



Bellevue Planning Commission

July 27, 2022

PLANNING COMMISSION AGENDA ITEM

SUBJECT

Comprehensive Plan Amendment (CPA) proposal 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 the AHS Action C-1 Phase 2 initiative to increase affordable housing potential on certain faith-owned properties in single-family land use districts. This initiative includes a CPA as part of the 2022 annual CPA work program and a 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.

Council-initiated CPAs are reviewed through the final review process set forth in the Land Use Code at [LUC 20.30I.130.A.1.b](#). The Planning Commission evaluates the merit of each proposed amendment using the criteria set forth in [LUC 20.30I.150](#) to determine if the proposal should be adopted into the Comprehensive Plan.

The Comprehensive Plan is Bellevue's foundational policy document which guides the nature and intensity of development in the City and sets out the community's vision for the future, provides policies to guide city actions, and provides a framework to allow the city and community organizations to work towards common goals.

- Introduction and Vision, Comprehensive Plan

An amendment to the Plan is a mechanism by which the City may modify its land use, development or growth policies.

- Land Use Code (LUC) 20.30I.120 - Purpose

Action C-1 Phase 2 works to address the need for affordable housing in Bellevue and is consistent with the Comprehensive Plan policies and Diversity Advantage Plan principle listed below:

Comprehensive Plan Policy HO-7: Encourage the development of affordable housing through incentives and other tools consistent with state-enabling legislation.

Comprehensive Plan Policy HO-26: Provide incentives and work in partnership with not-for-profit and for-profit developers and agencies to build permanent low- and moderate-income housing.

Diversity Advantage Plan Guiding Principle

Opportunity: Share prosperity by connecting residents, schools, businesses, faith and nonprofits to work together for the common good.

The Planning Commission holds Final Review public hearings and then makes recommendations to City Council. The Council’s subsequent action on those recommendations amends the Comprehensive Plan.

DIRECTION NEEDED FROM THE PLANNING COMMISSION

| ACTION <input type="checkbox"/> | DIRECTION <input checked="" type="checkbox"/> | INFORMATION ONLY <input type="checkbox"/> |
|---|--|--|
| Request | Summary Guidance | |
| 1. Study and review the staff agenda memo. | See below and the applications page. | |
| 2. Set Final Review public hearing date at the end tonight’s Study Session. | <i>“I move the commission set a September 14 Final Review public hearing date for the proposed plan amendment.”</i> | |
| 3. Identify any additional data needed for Final Review* public hearing. | Commissioners may ask staff to provide additional information to questions they have. Answers to which will be included the Community Development staff report recommendation. | |

* Please be mindful that the amount and type of requested data is contingent upon availability of information and staff resources.

Conducted between staff and the Planning Commission, tonight’s Final Review study session provides opportunities for Commissioners to discuss the proposed CPA, set a Final Review public hearing date, and request additional information prior to staff conducting further SEPA analysis and publishing the Final Review staff recommendation. At the September 14 Final Review public hearing, the Commission will be asked to review the staff recommendation, hold the public hearing, and make a recommendation to the City Council on the proposed amendment, using the decision criteria set forth in [LUC 20.30I.150](#).

BACKGROUND:

On May 9, Council directed staff to initiate Action C-1 Phase 2. Council also requested that staff analyze how many additional properties would qualify for increased capacity if the distance to multifamily or commercial land use districts were expanded to 500 or 1,000 feet (as opposed to 300 feet). This analysis for potential scope expansion was incorporated into the City’s “Next Right Work” discussion for affordable housing.

On June 16, a courtesy notice of the Action C-1 Phase 2 application and public meeting was mailed to residents living within 500 feet of sites that would qualify for a rezone under the proposed CPA.

On June 22, staff provided the Commission with an introduction to the Action C-1 Phase 2 initiative. During the meeting, Commissioners and stakeholders expressed interest in the criteria being adjusted to allow more properties to qualify, noting the magnitude of the affordable housing need. Staff stated Council’s direction on the scope but noted that ideas for future work would be captured.

On June 29, staff held a virtual public information session on Action C-1 Phase 2, which was attended by just over 20 members of the public. A summary of questions and comments raised is included below under communications and engagement.

On July 5, as part of Council’s study session discussion on the Affordable Housing Strategy “Next Right Work” topic, staff informed Council that three additional faith-owned properties would qualify if the distance to multifamily or commercial land use districts were expanded from 300 to 500 feet, and another five more properties would qualify if the distance were expanded to 1,000 feet. Council directed staff and Planning Commission to amend the Action C-1 Phase 2 eligibility criteria for maximum distance to multifamily and commercial land use districts from 300 feet to 500 feet. With this change, three additional sites qualify for a rezone under the proposed CPA, bringing the total number of sites up to 28. See Attachment 1 for the revised Action C-1 Phase 2 Qualifying Properties Map.

