

# **Bellevue Planning Commission**

April 23, 2025

#### PLANNING COMMISSION STUDY SESSION ITEM

#### **SUBJECT**

Study Session following the public hearing on the proposed Middle Housing Land Use Code Amendment (LUCA) to implement House Bills (HB) 1110 and HB 1337.

## **STAFF CONTACT(S)**

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#### **POLICY ISSUES**

In 2023, the Washington State Legislature passed, and the Governor signed into law, House Bills (HB) 1110 and HB 1337, amending the Growth Management Act, Chapter 36.70A RCW (GMA). These amendments require many cities to update their codes to allow additional densities and housing typologies in predominantly residential land use districts, along with several other associated requirements to help encourage the development of these housing types.

Before this GMA amendment, the City Council already initiated work on the middle housing code updates in January 2023 as a part of the "Next Right Work" program to boost housing supply in the city. Now, Bellevue is required to adopt necessary amendments to comply with these new GMA requirements by June 30, 2025.

The Comprehensive Plan Periodic Update process provided the first step in implementing these new GMA requirements, including amendments to the Land Use Map and policies. This Plan was adopted by City Council in October. Comprehensive Plan policies that support the development of middle housing in the city, include:

- **Policy LU-4:** Promote a land use pattern integrated with a multimodal transportation system.
- **Policy LU-10:** Work toward a land use pattern that makes it possible for people to live closer to where they work regardless of household income.
- **Policy LU-20:** Support development of compact, livable and walkable mixed-use centers in BelRed, Eastgate, Factoria, Wilburton, East Main and Crossroads
- Policy LU-28: Provide for a mix of housing, office, service and retail uses in a compact walkable development pattern that optimizes the benefits of transit investment in Bellevue's mixed-use areas.
- **Policy LU-47:** Implement land use patterns that promote walking, bicycling, or other active transportation modes in order to increase public health.
- **Policy HO-17:** Allow attached and detached accessory dwelling units in residential and mixed-use areas with the ability to be rented or sold individually.
- Policy HO-18: Promote housing density, choice and affordability in areas served by the frequent transit network, businesses serving the community's day-to-day needs and significant nodes of employment.

- Policy HO-19: Ensure that policies and regulations allow for middle scale housing, such as duplexes, triplexes, fourplexes, townhomes, small apartment buildings, cottage housing, and courtyard apartments.
- **Policy HO-35:** Create opportunities to require or incentivize affordable housing when increases to development capacity are made.

## ACTION DIRECTION DIRECTION INFORMATION ONLY

The public hearing for this LUCA was held on April 9, and following public testimony, staff was directed to return to discuss the middle housing LUCA proposal for a potential recommendation to City Council.

#### **BACKGROUND/ANALYSIS**

The Planning Commission held three study sessions to review this LUCA.

- First study session (October 9, 2024): Staff introduced the baseline requirements of HB 1110 and 1337, summarized related engagement work, and outlined the overall scope of the LUCA. Staff also highlighted key areas where additional feedback from stakeholders and the broader community would be sought—particularly where the LUCA could potentially go beyond the state mandate, such as minimum allowable densities and development regulations.
- Second study session (February 12): The Commission reviewed initial proposals to allow additional density around key geographies, informed by adopted policies and community feedback received to date, both through the Comprehensive Plan engagement work and additional public engagement in the fall of 2024.
- Third study session (March 12): Feedback from this study session, along with additional
  comment from stakeholders and the community, was used for further revisions to the LUCA that
  were published with the staff report in the Notice of Public Hearing on March 20. The staff
  report describing the background, review process, and this LUCA's compliance with the decision
  criteria, is included with this Memorandum as Attachment A.

Since the release of the March 20 strike draft, additional comments have been received, and revisions and additions were included in the strike draft and are provided as Attachment B.

In advance of the April 9 public hearing, staff developed a Project Information Sheet in response to email and phone inquiries from the public. This sheet was designed to clearly explain the LUCA proposal in relation to the baseline requirements of HB 1110 and 1337 and encourage participation in the hearing. It is included as Attachment C. The Agenda Memo shared at the hearing, which provides further context and background, is included as Attachment D.

