

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

March 8, 2023
6:30 p.m.

Bellevue City Hall
Room 1E-113

COMMISSIONERS PRESENT: Chair Ferris, Commissioners Brown, Cálad, Goepple, Malakoutian

COMMISSIONERS REMOTE: Commissioner Morisseau

COMMISSIONERS ABSENT: Vice Chair Bhargava

STAFF PRESENT: Thara Johnson, Emil King, Department of Community Development; Nick Whipple, Mathieu Menard, Kristina Gallant, Department of Development Services; Matt McFarland, City Attorney’s Office

COUNCIL LIAISON: Councilmember Robertson

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER
(6:30 p.m.)

The meeting was called to order at x p.m. by Chair Ferris who presided.

2. ROLL CALL
(6:30 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Vice Chair Bhargava.

3. APPROVAL OF AGENDA
(6:31 p.m.)

A motion to approve the agenda was made by Commissioner Malakoutian. The motion was seconded by Commissioner Brown and the motion carried unanimously.

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS – None
(6:31 p.m.)

5. STAFF REPORTS
(6:32 p.m.)

A. Planning Commission Meeting Schedule

Comprehensive Planning Manager Thara Johnson took a few minutes to review the

Commission's schedule of upcoming meeting dates and agenda items.

Thara Johnson asked the Commissioners to report via email any scheduling conflicts for the April 12 meeting given that it falls during the school districts spring break.

6. ORAL AND WRITTEN COMMUNICATIONS

A. Oral Communications

(6:36 p.m.)

Alex Tsimerman began with a Nazi salute and called the Commissioners dirty garbage rats and noted being a candidate for a ship to the moon. Having requested from the city biographical information about each Commissioner, it was supplied about three months ago. Those who want to serve on a Commission are supposed to have their information posted to the website, and it should not be necessary to make a public request to get it. Bellevue has not done so for many years. The Commission has said nothing about that because the members are all stupid. No one has questioned that. Bellevue has been going in the wrong direction for a very long time. The only biography information available for the Councilmembers is political. That is pure fascism and an idiotic situation. The Commissioners are just the next level of soldiers.

Darel Grothaus, project manager for St. Peter's United Methodist Church, said the density rezone process is not clear from reading the documents. Specifically, it is not clear if all 30 sites will be rezoned at one time, or if each eligible congregation will have to apply for a rezone at the time it submits a proposal for permitting. The recommendation of St. Peter's is that a comprehensive rezone should be done for all 30 eligible properties at one time. That would provide assurance to prospective developers and to funders, avoiding the additional time and expense of preparing a rezone application while at the same time preparing the permitting materials.

Pamela Johnston reported that a meeting was held with Barbara Hughes and Claudia Balducci about the public benefits rating system, a system that allows developers to get money off on their taxes. The system was first used in Bellevue last August. Golf courses are getting tax reductions by virtue of being considered open spaces. In looking at older codes, it should be considered that at the time the codes were enacted the views might have been different from what they are currently.

Having arrived at 6:43 p.m., Councilmember Robertson noted that earlier in the year the Council held a retreat to discuss visioning programs and things to be worked on. Another mini-retreat is scheduled to follow up on some items. More recently the Council received a presentation on the progress of the Environmental Stewardship Initiative, of which the tree code is a part. With regard to the Clean City approach that was launched last year by the Council, the Council has discussed adding a graffiti ordinance, making graffiti a nuisance. The Council also recently received an update from Sound Transit that included the fact that consideration is being given to having a starter line, which would be operations from south Bellevue to Redmond. That could happen as soon as 2025. The Council also was updated about the BelRed Arts District which will be part of the BelRed Look Forward work. The Council also earlier in the year adopted a Tourism Promotion area in which hotels/motels can impose on visitors an additional tax to be used for economic development and promoting tourism. The Council will hear soon about the park plan and Airfield Park where a major aquatic center will be developed.

B. Written Communications
(6:48 p.m.)

Thara Johnson noted not written communications had been received at the time of publishing the packet. Since then, however, some comments were received regarding the tree code and micro-apartments.

7. PUBLIC HEARING
(6:49 p.m.)

A. Land Use Code Amendment (LUCA) to Remove Barriers to the Construction of Micro-Apartments

A motion to open the public hearing was made by Commissioner Brown. The motion was seconded by Commissioner Goepple and the motion carried unanimously.

