

CITY COUNCIL STUDY SESSION

Recommended Land Use Code Amendment (LUCA) to establish lower minimum residential parking requirements for certain developments in areas with frequent transit service. File No. 20-110291-AD.

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DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Staff will introduce the recommended LUCA. Planning Commission Chair Radhika Moolgavkar will present the Planning Commission recommendation approving the LUCA without modification. The Resolution documenting this recommendation is included as Attachment A.

Following discussion, staff is seeking Council direction to prepare the Ordinance for final action at a future meeting.

RECOMMENDATION

Move to direct staff to bring back the Ordinance as drafted for final action at a future meeting.

BACKGROUND & ANALYSIS**Background**

The recommended LUCA will amend chapters 20.20, 20.25A, 20.25D, 20.25P and 20.50 to establish lower minimum residential parking requirements in areas with frequent transit service. A strike-draft of the LUCA is provided as Attachment B and a draft Ordinance is provided as Attachment C.

This LUCA is in response to two state of Washington statutes, RCW 36.70A.620 and RCW 36.70A.698. RCW 36.70A.620 limits the minimum parking requirements the City may impose on certain residential developments with frequent transit service, including affordable housing, market rate multifamily housing, and housing for seniors and people with disabilities. Similarly, RCW 36.70A.698 limits the minimum parking requirements for new accessory dwelling units with frequent transit service.

Further, this LUCA advances the City's 2017 Affordable Housing Strategy (AHS), and the City's 2014 Transit Master Plan. First, this recommended LUCA supports the City's goal to reduce the cost of building housing generally, including affordable housing (AHS C-5), and supports the goal to revise codes to reduce costs and process time for building multifamily housing (AHS D-1). The cost to build parking is a significant cost driver in residential development. This cost impacts rent and home sale price levels. Thus, reducing the cost of building parking correlates to reducing the overall cost of building housing units. Also, with its focus on areas with frequent transit service, this LUCA supports the City's goal to use development regulations in Bellevue's activity centers to support transit use (Transit Master Plan Strategy 7).

Additionally, it is important to explain that the LUCA does not modify or amend the City's Multifamily Housing Property Tax Exemption (MFTE) Program. Council is currently processing proposed amendments to the MFTE Program, which is chapter 4.52 of the Bellevue City Code (BCC). However, to the extent that Council may consider including the cost of parking as a component of affordable rent or consider specific parking amenities for affordable units in connection with the MFTE Program, these considerations do not apply to this LUCA. Instead, this LUCA will establish the minimum parking requirements for certain residential development with frequent transit service, including affordable housing residential development, but the LUCA will not modify the MFTE Program or chapter 4.52 BCC.

Legislative History

On July 28, 2019, the Washington State Legislature passed E2SHB 1923. This legislation added RCW 36.70A.620, which placed caps on the City's minimum parking requirements for certain residential development with frequent transit service. These limits and frequent transit service definitions are shown in **Table 1**.

Table 1: Limits on Minimum Parking Requirements by Use, RCW 36.70A.620

Residential Use	Definition of Frequent Transit Service	Limit on Minimum Parking Requirement
<i>Affordable Housing (50% AMI and Below)</i>	<i>1/4 mile from stop with service at least 2 times per hour for 12 hours per day</i>	<i>0.75 spaces/unit or 1 space/bedroom</i>
<i>Market Rate Multifamily Housing</i>	<i>1/4 mile from stop with service at least 4 times per hour for 12 hours per day</i>	<i>0.75 spaces/unit or 1 space/bedroom</i>
<i>Housing for Seniors and People with Disabilities</i>	<i>1/4 mile from stop with service at least 4 times per hour for 12 hours per day</i>	<i>0 spaces/unit or bed; and No restriction on parking for employees and visitors</i>

This new State statute also required the City's conformance by June 11, 2020. As such, on May 18, 2020, the City adopted Ordinance No. 6513 imposing an Interim Official Control (IOC) reducing parking requirements to conform with the requirements in RCW 36.70A.620. The IOC is effective for six months and was extended for an additional six months in October (Ordinance No. 6541) to allow time to develop the permanent code. The IOC requirements are shown in **Table 2**.

