noted the importance of integrating parks, recreation, and natural features into public rights-of-way and urban design.

The city is reviewing the current Land Use Code to identify areas requiring amendments. The revised code will align with the updated Comprehensive Plan and incorporate lessons learned from past code implementation in BelRed. Coordination is already underway with internal city departments, the development community, and other stakeholders to ensure a comprehensive and practical approach.

There will be outreach to internal and external stakeholders, including the development community and property owners. BelRed is unique in that it has a residential population whose input will also be sought. The draft code will be presented to the Commission in a series of study sessions and public hearings, and after adoption by the Council there will steps taken to implement and monitor the code.

There are a few main update points staff are aware of that will need to be revised, including the creation of new land use districts, rezones to implement the Future Land Use Map, increased height and density allowances near transit stations, and expansion of medical-related uses along the 116th Avenue NE corridor. The work will include considering renewal of the Transfer of

Development Rights (TDR) program in cooperation with King County, any revisions to existing conditions or nonconforming sections of the subarea, and compliance with recent state legislation.

With regard to housing, Josh Steiner said staff anticipates putting forward two affordable housing options: a voluntary/incentive approach, and a mandatory affordable housing approach. The Commission will be tasked with reviewing both approaches and determining the most appropriate path forward. The policies will be coordinated with the city's Multifamily Tax Exemption (MFTE) program and will comply with recent state housing legislation. BelRed's unique call for affordable artist housing, as stated in the subarea plan, will be examined and supported through the LUCA.

The current local street grid as Council-adopted and codified into the Land Use Code will serve as the starting point. The LUCA will consider where flexibility may be introduced, including realigning streets and intersections to better support development goals. The LUCA will also ensure alignment with the Bellevue Streets Plan regarding street widths and design elements. Issues regarding stream buffers will be addressed through the Critical Areas Ordinance, but the impacts to BelRed will be determined and addressed.

With regard to the arts, Josh Steiner said the LUCA will enhance land use policies to support arts and culture, expanding allowances and flexibility for live-work units, indoor and outdoor entertainment spaces, and maker spaces. The approach will reinforce the identity of the BelRed Arts District.

Initial feedback gathered from community organizations and stakeholders highlighted support for the proposed focus areas, including ensuring consistency with regard to affordable housing strategies across neighborhoods, enhancing neighborhood district identities, improving stream buffers and critical areas protections, and creating flexible and functional street layouts. Additional interests included expanding festival streets and open spaces for events, and improving opportunities for artist housing and creative enterprise.

Josh Steiner said the anticipated schedule includes further engagement and drafting code language throughout the summer, with public hearings and Commission review expected during the third quarter of 2025. The project is scheduled for completion by the end of 2025.

Commissioner Ferris asked how the city intends to increase green space in BelRed given the constraints posed by existing development. A desire was expressed to know the limits of the future street grid, and it was stated that implementing the street grid should not significantly hinder the development capacity. The outreach efforts should be similar to those conducted for the Wilburton LUCA, with proactive engagement with a wide range of stakeholders in BelRed, particularly affordable housing developers, whose insights would be valuable. The importance of inclusive outreach was stressed.

Commissioner Lu noted the distinctiveness of BelRed as a mixed-use district with a strong potential to be a destination hub. The importance of ensuring pedestrian and bicycle access to key gathering areas near the light rail was stressed, and the Commissioner indicated a willingness to support reduced parking requirements, particularly around stations with existing surface lots. A desire was stated for having consistent and enjoyable visitor experiences. There are challenges in regard to inadequate parking in other parts of BelRed.

Commissioner Lu asked how intentional affordability for artists could be achieved and how it

might be addressed within the LUCA. Kristina Gallant acknowledged that affordability for artists will likely rely on standard affordability mechanisms, such as mandatory inclusionary housing programs, but with land use elements tailored to the needs of artists, including live-work units, artisan manufacturing allowances, and zoning flexibility to preserve creative production spaces. The policy area is still being developed and collaboration with the arts sector is ongoing.

