



DATE: September 8, 2021

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

FROM: Trisna Tanus, Consulting Attorney
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SUBJECT: Courtesy Hearing – Affordable Housing Density Bonus Use Code Amendment

I. Introduction

On September 8, the East Bellevue Community Council (EBCC) will hold a courtesy hearing on a Land Use Code Amendment (LUCA) to amend Land Use Code (LUC) chapters 20.10 Land Use Districts, 20.20 General Development Requirements, 20.25 Special and Overlay Districts and 20.50 Definitions to establish a density bonus and additional modifications to other standards and requirements for affordable housing developments on certain public, non-profit, or religious organization-owned properties. This LUCA advances the City's Affordable Housing Strategy (AHS) Action C-1 and conforms the LUC with state requirements in RCW 35A.63.300. File No. 21-102681-AD.

II. Discussion

A. Purpose of the Recommended LUCA

The recommended LUCA will amend chapters 20.10, 20.20, 20.25, and 20.50 LUC to establish a density bonus and additional modifications to other standards and requirements for affordable housing developments on certain public, non-profit, or religious organization-owned properties. A strike-draft of the recommended LUCA is provided as Attachment A.

This LUCA is in response to RCW 35A.63.300 and the AHS. RCW 35A.63.300 requires cities to offer "an increased density bonus consistent with local needs for any affordable housing development of any single-family or multifamily residence located on real property owned or controlled by a religious organization". To be eligible for the bonus, all housing units in the project must be reserved for households earning less than 80% Area Median Income (AMI). This restriction must remain for at least 50 years, even if property ownership changes.

Religious organizations are often located on large parcels in residential areas. Many have smaller congregations compared to the past or have otherwise changed in ways that have reduced their property needs. Many such organizations also support affordable housing as part of their mission and wish to develop portions of their property as affordable housing. This opportunity is identified in AHS strategy C-1, which calls to increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing.

LUC 20.20.128 already provides a 15% density bonus to market rate multifamily development in exchange for providing affordable housing units. This bonus is not adequate to meet the requirements of RCW 35A.63.300 as it is not available for development in single family land use districts. In addition, the existing bonus is structured to provide additional market rate units in exchange for affordable housing units within the same development. Development consistent with RCW 35A.63.300 may only include affordable housing units, offering a greater public benefit compared to development including both market rate and affordable units.

The City Council directed staff to develop a larger density bonus for development meeting the requirements of RCW 35A.63.300, while maintaining compatibility with existing neighborhoods. In addition to religious organizations, the density bonus will be available to nonprofit organizations and development on certain public surplus land. The expanded bonus will not be available in Downtown, Eastgate, or BelRed, as substantial affordable housing density bonuses are already available in these subareas. Staff determined that a 50% density bonus is appropriate, equal to the largest density difference in Bellevue's residential land use districts. A map of parcels meeting these ownership criteria is provided as Attachment B.

Around 111 parcels are estimated to be eligible for a density bonus under the proposed LUCA, yielding around 1,400 additional units of affordable housing beyond current zoning. Table 1 summarizes these parcels and bonus units by Land Use District and neighborhood.

Table 1. Estimated Qualifying Property and Bonus Units by Land Use District, 2021

Land Use District	Qualifying Parcels	Additional Units with Bonus	Neighborhood	Qualifying Parcels	Additional Units with Bonus
CB	1	7	Bridle Trails	7	160
NB	1	2	Cougar Mountain / Lakemont	1	32
O	9	131	Crossroads	21	523
OLB	5	124	Eastgate	2	27
R-1	5	7	Factoria	4	31
R-1.8	9	10	Lake Hills	23	230
R-2.5	8	19	Lake Hills / Eastgate	1	9
R-3.5	7	32	Newport	5	29
R-4	5	16	Northeast Bellevue	1	9
R-5	28	153	Northwest Bellevue	16	125
R-7.5	1	9	Somerset	9	37
R-10	2	16	West Bellevue	8	48
R-15	2	62	West Lake Sammamish	6	22
R-20	19	367	Wilburton	3	98
R-30	9	472	Woodridge	4	47
Total	111	1,427		111	1,427

This analysis does not consider the likelihood that property will be developed or redeveloped for affordable housing. In reality, staff anticipates that a minority of eligible property owners will take advantage of the density bonus, and not all of these developments will use all the available bonus. Eligible property owners may have other plans for their property and are not obligated to

take advantage of the density bonus. Further, only 24 of the 111 eligible parcels do not currently have existing housing units.

