

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MINUTES

January 28, 2026
6:30 p.m.

Bellevue City Hall
Room 1E-113

COMMISSIONERS PRESENT: Chair Khanloo, Vice Chair Lu, Commissioners Ferris, Goepple Kennedy, Nilchian, Villavecres

COMMISSIONERS REMOTE: None

COMMISSIONERS ABSENT: None

STAFF PRESENT: Kate Nesse, Thara Johnson, Zack Luckin, Community Development Department; Nick Whipple, Mathieu Menard, Development Services Department; Matt McFarland, Robbie Sepler, City Attorney's Office

COUNCIL LIAISON: 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 Khanloo who presided.

2. ROLL CALL
(6:31 p.m.)

Upon the call of the roll, all Commissioners were present.

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

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

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS
(6:32 p.m.)

Mayor Malakoutian summarized a recent Council meeting that included a focus on the Human Services Needs Update. The presentation included an analysis of community needs and the allocation of city funding. Also received by the Council was an update regarding changes to speed limits across the city and the relationship between reduced speeds and improved safety outcomes.

Mayor Malakoutian announced that the Council liaison appointments to the city's boards and Commissions has been finalized. Councilmember Bhargava will assume the liaison role at the Commission's next meeting. Mayor Malakoutian expressed appreciation for the working relationship formed with the Commission and indicated an intention to continue attending meetings as an observer.

Members of the Commission expressed gratitude for the liaison's service.

5. STAFF REPORTS
(6:33 p.m.)

A. Planning Commission Meeting Schedule

Staff Liaison Dr. Kate Nesse took a few minutes to review the Commission's schedule of upcoming meeting dates and agenda items. It was noted that the follow-up discussion on the survey results was rescheduled to February 25.

6. WRITTEN AND ORAL COMMUNICATIONS
(6:34 p.m.)

A. Written Communications
(6:34 p.m.)

Dr. Kate Nesse said all written communications received since publication of the Commission packet were forwarded to the Commissioners. Two written communications were subsequently received. It was stressed that comments received on the day of a meeting are not forwarded to the Commissioners if they are received after 11:00 a.m.

B. Oral Communications
(6:35 p.m.)

Given the number of speakers signed up to address the Commission, a motion to extend the time allowed by 15 minutes was made by Commissioner Ferris. The motion was seconded by Commissioner Goepple and the motion carried unanimously.

Brady Nordstrom spoke representing the Housing Development Consortium and the Eastside Affordable Housing Coalition and expressed strong support for HOMA Draft A. Appreciation was conveyed to staff and the Commissioners for balancing stakeholder input and policy objectives. The proposed affordable housing requirement is appropriately calibrated with the development incentives offsetting the costs associated with the affordability requirements. It was emphasized that similar policies had successfully produced affordable housing at scale. Bellevue's proposal offers flexibility through compliance options. Alignment with the Wilburton framework was encouraged, and the importance of pairing HOMA with the updates to the Multifamily Tax Exemption (MFTE) program was highlighted. Support was voiced for limiting the mandatory affordability requirements to mixed-use areas and for adopting a framework capable of meeting the city's long-term housing targets.

Sue Baugh spoke along with Deborah Dutch on behalf of the Newport Community Coalition and reiterated support for the current HOMA draft and for redevelopment of the Newport Hills Shopping Center. The coalition represents residents from several surrounding neighborhoods and

which supports the Comprehensive Plan as adopted and the need for more housing of all types, including housing affordable to essential workers. The coalition supports redevelopment of the Newport Hills Shopping Center. Previous attempts to support redevelopment of the shopping center fell victim to adversarial voices. The current process promises to result in a more positive outcome.

Deborah Duitch clarified that the coalition supports HOMA and specifically the NB zone that applies to the Newport Hills Shopping Center. The coalition members are comfortable with building heights of three to five stories and with the amenities and bonuses as proposed in the draft. Taller structures are not supported by the coalition. An emphasis was placed on the importance of mixed-use redevelopment that includes retail to support neighborhood services and economic viability.