Table 2: IOC Requirements

Residential Use	Definition of Frequent Transit Service	Limit on Minimum Parking Requirement
<i>Affordable Housing</i>	<i>1/4 mile from stop with service at least 2 times per hour for 12 hours per day</i>	<i>0.75 spaces/unit</i>
<i>Market Rate Multifamily Housing</i>	<i>1/4 mile from stop with service at least 4 times per hour for 12 hours per day</i>	<i>0.75 spaces/unit</i>
<i>Housing for Seniors and People with Disabilities</i>	<i>1/4 mile from stop with service at least 4 times per hour for 12 hours per day</i>	<i>0 spaces/unit or bed; and Parking for employees and visitors</i>

At the time of initiating the development of the permanent LUCA, Council also directed staff to analyze the following additional topics:

1. **Transit Radius.** Increasing the distance between transit service and the housing development from one-quarter mile to one-half mile for eligibility for reduced parking;
2. **Parking Departure Process.** Determining whether the parking departure process could accommodate decisions to occur earlier in the process;
3. **Downtown Residential Visitor Parking.** Revisiting Downtown residential visitor parking requirements; and
4. **Affordable Housing.** Identifying opportunities to further incentivize affordable housing.

This LUCA was introduced to the Planning Commission during its January 13 study session. The Planning Commission considered the LUCA at a second study session on January 27. Following discussion at the January 27 study session, the Planning Commission directed staff to prepare the LUCA for public hearing consistent with the City's Process IV land use process. A staff report describing the background, review process, and this LUCA's compliance with the decision criteria was provided to the Planning Commission, made available prior to the February 24 public hearing, and is included as Attachment D. After the public hearing and discussion, the Planning Commission recommended approval of the LUCA without modification.

Components of the Recommended LUCA

The recommended LUCA will amend chapters 20.20, 20.25A, 20.25D, 20.25P and 20.50 to establish lower minimum residential parking requirements in areas with frequent transit service, consistent with State law and previous City Council direction. For ease of discussion, the components of this LUCA are organized into six topics:

1. Frequent transit criteria (including radius)
2. Parking ratio
3. Parking departures process

4. Downtown visitor parking
5. Affordable housing incentives
6. Accessory dwelling units

Topic 1. Frequent Transit Service Criteria

Consistent with State law, this LUCA establishes separate definitions of frequent transit service for market rate multifamily housing and affordable housing. The threshold for frequency is lower for affordable housing units compared to market rate multifamily units. If a transit stop has service at least two times per hour for 12 hours per day, new affordable housing units near the stop will be eligible for reduced minimum parking ratios. Specifically, this includes affordable housing units serving households with incomes up to 80 percent Area Median Income (AMI). The proposed LUCA uses this broader definition compared to the State statutes in order to ensure compatibility with all of Bellevue's affordable housing incentives, including the MFTE Program mentioned above.

If a transit stop has service at least four times per hour for at least 12 hours per day, new market rate multifamily housing units near the stop would also be eligible for reduced minimum parking ratios. Under this LUCA, future light rail and bus rapid transit stops set to open within two years are also included in this frequency category. This is consistent with parking incentives applied in BelRed and Eastgate.

It is possible that transit frequency at specific stops could change from year to year, particularly for standard buses. Projects will vest to the parking requirements associated with transit frequency at the date of complete building permit application or land use approval, regardless of future service changes. The State statutes do not offer exceptions to the minimum standards in the event of subsequent service changes. However, increasing density near frequent transit stops can help retain service levels by increasing ridership. The City will update the map of frequent transit stops annually for informational purposes, though the applicant will also be required to provide documentation of a nearby stop's frequent transit service with their permit application. A map showing eligible locations under this LUCA is provided as Attachment E.

For stops with service meeting the lower threshold for frequent transit service (at least two times per hour), the reduced minimum parking requirement would apply to any affordable housing units located within one-quarter mile of the stop. This distance is applied as a simple radius, consistent with RCW 36.70A.620 criteria for frequent transit service.

For stops with service meeting the higher threshold for frequent transit service (at least four times per hour), including future light rail and bus rapid transit stops, the radius expands to one-half mile of the stop. Bellevue's Comprehensive Plan also uses one-half mile from a transit station that provides "frequent, reliable service" in its definition of Transit-Oriented Development (TOD). While individual preferences and abilities to walk to transit vary, past studies have found little meaningful difference in overall ridership in development that is one-quarter or one-half mile from a stop with frequent transit service.

