

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

May 12, 2021
6:30 p.m.

Bellevue City Hall
Virtual Meeting

COMMISSIONERS PRESENT: Chair Moolgavkar, Vice Chair Malakoutian,
Commissioners Bhargava, Brown, Ferris, ,
Morisseau

COMMISSIONERS ABSENT: Commissioner deVadoss

STAFF PRESENT: Thara Johnson, Emil King, Department of
Community Development; Kristina Gallant, Trisna
Tanus, Department of Development Services

COUNCIL LIAISON: Councilmember Barksdale

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

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

The meeting was called to order at 6:30 p.m. by Chair Moolgavkar who presided.

Chair Moolgavkar stated that the meeting was being held remotely via zoom in order to comply with the Governor's emergency order concerning the Open Public Meetings Act, which prohibits in-person meetings.

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

Upon the call of the roll, all Commissioners were present

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

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

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS
(6:32 p.m.)

Councilmember Barksdale reported that the City Council adopted its vision and priorities document on May 10.

5. STAFF REPORTS
(6:33 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.

6. ORAL AND WRITTEN COMMUNICATIONS
(6:35 p.m.)

Ms. Patience Malaba, director of government relations for the Housing Development Consortium of Seattle/King County, said the membership association has more than 190 members working together to ensure that all people live with dignity with safe, healthy and affordable homes. She sought the support of the Commission for the bold C1 Land Use Code amendment proposal to increase density and promote the creation of affordable housing on land owned by public, non-profit and faith-based entities. Confronting the complex affordable housing needs of the region and the city will require the bold use of all available tools. The work of the staff in crafting the proposed LUCA and engaging with stakeholders is very much appreciated. Unfortunately, the Consortium has concerns about the effectiveness of the proposal. A key component of C1 is to provide a density bonus to eligible projects to avoid the arduous Comprehensive Plan amendment process, yet the proposed uniform bonus of 50 percent above the current zoning limits will not serve the purpose for many faith-based and non-profit organizations. To improve affordable housing project visibility, production and partnership outcomes in the face of the new growth coming to the city, the Commission should recommend a study of all alternatives for the C1 action. Specifically, the Commission should support a Comprehensive Plan amendment to be sponsored by the Council no later than 2022 for targeted increases to development capacity on specific church properties that are well-served by frequent transit service in identified areas. A targeted Comprehensive Plan amendment could optimize capacity on those sites and create urgently needed affordable housing.

Comprehensive Planning Manager Thara Johnson acknowledged the receipt of two written communications relating to the proposed C1 Land Use Code amendment, one from the Housing Development Consortium requesting consideration of some aspects that are outside the scope of what the Council has directed the staff to work toward, and one from James McEachran, a member of the technical advisory group that formulated and made recommendations on the Affordable Housing Strategy with comments similar to those of the Housing Development Consortium.

7. PUBLIC HEARING – None
(6:42 p.m.)

8. STUDY SESSION
(6:42 p.m.)

- A. Land Use Code Amendment (LUCA) to Establish a Density Bonus and Additional Modifications to Other Standards and Requirements in the Land Use Code (LUC) for Affordable Housing Developments on Certain Public, Non-profit, or Religious Organization-owned Properties

Consulting attorney Trisna Tanus reminded the Commissioners that there were three

objectives to the proposed Land Use Code amendment: 1) conform with new provisions of RCW 35A.63.300; 2) support recommendations from the 2017 Affordable Housing Strategy; and 3) implement Comprehensive Plan Housing Element policies HO-33 and HO-34. She clarified that the RCW requirements provide that cities like Bellevue must allow a density bonus for affordable housing development. The bonus must be available to any property in single family or multifamily districts when the property is owned or controlled by a religious organization or other non-profit or public entity. The affordable housing must remain affordable for at least 50 year at or below 80 percent of area median income. The city's Affordable Housing Strategy memorializes the city's commitment to create affordable housing opportunities. Strategy C1 calls for increasing development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing construction.

Comprehensive Plan Housing Element Policy HO-33 reads "Implement Affordable Housing Strategy C-1 by providing bonuses and incentives to increase permanently affordable housing on any qualifying property owned by faith-based or non-profit housing entities, or on surplus property owned by public entities." Key to the policy is that the bonuses and incentives must be by right, meaning there is no additional process to go through, other than permitting, for any qualifying property.