Mark Mowat spoke regarding the application of HOMA to the Northtown Shopping Center. Support was expressed for increasing the housing supply, with an emphasis on ensuring sufficient incentives and flexibility to make projects financially feasible. Particular attention was given to the proposed grocery floor area ratio (FAR) exemption. The current bonus is insufficient to offset the higher costs associated with integrating grocery uses into mixed-use developments. A stronger ratio to support both grocery and the required pedestrian-oriented retail is needed. A concern was also raised about the proposed permanent grocery covenant, which was described as financially restrictive and difficult for capital markets to underwrite. The suggestions offered included limiting the covenant duration or allowing modifications after sustained vacancy; providing greater flexibility in plaza design; allowing certain residential and amenity uses to count toward pedestrian-oriented frontage requirements in lower-demand areas; and ensuring that mandatory affordable housing requirements are paired with MFTE enhancements to maintain project feasibility and housing production.

Nikki Stuck spoke on behalf of the Bellevue Chamber of Commerce and expressed strong but conditional support for the HOMA proposal. After thanking staff and the Commissioners for the collaborative process, the speaker emphasized the importance of ensuring that HOMA functions as an effective incentive, particularly in the Downtown. Four priority issues were identified. First, the necessity of the proposed three percent floor plate bonus, a modest but critical offset to affordable housing fees in lieu, especially for office developments that do not include on-site housing. Without the provision, office projects will lack incentive to participate, creating an imbalance between job growth and housing production. Second, the exemption from the maximum floor plate requirements for affordable housing development should be applied to buildings up to 85 feet in height rather than 80 feet across all Downtown zones, not solely to the perimeter overlay districts. Staff's prior acknowledgment of the 85-foot threshold, aligned with Type III-A construction standards, was referenced, and a concern was expressed that limiting the provision to certain zones will reduce its effectiveness. Third, while supporting the grocery store incentive, the speaker cautioned that a perpetual covenant could discourage participation and instead recommended a time-limited covenant of approximately 25 years to better reflect market conditions while still providing public benefit. Finally, the speaker advocated for pairing the mandatory affordability requirements with meaningful economic offsets, including application of the MFTE supercharger to permanently affordable units in Downtown areas where project feasibility is most constrained. The Commission should incorporate the suggested refinements into its final recommendation.

Layla Khademi spoke on behalf Westbrook Properties, owner of property at the former Boeing Eastgate campus, and expressed support for HOMA and highlighted the importance of the recent draft updates that increase the impervious surface limits, noting their relevance to transit-oriented

mixed-use development. Appreciation was expressed for staff's work to strengthen the legislation. The speaker then requested that the city adopt a more flexible approach for sites subject to the mandatory affordability requirements that include both apartment and townhouse components. It was recommended that affordable units be permitted to be consolidated within apartment buildings on mixed-format sites to ensure the financial feasibility of townhome development. The concept previously received support during Commission discussions but has not yet been incorporated into the draft language. HOMA is a critical step towards meaningful housing development.

Amanda Keating, an architect with Weber Thompson, thanked staff and the Commission for the ongoing work on HOMA. The speaker focused on aligning the Land Use Code with the building code standards and construction best practices for Type III-A wood-frame podium construction in mid-rise mixed-use areas. It was recommended that the newly proposed Mixed-Use Seven-Story (MU7) zone be revised to allow a maximum height of 85 feet rather than the currently drafted 80 feet, thereby matching state and local building code limits. The name of the zone should actually be clarified as being Midrise Mixed-Use to match Attachment D, the Future Land Use Map. The change will enable full utilization of allowable building capacity, potentially adding an additional residential floor while still accommodating taller ground-floor commercial uses. Clarification of the zone's naming and height provisions was requested to avoid inconsistencies between regulatory frameworks and to maximize housing potential.

Jackson Diller, an owner of and investor in grocery retail properties, addressed concerns related to the grocery incentive provisions within HOMA. Drawing on direct experience in grocery development and operations, concern was expressed that the proposed one-to-one FAR incentive is insufficient to attract investment. The Commission was asked to consider a three-to-one incentive structure. The speaker also warned that a permanent covenant restricting grocery use poses long-term risk due to evolving retail and e-commerce trends, which could make future reuse of specialized grocery spaces difficult or impractical. It was emphasized that grocery build-outs require significant capital investment, and that long-term inflexibility could discourage participation. Stronger incentives are necessary to offset the risk and to attract future development.