There may be cases where an eligible development is located within a frequent transit radius, but physical impediments such as a highway may require a pedestrian to walk a much longer distance to the nearest transit stop. While RCW 36.70A.620 requires the use of a radius, it also clarifies that higher

parking ratios may be applied if the site is located in an area where physical space impediments or other reasons supported by evidence make on-street parking infeasible for the unit. As a result, the LUCA includes language granting the Director of Development Services the authority to determine that frequent transit service is not available to a site if pedestrians are required to walk more than one-half mile to any qualifying transit stop.

Topic 2. Parking Ratio

This LUCA provides a new minimum parking ratio of 0.75 spaces/unit for residential development meeting the criteria above. This reduced ratio is only applicable to new developments. This ratio was selected because it is consistent with existing residential parking ratios in transit-oriented Land Use Districts, including BelRed.

Topic 3. Parking Departures Process

Currently, under LUC 20.25A.080, developments located in Downtown zones may apply for a departure from minimum parking requirements by providing a parking demand analysis. While staff can and does provide guidance early in the process on the likelihood of approval, the formal approval is tied to the Design Review process. As a result, the departure process is a source of uncertainty and approval may take place later than ideal for the developer. As such, Council directed staff to analyze whether there should be an amendment to this administrative process.

Separating the parking departure decision from the Design Review process is problematic, as projects typically change during the review process, and these changes could impact parking needs. In addition, granting approval early would potentially eliminate the opportunity for public input provided through the current process. Also, the scope of this LUCA only includes residential development. Improving the parking departure process should incorporate all uses to ensure the process is as clear and consistent as possible. As such, the Planning Commission recommended LUCA does not include an amendment to the parking departure process.

Importantly, minimum parking requirements should not be higher than the typical market demand for parking, and departures should only be required in exceptional cases. Reassessing parking requirements for residential developments, as is taking place for frequent transit areas with this LUCA, greatly help reduce the need for departures. Since the IOC was imposed, several projects have been proposed that are eligible for reduced minimum residential parking. While staff are aware of at least one project that is taking advantage of the maximum reduction, there have been several projects that have proposed parking ratios below current requirements but above the maximum reduction. This supports the notion that this LUCA should reduce demand for further departures. Thus, the proposed reduced parking minimums address both needs—providing certainty for development decisions and maintaining the integrity of the public process.

While the proposed LUCA does not propose criteria for further reductions, staff notes there are several promising options, such as incorporating a walkability index for reductions or offering reductions in exchange for providing dedicated car-share spaces, protected bicycle parking, and subsidized or free transit passes for residents. These options have been employed by other jurisdictions and may warrant more robust study and engagement than feasible under the required timeline to adopt this LUCA by the expiration of the IOC, or May 18.

Topic 4. Downtown Visitor Parking

Per LUC 20.25A.080.B, residential development in Downtown must provide one visitor parking space per 20 units, in addition to any required residential parking. This requirement was adopted in October 2017 as part of the Downtown Livability Initiative. During that process, some Downtown residents shared that visitor parking in Downtown is necessary due to limited on-street parking availability. Other participants shared opinions that such requirements should be determined based on individual building needs, rather than a prescribed minimum. Ultimately, the City adopted the current requirement for visitor parking.

To date, very few residential projects have been built under the new Downtown Code, which presents challenges to analyzing the impact of this requirement. As a result, this LUCA does not change the visitor requirement, except if the visitor parking ratio creates an inconsistency between the overall parking requirement and RCW 36.70A.620. To that end, this LUCA includes a provision to reduce the requirement in areas with frequent transit service, so the combined amount of required visitor parking and residential parking does not exceed a maximum of 0.75 spaces per unit. As with other parking requirements, developers may still choose to provide additional visitor parking above the minimum.

Topic 5. Affordable Housing Incentives

This LUCA includes additional incentives to encourage affordable housing in transit-rich areas through lower minimum parking ratios for permanent affordable housing units. These lower parking ratios have been selected based on existing incentives offered in certain cases in Downtown and BelRed.

