



# Bellevue Planning Commission

May 10, 2023

## PLANNING COMMISSION PUBLIC HEARING

### SUBJECT

Public Hearing on a proposed Land Use Code Amendment (LUCA) to remove barriers to, and encourage construction of, attached accessory dwelling units (ADUs), and to provide a mechanism for separate ownership of ADUs. This LUCA was initiated by City Council on January 17 as part of the City's Next Right Work housing projects list, and introduced to the Planning Commission on March 22. File No. 23-102618 AD

### STAFF CONTACT(S)

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### POLICY ISSUES

This Next Right Work action is consistent with the Affordable Housing Strategy Action B-2, which encourages updating ADU standards to increase the overall supply of ADUs in the City. Additionally, this proposed LUCA is consistent with the following Comprehensive Plan policy:

- **HO-15:** Allow attached accessory dwelling units in single family districts subject to specific development, design, location, and owner occupancy standards. Allow detached accessory dwelling units where expressly allowed by neighborhood subarea plans.

### DIRECTION NEEDED FROM THE PLANNING COMMISSION

**ACTION**



**DIRECTION**



**INFORMATION ONLY**



Following discussion on the proposed LUCA on March 22, the Planning Commission directed staff to schedule a public hearing. Tonight, the Commission will be asked to hold the public hearing. Following the hearing, the Commission may make a recommendation on the proposed LUCA either tonight or at a subsequent meeting.

### BACKGROUND/ANALYSIS

The Planning Commission first reviewed this proposed LUCA on March 22, during which staff presented background information on ADUs and the City's existing regulations on them, as well as the proposed amendments to encourage ADU construction. A staff report describing the proposed changes is included with this report as Attachment A, and the specific amendments can be found in the strike-draft (Attachment B). Additionally, a list of frequently-asked questions and responses about the LUCA can be found as Attachment C, and the draft Planning Commission Resolution recommending adoption of the proposed LUCA to the City Council is provided as Attachment D.

### **State Legislation**

Staff have been monitoring the progress of bills related to ADUs working their way through the Washington State Legislature during the current session. As of this writing, House Bill (HB) 1337 has

passed both chambers and was delivered to the Governor for signature on April 19. This bill prohibits cities from imposing certain requirements on ADUs, and in many instances, the current ADU regulations are either compliant, or proposed to be compliant under this LUCA. However, in certain cases, staff recommend deferring other changes until after the Comprehensive Plan periodic update is completed, as allowed under HB 1337. These include the requirement to allow two ADUs on all lots, and a requirement to allow detached ADUs (DADUs). Both mandates necessitate environmental review and/or policy changes that are already underway with the periodic update.

### **March 22 Study Session**

During the study session, the Commission raised several questions related to the proposed amendments and the benefits of ADU development. These questions are detailed below, along with staff's responding analysis:

#### *Off-Street Parking Requirements*

Current ADU requirements mandate one off-street parking space for all ADUs outside of one-quarter mile of frequent transit stops. Under the draft LUCA, staff propose removing the parking requirements altogether to allow flexibility on lots that may be smaller or of irregular shape or topography. After discussion, the Commission requested alternative parking requirements for ADUs that maintain flexibility but can address situations where parking may be needed. Additionally, HB 1337, as passed by the state legislature, prohibits off-street parking requirements for ADUs within one-half mile of frequent transit. Thus, staff propose the following options for the Commission's consideration:

1. No off-street parking required for any ADU (**staff recommendation**); or
2. One off-street parking space required for ADUs larger than 1,000 sq. ft., except for those located within one-half mile of frequent transit.

Option 1 maintains the flexibility proposed in the initial draft LUCA and is consistent with HB 1337. Although parking would not be required under this option, property owners with ADUs may still choose to provide it as an amenity for their unit. Option 2 would expand the radius from frequent transit to one-half mile, consistent with the requirements of HB 1337, and apply a minimum parking standard to larger ADUs that exceed 1,000 sq. ft. Larger units may, for example, house families or roommates with multiple vehicles, thus this provision would mitigate possible resulting demand for on-street parking.

#### *Floor Area Limitations*

Staff proposed revising the ADU floor area limitations to the greater of 1,000 sq. ft. or 40% of the overall floor area of the primary residence and ADU combined (excluding garages). This was intended both for consistency with the definition of ADUs, which states that they are subordinate to the primary residence, as well as state legislation passed by the legislature that would prohibit cities from imposing limits less than 1,000 sq. ft. The Commission may consider increasing or removing these floor area limits, but staff do not recommend decreasing them should pending state legislation become effective.

#### *Number of ADUs Allowed*

The Commission raised whether the limit of one ADU per lot could be increased. Although the allowance of two ADUs would be required under HB 1337 and is being discussed as part of the Comprehensive Plan periodic update, this change would require additional environmental review due to the allowance of

additional dwelling units on site. As noted above, this Commission request can be more appropriately considered as part of the broader Comprehensive Plan periodic update effort.

