

Micro-Apartments LUCA

Planning Commission Public Hearing

Mathieu Menard, Senior Planner
Nick Whipple, Planning Manager
Development Services Department

March 8, 2023



Agenda



Policy Basis & Objectives



LUCA Contents



Planning Commission Q&A



Engagement & Timeline



Decision Criteria



Planning Commission Direction

Hold the Public Hearing on the proposed LUCA and, following the Public Hearing, recommend to the City Council approval of the proposed LUCA



Policy Basis

Next Right Work action to remove barriers to micro-apartments

AHS Strategy B: Create A Variety of Housing Choices

- Offer more types of housing, including lower priced options near jobs, transit, shopping, and services
- **Action B-1:** Encourage micro-apartments around light rail stations through actions such as reduced parking requirements



City of Bellevue
Affordable Housing Strategy

Approved by City Council
June 5, 2017





October 10 Council Initiation & Discussion

Direction: remove barriers to the construction of micro-apartments

Discussion

Building Design:

- Explore options for shared kitchens
- Interest in establishing a minimum unit size for livability
- Understand impacts to parking requirements
- Incorporate considerations for accessibility

Location: Evaluate whether alternative standards and exceptions should apply in all mixed-use land use districts

Affordability:

- Importance of units being affordable

LUCA Objectives

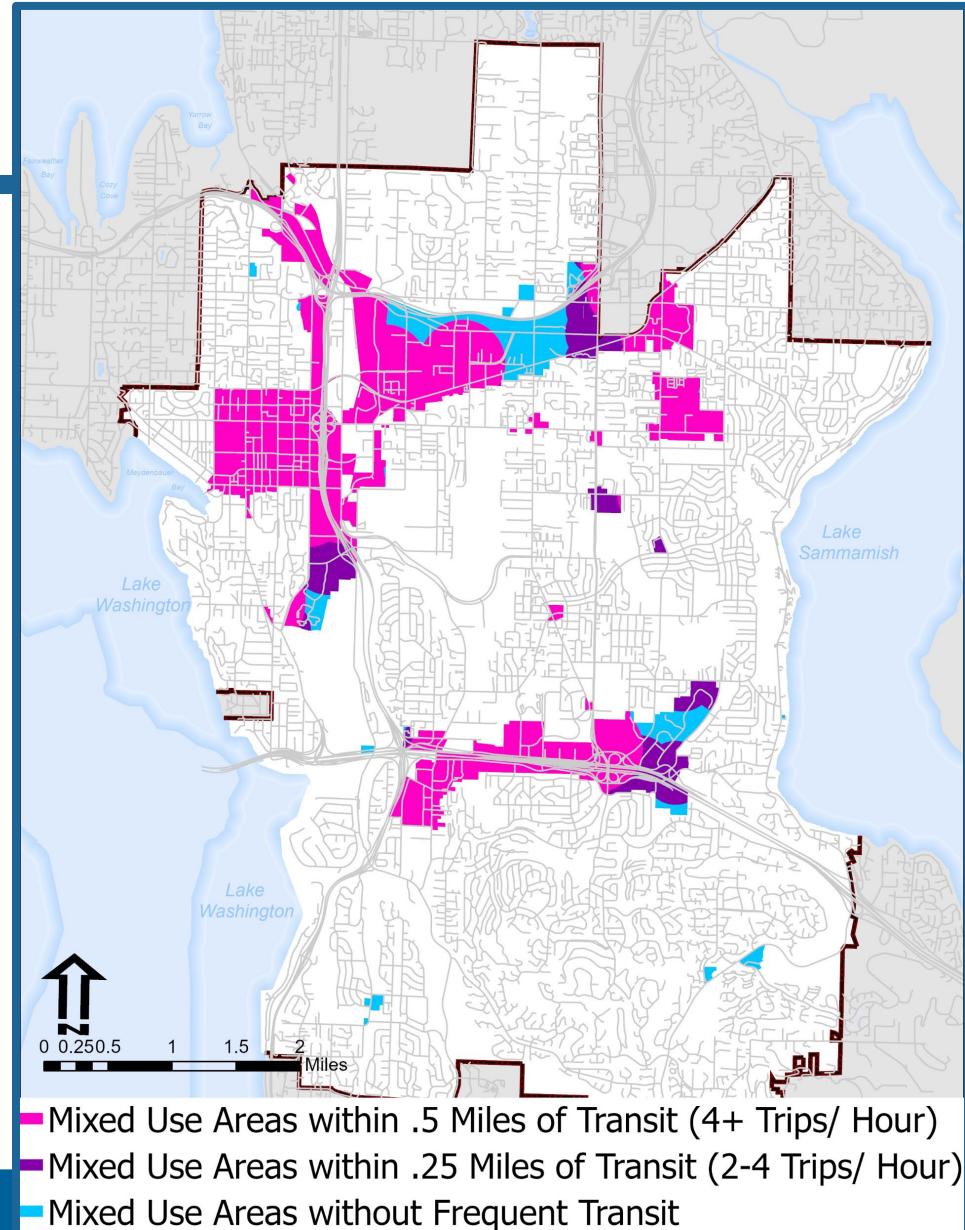
Objective: remove barriers to construction of micro-apartments

