



# STAFF REPORT

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DATE: March 8, 2023

TO: Chair Ferris and Members of the Planning Commission

FROM: Nick Whipple, Planning Manager, 452-4578  
Mathieu Menard, Senior Planner, 452-5264  
*Development Services Department*

**SUBJECT:** Public Hearing on a proposed Land Use Code Amendment (LUCA) to remove barriers to the construction of micro-apartments in mixed-use land use districts. File No. 23-100140-AD.

## I. BACKGROUND

The purpose of this LUCA is to remove barriers to constructing micro-apartments. Micro-apartments are allowed under the current Land Use Code (LUC) and are regulated as multi-family development. However, very few, if any, micro-apartments have been constructed within the City. The current LUC requirements for density, parking, and required amenities often drive up the cost of projects making micro-apartment construction infeasible or unit costs uneconomical.

Micro-apartments present an opportunity to increase and diversify the City's overall housing stock by encouraging smaller or more diverse apartment sizes. Based on input gathered from micro-apartment developers and property managers, the units generally appeal to those of all ages who live alone. Due to their lower monthly rent cost, they can often provide an option for those that prefer to live without roommates, are new to the area, individuals who are cost-driven, and older adults looking to move closer to family. Most often built as market-rate rentals, micro-apartments also have been utilized as income-restricted or institutional housing (e.g., permanent supportive and student housing).

## II. PROPOSED LUCA

This LUCA is narrowly tailored to address items in the LUC that were identified as impediments to micro-apartment construction through staff outreach and experience. The following examples explain the categories and components of this LUCA:

### Micro-apartment definition

The proposed LUCA adds a definition to LUC 20.50.034 to define micro-apartments as multifamily dwelling units that contain a kitchen and bathroom with a maximum size of 320

gross square feet. This definition would not include group quarters or other congregate-style housing where bedrooms are clustered around a shared kitchen or bathroom.

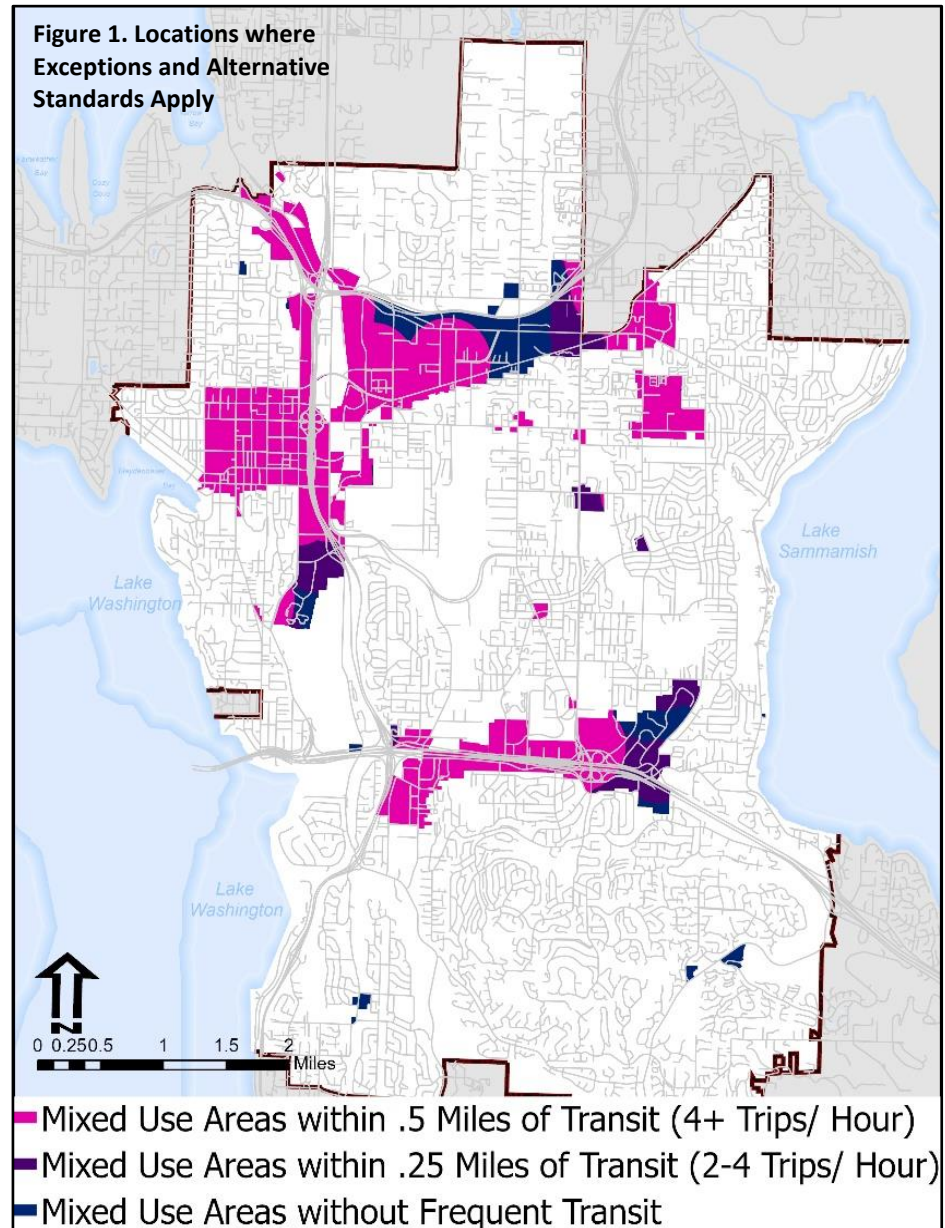
### Geographic Scope

The proposed geographic scope to reduce barriers to micro-apartments includes all mixed-use land use districts that allow both multifamily and commercial development (see Figure 1). These locations are some of the City's most compact, walkable areas with nearby jobs, shopping, services, and transit. Micro-apartments are well suited to those who do not utilize a car for their day-to-day transportation and rely on nearby services and diverse transportation options. Developing micro-apartments in areas where multifamily housing is already allowed promotes more

environmentally sustainable transportation methods, as well as provides a more local and stable customer base for surrounding businesses. The proposed geographic scope follows land use district boundaries, ensuring administrative simplicity and predictability.

