

CITY COUNCIL STUDY SESSION

Recommended Land Use Code Amendment (LUCA) to establish criteria and procedures in the Land Use Code (LUC) for certain properties owned by religious organizations and located in single family Land Use Districts to be rezoned to allow permanently affordable multifamily housing; and companion Ordinance rezoning eligible parcels to include one of four affordable housing suffixes, pursuant to the Action C-1, Phase 2 Comprehensive Plan Amendment (CPA). File No. 23-100486-AD.

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DIRECTION NEEDED FROM COUNCIL

DIRECTION

Staff will introduce the recommended LUCA. Planning Commission Chair Carolynn Ferris will present the Planning Commission recommendation approving the LUCA as modified. The Planning Commission Resolution documenting this recommendation is included as Attachment A.

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

RECOMMENDATION

Direct staff to finalize the LUCA Ordinance and companion Rezone Ordinance for final action at a future meeting.

BACKGROUND & ANALYSIS

Background

The recommended LUCA implements Comprehensive Plan Housing Policy HO-36, adopted in 2022. This policy advances the City's 2017 Affordable Housing Strategy (AHS), and specifically, Action C-1. Action C-1 calls for increasing development on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing. On December 6, 2021, as a first step in implementing Action C-1, the City Council adopted a 50 percent density bonus for affordable housing developments meeting Action C-1 ownership criteria. During the process, Council noted that some religious organizations' properties in single-family Land Use Districts have location characteristics that could support higher densities and multifamily housing. Council then initiated a second phase of work to further increase capacity for affordable housing on these properties through a CPA, LUCA and rezone. The recommended LUCA and City-sponsored legislative rezone will complete the second set of implementation measures for Action C-1.

The recommended LUCA will amend chapters 20.10, 20.20, and 20.30B of the LUC to establish criteria

and procedures in the LUC for certain properties owned by religious organizations and located in single family Land Use Districts to be rezoned to allow permanently affordable multifamily housing. A strike-draft of the recommended LUCA is provided as Attachment B.

Legislative History

The AHS established an “ambitious goal” of adding up to 2,500 affordable homes in Bellevue within 10 years of implementation. Action C-1 is one of 21 actions identified under the five AHS strategy areas. Action C-1 calls for “increasing development potential on suitable land owned by public, non-profit housing, and faith-based entities for affordable housing” and can make a significant contribution to achieving the AHS goal.

In 2020, the City adopted several policies in the Comprehensive Plan Housing Element to advance AHS Action C-1 and to respond to RCW 35A.63.300, adopted by the Washington State Legislature in 2019, requiring the City to offer a density bonus for affordable housing development on property owned by religious organizations. These policies call for implementation of a density bonus and modifications to other standards and requirements in the LUC for eligible properties, in order to increase affordable housing development. On December 6, 2021, as a first step in implementing the 2020 CPA, the City Council adopted a 50 percent density bonus for affordable housing developments meeting Action C-1 ownership criteria.

During the process of reviewing the 2021 LUCA, the Planning Commission and City Council both noted that some religious organizations' properties in single-family Land Use Districts have location characteristics that could support higher densities and multifamily housing. This issue could not be addressed without additional amendments to the Comprehensive Plan. Council directed a second phase of work to further increase capacity for affordable housing on these properties through a second CPA, LUCA and rezone.

On December 12, 2022, the City Council adopted the CPA necessary for this second phase of work, adding a note to the City's Land Use Map and two new Housing Element policies. The map note makes it possible to rezone certain properties in single family Land Use Districts consistent with the project purpose, while the comprehensive plan policies establish general ownership and location eligibility criteria for rezones. The map note is as follows:

Properties owned or controlled by religious organizations, as defined by LUC 20.20.128.B.2,¹ and located 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-36.

Comprehensive Plan policy HO-36 is as follows:

¹ LUC 20.20.128.B.2 defines religious organization as “the federally protected practice of a recognized religious assembly, school, or institution that owns or controls real property as defined in RCW 35A.63.300, now or as hereafter amended.”

Allow properties in single family designated areas on the Comprehensive Land Use Plan map to reclassify to multifamily when they meet all the following criteria:

- 1. one hundred percent of the housing being developed will be permanently affordable housing; and*
- 2. the property is owned or controlled 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 use districts.*

This recommended LUCA establishes the specific criteria and procedures necessary to implement the map note and Policy HO-36.