Planning Manager Nick Whipple said the action to remove barriers to micro-apartments was from the Next Right Work, a body of work initiated by the Council to supplement ongoing housing work in the city. There is also some alignment with the Affordable Housing Strategy, specifically Action B-1 under Strategy B. The Council initiated the amendment on October 10. The Council expressed an interest in looking at options such as shared kitchens; establishing a minimum unit size for livability; understanding the impacts to the parking requirements; and incorporation considerations for accessibility. The Council also directed the work to include an evaluation of whether alternative standards and exceptions should apply in all mixed use land use districts or just within the Frequent Transit Network, and stressed the importance of the units being affordable.

There are few existing micro-apartments in the city, partly due to the profit margins they have compared to conventional apartments. There are a lot of fixed costs to micro-apartments that are the same as conventional apartments. There are also some added costs toward production and things that might help support micro-apartments are providing for greater density, reducing some of the parking requirements, and taking a closer look at the required residential amenities for multifamily development types, such as multifamily play areas. All open space requirements will remain applicable for the micro-apartment housing type.

Senior Planner Mathieu Menard said there are two options relative to the geographic scope of the proposal. Under Option A, which is the staff recommendation, the LUCA would apply to all mixed use land use districts in the city. Under Option B, the LUCA would apply only within the Frequent Transit Network areas.

Continuing, Mathieu Menard said the proposed code changes includes a maximum size limit for units defined as micro-apartments of 320 square feet. As proposed, each unit must include a kitchen and a bathroom. With regard to specific standards, the LUCA would reduce the minimum parking requirement to one parking space for every four units; would increase bicycle parking to one bicycle parking space to five units; allowing for greater unit density in districts utilizing the DU/acre approach; and including an exemption from the multifamily play area requirements.

A number of questions were raised by the Commission at the previous study session, beginning with how to ensure the units will be livable. There is no specific standard metric used for livability. The Urban Land Institute (ULI) findings in regard to priorities for those

who rent micro-apartments had location at the top of the list. By encouraging the units in mixed use locations, the units will be located close to jobs and neighborhood amenities. Price is also a driving factor for those choosing to live in micro-apartments. The building code requirement for units to be a minimum of 190 square feet is sufficient to protect life safety and the welfare of the residents; no specific research indicating otherwise has been found. It has been made clear that giving some flexibility to the designers is important in making sure the units will be viable given that they need to operate within site-specific constraints, and because of the need to achieve more units per acre of land.

With regard to renter satisfaction and livability based on renters, the ULI study looked a comparison of micro-apartments to larger studio units and found that the overall satisfaction between the two types of units to be relatively similar. The largest gap was in the category of amount paid. More modern micro-apartments tend to use the space more efficiently than studio apartments and have more modern amenities. Micro-apartment renters are driven most by location and cost.

Turning to the topic of affordability, Mathieu Menard stressed that micro-apartments are typically cost more per square foot than larger apartments, but they are generally more affordable in the 60 to 80 percent of area median income range. In Seattle, the average per-month rent of micro-apartments is about \$1330, which is just below the 60 percent of area median income level. Unless administered by an affordable housing entity, the units will not be affordable at the lower end of the spectrum. The subsidy needed to rent unit at \$900 per month is far less than the subsidy needed to achieve that rent on a unit that goes for \$2000 per month. Micro-apartments will not provide housing for families or single mothers with children. The units are designed essentially for one person, though some are occupied by couples.

On the question of how to encourage micro-apartments in buildings with mixed unit sizes, Mathieu Menard said there are some examples in Bellevue of small studio apartments of about 350 square feet in buildings with units of up to two or three bedrooms. As drafted, the LUCA encourages the units within mixed buildings in that they would get the development standard reductions.

The question about the impacts of reducing the minimum parking requirement were previously raised by the Commission. Mathieu Menard said the location of micro-apartments, along with increased bicycle parking and anticipated future light rail, the impacts will be minimized. Some increased demand for on-street parking is expected, but the anticipation is that it will be very low. The on-street parking availability in the mixed use areas is expected to be ample to address the parking need.