Vice Chair Khanloo expressed an interest in how the interaction between voluntary and mandatory affordable housing provisions might function, and the staff were asked to present clear, comparative examples. Also highlighted was the prevalence of small, irregular sites in BelRed due to its industrial legacy, and the suggestion made was that maximum flexibility will need to be incorporated in order to unlock the development potential on such parcels. BelRed is home to a number of unique small businesses and non-profits. The outreach efforts should specifically involve them to gain their perspectives. In redeveloping the BelRed area, every effort should be put into retaining existing trees to preserve the tree canopy. A thoughtful balance is needed between the development benefits and the preservation of natural and community assets.

Chair Goepple echoed many of the points previously raised, particularly those related to the proposed street grid, and requested more information about its potential impacts on development and the associated trade-offs. An interest was also expressed in understanding the effects of stream daylighting and critical area buffers on the development capacity, noting the importance of clearly evaluating the costs and benefits of each policy choice. Additionally, data was requested regarding the performance of the existing voluntary affordable housing program in BelRed, specifically in regard to what outcomes it had achieved in terms of unit production.

Commissioner Ferris commented that although zoning in some parts of BelRed allows for significant building heights, many constructed buildings remain well below the permitted limits. Staff were asked whether there are barriers in the Land Use Code or elsewhere that prevent developers from taking full advantage of the allowed density. Further analysis is needed to understand whether the regulatory constraints or other factors are suppressing the development intensity.

****BREAK****

(7:39 p.m.)

Housing Opportunities in Mixed Use Areas (HOMA) Land Use Code Amendment (LUCA)

(7:44 p.m.)

Senior Planner Mathieu Menard explained that HOMA is a Land Use Code Amendment designed to increase housing and affordable housing in nearly all mixed-use areas, excluding Wilburton, BelRed, and East Main given that those areas are covered by separate planning efforts. The goals of HOMA include removing zoning barriers to housing production, aligning zoning regulations with the new Comprehensive Plan, establishing a new affordable housing program, and promoting vibrant, livable neighborhood centers that serve the surrounding communities with accessible amenities and transit-oriented housing.

Where existing zoning does not conform with the Future Land Use Map in the Comprehensive Plan, rezones will be proposed to ensure consistency across the land use designations and to further the city's long-term development goals.

Mathieu Menard said one key feature of the HOMA LUCA is the inclusion of two affordable housing program options. Option A is a mandatory requirement modeled after the Wilburton LUCA and it stipulates that ten percent of new housing must be affordable at 80 percent of area median income, with lower required percentages as affordability deepens. The incentives to offset the requirement include floor area ratio (FAR) and height bonuses, as well as a square footage exemption. Specifically, for every square foot of affordable housing produced, four square feet of market-rate housing are exempted from the FAR calculations. A fee-in-lieu provision and a commercial fee are also part of the Option A model.

Option A does not apply in the Downtown. Instead, the city is proposing to modify the existing Downtown amenity incentive system to include affordable housing as an amenity. Under the revised system, developers wishing to exceed the base FAR and trigger additional height must obtain amenity points, the first twenty-five percent of which must be achieved through the provision of affordable housing. A buyout option is included at \$52 per square foot. Developers receive five square feet of amenity credit for each \$52 increment. In the DNTN-MU district, the base FAR is 5.0 and the maximum FAR is 5.4. In order to max the FAR to 5.4, 25 percent of the 0.4 above the base would have to be affordable housing.

To address the public comments regarding the perceived financial burden on developers, Mathieu Menard presented calculations from recent real-world projects. For a mixed-use project with 322 condominiums and 252 hotel units totaling 576,000 square feet, where the base FAR was 4.5 and the max FAR was 5.0, 57,665 amenity incentive points or square feet would be needed. Twenty-five percent of that is 14,416 points, and dividing that by five to get to the ratio yields 2883 points. Multiplying that by \$52 yields a total fee in-lieu of \$150,000. A comparably sized office-only project would yield a fee in-lieu of \$123,000.

Mathieu Menard clarified that staff are working with the City Attorney's Office and some developers to make sure buildings that have vested under the IOC can continue under the existing regulations. Additionally, several provisions of the IOC, including the four-to-one bonus ratio and FAR exemptions up to fifty percent of base FAR, have been integrated into the HOMA LUCA. Once the max FAR is hit, developers can exempt fifty percent of the base FAR. Where a base FAR is 5.0, and additional 2.5 FAR can be exempted by providing affordable housing at the four-to-one ratio. Additional provisions from the IOC have been worked into the proposed code, including flexibility around form standards, particularly in the Downtown perimeter overlay, and allowances to move FAR around a single site where part of a project is in the perimeter overlay and part is in DNTN-MU. The internal adjustment is not a transfer of development rights between parcels, rather it is a means of maximizing development efficiency within a constrained parcel.

