



Bellevue Planning Commission

June 22, 2022

PLANNING COMMISSION AGENDA ITEM

SUBJECT

Comprehensive Plan Amendment (CPA) to increase development potential for affordable housing development on faith-owned properties (Affordable Housing Strategy (AHS) Action C-1 Phase 2).

STAFF CONTACTS

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POLICY ISSUES

On May 9, Council directed staff to begin work on AHS Action C-1 Phase 2 initiative, to increase affordable housing potential on certain faith-owned properties in single-family land use districts. This Action C-1 Phase 2 initiative includes a CPA as part of the 2022 annual CPA work program and corresponding Land Use Code Amendment (LUCA). The work item currently in front of the Planning Commission is the CPA to amend Bellevue's Future Land Use Map and Housing Element policies.

DIRECTION NEEDED FROM THE PLANNING COMMISSION

ACTION



DIRECTION



INFORMATION ONLY



No direction is needed from the Planning Commission at this time. Staff will present general information about Action C-1 Phase 2 initiative, and an overview of the scope, objectives and general timeline for the CPA.

BACKGROUND:

AHS Action C-1 calls for creating more affordable housing by increasing development potential for affordable housing on suitable land owned by public agencies, faith-based and nonprofit organizations. As Phase 1 in implementing Action C-1, the City adopted Ordinance 6562 (CPA) and 6626 (LUCA), establishing a 50 percent density bonus for permanent affordable housing development on qualifying properties. Projects eligible for the density bonus are also eligible for certain modifications to development requirements, including an additional story of height in multifamily land use districts and limited incorporation of duplex and triplex units in single family land use districts. The Planning Commission processed both the CPA and LUCA for Phase 1.

During the Planning Commission review of the Phase 1 LUCA, Commissioners and stakeholders shared their interest in going beyond the then-proposed 50 percent bonus, suggesting that a larger bonus or higher development capacity would be needed to support the creation of affordable housing in single-family land use districts. Further, certain faith-owned properties in single-family districts may have

characteristics that are well-situated to accommodate affordable multifamily housing, including access to frequent transit.

While these interests could not be addressed within the scope of the Phase 1 CPA and LUCA, Council directed a Phase 2 of Action C-1, to further implement this action. On May 9, staff returned to Council to seek initiation of Phase 2 of Action C-1, with a proposed scope and schedule to include a CPA as part of the 2022 annual CPA work program and corresponding LUCA to increase the density for development of affordable housing on certain faith-owned properties in single-family land use districts.

Project Context

On March 23, staff provided the Commission with an overview of the City's AHS and accomplishments to date. Staff listed the actions achieved since 2017 when the AHS was adopted, and ones that were in progress or still to come. Action C-1 Phase 2 fits squarely within the City's current AHS work. Its targeted approach, as described below, aims to address the urgent need for affordable housing in an efficient manner.

Both the Council and community have expressed the need for additional actions, recognizing that the need for affordable housing has changed and deepened considerably since 2017. The City is working on how and what items should be prioritized as the AHS "Next Right Work." A prioritized list of recommended actions will be brought to Council for discussion and direction in the near future. Based on this direction, staff would undertake the work program for affordable housing actions in 2022-2023.

Also, an update to the City's Housing Needs Assessment will be taking place during the summer to inform development of land use alternatives being considered as part of the City's periodic update to its Comprehensive Plan. These efforts on future housing will be occurring simultaneously with Planning Commission's work on the Action C-1 Phase 2 initiative.

Project Objectives and Scope

The objective of the Action C-1 Phase 2 initiative is to further increase development potential for affordable housing on sites that meet the following criteria:

- Owned by a religious organization,
- Located in a single-family land use district,
- Located on an arterial street,
- Located within half a mile of a frequent transit stop, and
- Located within 300 feet of a land use district where multifamily housing or commercial uses are permitted.

Staff have identified 25 sites meeting these criteria, just under half of all faith-owned sites in Bellevue located within single family land use districts. The objective of the CPA includes explicitly allowing rezones of these qualifying properties to multifamily land uses when the property is developed with 100 percent permanent affordable housing. This explicit allowance is anticipated to be achieved through the addition of a note on the Future Land Use Map in the Comprehensive Plan. This CPA will also simplify the process of rezoning qualifying properties to multifamily land uses in the future. After initial analyses and public engagement, staff will develop a CPA proposal for consideration by the Planning Commission. The CPA process will follow the City's Process IV legislative process for review, public hearing, and recommendation to Council.

Following and separate from the CPA adoption, staff will bring forward a LUCA to implement the CPA and codify rezone eligibility criteria, maximum densities, and any other variations in development regulations available to qualifying development. Staff will also present a city-sponsored rezone for the set of qualifying properties identified and consistent with the CPA. If additional single-family properties are acquired by qualifying organizations in the future, they may apply directly for a rezone.

Community Engagement Strategy

Phase 1: CPA Engagement – During the policy development stage, engagement with public stakeholders will focus on identifying key factors to consider when evaluating the change in land use designation. Engagement will take place through stakeholder interviews, online surveys and a public information session.

The primary stakeholder groups include:

- Affordable housing developers and providers,
- Faith-based property owners of eligible sites,
- Surrounding residents, especially, those living near eligible sites, and
- Community based organizations with relationships to populations who could be housed in affordable housing on these sites.

Phase 2: LUCA and Rezone Engagement – During the code development and rezone stage, additional engagement with public stakeholders will take place.

TIMELINE /NEXT STEPS

The anticipated timeline for processing the CPA is as follows:

- Planning Commission Study Sessions: June 22 and July 27
- Planning Commission Public Hearing and Recommendation: September 14 (tentative)
- City Council Study Session: to be scheduled
- City Council Action: to be scheduled

The LUCA and the city-wide rezone are anticipated to occur in the third quarter of 2022 through the second quarter of 2023.

ATTACHMENTS

- A. Action C-1 Phase 2 Qualifying Properties Map