The public engagement process for the proposed LUCA has followed the Process IV requirements, including Planning Commission meetings, noticing and the public hearing. There has been direct one-on-one engagement and feedback with developers, architects and property managers. A virtual community information session was conducted on January 19, and there has been an online presence via the city's webpage and information in the January *Neighborhood News* newsletter.

Mathieu Menard reminded the Commissioners that the decision criteria for Land Use Code amendments are A) the amendment is consistent with the Comprehensive Plan; and B) the amendment enhances the public health, safety or welfare; and C) the amendment is not contrary to the best interest of the citizens and property owners of the City of Bellevue.

Pamela Johnston noted the need to address the accessibility of micro-apartments. Many who live in tiny apartments in New York City use the city itself as their outdoor space. To achieve the same in Bellevue, community gathering areas should be required.

Abigail DeWeese, a land use attorney who represents developers, especially residential developers, said several clients have expressed an interest in including the LUCA changes in their projects. All believe the city is on the right track with reducing the parking requirements and exempting the multifamily play areas. The Commission was encouraged to recommend approval of the Land Use Code amendment, and to recommend having the code amendment apply citywide in multifamily areas, not just in the Frequent Transit Network areas.

Heidi Dean said the argument that if the units are built the people will come is not necessarily true. The Commission was encouraged not to take that approach. Reducing the parking requirements in areas not served by good transit would be the wrong approach. Most who live in affordable housing have cars and use them, and they need affordable parking spaces. Micro-apartments should all have access to good transit.

Alex Tsimerman began with a Nazi salute and called the Commissioners dirty garbage rats and freaking cretins. The Commission was asked when it was going to stop acting like a cretin and sardines in a can. The Commission just accepts everything the dirty Council is doing; they are mafia. They are doing just what everybody else is doing. To serve the people, the Commission should stop acting like cretins and should stop government projects approved by the Council instead of just accepting everything. No one from the Commission ever says no to the Council. Things grow worse by doing the same BS. The Commission acts with rat instincts and does everything stupid. The Council cannot always be right. The Commissioners are supposed to have different opinions and should make their own decisions. The project should be stopped.

As a question of personal privilege, Commissioner Brown expressed the previous speaker's references to Nazi propaganda is offensive and does not represent the views of the citizens of Bellevue or the Planning Commission.

A motion to close the public hearing was made by Commissioner Goepple. The motion was seconded by Commissioner Malakoutian and the motion carried unanimously.

Commissioner Goepple thanked staff for their presentation and for addressing the questions previously raised by the Commission. There is a lot of benefit associated with the proposed LUCA. When it comes to making housing of different types available, an all-of-the-above strategy is best. The approach will not fix all of the issues and other areas of affordability will still need to be addressed. With regard to the geographic scope, a preference was expressed for Option B. There is some basis for believing that people will need some means of getting around, and reducing the parking requirements for the areas far from transit will have more of an impact. Nick Whipple said the argument can be made that Option A would make implementation administratively simpler. Mathieu Menard added that it is always easier administratively to follow district boundaries; it is also easier for the public to understand. It is true that areas without public transit could see larger impacts in the form of on-street parking. It is up to the Commission and ultimately the Council to decide if the public good is worth some exchange for removing barriers to micro-apartments. Mixed use areas in general are more beneficial for the unit types in that they allow for less use of a car even where there is less access to transit given the potential for having jobs and services close by. Not all mixed

use areas will be attractive to micro-apartment developers for a number of reasons, including lot size and demographics.

Commissioner Morisseau also thanked staff for the presentation and concurred with the comments made by Commissioner Goepple. Support for the proposed LUCA was voiced.

Commissioner Brown noted a leaning toward Option A. It is true not all sites in mixed use districts will be amenable to micro-apartments, following district boundaries is a good argument. In the future should more transit become available, those areas may become attractive and they should not be excluded. Affordable housing should be encouraged whenever possible given the clear need.

Commissioner Brown asked if reducing the parking requirements and increasing the bike parking requirements would be sufficient to meet the needs of micro-apartment occupants. Mathieu Menard said it has been heard from other communities that their requirements to have one bike parking stall for every micro-apartment is overly restrictive and result in underused large bicycle rooms. Most developers think the ratio is in the area of 1:3 or 1:4. The proposal is for a ratio of 1:5, but developers would not be precluded from providing more should they see the need.