Turning to Option B, Mathieu Menard explained that the voluntary alternative lowers the maximum height and maximum FAR but includes incentives to reach parity with Option A. The maximums for Option A and Option B are equal, except for the two districts where the maximum under Option A is 1.0 FAR. For each 0.2 FAR of affordable housing provided, developers can gain ten feet in additional building height and 0.5 additional FAR. In lower-density districts, the incentive may be used twice for up to an additional twenty feet of height and 1.0 FAR, while in higher-density districts it can be applied three times for up to thirty additional feet of building height and 1.5 FAR. The approach is designed to match the development potential of Option A while preserving developer flexibility.

Turning to the specific zoning districts impacted by the LUCA, Mathieu Menard said the Office district is proposed to have a base height of 45 feet, or 55 feet with an additional ten percent

affordable housing under Option A. Under Option B the maximum height would have 20 feet subtracted from it that would have to be bought back by providing 0.2 FAR of affordable housing. It would be necessary to provide 0.4 of affordable housing to get to 55 feet, or 0.2 FAR to get to 45 feet. The approach replaces the dwelling units per acre limit in any of the districts with an FAR calculation. The proposed FAR limit for Office is 1.0.

For the Neighborhood Business (NB) and Community Business (CB) districts, often the subject of significant public interest, the proposal is for building heights of 45 feet for NB, or 60 feet if affordable housing an additional ten percent of affordable housing is provided under Option A. For CB the proposed building height is 60 feet. The dwelling unit per acre limits are removed and replaced by a 2.0 FAR for NB and 2.5 FAR for CB. The districts, which are often the neighborhood centers, are currently dominated by low-rise strip malls with surface parking. Under the proposal, 50 percent of the ground floor street frontage must be pedestrian oriented in both districts as a way of encouraging active streetscapes. The existing requirements for ground-floor commercial throughout the full building footprint have proven infeasible, even in Downtown Bellevue, and the proposed revised approach balances the need for retail with market realities while promoting walkable and engaging public spaces.

In the Office Limited Business (OLB) and Office Limited Business 2 (OLB2) districts, which currently host office parks and which have become less viable due to declining office demand, the changes are more modest. The proposed heights remain consistent with NB at 45 feet or 60 feet with affordable housing. For OLB2, the proposed height limit is 75 feet. The dwelling unit per acre limits would also be replaced by FAR, with OLB assigned a 1.0 FAR and OLB2 assigned a 2.0 FAR.

Mathieu Menard said the Neighborhood Mixed-Use (NMU) districts, which encircle the city's densest zones such as Wilburton, Crossroads, and Factoria, are proposed to accommodate buildings up to 110 feet in height with a maximum FAR of 4.0. Included in the proposal is a requirement for 66 percent of the street frontage to be pedestrian-oriented uses in recognition of the expected higher density and housing concentrations in those zones.

Only limited changes are proposed for the Eastgate TOD. The district is currently essentially an office park district that allows for tall building under a specific regulatory framework. Bonuses similar to those offered elsewhere in the HOMA, such as exemptions for affordable housing units, will be added.

The F2 district in Factoria is proposed to be rezoned to Neighborhood Mixed Use (NMU) to better reflect the updated Future Land Use Map. The proposed height for F3 is 135 feet. F1 is shown as one of the city's highest density districts on the Future Land Use Map, so upzoning will be called for to reflect that. F1 is broken into four separate districts. The south end is adjacent to residential and the proposal is to keep heights there lower at 80 feet, stepping up moving away from the residential. The same would be true for the three-to five split; the 80-foot area would be 3.0 FAR and the rest would be 5.0 FAR. The specific standards in the code for F1 will be maintained with only limited changes.