Income levels for affordable housing are updated annually by the US Department of Housing and Urban Development (HUD), and are adjusted for household size. They are based on a region that includes both King and Snohomish Counties. For permanent affordable units serving households earning 80 percent AMI and below that are located within one half mile of a stop with service at least four times per hour, the recommended minimum parking ratio is 0.5 spaces/unit, instead of 0.75 spaces/unit. For units with one bedroom and smaller serving households earning 60 percent AMI and below, the recommended minimum parking ratio is 0.25 spaces/unit.

Topic 6. Accessory Dwelling Units (ADUs)

This LUCA also responds to additional legislation, ESSHB 6617, which was not identified at the time that Council adopted the IOC. This State legislation added RCW 36.70A.698, which restricts the City from requiring "off-street parking for accessory dwelling units within one-quarter mile of a major transit stop." Cities must comply with this restriction by July 1, 2021. Because there is common timing, staff has incorporated necessary code revisions for conformance with RCW 36.70A.698 as a component of this LUCA.

Specifically, this LUCA removes the minimum parking requirements for ADUs located within one-quarter mile of a major transit stop. The definition of a major transit stop in RCW 36.70A.698 has similar criteria as frequent transit service in RCW 36.70A.620. Therefore, eligibility for this parking exemption is when there are bus stops providing service at least four times per hour, future light rail stations, or future bus rapid transit stops.

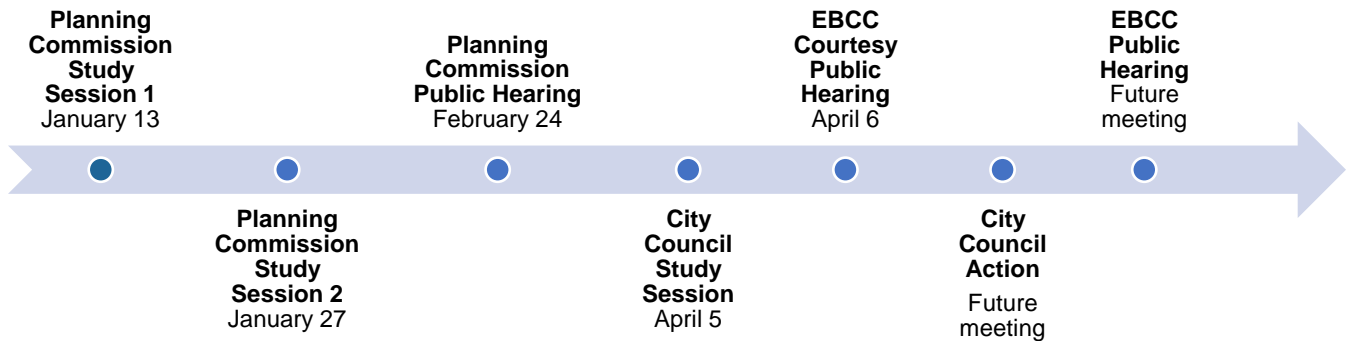
Public Engagement

For this recommended LUCA, staff has followed a public engagement plan with three modes of outreach to ensure the public, stakeholders, and interested parties had 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 LUCA on December 10;
 - notice of public hearing and staff report on February 4; and
 - public hearing on February 27
- B. Direct Engagement and Feedback. Dialogue with representatives of the development community and neighborhoods with frequent transit service.
- C. Online Presence. City webpage for the 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.

Review Process

The timeline identifies the review process for LUCA. Council will consider the proposed LUCA during the April 5 Study Session, with final action at a future meeting.



POLICY & FISCAL IMPACTS

Policy Impact

The proposed LUCA will advance the AHS and ensure consistency with State statutes.

Fiscal Impact

There is no fiscal impact associated with implementing the proposed LUCA.

OPTIONS

1. Direct staff to bring back the Ordinance as drafted for final action at a future meeting.
2. Provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Planning Commission Resolution Recommending LUCA

- B. Strike-Draft of LUCA
- C. Draft LUCA Ordinance
- D. LUCA Staff Report
- E. Map of Eligible Areas Under Proposed LUCA

AVAILABLE IN COUNCIL LIBRARY

N/A