Commissioner Cálad voiced support for having a variety of housing types in the city. The construction of micro-apartments, however, only makes sense where they have access to transit, which makes Option B the right choice. There are a number of areas in the city where the parking requirements have been reduced, and at some point it will become impossible to park in the city. Micro-apartments are right for single persons without children, but they are not right for everyone, such as persons with disabilities or older persons. Reducing the parking requirements will not be of benefit to the city. As the city grows transit options likely will be added, but it is not likely to serve all mixed use districts. Not all of the residents of micro-apartments will bike and walk everywhere they go, and not all will take transit even if it is available, especially given weather conditions in the winter and fall.

Commissioner Malakoutian asked if merely bringing a set number of micro-apartments online will mean that the need for affordable housing units will be automatically reduced by that same number, or if there is an identified demand for affordable housing based on unit size. Mathieu Menard said the housing needs assessment does break down the overall need by unit size.

Commissioner Malakoutian voiced support for micro-apartments. There is a demographic that will readily choose such units for various reasons. The comments of staff in favor of Option A were convincing.

Chair Ferris asked staff to address the accessibility requirements. Mathieu Menard said all units will classify at least as ADA Type B accessible, but in each of the buildings there will also be units with the higher Type A accessibility requirements.

Chair Ferris agreed that it would make the most sense to go with Option A to allow micro-apartments in all mixed use districts but asked if at the time of permitting there is a certain level of transit available. Nick Whipple said that essentially is Option B, which allows the housing type in all mixed use districts in line with an overlay of the Frequent Transit Network. As the Frequent Transit Network changes over time, the areas allowing the units would also change.

Chair Ferris allowed that the direction given by the Council in launching the LUCA was to find ways to reduce the barriers for developing micro-apartments. It would have been better to ask if micro-apartments are a meaningful part of the solution to affordable housing, and if so, to ask what the most effective way of implementing them would be. Micro-apartments are not truly by definition affordable units, though because of their size they are less expensive. At the end of the day, however, it is important to allow for all types of housing units, but no single building should be composed of just micro-apartments because the intensity of use would bring with it a lot of issues. Micro-apartments should be strongly encouraged to be mixed into buildings that have other types of housing.

Commissioner Cálad agreed that the units as described cannot be called affordable housing units. The question asked was what other ways could be found to actually build affordable units. Nick Whipple said the 2017 Affordable Housing Strategy included an action around micro-apartments under the heading of creating a variety of housing choices. There is a quite a lot of affordable housing work that has been set in motion as part of the strategy. The micro-apartments is one solution of many.

Mathieu Menard should it should be acknowledged that micro-apartments are considered affordable in that they meet the affordable housing threshold, though they are not preserved in perpetuity as affordable housing. They just do not have to go through an additional process, they do not have to be owned by a non-profit, and they do not have to be rent-subsidized.

Commissioner Cálad asked if air conditioning will eventually be required as global warming continues. Mathieu Menard said micro-apartments are considered to be dwelling units and as such must meet the same building code requirements as more traditional larger units. What the requirements will be relative to HVAC in the future is unknown.

Commissioner Brown pointed out that the Puget Sound region is the least air conditioned in the nation, in part because the climate is fairly mild. That said, there have recently been some very warm days. Market forces should not be dismissed. The lack of transit or the lack of parking can be dealt with because developers want to make money, and in order to do so they must provide units with the amenities the public wants. Rather than dictating, the city should trust the invisible hand of the market by removing the barriers that are keeping housing of every type from being built. More units overall will reduce prices overall and create more opportunities.

Councilmember Robertson commented that at the Council level several members were interested in the affordability aspect as well as ADA accessibility. The Council was told the units would be under 400 square feet, not under 320 square feet. Three Councilmembers wanted to see micro-apartments allowed near transit, while the other four wanted to hear the Commission's input in that regard.

Councilmember Robertson shared that at least three Councilmembers talked about wanting to see micro-apartments affordable at 30 percent of area median income. The multifamily tax exemption code says that for units 300 square feet or less, the tax exemption is allowed if the units are affordable at 45 percent of area median income.