#### **Public Hearing Summary**

At the April 9 public hearing, the Planning Commission heard a variety of comments from the public. Many comments discussed concerns over the impacts of added growth to the community when it comes to infrastructure, pedestrian safety, parking, the environment, and neighborhood character. Many commenters asked that the Planning Commission meet but not exceed the mandate by the state from HB 1110.

The topic of existing covenants that would restrict properties from developing middle housing was also noted by many commenters who had concerns about enforceability. Some commenters also voiced concerns over the LUCA development process itself, noting a perceived lack of engagement and the pace at which the LUCA is advancing.

In contrast, some commenters spoke in support of the current LUCA proposal, including provisions that go beyond the state mandate to allow more housing density near transit and centers. Many of these commenters voiced concerns about not being able to stay in Bellevue or purchase family-sized homes in Bellevue. Some commenters shared personal stories or examples of friends and family who have had to leave Bellevue to find housing that meets their needs and they can afford.

The key themes raised during public comment—including community outreach, private covenants, walking distance, trees, infrastructure, parking and pedestrian safety, and waste management—are addressed in the sections that follow.

## Public Engagement

The required process IV requirements, in compliance with Chapter 20.35 LUC, were followed with this LUCA. These include a notice of application and notice of public hearing.

The overall engagement work done for this LUCA and middle housing policy development with the Comprehensive Plan is detailed in the staff report in Attachment A as well as in the project information sheet in Attachment C.

#### **Private Covenants and Plat Restrictions**

There have been many comments related to private covenants in neighborhoods throughout Bellevue and questions about how this LUCA proposal impacts those covenants and restrictions.

Covenants are private legal agreements—typically recorded in county real property records—that impose restrictions on land use. Many covenants prohibit the construction of any type of dwelling unit besides a single-family dwelling, which is the primary topic of discussion regarding covenants and middle housing. These covenants are contracts, and both the Washington State Constitution and the United States Constitution limit the extent to which government can interfere with previously executed contracts.

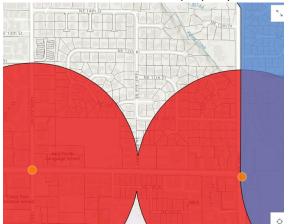
However, under HB 1110, new covenants executed after the effective date of the bill may not prohibit the middle housing to be developed. Covenants recorded before the bill's effective date remain valid and enforceable unless challenged through private legal action. There is similar language in HB 1337 as well. Neither HB 1110 nor HB 1337 modify or terminate any covenant executed before the effective dates of HB 1110 and HB 1337, and the LUCA proposal does not include any amendments that would impact or terminate existing covenants.

At this time, it is unclear how many properties in Bellevue are subject to covenants that regulate land use or density, or how many of those covenants remain legally enforceable or have an active homeowners' association or other entity capable of enforcing them. Properties which are subject to restrictive covenants may exist within the one-quarter or one-half mile buffers depicted on the density maps, which would restrict them from developing additional units.

To address this, the City is exploring ways to provide clearer information to property owners early in the permitting phase to ensure they are aware of any potentially applicable private covenants. In parallel, the Puget Sound Regional Council (PSRC), has begun exploratory work to better understand the prevalence and potential impact of private covenants on middle housing production in the region. City staff are engaged in this work and will continue to monitor regional efforts closely.

#### Walking Distance

As noted in the April 9 public hearing memo, many areas proposed to potentially qualify for additional units under the current proposal may be significantly reduced in size due to both covenants as well as the actual walking distance to get from a property to a transit stop or center. Applicants will need to provide visual evidence that it is feasible to walk from a given property location to a transit stop within the maximum one-quarter or one-half mile distance. An example below shows a property that falls within the ¼ mile walkshed as depicted aerially, but when overlaid with the potential walking path the distance exceeds ¼ mile. This property would not be able to qualify for the additional by-right units.





#### Trees

The proposed modifications to the tree code are generally clean-up items to improve implementation. These clean-up items include refining the definition of "development activity", clarifying how to review and retain trees on property lines, the applicability of the citywide tree code versus area and overlay specific tree codes, additional language around tree retention covenants, and an allowance for an alternative tree credit method where planting the full number of trees required would impact their viability.

