



Bellevue Planning Commission

January 13, 2021

PLANNING COMMISSION AGENDA ITEM

SUBJECT

Public Hearing on a Land Use Code Amendment (LUCA) to establish provisions in the Land Use Code (LUC) Chapter 20.45A Platting and Subdivisions and Chapter 20.45B Short Plats and Short Subdivisions for Unit Lot Subdivisions within Land Use Districts where multifamily development is currently allowed. File No. 20-105150-AD.

STAFF CONTACTS

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POLICY ISSUES

The proposed Unit Lot Subdivision LUCA is to establish Unit Lot Subdivisions in the City to allow for individual townhouse units to be owned in fee simple. Fee simple ownership means absolute title in improvements of the townhouse unit and the land.

The proposed LUCA is in response to the City's Affordable Housing Strategy (AHS) adopted in 2017. Specifically, the City Council has indicated an interest in creating a variety of housing choices (Strategy B) which appeal to people at different income levels and life stages. Providing a broad range of homeownership opportunities, including fee simple townhouses, promotes mixed-income neighborhoods, allows for a diversity of housing types, and increases available choices for all economic segments of the population.

DIRECTION NEEDED FROM THE PLANNING COMMISSION

ACTION



DIRECTION



INFORMATION ONLY



Staff requests that the Planning Commission hold the Public Hearing on the proposed LUCA and, following the Public Hearing, recommend to the City Council approval of the proposed LUCA.

BACKGROUND/ANALYSIS

At the December 9 Study Session, the Planning Commission was introduced to the proposed LUCA. The LUCA will amend LUC chapters 20.45A Platting and Subdivisions and 20.45B Short Plats and Short Subdivisions to establish provisions for Unit Lot Subdivisions within Land Use Districts where multifamily development is currently allowed. Multifamily development is allowed in Land Use Districts throughout the City, including Multifamily Residential Districts, Factoria, Office/Limited Business, Downtown, most of BelRed, and Eastgate Transit Oriented Development. Currently, townhouse development is only allowed as a Planned Unit Development (PUD) or multifamily development (condominium ownership). A Staff Report describing the background, review process, and this LUCA's compliance with the decision criteria, is included with this Memorandum as Attachment A.

The proposed LUCA will allow for the subdivision of townhouse dwellings while applying development standards, such as setbacks, lot coverage by structure, impervious surface coverage, and minimum lot area, to the overall site or the "parent" lot, instead of the individual unit lots. A strike-draft of the proposed LUCA is provided as Attachment B.

At the Study Session, the Planning Commission raised questions related to density, cost, and the LUCA's relationship to the AHS. The Planning Commission directed staff to prepare and schedule the LUCA for a Public Hearing and asked for the additional information to be presented at that time. A summary of these questions and staff's responses are provided below.

1. Will a subdivision of townhouses result in a smaller number of housing units as compared with stacked condominiums or apartments on a given site?

Response: This LUCA does not change the allowed density on any particular site and a developer may build the same number of units in a unit lot subdivision and a condominium townhouse development. In fact, the City has significant zoning capacity for housing development, and this multifamily housing type specifically. Unit Lot Subdivisions will encourage construction of townhouses in the City and take advantage of this zoning capacity. The anticipated outcome of this LUCA is an increase in the overall number of housing units in Bellevue.

2. Will a subdivision of townhouses result in a more costly housing unit as compared with a condominium unit?

Response: The development community has identified construction and mortgage financing barriers associated with condominium-style development. The Master Builders Association of King and Snohomish Counties report that the liability of a project designated as a "condo" requires more costly insurance for developers, contractors, and subcontractors, making this housing type more expensive to build and often infeasible for many of their members. These financing barriers tend to discourage developers from building condos in Bellevue, thereby limiting housing supply and placing upward pressure on home prices. As noted above, the City has significant zoned capacity for housing, and minimizing barriers identified by the development community will encourage greater housing density in Bellevue. The City's desire to accommodate and encourage infill development by allowing a wide range of housing types helps meet our diverse population's needs and promote homeownership opportunities in the City.

3. As fee-simple townhouses are not anticipated to be affordable housing units, how does this LUCA fit into the AHS?

Response: The Puget Sound region's housing crisis requires a broad range of solutions, and Unit Lot Subdivisions is part of the AHS as fee-simple townhouses will increase housing choices in Bellevue (AHS Strategy B). Unit Lot Subdivisions have great potential to encourage infill housing development and create individual fee-simple ownership opportunities as an alternative to condominium ownership. Unit Lot Subdivisions are typically used to produce townhouses, which are more likely to be smaller and less expensive than detached single-family homes.

Public Engagement

For this proposed LUCA, staff has followed a public engagement plan with three modes of outreach to ensure the public, stakeholders, and interested parties have the opportunity to be informed and to provide comments.

- A. Process IV Requirements. Process consistent with Chapter 20.35 LUC procedural requirements to provide opportunities for public comment, including:
 - notice of application of the proposed LUCAs on December 3;

- notice of public hearing and staff report on December 17; and
 - public hearing on January 13.
- B. Direct Engagement and Feedback. Dialogue with the development community, including the Master Builders Association of King and Snohomish Counties, and interested members of the public regarding the proposed amendments.
- C. Online Presence. City webpage for the Unit Lot Subdivision LUCA to provide opportunities for the public to stay informed, including:
- contact information for public comments;
 - staff report and LUCA strike-draft; and
 - public information messages regarding LUCA progression.

Anticipated Schedule

The anticipated timeline for processing this LUCA with the Planning Commission will occur between December and January, and with the City Council in February.

- Planning Commission Introduction and direction – December 9, 2020
- Planning Commission Public Hearing and Recommendation – January 13, 2021
- City Council Study Session, including Planning Commission Recommendation – February 1, 2021 (tentative)
- EBCC Courtesy Public Hearing – February 2, 2021 (tentative)
- City Council Action – February 22, 2021 (tentative)
- EBCC Public Hearing and Approval/Disapproval – March 2, 2021 (tentative)

OPTIONS

1. Hold the Public Hearing on the proposed LUCA and, following the Public Hearing, recommend to the City Council approval of the proposed LUCA.
2. Hold the Public Hearing on the proposed LUCA and, following the Public Hearing, provide an alternative direction to staff.

RECOMMENDATION

Option 1.

ATTACHMENT(S)

- A. Staff Report
- B. Strike-Draft of Unit Lot Subdivision LUCA