Commissioner Goeppele agreed with Commissioner Brown in terms of market forces and creating a greater supply. The decision criteria are all met by the proposed LUCA. When it comes to the area median income requirements, the units may meet the affordability

definition, but as Commissioner Malakoutian said care should be taken in scoring the units in a way that will not give too much credit given that they address only a small part of the affordable housing problem. Mathieu Menard said the appropriate way to look at it in terms of affordability would be to score them once the Next Right Work is completed as a whole.

Commissioner Malakoutian commented that simply creating a unit that is 50 square feet and has room for a bed should not be called affordable just because it is small and would have a low rent.

Chair Ferris asked for a straw vote of the Commission in regard to Option A and B. Commissioners Brown and Malakoutian favored Option A, while Chair Ferris and Commissioners Cálad, Goepple and Morisseau favored Option B.

A motion to recommend adoption of the micro-apartments Land Use Code amendment, with Option B, was made by Commissioner Cálad. The motion was seconded by Commissioner Goepple and the motion carried unanimously.

8. STUDY SESSION

A. Land Use Code Amendment (LUCA) for Affordable Housing Strategy Action C-1 Phase 2

Senior Planner Senior Planner Kristina Gallant reminded the Commissioners that there are four proposed affordable housing suffixes to be applicable in multifamily land use districts: AH-1, which connects to R-10; AH-2, which connects to R-15; AH-3, which connects to R-20; and AH-4, which connects to R-30. While admittedly complicated, the system is intended to future-proof the approach: should the connected land use districts get adjusted or changed via Comprehensive Plan updates, all that would be needed would be a Land Use Code amendment to adjust the affordable housing suffixes.

The general concept is to bring the eligible sites up to the density and scale of some of the districts located in the immediate vicinity. What are being called reference districts will be identified from either adjacent or nearby land use districts. Those districts will be used to bring up the eligible sites to a similar density or scale. The reference districts will have multifamily or commercial uses and be located directly adjacent to or across the street, or they will be located within the 500-foot buffer, whichever is closest. A clause will be included allowing the Director the discretion to determine which should be applied where things are not fully clear.

Kristina Gallant shared with the Commissioners a couple of examples. In the first example, the eligible site was adjacent to multifamily and office zoning. The longest boundary of the eligible site shared its longest boundary with R-20, and the proposal would be that the reference district would be R-20, which points to the AH-3 suffix, allowing the site to at some point in the future develop with permanent affordable housing using R-20 and a 50 percent bonus. In the second example, the eligible site was not immediately adjacent to multifamily or commercial but was within 500 feet of Community Business, which corresponds with the AH-4 suffix.

Commissioner Malakoutian asked what the outcome would be for an eligible property not adjacent to multifamily or commercial, but located within 500 feet of both multifamily or commercial. Kristina Gallant said the reference property in that case would be the one that is

the closest to the eligible site. Commissioner Malakoutian voiced a preference for choosing the reference site with the highest density rather than the closest one.

Chair Ferris agreed. The action will move the needle far more than micro-apartments and the city needs to be bold. Within the 500 feet, the highest density reference site should be chosen. Kristina Gallant pointed out that there is the potential that within the 500 feet, even if barely touching, a site with significantly higher density.

Referring to the first example, Commissioner Goepple asked if the reference site for the eligible property would be the office-zoned site, which references R-30. Kristina Gallant allowed that it would be, and added that with the 50 percent bonus the density would be R-45. Commissioner Goepple suggested more research would need to be done to determine any adverse impacts of choosing the highest density reference sites over the closest.

Chair Ferris pointed out that every site will present with various constraints, likely preventing them from reaching full capacity.

Councilmember Robertson asked if by having the eligible property in the first example go to R-45 a changed circumstance and precedent would result, allowing the Comprehensive Plan amendment process to upzone all the properties adjacent to the eligible property. Nick Whipple agreed with the need to flag that issue for an additional response, but clarified that the approach would only attach the suffix to the site, so the higher density would only be available for projects that meet the criteria. Councilmember Robertson said one option would be to draft the code in such a way as to indicate such upzones for affordable housing does not constitute a changed circumstance or significant change.