Jessie Clawson commended the Commission for its attention to detail and emphasized the importance of resolving technical refinements before finalizing the legislation. It was noted that many zoning provisions have not been updated in decades and careful adjustments now will prevent the need for future revisions. The speaker advocated for incentivizing office and non-residential projects to participate in the fee-in-lieu program through the proposed three percent floor plate increase, describing the adjustment as visually minimal but economically meaningful. Additional support was expressed for adopting a 25-year covenant structure for grocery and commercial affordability incentives; aligning the Land Use Code and building code height standards at 85 feet; and implementing the MFTE supercharger for mandatory housing requirements. The urgency of accelerating housing production and linking the refinements to the city's long-term housing and employment growth goals was stressed.

Ian Morrison thanked staff and the Commission for the progress made since 2024 and described the current stage of the HOMA process as a critical opportunity to unlock housing development. With regard to neighborhood shopping centers, the speaker emphasized the importance of grocery anchors in creating vibrant mixed-use communities. Support was expressed for strengthening the grocery incentives by adopting a three-to-one FAR ratio and replacing permanent covenants with a 25-year term. Comparisons were drawn to similar policies in neighboring jurisdictions, and it was suggested that Bellevue could establish regional leadership

by offering more effective incentives. Also supported was aligning mixed-use height limits with building code standards at 85 feet. The Commission was urged to provide clear direction to staff as the proposal advances to the City Council.

Heidi Dean, a Newport Hills resident, raised concerns regarding the timing and adequacy of the community engagement related to the most recent HOMA draft. The Newport Hills Community Club was not informed of the updated draft until shortly before the deadline for submitting written comments, limiting meaningful participation. The speaker further observed that representatives of certain shopping centers had testified while nearby residents and businesses had not, attributing the absence to insufficient outreach. A reference was made to a prior directive from the Commission in May requesting additional public engagement following the suspension of a public hearing. The directive was not fully implemented. Opposition was voiced to the proposals to reduce the ground-floor retail requirements and commercial frontage in Neighborhood Business zones, and it was argued that the existing neighborhood centers are already vibrant and do not require increased residential density to remain viable. Additional concern was expressed that removing grocery protections could result in food access gaps. Proceeding with citywide code changes while receiving input from only a limited set of neighborhoods is inequitable and potentially improper. The Commission was urged to adhere to the previously adopted Comprehensive Plan distinctions between low-rise categories, and to avoid applying more intensive development standards to neighborhood centers.

Luke Schroeder with Schnitzer West, a long-established Bellevue-based development firm, thanked the Commission and staff for facilitating an ongoing dialogue with the development community. Bellevue's strong office market and its contribution to the city's economic base was highlighted as the reason for recent interest from major corporate tenants relocating from outside the city. While acknowledging that the proposed affordable housing fee for office developments is financially feasible, a concern was expressed that the requirements could expand in the future without corresponding incentives. The speaker advocated for adoption of a three percent floor plate bonus to offset the new fee, describing the proposal as simple to implement and necessary to preserve a pro-development environment.

Allen Bakalian spoke representing the BelRed Professional Center and noted having submitted written comments. The BelRed Professional Center was built in 1979 prior to any residential construction. Of primary concern with regard to HOMA are the setbacks and transition zone requirements. Greater flexibility in the setback standards is needed. The existing residential structures were set significantly back from property boundaries and rigid buffer requirements could unnecessarily reduce the development capacity. Concerns were also raised about the building height transition requirements, particularly the application of a 45-degree plane. The existing mature tree cover and the large separations already mitigate potential impacts. It was suggested that future conditions in adjacent neighborhoods could change over time, and the code should allow discretionary flexibility to maximize residential unit production while maintaining adequate buffering.

Brendan Lawrence, a senior development manager for Onny Group, expressing appreciation for the level of staff collaboration and reiterated support for the balanced incentives that promote both residential and office development. A strong office market contributes to demand for housing and overall urban vitality. The current HOMA draft imposes additional costs on office projects without providing offsetting benefits. The proposed three percent floor plate increase is a modest adjustment that will help absorb new fees and maintain development feasibility in a challenging economic environment. The Commission was urged to direct staff to incorporate the change.