Two new zoning districts are proposed in the HOMA LUCA. The proposed MU16 district would allow buildings up to 16 stories, resulting in the city's highest-density designation outside of the Downtown; it will be centered on the Crossroads Mall corridor. The MU7 district will permit buildings up to seven stories. Both districts will feature distinct standards for height, FAR, and permitted uses. A 66 percent ground floor pedestrian frontage requirement will be applied to both districts to encourage neighborhood vibrancy and active streetscapes.

Minor changes are envisioned for the Downtown. The primary concern voiced by the public has been in regard to preserving the "wedding cake" height model, which gradually reduces building height toward the city's edges. Mathieu Menard confirmed that the form will be preserved given that it remains an important feature to both the public and the City Council.

Citywide, the LUCA also includes updates to consolidate several older design regulations into a unified "Community Mixed-Use Design District." The consolidation will include design standards, parking requirements, and landscaping rules. Of note is the fact that the LUCA eliminates the existing transition district and replaces it with a 25-foot landscaped setback requirement between non-residential development and adjacent residential zones. The current transition setback is 30 feet, so the proposed change reduces the buffer slightly but adds detailed design features to enhance pedestrian vibrancy. The requirements include weather protection, street-facing entrances, transparent windows, and parking placement at the side or rear of buildings.

Several new FAR exemptions and bonuses are included that aim to achieve public benefit goals. Included is an exemption for child care facilities, grocery stores, nonprofit commercial uses, and open space that exceeds 30 percent of the lot area. The measures respond to concerns raised during community and Council outreach and they aim to preserve essential services, prevent the creation of food deserts, and mitigate the displacement of valued small businesses.

Mathieu Menard said staff conducted significant engagement with the development community during the pre-drafting phase. Developers cited various impediments to housing production, including low height and FAR limits in lower-density districts, restrictive setbacks, particularly in OLB, overly rigid parking requirements, and outdated use restrictions such as requiring office components in residential buildings. In response, the proposed LUCA reduces the parking requirements to one space per residential unit, regardless of unit size, and eliminates requirements that hinder residential development in areas originally zoned for office use.

Public outreach included open houses, targeted stakeholder meetings, and email notifications to approximately 20,000 residents. The feedback from the public focused on concerns about traffic, parking impacts, excessive density, and the visual scale of buildings adjacent to single-family neighborhoods. There was strong support voiced for FAR exemptions that encourage affordable housing, vibrant public spaces, and neighborhood gathering areas such as coffee shops, breweries, and restaurants.

Mathieu Menard summarized the project timeline, noting that the LUCA is currently in Phase 2, which includes Planning Commission study sessions. A public hearing will need to occur during Phase 3 ahead of the Commission making a recommendation to be forwarded to the City Council for action.

Commissioner Ferris pointed out that the topic comes on top of the middle housing issue which has generated a lot of energy within the community. There are those in the community who are confused as to what is middle housing and what is HOMA. Moving too quickly may result in a lack of knowledgeable input, particularly from individual neighborhoods. There should be a plan for making sure the neighborhoods are informed and able to provide input.

Commissioner Ferris proposed treating the Downtown on a distinct and different planning track due to its unique characteristics and existing regulations such as the IOC. The Downtown should be separated from the broader HOMA effort and addressed through a dedicated work stream.

Commissioner Ferris inquired as to whether a commercial fee-in-lieu was included under the HOMA LUCA. Nick Whipple clarified that for all mixed use areas outside of the Downtown, there is a fee for commercial development. It differs in amount from the \$52 per square foot figure, which is only for the Downtown bonus areas.

Commissioner Lu echoed the concerns voiced about neighborhood awareness and requested clarification on the timelines. Mathieu Menard confirmed that unlike middle housing, the HOMA LUCA does not fall under a state-imposed deadline and can be developed at a more deliberate pace.

Commissioner Lu commented on the imbalance between the mandatory and incentive-based affordable housing options, noting that the FAR bonus ratio under the mandatory option of achieving four square feet of market-rate development for one square foot of affordable housing appears more generous than the incentive route, which provides less of an incremental return, thereby skewing policy toward the mandatory framework. Staff should give more consideration to strengthening the incentive pathway, particularly since neighborhood contexts vary widely across the city.

