



# Bellevue Planning Commission

January 13, 2021

## PLANNING COMMISSION STUDY SESSION ITEM

### **SUBJECT**

Study Session on a proposed Land Use Code Amendment (LUCA) required for consistency with RCW 36.70A.620 and related to the City's Affordable Housing Strategy. The LUCA will establish lower minimum parking requirements in the Land Use Code (LUC) for certain residential developments with frequent transit service. File No. 20-110291-AD.

### **STAFF CONTACT(S)**

Kristina Gallant AICP, Senior Planner, 452-6196

Trisna Tanus, Consulting Attorney, 452-2970

*Development Services Department*

### **POLICY ISSUES**

The proposed LUCA is in response to RCW 36.70A.620, the City's 2017 Affordable Housing Strategy (AHS), and the City's 2014 Transit Master Plan. RCW 36.70A.620 limited minimum parking requirements cities can impose on certain residential developments with frequent transit service, including affordable housing, market rate multifamily housing, and housing for seniors and people with disabilities.

The cost to build parking is a significant cost driver in residential development. This cost impacts rent and home sale price levels. The proposed LUCA supports the City's goal to reduce the cost of building housing generally, including affordable housing (Affordable Housing Strategy C-5). With its focus on areas with frequent transit service, the LUCA also supports the City's goal to use development regulations in Bellevue's activity centers to support transit use (Transit Master Plan Strategy 7). In addition, the proposed LUCA supports the City's goal to revise codes to reduce costs and process time for building multifamily housing (Affordable Housing Strategy D-1).

### **DIRECTION NEEDED FROM THE PLANNING COMMISSION**

**ACTION**

☐

**DIRECTION**

☒

**INFORMATION ONLY**

☐

Staff will be presenting the components of the proposed LUCA in two study sessions.

	Topic Areas
<input type="checkbox"/>	<b><u>Study Session 1 (January 13): Eligibility Criteria and Parking Ratio</u></b> <ul style="list-style-type: none"><li>• Topic 1. Frequent Transit criteria (including radius)</li><li>• Topic 2. Parking ratio</li></ul>
<input type="checkbox"/>	<b><u>Study Session 2 (January 27): Related Parking Provisions</u></b> <ul style="list-style-type: none"><li>• Topic 3. Parking departures process</li><li>• Topic 4. Downtown visitor parking</li><li>• Topic 5. Affordable housing incentives</li></ul>
<input type="checkbox"/>	<b><u>Public Hearing (February 24):</u></b> <ul style="list-style-type: none"><li>• Required Public Hearing</li><li>• Planning Commission Recommendation</li></ul>

After the study sessions, the Commission will be asked to hold a public hearing on the proposed LUCA. Following discussion and consideration of the testimony provided at the hearing, the Commission will be asked to recommend approval of the proposed LUCA.

## **BACKGROUND/ANALYSIS**

### **Legislative History**

On July 28, 2019, the Washington State Legislature passed E2SHB 1923. This legislation added [RCW 36.70A.620](#) imposing caps on minimum parking requirements for certain residential development with frequent transit service. These limits and frequent transit service definitions are shown in **Table 1**.

**Table 1: Limits on Minimum Parking Requirements by Use, RCW 36.70A.620**

<b>Residential Use</b>	<b>Definition of Frequent Transit Service</b>	<b>Limit on Minimum Parking Requirement</b>
Affordable Housing (50% AMI and Below)	1/4 mile from stop with service at least 2 times per hour for 12 hours per day	0.75 spaces/unit or 1 space/bedroom
Market Rate Multifamily Housing	1/4 mile from stop with service at least 4 times per hour for 12 hours per day	0.75 spaces/unit or 1 space/bedroom
Housing for Seniors and People with Disabilities	1/4 mile from stop with service at least 4 times per hour for 12 hours per day	0 No restriction on parking for employees and visitors

On May 18, 2020, the City adopted Ordinance No. 6513 imposing an Interim Official Control (IOC) reducing parking requirements for conformance with the minimum requirements in RCW 36.70A.620. The IOC is effective for six months, and was extended for an additional six months in October to allow time to develop the permanent code. The IOC requirements are shown in **Table 2**.