Planning Commission Process

This LUCA was introduced to the Planning Commission during its February 8 study session. The Planning Commission considered the LUCA at a second study session on March 8. During these study sessions, the Planning Commission expressed interest in adjusting the eligibility criteria to incorporate more sites and adjusting the methods for determining the rezone to increase new capacity for affordable housing.

Following discussion, the Planning Commission directed staff to prepare the LUCA for public hearing consistent with the City's Process IV land use process on April 12. The Planning Commission also requested staff to provide alternatives for review to address their interest in expanding capacity and site eligibility. A staff report describing the background, review process, and this LUCA's compliance with the decision criteria in LUC 20.30J.135 was provided to the Planning Commission, made available for the public hearing, and is included as Attachment C.

Staff presented potential revisions to address the Planning Commission's request during the public hearing. After the public hearing and discussion, the Planning Commission decided to recommend the LUCA to Council, as amended to include the revisions and increase capacity for affordable housing.

Components of the Recommended LUCA

The recommended LUCA amends chapters 20.10, 20.20, and 20.30B of the LUC to establish criteria and procedures in the Land Use Code (LUC) for certain properties owned by religious organizations and located in single family Land Use Districts to be rezoned to allow permanently affordable multifamily housing. There are four components of this LUCA:

1. Affordable Housing (AH) Suffix
2. Eligibility Criteria
3. AH Suffix Designation Criteria
4. Applicable Procedures

Affordable Housing (AH) Suffix

The recommended AH suffix consists of AH and a number, enclosed in parentheses and appended to the Land Use District classification applied to a property. The suffix numbers correspond to alternate multifamily Land Use Districts which are applicable to affordable housing development when consistent

with the requirements established with the recommended LUCA. The recommended suffixes and their associated multifamily Land Use Districts are shown in **Table 1**. If a property is rezoned from R-5 to R-15 (AH-2), for example, the property may be developed consistent with the R-15 Land Use District when all proposed housing units are permanent affordable housing. The property may still develop consistent with R-5 when not meeting this requirement.

Table 1. Alternate Land Use Districts

Affordable Housing Suffix	Associated Land Use District
(AH-1)	R-10
(AH-2)	R-15
(AH-3)	R-20
(AH-4)	R-30

Owners of rezoned property will be under no obligation to build affordable housing or redevelop at all. The rezone would ensure that building permanent affordable multifamily housing is a readily available, additional option for these properties.

Eligibility Criteria

The recommended LUCA amends LUC 20.20.128 to establish ownership and location criteria for properties to be eligible for an AH suffix rezone. To be eligible for a rezone, the property must be:

- Owned or controlled by a religious organization; and
- Located in any Single-Family Residential Land Use District; and
- Located within 500 feet of a Land Use District where multifamily housing or commercial uses are permitted; and
- Either:
 - Located on an arterial street; or
 - Located within one-half mile of a transit stop that receives services at least four times per hour for 12 or more hours per day or a future light rail or bus rapid transit station scheduled to begin service within two years, or within one-quarter mile of a transit stop that receives service at least two times per hour for 12 or more hours per day.

AH Suffix Designation Criteria

The AH Suffix will designate the multifamily LandUse District available for an eligible single-family property when building permanent affordable housing. The specific AH suffix applied to a property is determined by a “reference Land Use District”, which is selected based on the multifamily or commercial Land Use Districts located near the eligible property. When there are multiple parcels in contiguous ownership, the contiguous parcels are treated as one property for the purposes of establishing the reference Land Use District and AH suffix. The reference Land Use District is the most intensive multifamily or commercial Land Use District located within a 500-foot radius of the eligible property.

The reference Land Use District will correspond to the AH suffix available for the property rezone. Reference Land Use Districts are grouped based on density level or maximum building height, in the case of Land Use Districts without a density maximum defined in terms of units per acre. AH suffix eligibility by reference Land Use District is provided in **Table 1**.

Table 1. Affordable Housing Suffix Eligibility by Reference Land Use District

Reference Land Use District	Associated Affordable Housing Suffix	Density Available for Affordable Housing
R-10, PO	(AH-1)	R-10
R-15, NB	(AH-2)	R-15
R-20, GC, O	(AH-3)	R-20
R-30, BR-CR, BR-ORT, BR-RC, CB, DT (Any), EG-TOD, EM (Any), F1, F2, F3, LI, NMU, OLB, OLB 2, NMU	(AH-4)	R-30

Once a property has been rezoned with an AH suffix, the property owner may apply for multifamily development following the development regulations of the multifamily Land Use District associated with their AH suffix, provided the proposal meets all affordability requirements. All relevant permitting and review requirements will apply to the proposal.