Kristina Gallant said staff are planning a citywide rezone for the initial set of eligible properties, making density available for affordable housing quickly. In the future as sites become eligible, the property owners would have to initiate the rezone process themselves, but a Comprehensive Plan amendment would not be required. The proposed approach for selecting suffixes would begin with determining if an eligible property is immediately adjacent to multifamily or commercial. If it is, the reference property that shares the longest boundary, or the reference property with the highest density, would be selected. From there it would simply be a matter of looking up the associated suffix and applying it via a rezone. If the eligible property is not adjacent to multifamily or commercial, but is located within 500 feet, the either the closest property or the property with the highest density would be selected, and the corresponding suffix would be applied.

The largest share of the current list of eligible sites are in the R-5 land use district. Among those, there is a mix of upzone intensities based on where they are located. In all there are 30 eligible sites that under their current zoning have capacity for 472 units if fully developed. Under the proposal, the maximum potential on those sites collectively would be 3604 units. Those numbers would change should the decision be made to go with the reference properties having the greatest intensity. While the potential is significantly greater, in reality there will be only a subset of the eligible sites move forward, and those that do are likely to retain their existing facility and develop on the remainder of the site, leading to less space available for housing and a reduced number of units.

Councilmember Robertson asked what would happen should an eligible church site, which has already been given the AH-3 suffix, be sold to a corporation. Kristina Gallant said the code specifies that eligible properties must be owned or controlled by religious organizations.

The site in the example given could develop with the higher density so long as the church owns or controls it. The purchasing corporation would not be permitted to develop with more density than the underlying land use district allows. Exemptions will be drafted to allow for partnerships between religious organizations and affordable housing developers.

Councilmember Robertson threw into the example the notion of the purchasing corporation wanting to develop the site fully with affordable housing. Kristina Gallant said the C-1 direction is limited to religious owned or controlled sites. The question is a good one for the Council to chew on.

Answering a question asked by Commissioner Malakoutian, Kristina Gallant clarified that the 3604 units includes the previously approved 50 percent bonus, and has no tie to a specific area median income percentage. At 80 percent area median income and below, there is the acknowledgment that one hundred percent of the units must be affordable for the life of the building, which is a relatively high bar.

Commissioner Malakoutian asked if the Commission would have been inclined to offer the 50 percent bonus to the increased density brought about by the suffixes if the suffixes work had been done first, suggesting that the 50 percent bonus could have been used as an incentive to go lower on the percent of area median income scale.

Chair Ferris pointed out that affordable housing developers are all constrained by funding. There are four percent and nine percent tax credits available, but only for units up to 60 percent of area median income. The code will say the units can be affordable for 80 percent of area median income and under, but realistically most of the units will be at either the 60 percent of area median income or down at the 30 percent of area median income level depending on the funding sources. Kristina Gallant said the initiative acknowledges that there are options that do provide some financial help to serve the lowest income levels, such as the Housing Stability Fund, a new funding source focused especially at 30 percent of area median income and below, and the multifamily tax exemption. It is not likely to get developers to build lower-income units via the proposed initiative alone.

Kristina Gallant confirmed that most of the identified eligible properties are in the AH-3 and AH-4 suffixes. By way of total acreage, the properties in the two categories are almost the same.

Turning to the applicable procedures, Kristina Gallant noted that religious facilities are conditional uses in residential districts. As defined, a conditional use is compatible with its surrounding area and is permitted if approved by a hearing body, a Process I quasi-judicial decision. It can be a lengthy and complicated process. In many cases the religious facilities were built even before the conditional use permit requirement was in place. In cases where a conditional use is being modified through renovation, expansion or rebuilding, the conditional use permit must be amended. Historically the practice has been to require a new conditional use permit. In certain cases the administrative conditional use permit can be utilized, such as when the change is functionally consistent with the original approval. Administrative conditional use permits are approved by the Director, and conditions can be imposed if deemed necessary. As proposed, the LUCA includes a condition establishing that in cases where a project that is moving forward to redevelop religious facility and include affordable housing, if the religious facility is the same size or smaller, the administrative conditional use permit process can be used.

Chair Ferris asked if by “same size or smaller” the focus is on the total square footage or just the footprint. Kristina Gallant said the intent is to reference total square footage.