**Table 2: IOC Requirements**

<b>Residential Use</b>	<b>Definition of Frequent Transit Service</b>	<b>Limit on Minimum Parking Requirement</b>
Affordable Housing	1/4 mile from stop with service at least 2 times per hour for 12 hours per day	0.75 spaces/unit
Market Rate Multifamily Housing	1/4 mile from stop with service at least 4 times per hour for 12 hours per day	0.75 spaces/unit
Housing for Seniors and People with Disabilities	1/4 mile from stop with service at least 4 times per hour for 12 hours per day	0 spaces/unit or bed; and Parking for employees and visitors

In the interest of better supporting the City's housing needs, the Council also directed staff to analyze the following additional topics in the development of the LUCA:

1. **Transit Radius.** Increasing the distance between transit service and the housing development from one-quarter mile to one-half mile for eligibility for reduced parking;
2. **Parking Departure Process.** Determining whether the parking departure process could accommodate decisions to occur earlier in the process;
3. **Downtown Residential Visitor Parking.** Revisiting Downtown residential visitor parking requirements; and
4. **Affordable Housing.** Identifying opportunities to further incentivize affordable housing.

### **Public Engagement**

Staff developed a public engagement plan with three 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 of the proposed LUCA on December 10; and
  - Public hearing on the proposed LUCA anticipated in February.
2. Direct Engagement and Feedback. Dialogue with representatives of the development community and neighborhoods with frequent transit service.
3. Online Presence. City webpage to provide opportunities for the public to stay informed, including:
  - Staff contacts; and
  - Public information regarding LUCA progression.

Stakeholders from the development community report that demand for parking demand is consistently decreasing in transit-rich areas around the region. As a result, parking vacancy increases in “over parked” developments, and the financial impact must be covered with increased rents. While Bellevue developers can request departures from minimum parking requirements, the process results in delays that can impact project financing. Reducing minimum parking requirements to better align with the market can help reduce the number of parking departures necessary and ease upward pressure on rents. For projects still seeking departures, this LUCA seeks to improve certainty in the departure process.

Staff will continue to collect feedback from the public, stakeholders, and interested parties and summarize their comments for the Planning Commission throughout the LUCA development process.

### **LUCA Objectives**

In addition to ensuring consistency with State regulations, the proposed LUCA supports several of the City’s established housing and transportation priorities.

- AHS Action C-5 is to reduce the cost of building affordable housing, including reducing parking cost. The cost to build parking is a significant cost driver in residential development. Stakeholders from Bellevue’s development community report costs of \$50,000 per space for underground parking, with increases for each additional underground level. If required parking in a development exceeds demand, rents may need to increase to cover excess cost. Reducing

parking will not guarantee affordability on its own, but it is one of the most significant tools available to the City to reduce project costs.

- AHS Action D-1 is to revise City codes to reduce costs and process time for building multifamily housing. As discussed above, reducing the cost of parking will result in overall decreases in the cost to build housing, including affordable housing.
- Transit Master Plan Strategy 7 encourages the use of urban design and development regulations to support transit use. Multiple studies, including King County's 2013 Right Size Parking study, have identified a strong correlation between increased transit access and reduced vehicles per housing unit. While not every development will cater to car-free and car-light households, the proposed changes create the opportunity to build more transit-oriented housing in the places where it is most likely to be in demand, and expand housing choice.

This LUCA does not change a developer's ability to provide more parking than required. Past experience has shown that developers often choose to provide more parking, including in cases when no parking is required. Development community stakeholders report that they consider factors such as the type of housing they are providing, location, and market demographics when determining how much parking is appropriate, rather than zoning alone. There is often wide variation in parking demand associated with these factors, so a flat parking requirement is imperfect in determining how much parking a development truly requires. When requirements are at or below what is needed, developers have greater flexibility to change their development to suit market needs and other code requirements. Local stakeholders have reported specific challenges developing smaller sites in Bellevue. Due to the combination of physical constraints and market feasibility, parking requirements can dictate how many units a site will yield, rather than household demand.