Applicable Procedures

The recommended LUCA does not change the procedural requirements in the LUC. Once a property is rezoned, an application to develop affordable multifamily housing consistent with the provisions of LUC 20.20.128 will be processed through the required land use review.

Religious facilities are conditional uses in all of Bellevue’s single family and multifamily Land Use Districts. When an approved conditional use such as a church is being completely redeveloped, the City’s historic practice has been to require a new conditional use permit (CUP). CUPs are Process I land use decisions made by the Hearings Examiner and add significant time to proposals. The City’s LUC provides an alternative through the Administrative Conditional Use Permit (ACUP) process, which allows modifications to approved CUPs through an administrative process when certain conditions are met.

The recommended LUCA includes a provision that Affordable Housing proposals including a religious facility that will replace an existing religious facility are eligible for review through the ACUP process instead of the CUP process when the new facility is not larger than the facility being redeveloped. This will encourage affordable housing development on certain sites that may need to adjust their religious facility footprint to accommodate housing while reducing the review period and improving the predictability of the process and timing.

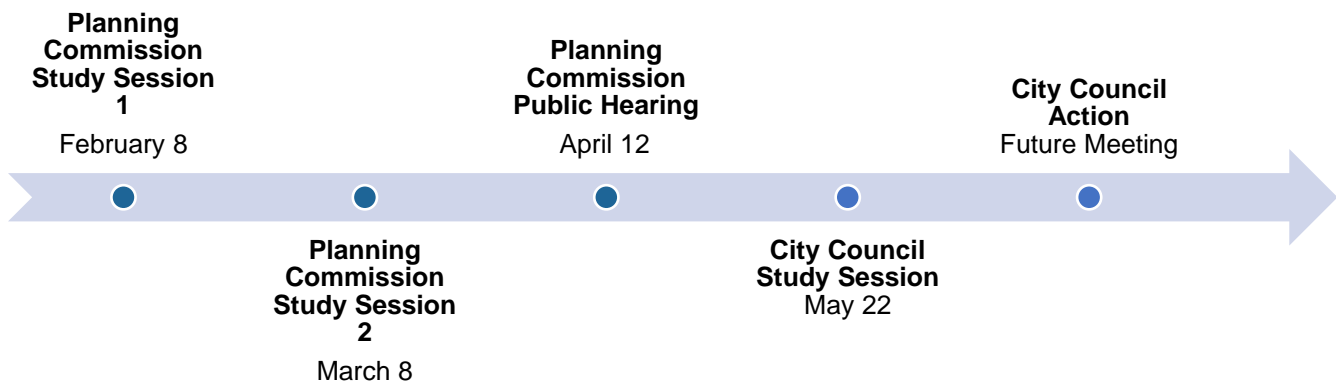
Public Engagement

For this recommended LUCA, staff has followed a public engagement plan with four modes of outreach to ensure the public, stakeholders, and interested parties had 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 of the proposed LUCA on January 19;
 - Notice of Planning Commission public hearing and staff report on March 23; and
 - Planning Commission public hearing on April 12.
2. Direct Engagement and Feedback. Dialogue and field visits with representatives of religious organizations, affordable housing providers, and neighborhoods. Letters to all eligible properties informing of LUCA in progress.
3. Public Information Session. Virtual public information session on January 31 to provide information about the project to the general public and respond to questions. Notice for this meeting was provided on January 19 with the Notice of Application.
4. Online Presence. City webpage to provide opportunities for the public to stay informed, including:
 - Staff contacts; and
 - Public information regarding LUCA progression.

Review Process

The timeline identifies the LUCA review process. Council will consider the recommended LUCA and legislative rezone during the May 22 Study Session, with final action at a future meeting.



POLICY & FISCAL IMPACTS

Policy Impact

The recommended LUCA will advance the AHS.

Fiscal Impact

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

OPTIONS

1. Direct staff to finalize the LUCA Ordinance and companion Rezone Ordinance for final action at a future meeting.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. Planning Commission Resolution
- B. Strike-Draft of Recommended LUCA
- C. Staff Report
- D. Map of Sites Eligible for Rezone

AVAILABLE IN COUNCIL LIBRARY

N/A