Kristina Gallant noted that the Commission had previously asked why the land use buffer was recommended to be 500 feet. When the topic was first presented to the Council, a buffer of 300 feet was used, which is the same as the transition area buffer. The Council expressed an interest in looking at either a 500-foot or a 1000-foot buffer instead. The staff returned with options and the consensus of the Council was to move forward with a 500-foot buffer. Expanding the buffer to 1000 feet would increase the number of eligible sites by six.

The Commission had also previously asked which of the proposed criteria eliminates the most sites from being eligible. Kristina Gallant said altogether there are 54 faith-owned sites in single family land use districts in Bellevue. Of those, 17 meet two of the three criteria. Ten are outside the land use buffer; five are not on an arterial; and two lack transit service.

On the question of why arterial access is included as one of the criteria, the Comprehensive Plan amendment direction language was specific to considering sites near high-capacity transportation infrastructure and services. Arterial streets are designed to accommodate greater capacity.

Answering a question previously asked by the Commission, Kristina Gallant said the proposal would not change the parking requirements applicable to the units. Currently, affordable housing with frequent transit service requires located within a quarter mile of a stop having service two to four times per hour are required to have 0.75 spaces per unit. If located within a half mile of a stop with service at least four times per hour, the requirement is for 0.5 spaces per unit. Developers can choose to provide more parking where they see a need for their projects.

A question previously was asked about the LUCA allowing for partnership options for religious organizations. The language used in the LUCA is “owned or controlled” with the intent of being fairly broad. There are many ways to demonstrate the control element, specifically that all decisions are made privately based on the specific project. The ownership and control restriction comes into play when considering eligibility for the upzone, and when considering eligibility for the increased density. Once a project moves forward, the affordable housing restrictions will remain regardless of the ownership/partnership restriction.

Chair Ferris expressed the understanding that a church that owns a property could seek a permit to redevelop with affordable housing, and then could subsequently sell the property to an affordable housing developer without consequence. Kristina Gallant confirmed that could be a common scenario. The affordable housing requirement, however, would run for the life of the building.

Kristina Gallant allowed that there also was discussion by the Commission about whether or not the proposal could encourage deeper affordability levels. In general the proposal is directed toward flexibility for organizations and keeping the process simple. There are three possible options, the first of which is limiting eligibility by saying the increased density would only be available when serving the lower income levels. The staff are not recommending the option. Seattle’s initial legislation relative to religious owned properties went with 60 percent of area median income and they got a significant pushback from organizations for several reasons before changing back to 80 percent of area median income.

Chair Ferris said there are some funding sources that allow for income averaging. Putting a limit like that of the first option would preclude using those sources.

The second option would be to look at a potential higher density for providing deeper affordability. The suffix could be set up to have each point to two different density levels, one for a deeper affordability and one for a higher affordability. That would increase complexity. As things stand, the eligible properties will be brought up to the highest density within their immediate vicinity; going above that level would bring them to a point of being inconsistent with the neighborhood. The staff do not believe it is likely the approach would make deeper affordability happen that might not otherwise happen.

Chair Ferris commented that it is very difficult to develop affordable housing. The process should be kept as simple as possible, leaving to developers the best way to best serve their target populations.

Kristina Gallant said the third option would be to include additional flexibility in the development regulations. With the 50 percent bonus comes the possibility of an extra story of height. Other flexibilities, however, are not likely to be overly impactful toward moving the needle toward lower affordability.

On the question of how the affordability requirements will be enforced, and what happens if a property is sold and redeveloped, Kristina Gallant said there would be a recorded agreement that runs with the land establishing the affordability requirement for the life of the building. All future owners would be required to comply with those affordability requirements. Should a site be redeveloped to include market-rate units, the density would be limited to the underlying single family land use district.

Commissioner Brown raised the scenario in which someone who takes over a site developed with affordable housing wanting to charge rents at 85 percent of area median income instead of 80 percent of area median income and asked who will be enforced the recorded agreement. Chair Ferris said often certain funding sources include reporting requirements. There absolutely are ways to ensure affordability continues. Kristina Gallant added that there is a system in place for all restricted affordable housing in the city.

Commissioner Cálad referenced the issue of “in perpetuity” and “life of the building” and asked if there are other options. Kristina Gallant explained that the Comprehensive Plan includes a policy that requires restricting affordability for the longest possible term. Nick Whipple added that the state law on which the proposed LUCA is based specifies that the affordable units created must remain affordable for something like 99 years. Bellevue’s specific restriction runs for the life of the project.