### **Components of Proposed LUCA**

The proposed LUCA will amend chapters 20.20, 20.25A, 20.25D, 20.25P and 20.50 to establish lower minimum residential parking requirements in areas with frequent transit service, consistent with State regulations and previous City Council direction.

#### *Topic 1. Frequent Transit Service Criteria*

Consistent with State regulations, the proposed LUCA establishes separate definitions of frequent transit service for market rate multifamily housing and affordable housing. The proposed threshold for frequency is lower for affordable housing units compared to market rate multifamily units. If a transit stop has service at least two times per hour for 12 hours per day, new affordable housing units near the stop will be eligible for reduced minimum parking ratios. Specifically, this includes affordable housing units serving households with incomes up to 80% Area Median Income (AMI). The proposed LUCA uses this broader definition compared to the state regulations to ensure compatibility with all of Bellevue's affordable housing incentives, including the Multifamily Tax Exemption (MFTE).

If a transit stop has service at least four times per hour for at least 12 hours per day, new market rate multifamily housing units near the stop would also be eligible for reduced minimum parking ratios. Under the proposed LUCA, future light rail and bus rapid transit stops set to open within two years are also included in this frequency category.

It is possible that transit frequency at specific stops could change from year to year, particularly for standard buses. Projects will vest to the parking requirements associated with transit frequency at the date the application or land use approval is complete, regardless of future service changes. State regulations do not offer exceptions to the minimum standards in the event of subsequent service changes. However, increasing density near frequent transit stops can help retain service levels by increasing ridership. Staff will update the map of frequent transit stops annually, though the applicant will also be required to provide documentation of a nearby stop's frequent transit service with their permit application. A map showing the areas that would be eligible under the proposed regulations is provided as Attachment B.

For stops with service meeting the lower threshold for frequent transit service (at least 2 times per hour), the proposed reduced minimum parking requirement would apply to any affordable housing units located within one-quarter-mile of the stop. This distance is applied as a simple radius, consistent with RCW 36.70A.620 criteria for frequent transit service.

For stops with service meeting the higher threshold for frequent transit service (at least 4 times per hour), including future light rail and bus rapid transit stops, the proposed radius expands to one-half-mile of the stop. Bellevue's Comprehensive Plan also uses one-half-mile from a transit station that provides "frequent, reliable service" in its definition of Transit-Oriented Development (TOD). While individual preferences and abilities to walk to transit vary, past studies have found little meaningful difference in overall ridership in development that is one-quarter or one-half-mile from a stop with frequent transit service.

There may be cases where an eligible development is located within a frequent transit radius, but physical impediments such as a highway may require a pedestrian to walk a much longer distance to the nearest transit stop. While RCW 36.70A.620 requires the use of a radius, it also clarifies that higher parking ratios may be applied if the site is located in an area where physical space impediments or other reasons supported by evidence make on-street parking infeasible for the unit. As a result, the LUCA includes language granting the Director of Development Services the authority to determine that frequent transit service is not available to a site if pedestrians are required to walk more than one-half mile to any qualifying transit stop.

### *Topic 2. Parking Ratio*

The proposed LUCA would implement a new minimum parking ratio of 0.75 spaces/unit for residential development meeting the criteria above. This proposal is only applicable to new construction. This ratio was selected because it is consistent with existing residential parking ratios in transit-oriented zoning districts, including BelRed.

### **Anticipated Schedule**

The Planning Commission will be introduced to and asked to consider the proposed LUCA. The anticipated timeline for processing the LUCA is as follows:

- Planning Commission Study Sessions: January 13 and 27
- Planning Commission Public Hearing and Recommendation: February 24 (tentative)
- City Council Study Session: April 5 (tentative)

- EBCC Courtesy Public Hearing: April 6 (tentative)
- City Council Action: April 26 (tentative)
- EBCC Public Hearing and Approval/Disapproval: May 4 (tentative)

**ATTACHMENT(S)**

- A. Strike-Draft of Proposed LUCA
- B. Map of Eligible Areas Under Proposed LUCA