Charlie Foushee voiced support for adopting the three percent floorplate increase, which will be a fair offset to the new fee on Downtown office projects. Scansco, a global commercial developer with office and residential projects in Bellevue, believes the city to be a thriving office market. Needed is a strong balance between jobs and residences. It was argued that the fee structure as drafted could discourage future office development. A small increase in the allowable floor area will provide a reasonable offset for the fees. The Commission was urged to direct staff to pursue the adjustment as part of its final recommendation.

Mark Villwock spoke representing DR Horton, a residential development company, and addressed pedestrian-oriented development requirements in certain mixed-use areas. There are specific locations in mixed use zones where pedestrian-oriented development does not make sense. It was noted that the company forwarded to the Commission recommended changes where the requirements are impractical due to street configuration and limited pedestrian activity. Targeted exemptions or adjustments will allow stalled properties to move forward with housing development more efficiently. The Commission was asked to review the submitted redline proposals aimed at reducing or eliminating pedestrian-oriented requirements in those areas to facilitate housing production.

Nicole Myers raised concerns about potential state legislation that could alter the requirements for ground-floor retail and active uses. The Commission was encouraged to consider structural safeguards within the HOMA framework to preserve mixed-use character and to ensure that additional building height or density remains tied to the provision of active ground-floor uses that support neighborhood vitality and pedestrian activity. While acknowledging the need for housing incentives, the speaker emphasized the importance of maintaining a balance between residential and commercial uses and expressed strong support for retaining grocery uses as essential neighborhood amenities.

7. PUBLIC HEARING – None
(7:21 p.m.)

8. STUDY SESSION
(7:21 p.m.)

A. Housing Opportunities in Mixed-Use Areas Land Use Code Amendment

Chair Khanloo stated that on December 10, 2025, the Planning Commission held a public hearing on the proposed Land Use Code amendment for Housing Opportunity in Mixed-Use Areas (HOMA). In response to testimony and Commission direction, staff revised the strike draft in several areas, including the impervious and hard surface limits, the pedestrian-oriented use requirements, the Downtown provisions, and the transition requirements. On the table is a formal request from the staff that the Commission recommend approval of the proposed Land Use Code amendment.

Assistant Director Nick Whipple noted that the meeting was the sixth formal engagement with the Commission on HOMA. The December 10 public hearing generated substantial community input and included a Commission request that staff respond to a list of 36 items raised by the Chambers' PLUSH committee, along with additional issues identified by the Commission. Significant work occurred since the public hearing. Staff believe that the proposed Land Use Code amendment should, after full deliberation, be recommended to the Council in time to advance the proposal in February.

Senior Planner Mathieu Menard said the original HOMA draft was made public on March 2025. Throughout the process feedback from the Commission, community members and the development community has been incorporated. The draft is currently in its sixth iteration, with the latest draft reflective of comments made at the public hearing and from the Commission. At the public hearing there were 36 specific requests made by the Chamber of Commerce's PLUSH Committee. Of those, 16 were recommended for incorporation into the current draft. Three will be addressed through director's rules, particularly an affordable housing director's rule that is expected within the next few weeks, and additional concerns will be addressed through other upcoming regulatory efforts. In particular, a separate parking reform Land Use Code amendment is forthcoming in response to a recent state law limiting local parking requirements, with which compliance is required by January 20, 2027. Nine of the requests will be carried into the future Downtown Livability 2.0 work program, including issues related to floor plate treatment across uses in the Downtown. Eight of the requests are not recommended for adoption. A spreadsheet summarizing the requests and the staff responses was included in the meeting packet.

Mathieu Menard said staff was asked to make more of a transition between residential districts and neighboring buildings over 60 feet tall. The original proposal included a 25-foot landscape setback. The proposal allows a 60-foot building at the 25-foot setback line, and then requires a 45-degree daylight plane beginning at 25 feet from the property line and 60 feet above grade. A building that is 80 feet tall will need to be set back another 20 feet from the property line.