Policy HO-34 reads "Implement the bonuses and incentives for qualifying properties to respond to the different conditions of multifamily and single family land use districts that are outside of Downtown, BelRed, and Eastgate TOD." Key to the policy is that the bonuses and incentives should respond to the underlying land use district to avoid altering the look and feel of area housing development. The bonuses and incentives are not to replace those available in the Downtown, BelRed and the Eastgate TOD where there are existing incentives for affordable housing.

Ms. Tanus said the existing affordable housing density incentives in the Downtown and the Eastgate TOD allow for exempting up to 1.0 FAR in exchange for affordable housing. In BelRed, affordable housing does not count toward FAR in the amenity system. Since 2015, a total of 134 affordable housing units have been developed through these incentives, and there are an additional 152 units in the pipeline.

The density bonus in the proposed LUCA is by right for eligible properties. It does not change the underlying land use district. Even with the density bonus, the development should still be compatible with the rest of the district and should not surpass the density of the next higher land use district. The 50 percent bonus achieves that goal. The proposed LUCA would effectively result in a rezone without having to follow the necessary process.

Ms. Tanus said the city is able to implement the proposed density bonus and still address higher capacity parcels through the annual CPA process. The proposed LUCA does not preclude other measures the city may put in place to further advance Action C1. Because the density bonus and other allowances for modifications provided by the proposed LUCA are by right, they would be available to the higher opportunity properties after they go through the CPA and rezone processes, provided they meet the eligibility criteria and are developed with affordable housing.

Senior planner Kristina Gallant said the bulk of the proposed changes are to section 20.20.128, an existing affordable housing section that includes a 15 percent density bonus

that will be repealed and replaced by the proposed LUCA. The first section A to C address basic assumptions and procedures that are relevant to the rest of the section. Two definitions not used elsewhere in the code are included, one for religious organization and one for mixed-income multifamily developments. The latter term refers to the previous 15 percent bonus, which is being carried forward unchanged. Section D defines eligibility separately for the two separate bonuses. For the higher affordable housing development bonus there is differentiation between single family and mixed use districts. Section E establishes the actual bonus of 15 percent in mixed-income multifamily development, and 50 percent affordable housing development bonus. Section F includes some alternative dimensional standards tables outlining where eligible development can replace the underlying dimensional standards for their land use district with the alternatives. All other existing dimensional land use standards would continue to apply. Section G has some dimensional standard modifications that are not as customized by land use districts, and Section H addresses attached housing within subdivisions.

Ms. Gallant noted the Commission previously discussed how the proposed LUCA will create the capacity for about 1400 new affordable housing units across all qualifying properties, above capacity under the base zoning and previous 15 percent bonus. She shared with the Commissioners a chart showing the current units on the ground, the potential additional capacity available based on the existing zoning, the potential created by the 15 percent bonus, and the additional capacity on top of all that with the 50 percent bonus. If all of the eligible sites were built out to capacity, which is not likely, more than 1400 units would be created.

Transportation staff reviewed the approximately 1400 additional units in light of where they would be located and analyzed the potential impact. They calculated that the proposed bonus would add an estimated 696 trips to the transportation system during the evening peak hour, which is less than one percent of the overall number of evening peak hour trips citywide. Their conclusion is that the additional trips would not degrade the system as a whole. There is potential for local impacts, but they cannot be analyzed until a project is proposed at which time they will be identified and mitigated at the project level.

With regard to Topic 4, dimensional standards, Ms. Gallant reiterated that the density bonus will increase the number of possible units. The land use districts, however, are regulated in additional ways to indicate how big structures can be and where they can be located on a property. Flexibility needs to be incorporated to make sure the additional units can be accommodated. In some cases, the proposed LUCA tailors to the land use district, while in other cases a broader approach is taken. The minimum lot area requirements specific to each land use district are scaled down, and in certain cases the maximum lot surface coverage area has been increased, in each case looking to the next highest land use district. Where a higher lot surface coverage is allowed in a district, it has been applied to the lower district where the density bonus applies. In other areas, broader flexibility has been added. As proposed, an additional story can be created in multifamily and most non-residential districts, excluding the non-residential districts that have firm limits on building height. Also proposed is increasing the maximum permitted number of compact parking spaces; expanding the use of tandem parking stalls; and reducing the open space requirements within planned unit developments.