Draft Comprehensive Plan Policies

To reduce Bellevue’s affordable housing gap, this proposed CPA would encourage development of affordable housing by further increasing affordable housing capacity on suitable properties owned by religious organizations in single-family land use districts. It does this by simplifying the process of rezoning qualifying properties from single-family to multifamily land use districts in the future. The objective of this CPA is to explicitly allow rezones of qualifying properties from single-family to multifamily land use districts when the qualifying property is developed with 100 percent permanent affordable housing.

The proposed mechanism to support this objective consists of three changes to the City’s Comprehensive Plan. First, the following note would be added to the City’s Comprehensive Plan Future Land Use Map to expressly allow rezones to multifamily use on certain qualifying properties:

1. Proposed note to be added to the Future Land Use Map:

Properties owned by religious organizations, as defined by LUC 20.20.128.B.2, and in single family designated areas shown on the map may be reclassified to multifamily through a rezone process, subject to Part 20.30A LUC, when developed with one hundred percent permanently affordable housing in accordance with housing policy HO-xx.

Second, Housing Element Policy HO-xx would expand implementation of Action C-1 to include rezones to from single family to multifamily land use districts and provide guidance on which properties qualify:

2. New Policy HO-xx:

HO-xx. Allow properties shown in single family designated areas on the Comprehensive Land Use Plan map to reclassify to multifamily when it meets all the following criteria:

1. one hundred percent of the housing being developed will be permanently affordable housing; and
2. the property is owned by a religious organization; and
3. the property is located near high capacity transportation infrastructure and services; and
4. the property is located near other multifamily residential or commercial uses.

Third, Housing Element Policy HO-xx would be added to direct the City to reach out to religious organizations to inform them about their opportunity to develop affordable housing:

3. New Policy HO-xx:

[HO-xx. Inform and educate religious organizations about the opportunity to develop affordable housing and connect them with partners and resources that can assist them with the development process.](#)

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, property owners may apply directly for a rezone.

Communications and Engagement

Below is an outline of communications and engagement to date followed by a description of upcoming engagement opportunities.

June 16 – A courtesy notice of the application and the virtual public information session was mailed to residents living within 500 feet of the original 25 sites that would qualify for increases to capacity under the proposed amendment.

June 27 – An announcement of the upcoming virtual public information session was emailed to interested parties and posted on the web and on social media.

June 29 – A virtual public information session was held with about 20 people in attendance. Comments and questions from participants about the proposed CPA included the following:

- The importance of having broad geographic distribution of eligible properties;
- A question on whether future properties purchased by faith organizations would qualify for similar rezones;
- The importance of streamlining the permitting process for developing affordable housing on faith-owned properties;
- The importance of updating the housing needs assessment;
- Concerns over potential impacts to privacy and existing criminal activity within neighborhood commercial centers;
- The importance of incorporating universal design into new housing development as well as solar panels and other green building elements;
- A question on what the current income limits are for households who would qualify for affordable housing;
- A question on whether faith organizations with affordable housing would pay property taxes; and
- The importance of helping faith organizations navigate the development process and encouraging partnerships between different faith organizations to support those who are willing to undertake the effort of housing development;

Upcoming engagement opportunities will include opportunities to ask additional questions on Engaging Bellevue and follow-up stakeholder focus group discussions. A more detailed courtesy letter will also be

mailed notifying surrounding residents of the proposed CPA and upcoming public hearing. The public hearing will also provide additional opportunities for public comment.

TIMELINE / NEXT STEPS

After the Planning Commission sets a date for the Final Review public hearing and identifies any additional information needed for Final Review, staff will develop a Final Review recommendation. This recommendation will be published and made available prior to the public hearing. The anticipated timeline for processing the CPA is as follows:

- Planning Commission Public Hearing and Recommendation: September 14 (tentative)
- Planning Commission Recommendation: September 28 (as needed)
- City Council Study Session: to be scheduled
- City Council Action: to be scheduled

The LUCA and the City-wide rezone are anticipated to begin in the fourth quarter of 2022 and run through the second quarter of 2023.

DIRECTION

The Commission is being requested to set a date for the Final Review public hearing and identify any additional information needed for Final Review.

ATTACHMENTS

- A. Action C-1 Phase 2 Qualifying Properties Map-revised
- B. List of eligible Action C-1 Phase 2 sites