Mathieu Menard said staff had also been asked to look at significantly more flexibility for pedestrian-oriented uses. It was understood that the previous language was viewed as being overly restrictive. In designated Neighborhood Center mixed-use districts, the code requires pedestrian-oriented uses along a portion of street frontage: 50 percent of the linear street frontage in lower-density mixed-use districts, and 66 percent in higher-density districts that allow seven stories or more. Certain office-oriented districts are not subject to those requirements, namely OLB, OLB-2 and Office. The previously proposed departure mechanism has been significantly loosened in the proposed draft. Properties on collector arterials were added as eligible for departures, and the earlier limitation barring departures where a site is visible from adjacent neighborhoods was removed. The departures are to be addressed through the design review process at the discretion of the Department of Development Services. In addition, a new and broader departure allowing substitution of pedestrian-oriented uses with other uses that encourage pedestrian activity has been introduced. It is subject to a limitation that projects could not consist predominantly of townhomes. The limitation is intended to avoid high-density neighborhood center districts becoming dominated by townhome-only development, which is less compatible with ground-floor retail expectations, and less efficient for meeting overall housing and density goals. A further refinement, which was requested by developers, allows a limited portion of pedestrian-oriented uses to be located along a plaza set behind the sidewalk, provided that the plaza meets the dimensional requirements, the uses remain visible from the sidewalk, and no more than fifteen percent of the total pedestrian-oriented requirement is satisfied in this manner.

Mathieu Menard said the update significantly increases the impervious surface limits, increasing the allowed coverage to 85 percent in lower-density mixed-use districts and 95 percent in higher-density districts. The hard surface allowances are increased to 95 percent in lower-density districts and 100 percent in the higher-density districts, including treatments such as pervious paving and green roofs. The bike parking standards were addressed. While the residential bike parking requirements were not changed, the hotel bike parking ratios were reduced from one space per five hotel rooms to one per twenty rooms to better align with peer cities. The

requirements relating to ground-floor residential orientation were also revised. The older code language effectively required certain units to face externally, whereas modern apartment building designs frequently include internal-facing units along double-loaded corridors. The update preserves the exterior-facing stoop requirements when applicable but allows internal-facing configurations as an option rather than as a mandate. Also added were exemptions from triggering proportional compliance for certain actions, including demolition and environmental remediation, in order to avoid discouraging asbestos removal, soil remediation, or replacement of vacant or underutilized buildings.

Mathieu Menard noted the staff were continuing to recommend Option A as a balanced approach that is less aggressive than many neighboring jurisdictions yet expected to be effective in producing affordable housing. It was acknowledged that there was extensive public comment regarding the Multifamily Tax Exemption program, and it was clarified that the MFTE policy is not within the planning Commission's purview and will be addressed through separate Council processes. Coordination with the Office of Housing is underway to ensure that MFTE considerations will be discussed alongside any Council action on mandatory inclusionary provisions.

With regard to the Downtown-related revisions, Mathieu Menard said they include clarifications aimed at improving code implementability; a minor update to the assurance mechanism for the green building amenity incentive; and a procedural change allowing up to 65 percent of parking stalls to be compact without requiring an administrative departure based on staff experience that such departures have been routinely approved. There is also a proposal to remove the side and rear landscape buffering requirements for parking areas in the Downtown given that multi-parcel projects often result in property lines internal to a single development and therefore produce illogical self-buffering requirements. It was also acknowledged that a previously discussed commitment regarding the floor plate exemption flexibility for certain Downtown areas up to an 85-foot threshold had not been fully reflected in the draft. The final version will correct the omission.

Mathieu Menard said the issue of vesting is at the discretion of the Council. The anticipated Council discussion will likely focus on requiring projects to elect either the pre-HOMA code or the post-HOMA code in full, rather than combining provisions from both. Language was added to the draft resolution to request that Council address vesting when considering the Commission's recommendation.

Mathieu Menard reiterated that the process was entering the beginning of Phase 3 and emphasized the desire for a Commission recommendation to keep the project on track for Council consideration later in the spring. The Commissioners were also reminded that Land Use Code amendments are evaluated against established decision criteria, including consistency with the Comprehensive Plan, enhancement of the health, safety, and welfare of Bellevue residents, and alignment with the best interests of Bellevue residents and property owners.