Kristina Gallant allowed that the Commission had previously asked questions and made comments about the invitations to the information sessions. It was noted that the Nextdoor posts generated almost 2000 impressions, and a total of 283 Facebook accounts were reached. The neighborhood leaders distribution list has 768 recipients, and 55 percent of them opened the messages. The Affordable Housing Strategy distribution list has just over 2000 recipients, and 31 percent of them opened the message. The sessions were also heralded on the city events page, the project website, and a notice of the public meeting accompanied the notice of application.

With regard to the LUCA process, Kristina Gallant said a public hearing will be held,

tentatively on April 12, following which the Commission will forward a recommendation to the Council for review and action.

Chair Ferris expressed the hope that staff would soon be able to contact each of the eligible properties to explain their designations, and with the expected approval timeline for the LUCA.

Commissioner Goepple asked for more information about the highest use within 500 feet. It would be good to see a side-by-side comparison of the approach as proposed and the suggested change to fully understand the impact in terms of units. Additionally, there should be some discussion about any potential unintended consequences resulting from changing to the highest density approach.

Commissioner Morisseau agreed with the notion of going with the highest density approach, and shared Councilmember Robertson's concerns about the unintended consequence of possibly setting the stage for property owners to argue changed circumstances in seeking an upzone.

Commissioner Morisseau asked if the new owner of an affordable housing development brought about through the LUCA would have to go back through the administrative conditional use process if they chose to redevelop the site with market-rate units. A question was also asked about whether or an avenue could be provided for sites that meet two or the three criteria. Answering the first question first, Kristina Gallant said a new owner wanting to redevelop a site would have to go back to the underlying zoning. As the LUCA is written, the language speaks to a case where a religious facility is rebuilt along with affordable housing. In that limited case, the administrative conditional use process can be used.

Commissioner Morisseau put forward the scenario in which the property owner wants to redevelop an affordable housing site and return to a religious facility and asked if the redevelopment could go forward based on the original conditional use permit. Kristina Gallant said religious facilities would be allowed, but only through the conditional use permit process.

Answering the second question, Kristina Gallant said there could be options considered for sites that meet most but not all of the criteria. One option might be to establish a lower suffix. It was stressed that sites currently not meeting all of the criteria may in the future meet all the criteria as the city continues to develop, in which case they would be allowed to move forward with the increased density. Commissioner Morisseau noted that some have said the proposed LUCA offers a solution to finding more affordable housing. As such, it makes sense to be as flexible as possible.

A motion to direct staff to move the proposed LUCA to a public hearing was made by Commissioner Malakoutian. The motion was seconded by Commissioner Cálad and the motion carried unanimously.

9. REMOTE PARTICIPATION (8:50 p.m.)

A motion to approve the requests of Commissioners Morisseau and Malakoutian to participate remotely on March 22 was made by Commissioner Cálad. The motion was seconded by Commissioner Brown and the motion carried unanimously.

10. APPROVAL OF MINTUES – None
(8:51 p.m.)

11. CONTINUED ORAL COMMUNICATIONS
(8:51 p.m.)

Heidi Dean raised the question of whether or not micro-apartments are a meaningful part of the Affordable Housing Strategy and if they fit in given that they are not technically affordable. The Next Right Work still to come includes reforming the rules for accessory dwelling units which also may not be affordable. In years past the affordable housing technical advisory group looked at the issue and concluded that ADUs and detached ADUs would provide a very small amount of affordable housing and would not really be worth the time to focus on it. Yet micro-apartments and the ADUs are being both being presented as affordable housing options. The drive behind it all is coming from Seattle.

12. EXECUTIVE SESSION – None
(8:55 p.m.)

13. ADJOURNMENT
(8:55 p.m.)

A motion to adjourn was made by Commissioner Goepple. The motion was seconded by Commissioner Brown and the motion carried unanimously.

Chair Ferris adjourned the meeting at 8:55 p.m.



Thara Johnson
Staff to the Planning Commission

04/14/2023
Date



Carolynn Ferris
Chair of the Planning Commission

04/14/2023
Date

