

CITY COUNCIL STUDY SESSION

Recommended 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.

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Development Services

DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Study Session for Council to consider the recommended ADU Reform LUCA. Planning Commissioner Luisa Cuellar-Cálad will present the Planning Commission recommendation to approve the LUCA. The Resolution documenting this recommendation is included as Attachment A. Following discussion, staff is seeking Council direction to prepare the draft ADU Reform LUCA Ordinance for final action at a future meeting.

RECOMMENDATION

Direct staff to finalize the ADU Reform LUCA Ordinance for final action at a future meeting.

BACKGROUND & ANALYSIS**Background**

The proposed LUCA was launched by Council on January 17 to remove code barriers and encourage construction of ADUs, and to create a mechanism for separate ownership of ADUs. This action is part of a larger suite of housing initiatives called Next Right Work, which aim to increase housing production, affordable housing production, and housing diversity within the City.

ADUs are a secondary dwelling unit located on properties developed with residential uses, most often with single-family dwellings, although some jurisdictions allow for multi-unit developments to have ADUs as well. ADUs may either be a separate detached structure, which is called a DADU, or they may be internal or attached to the structure. Currently, in Bellevue, all ADUs must be attached and may only be permitted within a single-family home.

ADUs can offer an alternative housing option in neighborhoods that are otherwise designated for single-family residential land uses. Because these units are smaller than the primary residence, they can also provide a lower-cost alternative to renting or owning an entire single-family home in these neighborhoods. Property owners also often use ADUs to generate supplemental rental income, or they simply use them as additional living space for guests and family members as needed. Because of these potential benefits of ADUs to City residents, Council has identified them as part of the Affordable Housing Strategy and Next Right Work to address the housing shortage in the City.

State Legislation

Throughout the Planning Commission review process, staff monitored the progress of bills related to ADUs working their way through the Washington State Legislature during the most recent session. Of note, House Bill (HB) 1337 was passed by the Legislature. The City Attorney's Office is currently reviewing the enacted bill to determine implementation steps and changes required beyond the scope of this LUCA to conform our regulations with the state mandate. In the interim, this LUCA is still viewed as a meaningful step to encouraging construction of ADUs as directed by Next Right Work.

Components of Planning Commission Recommended LUCA

ADUs are currently allowed in all residential districts only as subordinate to single-family homes, and as noted, they must be attached to or within the principal residence. Only one ADU is allowed on any residential lot. Additionally, there are certain requirements imposed on ADUs, codified under LUC 20.20.120, which have been identified as barriers to their development. The below table details the existing requirements for ADUs in Bellevue, and the proposed amendments to each. The strike-draft showing the specific amendments in the LUC is provided as Attachment B, a draft Ordinance is included as Attachment C, and an analysis of the LUCA components and their relationship to the LUCA decision criteria in LUC 20.30J.135 is included in the Staff Report as Attachment D.

Type of Requirement	Existing Code	Planning Commission Recommendation
<i>Owner Occupancy</i>	<ul style="list-style-type: none">• Owner or immediate family must reside on site with ADU.	<ul style="list-style-type: none">• No requirement.
<i>Separate Ownership</i>	<ul style="list-style-type: none">• Sale of ADU prohibited.	<ul style="list-style-type: none">• Sale of ADU allowed.
<i>Off-Street Parking</i> <i>See next section below for alternative staff recommendation.</i>	<ul style="list-style-type: none">• No minimum parking within ¼ mile of frequent transit.• 1 parking space for all ADUs outside ¼ mile of frequent transit.	<ul style="list-style-type: none">• No minimum parking within ½ mile of frequent transit.• 1 parking space for ADUs 1000 sq. ft. or larger.• 2 parking spaces for ADUs 2000 sq. ft. or larger.
<i>Size Limits</i>	<ul style="list-style-type: none">• Min. 300 sq. ft.• Max. 800 sq. ft. <u>or</u> 40% of combined area of ADU and primary residence (whichever <u>less</u>).	<ul style="list-style-type: none">• Maximum 1200 sq. ft. <u>or</u> 40% of combined area of ADU and primary residence (whichever <u>greater</u>).
<i>Design Controls</i>	<ul style="list-style-type: none">• Second front entry door prohibited.	<ul style="list-style-type: none">• No requirements.

<i>Process Requirements</i>	<ul style="list-style-type: none"> • Registration required with City. • Notice distributed to neighbors within 500 feet of site after final inspection. • Inspection required by Land Use staff. 	<ul style="list-style-type: none"> • No registration required. • No public notice required. Real-time ADU information made available on the City's Open Data Portal. • No Land Use inspection. Inspections of construction work required under building permits.
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Staff Recommended Parking Requirements

As noted above, HB 1337 prohibits cities from imposing certain requirements on ADUs. One provision of the bill describes the allowable parking requirements for ADUs:

- No parking required within ½ mile of frequent transit;
- No more than 1 space required on lots less than 6,000 sq. ft.; and
- No more than 2 spaces required on lots more than 6,000 sq. ft.