To understand potential impacts to Bellevue's street system, Transportation Department staff estimated the number of vehicle trips associated with the additional units identified in Table 1. Staff determined that adding these vehicle trips would not degrade the expected operation of the City's street system. Certain individual developments may impact specific intersections and neighborhoods in ways which cannot be captured in this analysis, but which would be reviewed and mitigated under existing code requirements during project review. A summary of these findings is provided as Attachment C.

The Planning Commission expressed concerns that the proposed density bonus would not be sufficient to make affordable housing projects viable in less dense land use districts. To address this concern, the Commission expressed interest in creating a process to consider specific location characteristics that could support higher densities. In response, staff drafted an additional "super bonus" which could accommodate greater density through the existing Conditional Use Permit (CUP) process. Under the decision criteria in LUC 20.30B.140, a CUP may be approved if the following criteria are met:

- A. The conditional use is consistent with the Comprehensive Plan; and
- B. The design is compatible with and responds to the existing or intended character, appearance, quality of development and physical characteristics of the subject property and immediate vicinity; and
- C. The conditional use will be served by adequate public facilities including streets, fire protection, and utilities; and
- D. The conditional use will not be materially detrimental to uses or property in the immediate vicinity of the subject property; and
- E. The conditional use complies with the applicable requirements of this Code.

Consistent with Planning Commission direction, additional criteria for properties to be able to request a super bonus are included, as follows:

- Proposed development is affordable housing eligible for the C-1 density bonus located in a single-family land use district; and
- Eligible property is located on an arterial; and
- Eligible property is located within one-half mile of a transit stop with service at least four times per hour, including future light rail or bus rapid transit stops opening within two years; and
- Eligible property is located within 300 feet of a more intensive land use district.

Staff cannot determine which parcels, if any, would meet the CUP decision criteria until a project has been proposed and reviewed. The super bonus provides for additional density and dimensional standard modifications above those provided for the 50% bonus. In order to be able to meet the CUP decision criteria, a super bonus is proposed to not exceed the maximum limits allowed in the most intensive Land Use District in which multifamily dwellings are permitted located within 300 feet of the proposed development. A new section I has been added in the

LUCA strike-draft for the Planning Commission's review in response to this Planning Commission question and direction.

There are considerations for the CUP provision. The CUP process is typically lengthy, and requires an experienced applicant team. The site-specific Comprehensive Plan Amendment process is still likely to be more favorable compared to the CUP approach.

B. Code Amendment Review Process

The Planning Commission reviewed the LUCA in three study sessions on April 14, May 12, and June 23. At the June 23 Study Session, after discussion, the Planning Commission directed staff to prepare and schedule the LUCA for Public Hearing.

A public hearing before the Planning Commission will take place on September 22. After the public hearing, staff will request the Planning Commission to make a recommendation to the City Council on the LUCA. Following recommendation, staff will introduce the LUCA to the City Council in a study session, with final action to occur at a separate 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 August 26 and the Seattle Times on September 1.

II. Proposed Land Use Code Amendment

The proposed LUCA will repeal and replace LUC 20.20.128 and amend other provisions in chapters 20.20, 20.25A, 20.25D, 20.25P and 20.50 LUC to establish a density bonus and additional modifications to other standards and requirements for affordable housing developments on certain public, non-profit, or religious organization-owned properties. The LUCA analysis as well as the comprehensive plan analysis is included in the LUCA Staff Report, Attachment D.

IV. Action requested of the EBCC

The EBCC is requested to hold the courtesy hearing on the LUCA. Following the courtesy hearing, staff anticipates returning at a future meeting for the public hearing and approval/disapproval of the LUCA.

Staff will be present at the September 8 courtesy hearing to answer any questions the EBCC may have. If there are questions before this meeting, please contact Kristina Gallant, 452-6196 or at kgallant@bellevuewa.gov.

ATTACHMENTS:

- A. Strike-Draft of LUCA
- B. Map of Eligible Properties
- C. Transportation Analysis Memo
- D. LUCA Staff Report