The only proposed modification to tree credits for middle housing is to allow cottage development to utilize the same tree credit requirements as commercial, office, light industrial, and all other nonresidential land uses. Given that cottage developments are required to provide open space and landscaping, and that there are additionally more coverage and site considerations for a cottage development where the units are less clustered, a reduction in tree retention requirements can help with feasibility.

## <u>Infrastructure</u>

Many public comments included concerns around infrastructure and its ability to support additional growth in the city. Any time a new development application is received by the city, an applicant has to

show that either the existing infrastructure can support the proposal or show how they are improving infrastructure in order to be able to support the proposal. These improvements made at the time of development can include upgrades to water and sewer mains, frontage improvements that include sidewalks and street trees, undergrounding of any existing overhead utilities like powerlines, and others. While the city does work to upgrade utilities over time, the timing and projects for city funded infrastructure improvements are developed through the utilities planning team. However, this process takes time and occurs in the areas that have been planned for in specific planning windows.

These infrastructure improvements are often very costly, meaning it is likely that many smaller infill projects may not be feasible if extensive infrastructure requirements would be needed in order for the project to be built. These required infrastructure improvements are one of the very likely feasibility limitations on middle housing development that will be seen in the city.

#### **Unit Lot Subdivisions**

Unit lot subdivisions are already allowed under the LUC. Currently, unit lot subdivisions can be utilized to create fee simple lots for attached multifamily projects like townhomes. Essentially, the intent of a unit lot subdivision is that if a lot has been developed or is proposed to be developed with a number of units and it is desired that those units be on their own lots, the lot could be divided so that each townhome has its own lot.

HB 1110 requires that cities allow any of the middle housing types to also be able to be subdivided in this manner. This means that a cottage style project, for example, could be subdivided so that each cottage has its own lot. This differs from typical short subdivisions or subdivisions because there isn't a required minimum lot size, and the housing products tend to drive how the subdivision is drawn.

Importantly, unit lot subdivisions also differ from a typical short subdivision or subdivision because the resulting lots are categorized as "unit lots," and the original lot is categorized as a "parent lot," meaning they are intrinsically tied to each other. This means "unit lots" are not independent buildable sites, and that any additional development beyond that proposed with the unit lot subdivision may be limited. Within the context of middle housing, this means that one could not utilize the unit lot subdivision process to circumvent minimum lot size requirements or to create new lots that could then be redeveloped at higher middle housing densities.

## Street Parking and Pedestrian Safety

Comments were raised about on-street parking and pedestrian safety. As noted in the infrastructure discussion, most middle housing projects will likely be required to provide frontage upgrades as a part of the project development, which includes sidewalk facilities. Just as with a typical subdivision, middle housing development will continue to help improve the sidewalk network within the city, which contributes to public safety.

The City Council has adopted the Safe System approach to Vision Zero, and the city has an approved Vision Zero Strategic Plan. One key component of street design that helps reduce traffic deaths and injuries are any components that naturally reduce the speed of vehicles. Street parking both separates sidewalk users from the vehicular traffic lanes physically, and also serves to narrow the perceived roadway widths, which has the potential to reduce driving speeds and function as a natural traffic

calming measure. Roads that also include bicycle lanes further improve this separation and traffic calming.

#### Waste Management

Another point of concern heard from the public regards waste management and the sidewalk. Transportation staff develop requirements for sidewalk and curb areas, including requirements around maintaining minimum clearance area for compliance with the Americans with Disabilities Act (ADA) requirements, although this can be difficult to enforce given staffing resources at the city. Staff is continuing conversations with the transportation team as we discuss potential revisions to the Transportation Design Manual (TDM) to aid in implementing middle housing, including areas for improvement around waste management. The TDM is updated once annually in January, and staff will be working with transportation staff throughout this year on any needed revisions.

#### **LUCA Schedule**

The public hearing for this LUCA was held on April 9 and tonight's study session is focused on Planning Commission's recommendation to City Council. The state deadline for this LUCA to be adopted is June 30.

#### ATTACHMENT(S)

- A. Middle Housing Staff Report
- B. Middle Housing LUCA Strike Draft
- C. Project Information Sheet
- D. Middle Housing Public Hearing Agenda Memo
- E. Planning Commission Resolution