- Few micro-apartments existing in Bellevue
- Micro-apartments have tighter profit margins than conventional apartments
- Added costs towards production from:
 - Not enough density
 - High minimum parking
 - Residential amenities



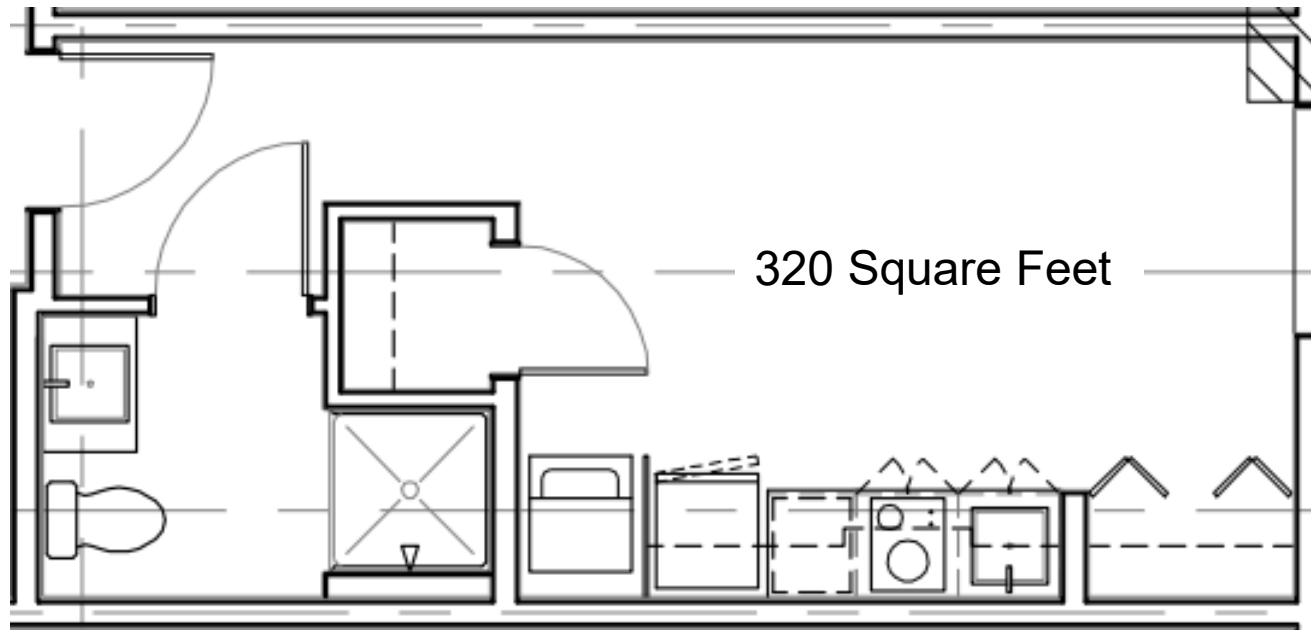
Geographic Scope

- **Geographic Scope:**
Evaluate whether alternative standards and exceptions should apply in:
 - **Option A: All mixed-use land use districts (recommended)**
 - Option B: Only within the frequent transit network (only pink & purple areas)



Proposed Code Changes

- Define micro-apartment to include:
 - Maximum size limit
 - In-unit kitchen and bathroom



Potential micro-apartment floorplan including kitchen and bathroom

Proposed Code Changes

Proposed standards:

- Reduced minimum parking
- Increased bicycle parking
- Greater density allowance in districts which utilize DU/acre
- Exemption from multi-family play areas



Photo credit: Blueprint Capital & Cleary O'Farrell Photography



Q&A from Study Session

How can we ensure these units are livable?

- No standardized metric to measure livability
- Building code works to ensure public health, safety, and welfare
- Flexibility in size and amenity space important for viability of projects

Micro-Unit Renters' Priorities in Initial Lease Decision

| Lease decision factors | Percent 4s and 5s |
|-------------------------------------|-------------------|
| Location | 97% |
| Price | 86% |
| Proximity to work/school | 78% |
| Proximity to neighborhood amenities | 73% |
| Ability to live alone | 71% |
| Proximity to public transportation | 62% |
| Internet/wifi services | 54% |
| Quality of finishes | 52% |
| Floor plan/layout | 42% |
| Assigned parking | 32% |
| Common areas/amenities | 32% |
| Sustainability practices | 29% |
| Sense of community | 27% |
| Pets allowed | 26% |
| In-unit storage | 25% |
| Visitor parking | 21% |
| Neighbors with similar lifestyles | 20% |