The parking scheme in HB 1337 differs slightly from the Planning Commission recommendation detailed in the table above. Staff recommends maintaining the Planning Commission recommendation but adding an exception to be consistent with the parking requirements in the state mandate. For reference, the recommended language has been highlighted in the strike-draft (Attachment B). Should Council elect to maintain the Commission-recommended requirements without including the exception to be consistent with the state mandate, the parking requirements will likely need to be updated with a future LUCA, along with other possible state mandates.

Recommendation and Discussion

During the March 22 Study Session, the Commission discussed the components of the proposed LUCA including the proposed off-street parking requirements, size limitations, the number of ADUs allowed, the permitting procedures for ADUs, and the cost to construct an ADU. Following discussion, the Commission directed staff to schedule a Public Hearing on the LUCA and asked for additional analysis to be presented regarding ADU floor area limits and parking requirements.

The Public Hearing for the LUCA was held on May 10, during which commenters expressed concerns about the LUCA related to property tax assessments, removal of the owner occupancy and public notice requirements, and additional residents in their neighborhoods. Commissioners then discussed two standards for ADUs – size limitations and minimum parking requirements – and whether those should be increased, decreased, or removed entirely.

Ultimately, the Commission recommended size limitations of 1,200 sq. ft. or 40 percent of the overall structure (whichever is larger) in order to promote a diversity of options and create additional opportunities for family-sized units with 2 or 3 bedrooms. In a similar vein, the Commission also recommended minimum parking requirements for larger ADUs: 1 space for ADUs larger than 1000 sq. ft. and 2 spaces for ADUs larger than 2000 sq. ft. These were intended to account for bigger households who may have multiple vehicles. However, the minimum parking requirements do not apply

to ADUs within ½ mile of frequent transit. This is increased from the existing ¼ mile radius in LUC 20.20.590(L) as requested by the Commission and to align with the state mandate under HB 1337.

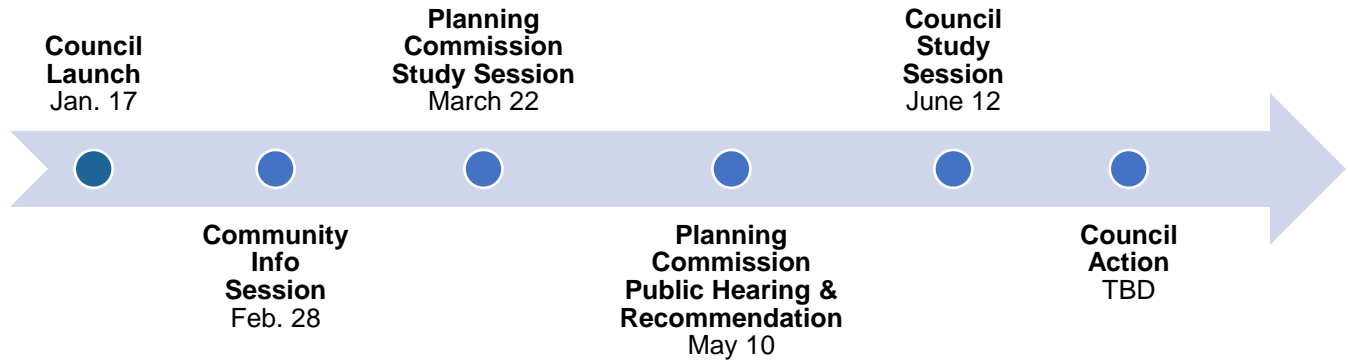
Public Engagement

Staff has implemented 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 published on February 16;
 - Notice of Public Hearing published on April 20; and
 - Public hearing on the proposed LUCA 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 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.
 - March Neighborhood News publication write-up, including a link to the City webpage, information about how to get engaged, and staff contact information.
3. Online Presence. Advertising and outreach on the proposed LUCA utilized multiple methods of online communication.
 - Social media posts to advertise the LUCA and February 28 community meeting.
 - Online Weekly Permit Bulletin published, including legal notices described above, a notice for the February 28 community meeting, and link to the City project webpage.
 - City webpage to provide opportunities for the public to stay informed and to request additional information, including:
 - Staff contact information.
 - Public information regarding LUCA background and progression.
 - Frequently asked questions (FAQs) from the February 28 community meeting, including responses as well as anticipated questions. This list is included as Attachment E.

Review Process

The below timeline identifies the review process for this LUCA. Council will consider the recommended LUCA during the June 12 Study Session, with final action at a future meeting.



POLICY & FISCAL IMPACTS

Policy Impact

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.

Fiscal Impact

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

OPTIONS

1. Direct staff to finalize the ADU Reform LUCA 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. Draft Ordinance
- D. ADU Reform LUCA Staff Report
- E. Frequently Asked Questions

AVAILABLE IN COUNCIL LIBRARY

N/A