Commissioner Lu also proposed fine-tuning the building height limits. Certain height thresholds, such as 45, 60, 70, and 160 feet, translate to specific story counts that may allow overly bulky buildings. Other mechanisms should be explored, such as slightly adjusted height caps or tiered setbacks to discourage over-massing and to promote designs more consistent with neighborhood character.

Vice Chair Khanloo built on those comments by raising a concern about the potential introduction of tall, bulky structures into smaller-scale neighborhoods. The importance of preserving transitional designs was urged along with the use of setbacks at upper building levels to break up vertical massing. It is questionable to remove the transition area requirements, which historically have tapered building heights at the district edges. Support was voiced for helping the public better visualize what heights such as 110 or 160 feet look like in real terms by using comparative references, like existing Downtown towers.

Chair Goepple questioned why the transition overlays were preserved for the Downtown but removed from the neighborhoods. If the wedding cake model is important for the Downtown, it should be equally important for the neighborhoods that abut more intense developments. A 25-foot landscaped setback does not adequately replicate the stepped transitions the neighborhoods expect. Some form of the transition overlay should be reintroduced, potentially with an expedited taper, to buffer single-family areas from large-scale development.

Regarding affordable housing, Chair Goepple asked for clarification on the fee-in-lieu amounts under the mandatory program. Nick Whipple explained that residential fees are tiered based on density, starting at \$10 per square foot in lower-density districts and rising to \$13 per square foot in higher-density districts. Commercial projects ended up with a flat rate of \$16.50 per square foot, and residential at jurisdiction \$13 per square foot. The figures were derived from a nexus and proportionality study, distinct from the one used for the Wilburton LUCA. While similar to Wilburton's final recommendations, the numbers are coincidental and reflect current market feasibility assessments.

Chair Goepple voiced support for maintaining consistency in logic and methodology when forwarding recommendations to the City Council, and noted that if Wilburton's fees were

deemed aggressive, the same might apply in terms of the HOMA LUCA.

Chair Goepple clarified that scheduling a public hearing does not preclude additional work on the LUCA. Continued study sessions will likely be needed after the public hearing, allowing time to incorporate public feedback and refine policy decisions before final adoption.

Commissioner Ferris supported the approach of using the public hearing as a midpoint for engagement rather than a conclusion. Referencing a letter received from the public, it was stated that the outreach materials should not only describe the proposed changes but also communicate the potential benefits of having greater neighborhood density. The staff were encouraged to frame the changes in terms of the community advantages.

Commissioner Ferris responded to a suggestion regarding upper-level setbacks for taller buildings by stressing the need to exercise caution because doing so can drastically limit what is developable. If used, the approach will need to be calibrated.

Commissioner Ferris raised a question about the conceptual physical arrangement of mixed-use developments. It could be vertical stacking of housing over retail, or a more horizontal campus-style layout. Mathieu Menard answered that design flexibility is being preserved to accommodate varying site conditions. Ground-floor pedestrian-oriented uses will be required, such as retail, gyms, or clinics, while residential uses may be above or adjacent. The city's larger parcels may support more creative arrangements, including side-by-side or courtyard configurations. Housing could also be structured to be above parking areas. Activating the pedestrian realm with ground-level interaction remains a priority, alongside housing production and feasibility considerations.

Commissioner Lu commented that the economic assessment for the HOMA LUCA appears to show that nearly all mandatory development scenarios produce negative residual land values, with the only positive outcomes arising from incentive-based approaches in low-rise zones. Mathieu Menard confirmed the observation and explained that under the current economic conditions, high construction costs, elevated interest rates, and costly structured parking are the primary contributors to the negative projections. The analysis suggests that additional density, normally viewed as a benefit, can worsen feasibility in down markets because each square foot incurs more loss when baseline viability is already poor. Parking costs were identified as especially impactful, and it was acknowledged that even small reductions in the parking requirements can shift projects closer to feasibility. The planning framework aims for flexibility for the long-term when economic conditions improve.

Commissioner Lu emphasized the need for a robust incentive option, arguing that while mandatory approaches may become viable in the future, incentives offer immediate feasibility and better flexibility across different neighborhood contexts.