#### *ADU Permitting Procedures*

In addition to the design and use requirements for ADUs, staff also propose revising the procedures for permitting an ADU, primarily through removal of the registration and notice requirement. In response, the Commission asked how a public notice to neighbors within 500 feet of an ADU constitutes a barrier to ADU development. Staff contend that the requirement, while informative to the surrounding community, adds time to the process for ADUs to be permitted by requiring project reviewers to prepare and process mailings. Further, the City maintains an Open Data Portal which includes permitting data for ADU development indicating the location and size of ADUs being built in the City. Staff recommend removing the separate registration and notice requirement to improve efficiency in the process and reduce the number of required permits.

Additionally, because the owner occupancy requirement is proposed for removal, the requirement to record a notice on the property title explaining the applicable ADU requirements is also recommended to be eliminated. The lack of owner occupancy on a site with an ADU would no longer constitute a land use violation, but the proposed LUCA would not retroactively remove notices previously recorded. To address this, staff will create a release form that can be recorded to remove the previous notices and offer them to past ADU applicants. However, this would not be mandatory.

#### *ADU Construction Costs and Rental/Sale Prices*

The Commission also raised questions on the cost of construction for an attached ADU. Staff noted that the range varies widely; ADUs come in many different forms and property owners can use a variety of materials and finishes that affect the overall project budget.

The City of Seattle and University of Washington recently published results of a survey of ADU owners and residents, including details on the cost of ADU construction and the sale or rental price of ADUs. This survey was included within the [2022 annual report](#) of ADU development activity in Seattle following adoption of regulatory reforms in Seattle regarding ADUs, which in part removed many similar restrictions as proposed in this LUCA. The survey found that:

- The cost to construct an attached ADU ranged between \$10,000 and \$800,000, with a median cost of approximately \$100,000.
- Rent for ADUs (both attached and detached) was between \$1,250 and \$2,000 per month, with the median rent being \$1,650. For comparison, the median rent for a 1-bedroom apartment in Seattle is \$2,188.
- For ADUs sold as condominium units, the prices ranged between \$399,000 and \$825,000.

These findings illustrate the diverse nature of ADUs, and how they can provide lower-cost housing in options in neighborhoods usually limited to single-family development.

#### **Public Engagement**

Staff developed a public engagement plan with multiple modes of outreach to ensure the public, stakeholders, and interested parties have the opportunity to be informed and to provide comments.

1. Process IV Requirements. Process consistent with Chapter 20.35 LUC procedural requirements to provide opportunities for public comment, including:
  - Notice of Application and Community Meeting, link to the City webpage, and community meeting information published on February 16; and
  - Public hearing on May 10.
  
2. Direct Engagement and Feedback. Information gathering about the barriers to ADU production and inform the public of the LUCA.
  - Conversations with permit review staff and external stakeholders familiar with ADU process and common bottlenecks.
  - Public feedback sourced from the Comprehensive Plan periodic update efforts regarding ADUs.
  - February 28 virtual community meeting to share information about the LUCA and respond to questions. There were 61 attendees at the meeting. A summary of the comments and questions submitted during the meeting was shared during the staff presentation to the Commission on March 22.
  - March Neighborhood News publication write-up, including a link to the City webpage, staff contact information.
  
3. Online Presence. City webpage to provide opportunities for the public to stay informed and to request additional information, including:
  - Staff contact information.
  - Public information regarding LUCA progression.
  - Frequently asked questions (FAQs) from the February 28 community meeting, including responses as well as anticipated questions. Staff prepared an FAQs list (Attachment C) to assist in the Planning Commission’s discussion and consideration of the LUCA.

**LUCA Schedule**

The anticipated timeline for processing the LUCA is as follows:

	<b>Topic Areas</b>
<b>March 22</b>	<b><u>Planning Commission Study Session:</u></b> <ul style="list-style-type: none"> <li>• Introduction and direction</li> </ul>
<b>May 10</b>	<b><u>Planning Commission Public Hearing and Recommendation:</u></b> <ul style="list-style-type: none"> <li>• Planning Commission has option to make recommendation any point after the public hearing</li> </ul>
<b>TBD</b>	<b><u>Planning Commission Recommendation (as needed):</u></b> <ul style="list-style-type: none"> <li>• Planning Commission recommendation to City Council</li> </ul>
<b>TBD</b>	<b><u>City Council Study Session:</u></b> <ul style="list-style-type: none"> <li>• Present Planning Commission recommendation to City Council</li> </ul>
<b>TBD</b>	<b><u>City Council Action</u></b>

**ATTACHMENT(S)**

- A. Staff Report
- B. Strike-Draft of Proposed LUCA
- C. ADU Reform LUCA FAQs
- D. Planning Commission Resolution