****BREAK****

(7:38 p.m. to 7:45 p.m.)

Commissioner Nilchian asked for clarification regarding the increase in allowable impervious surface area and specifically sought assurance that the change will not create stormwater or drainage issues. Mathieu Menard responded that Utilities staff were consulted and that all existing state and local stormwater regulations will remain in effect, ensuring adequate detention and retention on development sites. Any downstream impacts to infrastructure will be the

responsibility of developers to mitigate at their own expense. Utilities has not expressed significant concerns with the proposed changes.

Commissioner Kennedy asked about the revisions to the pedestrian-oriented use requirements, particularly in regard to the public comments concerning parcels with limited visibility to pedestrians. Mathieu Menard said the previously proposed departure provision was overly restrictive, and the revisions had removed the prohibition related to collector arterials as well as the restriction tied to visibility from adjacent neighborhoods. The changes expand the eligibility for departures while still requiring projects to demonstrate compliance through the design review process. A broader departure provision was added to allow alternative pedestrian-attracting uses, provided that developments are not composed solely of townhomes.

Commissioner Villaveces asked if the Commission should continue deliberations in an additional session or move forward with a recommendation that incorporates the targeted amendments. Chair Khanloo commented that the public hearing was closed on December 10. At that time staff was directed to address specific follow-up items. Additional comments and suggestions have been received since. Nick Whipple clarified that the Commission has the discretion to recommend amendments even if they arose after the public hearing. Precise language is not needed at the current stage; general policy direction can be incorporated into the recommendation. The stakeholders will retain the opportunity to raise concerns with the City Council during the subsequent phases of review.

Commissioner Villaveces expressed support for incorporating several of the refinements raised during the public testimony, including adjusting the mixed-use height standard from 80 to 85 feet; the proposed three percent floor plate bonus for office development; revisiting the consolidation of affordable housing units within apartment components of mixed-format developments; addressing nomenclature inconsistencies between zoning labels and the Future Land Use Map designations; and reconsidering the duration of grocery store covenants to avoid perpetual restrictions. Mathieu Menard responded that the zoning nomenclature will not fully align with the Future Land Use Map due to the fact that there are more zoning districts than those shown on the map. Increasing the mixed-use seven-story zone height to 85 feet will effectively make it an eight-story zone, so the name would need to be updated accordingly. The requirements regarding the distribution of affordable units between ownership and rental components is governed through a separate director's rule process, which currently proposes proportional distribution and emphasizes the importance of supporting affordable homeownership as a Comprehensive Plan priority.

Commissioner Goepple commented favorably on the added flexibility for pedestrian-oriented uses and the introduction of the 45-degree transition plane. Further clarification was sought regarding the policy rationale behind the proposed three percent floor area bonus for Downtown and the grocery-related incentives, and surprise was expressed that the issues had emerged prominently so late in the process. Mathieu Menard said the staff do not have significant concerns about addressing floor plate adjustments within HOMA, even though the topic is also expected to be a central element of the forthcoming Downtown Livability 2.0 process. The floor plate standards have emerged as a primary concern during the early outreach efforts for that future study. Changes can be made as part of HOMA or at a later date.

With respect to grocery store incentives, Mathieu Menard noted that the 25-year covenant option was raised early in the HOMA process but was not previously adopted by the Commission. The primary concern with a time-limited covenant is the possibility of granting development bonuses that might be lost after the covenant period expires. A potential compromise would be to allow

for the conversion to another exempt use or by paying an equivalent affordable housing fee should a grocery store not be reestablished after the initial lease term, thereby allowing the city to recapture the public value associated with the original bonus. Draft language for such an approach could be developed if the Commission so directs for inclusion in its recommendation. Grocery stores are a stated priority in the Comprehensive Plan. The proposed three-to-one FAR bonus for grocery uses emerged as a concept only recently. Staff are open to considering it provided the bonuses remain balanced and the affordable housing incentives remain a priority.