### Automobile Parking Reduction

The proposed LUCA will establish a minimum parking requirements of .25 parking spaces for every micro-apartment unit located in mixed-use land use districts. No minimum



parking is required when a project meets the definition of affordable housing in the LUC. The LUCA also includes provisions for the Director to decrease the minimum required parking to accommodate specific conditions when the applicant can show that decreased parking ratios are appropriate based on the needs of a specific project.

#### Bicycle Parking Increase

The LUCA includes a requirement for one parking space for every five micro-apartment units and a requirement for these spaces to be secure and weatherproof.

#### Multifamily play area exemption

The proposed LUCA allows micro-apartment units to not be counted when determining the minimum size requirement for multifamily play areas under LUC 20.20.540.

#### Density Calculation

The proposed LUCA allows a micro-apartment unit to be calculated as a quarter dwelling unit for density purposes. This approach is consistent with other provisions of the LUC, which allow for specific uses less than 600 square feet in size to be counted as a half dwelling unit.

### **III. REVIEW PROCESS**

City Council initiated and requested that the Planning Commission process this LUCA on October 10, 2022.

On January 25, 2023, the proposed Micro-Apartments LUCA was introduced to the Planning Commission for review and discussion. After discussion, the Planning Commission directed staff to schedule the required public hearing for March 8. Following the public hearing on March 8, the Planning Commission will be asked to make a recommendation for transmittal to the City Council for final action.

### **IV. STATE ENVIRONMENTAL POLICY ACT (SEPA)**

The notice of application, including the draft SEPA environmental checklist, was noticed on January 12, 2023. The environmental review indicates no probability of significant adverse environmental impacts occurring as a result of the proposed Micro-Apartments LUCA. A Determination of Non-significance (DNS) was issued on February 16, 2023, pursuant to the threshold determination requirements in WAC 197-11-310.

### **V. PUBLIC ENGAGEMENT**

#### Required Public Notice

The notice required for City Council Legislative Actions (Process IV) is governed by LUC 20.35.415 through 20.35.450. Notice of the LUCA application, including notice of the SEPA environmental checklist, link to the City webpage, and community meeting information was published in the Weekly Permit Bulletin on January 12, 2023, and availability of the Weekly Permit Bulletin was noticed in the Seattle Times. Notice of the Public Hearing and Final SEPA Threshold Decision was published in the Weekly Permit Bulletin on February 16, along with availability of this staff report.

#### Department of Commerce Notice

Pursuant to the Washington State Growth Management Act, proposed amendments to the LUC must be sent to the Washington State Department of Commerce to review and comment on the proposed amendments to the LUC. The required notice to the Department of Commerce and the initial draft LUCA were transmitted on January 18, 2023, and a copy of both documents is available for review in the code amendment file. No comments have been received by Commerce as of the date of this report.

#### Enhanced Public Engagement

In addition to the requirements of LUC 20.35.415 *es seq* for the City Council Legislative Actions under Process IV, staff has toured micro-apartment projects in the region and met with micro-apartment developers, property managers, and architects to better understand the barriers to micro-apartment development.

#### Public Comments

As of the date of this staff report, several public comments and questions have been submitted to staff. Commenters have expressed support for increasing housing diversity in the city. Commenters have also expressed concerns about parking, unit accessibility, and neighborhood impacts.

## **VI. DECISION CRITERIA**

LUC 20.30J.135 establishes the decision criteria for an application to amend the text of the Land Use Code. Those criteria, and the relationship of these proposed amendments to them, are discussed below:

### A. The amendment is consistent with the Comprehensive Plan; and

**Finding:** The proposed LUCA is consistent with the Comprehensive Plan. The LUCA serves to encourage housing opportunity and diversity of type and price within the mixed-use land use districts in the City. The LUCA also encourages residential growth in proximity to jobs, shopping, services, and frequent transit.

**Comprehensive Plan Policy LU-3.** Promote a land use pattern and an integrated multimodal transportation system.

**Comprehensive Plan Policy HO-11.** Encourage housing opportunities in mixed residential/ commercial settings throughout the city.

**Comprehensive Plan Policy HO-17.** Evaluate the housing cost and supply implications of proposed regulations and procedures.

- B. The amendment enhances the public health, safety or welfare; and

**Finding:** This LUCA will enhance the public health, safety, and welfare by removing barriers to a lower cost housing type within the City. The LUCA also encourages housing diversity within the City, providing residents with options when it comes to housing choices and preferences.

- C. The amendment is not contrary to the best interest of the citizens and property owners of the City of Bellevue.

**Finding:** This LUCA is not contrary to the best interests of citizens and property owners as it will benefit residents by providing additional housing types, options, and price points within the City.

## VII. RECOMMENDATION

Staff has concluded that the Micro-Apartments LUCA, as drafted in Attachment A, is consistent with the decision criteria required for adoption of amendments to the text of the LUC, pursuant to Part 20.30J LUC. Staff recommends that the Planning Commission direct staff to prepare the LUCA for recommendation to Council.

### ATTACHMENT:

- A. Proposed Micro-Apartments LUCA Strike-Draft