Commissioner Lu raised a concern that was raised about the commercial vibrancy of Factoria and Crossroads, and asked the staff to provide assurance that the minimum commercial space requirements will not be weakened to the point where the areas lose their identity as community hubs. Mathieu Menard clarified that the current proposal requires only street frontage activation, not total commercial square footage. Commissioner Lu advocated for stronger protections and a broader understanding of third places. Support was voiced for expanding the FAR exemptions to include shared office spaces, which provide community-building opportunities akin to coffee shops or co-working environments.

Vice Chair Khanloo reiterated a concern about the scale of the proposed buildings, particularly near low-density residential areas. Shadow and privacy studies would be helpful in evaluating the impact of the proposed building heights, especially the 160-foot structures near R-4 or R-5 zones. The Commissioner underscored the importance of preserving a “horizontal rhythm” in building massing and maintaining consistency with the wedding cake design model that the city values in both the Downtown and Wilburton. Questioned was why such massing principles should not apply equally to adjacent residential neighborhoods.

Chair Goepple added to the mix a logistical consideration, noting that if a public hearing were scheduled for late June, it might be feasible for the city to conduct additional outreach to ensure residents have sufficient notice and opportunity to respond. Mathieu Menard replied that notifications had already reached over 20,000 residents through standard city channels, including neighborhood association contacts. The response has been relatively muted aside from the Newport and Eastgate neighborhoods. Of course, additional outreach could be done using the same channels, particularly to inform about the upcoming public hearing or additional study sessions.

Vice Chair Khanloo pointed out that in the past the Commission has elected to conduct public hearings in various neighborhoods and asked if that is still a possibility. Nick Whipple said the approach could be explored. Of course, there are a number of dispersed neighborhoods that could be impacted by the proposed LUCA and choosing a location away from City Hall could be challenging.

Dr. Nesse said the calendar could support holding the public hearing on June 25. There are no July dates open. Should the Commission desire additional study sessions after the public hearing, the study sessions would need to occur in September given the Commission’s August recess. Study sessions on the neighborhood area plans are scheduled for July, and any follow-up discussion on that topic would need to occur in September. Scheduling an extra meeting could be a possibility.

Commissioner Ferris proposed postponing the public hearing to a date in September, stressing that the absence of a state mandate means there is no need to rush the process. That would allow for using the summer months to further refine the proposal and allow for more productive discussion following public input.

A motion to ask staff to come back with additional information and to plan on holding the public hearing in the fall was made by Commissioner Ferris. The motion was seconded by Commissioner Lu. The motion failed 2-2 with Commissioners Ferris and Lu voting for, and Chair Goepple and Vice Chair Khanloo voting no.

Vice Chair Khanloo saw no issue with holding the public hearing in June and then direction staff to do a little more work ahead of an additional study session if needed.

Commissioner Lu expressing a desire for more time to allow for another iteration from staff prior to the public hearing. There is a need for a clear, credible incentive-based option for the Commission to evaluate alongside the mandatory approach. Previous presentations have not demonstrated what a viable incentive framework might look like in terms of both economic feasibility and flexibility. A call to have an incentive option in front of the Commission for review was reiterated.

Chair Goepple agreed and suggested that the June 25 meeting be converted to a study session to

review an updated draft of the LUCA. That would position the Commission to schedule a well-informed public hearing in September. Aligning the public hearing more closely with a final vote would preserve the Commission's momentum and help the Commissioners recall public feedback during the subsequent deliberations.

Dr. Kate Nesse clarified that if the Commission does not direct staff to hold a public hearing, a public hearing will not be held and staff can come back with another study session at a later date.

Commissioner Ferris suggested that when staff comes back there should be presentations specific to all of the neighborhoods, and a separate presentation in regard to the Downtown.

Vice Chair Khanloo added that additional information is needed in regard to in-progress and upcoming projects in the Downtown. The staff were asked to provide data on the number of projects currently in the permitting pipeline and to clarify how those would fare under any zoning changes. That would help the Commission better understand the broader implications of the LUCA and allow for proactive consideration of how to mitigate any unintended consequences.

9. OTHER BUSINESS – None
(8:44 p.m.)

10. APPROVAL OF MINUTES
(8:44 p.m.)

A. April 9, 2025

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

11. EXECUTIVE SESSION – None
(8:45 p.m.)

12. ADJOURNMENT
(8:45 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 8:45 p.m.



Kate Nesse
Staff to Planning Commission

June 27, 2025
Date