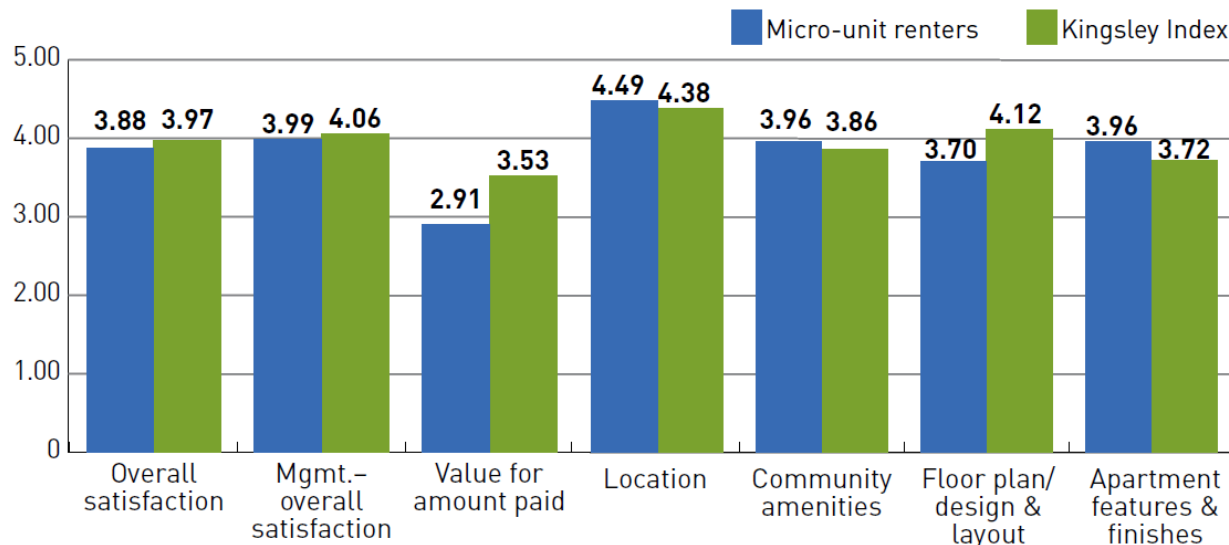


Q&A from Study Session

How can we ensure these units are livable? (cont'd)

- Micro-apartment dwellers overall satisfaction similar to conventional studio renters
- Location, price, proximity to work/school, and proximity to neighborhood amenities are most important to renters

Micro-Unit-Renter Satisfaction Scores



Q&A from Study Session

Are micro-apartments affordable?

- Micro-apartments generally affordable to those making 60%-80% AMI
- Regionally, many micro-apartment buildings have been sold for income restricted housing
- Micro-apartments more expensive to construct/operate and rent per sq. ft.

| Unit Size | 50% AMI | | 80% AMI | |
|-----------|---------------|-----------------------------|---------------|-----------------------------|
| | Annual Income | Max Affordable Monthly Rent | Annual Income | Max Affordable Monthly Rent |
| Studio | \$45,400 | \$1,135 | \$72,600 | \$1,815 |
| 1 Bedroom | \$48,600 | \$1,215 | \$77,700 | \$1,943 |
| 2 Bedroom | \$58,300 | \$1,458 | \$93,200 | \$2,330 |
| 3 Bedroom | \$67,300 | \$1,683 | \$107,600 | \$2,690 |
| 4 Bedroom | \$75,100 | \$1,878 | \$120,200 | \$3,005 |

Source: Bellevue Housing Needs Assessment, 2022



Q&A from Study Session

How can this LUCA encourage micro-apartments to be built within mixed unit size buildings?

- Examples of small studio apartments exist in Bellevue
- LUCA will apply to all micro-apartment units, including those in mixed buildings



Q&A from Study Session

What are the impacts of reducing the minimum parking requirement?

- Increased bicycle parking and location should reduce parking demand
- Future light rail anticipated to lower parking demand
- Adequate on-street parking is available



Public Engagement

- **Process IV Requirements:** Planning Commission meetings, noticing and public hearing
- **Direct Engagement and Feedback:** One-on-one conversations with developers, architects, and property managers
- **Community Information Session:** Virtual info session on January 19 to talk about LUCA.
- **Online Presence:**
 - City webpage
 - January Neighborhood Newsletter



LUCA Process

Process IV – City Council Legislative Action

| Action | Date |
|-----------------------------------|------------------------------|
| Council Launch | October 10, 2022 |
| Public Notice of Application | January 12, 2023 |
| Community Info. Session | January 19, 2023 |
| PC Study Session | January 25, 2023 |
| Notice of Public Hearing | February 16, 2023 |
| PC Public Hearing | March 8, 2023 |
| PC Recommendation | April 12, 2023 (placeholder) |
| City Council Study Session/Action | April-June 2023 |



Decision Criteria

- A. The amendment is consistent with the Comprehensive Plan; and
- B. The amendment enhances the public health, safety or welfare; and
- C. The amendment is not contrary to the best interest of the citizens and property owners of the City of Bellevue.



Planning Commission Direction

Hold the Public Hearing on the proposed LUCA and, following the Public Hearing, recommend to the City Council approval of the proposed LUCA