Commissioner Ferris expressed strong support for the proposed three percent floor plate bonus; the increase in mixed-use height to 85 feet; the notion of a 25-year grocery covenant with subsequent flexibility; and the proposed three-to-one FAR bonus to encourage grocery store development. With regard to the 45-degree transition plane, the question asked was if the approach has been adopted elsewhere. Mathieu Menard said the approach has not been used in Bellevue, but there are similar daylight plane concepts that are in use in other cities, including New York City. The proposed angle represents a balance between reducing building mass impacts and maintaining development feasibility. The Commission was cautioned against adopting a steeper angle, noting that a 45-degree plane already results in substantial additional setbacks for taller buildings. Bellevue previously applied a daylight plane standard to single-family areas in earlier neighborhood livability amendments, though it was later removed during the middle housing reforms to reduce regulatory constraints.

Vice Chair Lu expressed general comfort with advancing a proposal to the City Council, but cautioned against making numerous last-minute changes. A specific request was made to further evaluate the grocery covenant and exemption framework in light of recent grocery store closures, including those affecting Amazon Fresh locations. Additional real-world data should be identified over the coming months with regard to what is happening to the vacated buildings before making decisions.

Chair Khanloo voiced support for the 45-degree transition plane as a tool to mitigate wind and massing impacts in dense urban areas. Similar urban design approaches are used in other cities. An interest was expressed in ensuring that any time-limited grocery covenant includes a mechanism to return the public benefit at the end of the covenant period, such as through alternative public-serving uses or affordable commercial space. The Chair also expressed being open to additional study of the grocery-related impacts while emphasizing the importance of maintaining public value.

Commissioner Villaveces concurred with the general concept of the daylight plane as a means of improving massing and skyline variation, but suggested that limited architectural features such as semi-open canopies should be permitted to extend beyond the plane to enhance the human scale and visual interest without undermining openness.

Commissioner Kennedy asked how any alternative exempt uses to grocery stores will be defined, whether the list of qualifying uses could change over time, and how such provisions will be applied by property owners. Mathieu Menard explained that the current code requires applicants receiving a FAR bonus to enter into a covenant obligating the specified use for the life of the project. Under a potential revision, the requirement could be modified to establish a minimum covenant duration of 25 years for grocery uses. An alternative approach could be that the covenant will apply to the broader list of FAR-exempt uses identified in the Land Use Code rather than to a single use, thereby allowing a project to transition among qualifying uses over time, subject to city review and amendment of the covenant. Any qualifying use would need to remain within the codified exempt-use list, even if the list were to be updated later through

separate legislative processes.

With regard to the proposed increase in height for the Mixed-Use Seven-Story zone, Mathieu Menard explained that raising the maximum height from 80 to 85 feet will effectively allow eight-story wood-frame podium construction, necessitating a corresponding update to the zoning district's name for consistency. The district is newly created under HOMA and applies to a limited number of parcels, but the change will meaningfully increase housing production potential within the specific zoning category.

The Commissioners were asked to express their positions on increasing the height limit from 80 feet to 85 feet, and on modifying the grocery covenant framework.

Commissioner Ferris voiced support for a compromise approach that would allow transitions among eligible FAR-exempt uses regardless of the timeframe.

Commissioner Nilchian asked if the transition to another qualified use would be allowed only if a grocery use could no longer be maintained. Mathieu Menard explained that under the proposed compromise, developers could select any eligible exempt use from the outset or transition among them over time, provided that the public benefit associated with the original FAR bonus is preserved, including through payment of an equivalent affordable housing fee if applicable.

Commissioner Nilchian expressed comfort with the 25-year covenant concept but hesitation regarding the proposed three-to-one FAR multiplier for grocery uses. Commissioner Kennedy agreed.

Vice Chair Lu indicated support for the incentives generally but emphasized the need for additional staff analysis before adopting a three-to-one ratio.

Commissioner Goepple expressed concern about providing too much flexibility in the first 25 years. If a developer comes forward with a proposal to build a grocery use and is given the additional FAR, the grocery use should remain during that time period. There is a need to have and maintain sufficient places where people can get food. The Commissioner indicated a higher level of comfort with the flexibility after the first 25 years. Additional concern was expressed in regard to the three-to-one ratio, a concept that arose late in the process and has not had sufficient evaluation.

Commissioner Villaveces concurred with Commissioner Goepple on the 25 years but voiced support for an incentive approach.

