



MEMORANDUM

DATE: February 2, 2021

TO: Chair Hummer and Members of the East Bellevue Community Council

FROM: Trisna Tanus, Consulting Attorney
Nick Whipple, Senior Planner
Development Services Department

SUBJECT: Courtesy Hearing – Unit Lot Subdivision Land Use Code Amendment

I. Introduction

On February 2, the East Bellevue Community Council (EBCC) will hold a courtesy hearing on a Land Use Code Amendment (LUCA) to establish provisions in the Land Use Code (LUC) Chapter 20.45A Platting and Subdivisions and Chapter 20.45B Short Plats and Short Subdivisions for Unit Lot Subdivisions within Land Use Districts where multifamily development is currently allowed. File No. 20-105150-AD.

II. Discussion

A. Purpose of the Recommended LUCA

The recommended LUCA is to establish Unit Lot Subdivisions in the City to allow for individual townhouse units to be owned in fee simple as an alternative to condominium ownership. Fee simple ownership means absolute title in improvements of the townhouse unit and the land. A strike-draft of the proposed LUCA is provided as Attachment A.

Currently, townhouses may be constructed in the City as a Planned Unit Development (PUD) or as multifamily development. A PUD may be located in single-family or multifamily Land Use District and may accommodate fee ownership. However, a PUD is often utilized when there is a need for special development features due to critical areas and entails its own specialized process. Secondly, when townhouses are built as multifamily development, the individual townhouse unit may only be owned as condominiums.

In creating a new type of subdivision that is expected to increase development of townhouses in the City, this LUCA is responding to the City's Affordable Housing Strategy (AHS). In adopting the AHS in 2017, the City Council has affirmed an interest in creating a variety of housing choices (Strategy B) that appeal to people at different income levels and life stages. Providing a broad range of homeownership opportunities, including fee simple townhouses, promotes mixed-income neighborhoods, allows for a diversity of housing types, and increases available choices for all economic segments of the population.

The development community, including the Master Builders Association of King and Snohomish Counties (MBA), has reported barriers related to construction and/or mortgage financing associated with townhouse development under the City's current regulations. The MBA has expressed a desire for the City to adopt the Unit Lot Subdivision structure, consistent with

several cities in the region. Unit Lot Subdivisions are typically used to produce townhouses, which are more likely to be smaller and less expensive than detached single-family homes.

The City has significant zoning capacity for housing development and this multifamily housing type specifically. However, construction and mortgage financing barriers can limit supply and place upward pressure on home prices. Unit Lot Subdivisions help mitigate these barriers so that developers are encouraged to build townhouses in the City, thereby increasing the overall housing supply, broadening homeownership opportunities, and strengthening the local economy.

B. Code Amendment Review Process

At the December 9 Study Session, the Planning Commission was introduced to the proposed LUCA and, after discussion, the Planning Commission directed staff to prepare and schedule the LUCA for Public Hearing.

A public hearing before the Planning Commission occurred on January 13 and the Planning Commission decided to recommend adoption of the proposed LUCA without modification. Staff introduced the proposed LUCA to the City Council on February 1, with final action to occur at a future meeting. The EBCC is now being asked to hold a courtesy hearing. Notice of the courtesy hearing before the EBCC was provided in the Weekly Permit Bulletin on January 21 and the Seattle Times on January 26.

C. EBCC Jurisdiction

The EBCC jurisdictional area contains properties that are within commercial and multifamily land use districts that allow townhouse-style development. A map of the City's land use districts, with the EBCC jurisdictional area delineated, is provided in Attachment B.

III. Proposed Land Use Code Amendment

The Land Use Code Amendment analysis as well as the comprehensive plan analysis is included in the Unit Lot Subdivision LUCA Staff Report as Attachment C.

IV. Action requested of the EBCC

The EBCC is requested to hold the courtesy hearing on the Unit Lot Subdivision LUCA. Following the courtesy hearing, staff anticipates returning on March 2 for the public hearing and approval/disapproval of the Unit Lot Subdivision LUCA.

Staff will be present at the February 2 courtesy hearing to answer any questions the EBCC members may have. If there are questions prior, please contact Nick Whipple, 452-4578 or at nwhipple@bellevuewa.gov.

ATTACHMENTS:

- A. Strike-Draft of Unit Lot Subdivision LUCA
- B. Map of City's Land Use Districts with EBCC Jurisdictional Area Delineated
- C. Unit Lot Subdivision LUCA Staff Report