Mathieu Menard clarified that any action taken by the Commission will constitute a recommendation to the City Council. The Council retains full authority to accept, modify, or reject proposed changes.

There was consensus voiced by the Commissioners in favor of the three-to-one ratio.

A motion was made by Commissioner Goepple to recommend to the Council approval of the proposed Housing Opportunities in Mixed-Use Areas Land Use Code amendment as shown in Attachment A because the proposed Land Use Code amendments are consistent with all of the decision criteria in LUC 20.30J.134; and that the Planning Commission recommend vesting for projects Downtown with submitted permits be discussed by the City Council and that the Planning Commission recommend increasing the building height to 85 feet to receive floorplate

flexibility in the Downtown affordability development flexibility program. The motion was seconded by Commissioner Villaveces.

Commissioner Ferris asked if the increase from 80 to 85 feet applies solely to the Downtown or more broadly through the Mixed-Use Seven-Story district citywide. Mathieu Menard said it refers to the Downtown

A motion to amend the main motion to increase the height limit of MU7 to 85 feet, and to change the district name from MU7 to MU8, was made by Commissioner Ferris. The motion was seconded by Commissioner Nilchian.

During discussion, Commissioner Goepple expressed concern that the MU7 to MU8 change represented a substantial policy shift introduced late in the process. Additional analysis of the geographic extent and potential impacts is needed. Mathieu Menard said the MU7 district is new and was outlined in the Future Land Use Map in the Comprehensive Plan update. It is relatively limited. Any parcel wanting to receive the district must have a zoning amendment.

Commissioner Kennedy shared the concerns voiced by Commissioner Goepple, particularly that what amounts to a major change made so late in the process.

Commissioner Villaveces suggested the proposal does not represent a large impact. The increased height will allow for maximizing the most efficient building type to produce more housing without much change in the massing of the building. Changing MU7 to MU8 would just be a housekeeping action.

Vice Chair Lu pointed out the discussions regarding MU7 during the Comprehensive Plan work, the Commission was intentional about targeting seven stories. While the proposal would allow for more housing, it is a change from the intent.

Mathieu Menard reiterated that the Future Land Use Map in the Comprehensive Plan does not list any specific building height. In terms of the Comprehensive Plan itself, the proposed amendment would not trigger major impacts. Nick Whipple said that the MU7 district does not exist in Wilburton, adding that it is true the district has been messaged as seven stories since March.

Commissioner Ferris commented that the proposal could be the difference between whether or not a building gets built.

The motion to amend the main motion carried five to two, with Commissioner Kennedy and Vice Chair Lu voting against.

A motion was made by Commissioner Goepple to amend the main motion to provide for a 25-year limit on the grocery covenant that is eligible for the FAR bonus, provided that at the end of 25 years there will be either a transition to some other use with a commensurate public benefit, or some compensation to account for the benefit originally provided. The motion to amend the main motion was seconded by Vice Chair Lu and the motion carried unanimously.

A motion was made by Commissioner Ferris to amend the main motion to allow a three-to-one FAR bonus for grocery stores. The motion to amend was seconded by Commissioner Villaveces.

Commissioner Ferris stressed the importance of having grocery stores. If it takes a bonus in FAR

to push projects over the edge, it should be allowed. The motion failed 3-4 with Commissioners Ferris, Villaveces and Kennedy voting for, and Chair Khanloo, Vice Chair Lu and Commissioners Nilchian and Goepple voting against.

A motion to amend the main motion to allow the three percent floor plate area increase for commercial uses in the Downtown was made by Commissioner Ferris. The motion was seconded by Commissioner Nilchian and the motion carried unanimously.

The main motion as amended carried unanimously.

9. OTHER BUSINESS – None
(8:36 p.m.)

10. APPROVAL OF MINUTES – None
(8:36 p.m.)

11. EXECUTIVE SESSION – None
(8:36 p.m.)

12. ADJOURNMENT
(8:36 p.m.)

A motion to adjourn was made by Commissioner Ferris. The motion was seconded by Commissioner Goepple and the motion carried unanimously.

Chair Khanloo adjourned the meeting at 8:36 p.m.



Kate Nesse

Staff to Planning Commission

February 26, 20206