The city currently has separate standards for the transition areas where a more intensive district abuts a less intensive district. In those areas, there are firmer limits on building

heights, though development in transition areas can achieve specific higher bonus height in exchange for providing certain benefits. The proposed LUCA would make it so that developments providing affordable housing under 20.21.28 could qualify automatically for the maximum bonus height.

The Commissioners were shown a rendering of a hypothetical two-acre site in an R-5 land use district. It was noted that under the underlying zoning, the site would yield ten units, all single separate single family homes with a minimum lot size of 7200 square feet. With the 50 percent bonus, the same site would yield 15 units with a minimum lot size of 4800 square feet, including the incorporation of duplexes and triplexes. A second rendering showed a two-acre site in an R-30 land use district. Under the base density, the site would yield 60 units with a maximum building height of 40 feet, while under the 50 percent bonus proposal, the site would yield 90 units with a maximum building height of 52 feet. It was indicated that in both renderings, the number of units increases without changing the development typologies.

Ms. Gallant turned next to Topic 5, applicable procedures and attached housing. She said because the density bonus is by right, the approach has been to avoid requiring additional review. The proposed LUCA clarifies that approval would occur through whatever land use process or building permit approval is dictated for the use and district in question. The current code allows duplexes and triplexes within subdivisions for affordable housing up to 15 percent of single family lots. Typically, they are only permitted as part of the planned unit development in single family districts. The proposed LUCA would retain that provision but would allow duplexes and triplexes to compose up to 50 percent of the units in a subdivision. Switching from lots to units is a more predictable measure. Additionally, the LUCA updates the code to provide for the use of the new update with the Unit Lot Subdivision to make it easier to do affordable homeownership for attached units.

Ms. Gallant said three modes of public outreach have been employed for the process. All Process IV requirements for noticing have been followed, which will include a public hearing. In terms of direct engagement and feedback there have been presentations and discussions with representatives of faith communities, non-profit housing providers and members of the public. There is also an online presence for the proposed LUCA through the city's Engaging Bellevue Affordable Housing Strategy portal, and a dedicated project webpage on the LUCA with key public information and contact information.

Ms. Gallant requested the Commission set a public hearing date for the proposed LUCA. She noted that following the public hearing a study session with the City Council will be scheduled, which in turn will be followed by a courtesy public hearing before the East Bellevue Community Council. Ultimately the Council will act to adopt the LUCA, after which the East Bellevue Community Council will weigh in with a public hearing and a approval or disapproval decision.

Commissioner Ferris said she continued to have some real concerns about how the proposed LUCA is drafted. She said she fully supports the underlying premise. She said her primary concern was that it will be used by religious institutions, most of which are currently zoned R-1 to R-3. By the time the 50 percent bonus is added, only a few units are yielded. It is a very complex process to get funding for affordable housing projects, and most funders will not even look at projects with less than 60 units. In light of that, the LUCA will result in the production of almost no affordable units. She voiced support for

going back and taking another look at doing a Comprehensive Plan amendment in 2022 with an expanded scope that goes beyond just those sites located along frequent transit networks. As the transportation system gets built out, there may be additional properties that would fall under that criteria. Additionally, another look should be given to the areas that are excluded from the density bonus, namely Downtown, BelRed and Eastgate. The density bonus in those areas have produced close to 286 units over the last eight years. While great, that does not come close to meeting the needs of the city.

Commissioner Bhargava added his voice to the concerns raised by Commissioner Ferris. He said the opportunity like the one on the table comes around only infrequently. The city has the chance to create a framework that will allow for higher densities and more affordable housing. It is worth considering that a site close to transit and has the locational characteristics that allow for higher density beyond a simple blanket increase, it would be worth considering. He added that the city should take the opportunity to offer more flexibility in terms of housing types in creating choices for residents.

Ms. Tanus asked if other housing should be included in the proposed LUCA. Commissioner Bhargava said his desire was to see more flexibility allowed in product type. Ms. Tanus said the biggest part of the LUCA is the density bonus. There are related accommodations in terms of dimensional standards to allow for building higher density housing. Tied to that is another incentive for duplexes and triplexes, which is a remnant of the previous section 20.21.28. The thinking was that the units would still be compatible with surrounding single family neighborhoods. Duplexes and triplexes are only available in single family neighborhoods and they do offer a different housing type.

Commissioner Bhargava said when it comes to specific sites, having a blanket increase in density may not enable a lot more units. Certain sites, however, may have better locational characteristics that should be given the advantage of a density higher than the 50 percent bonus would allow. Allowing for that sliding scale based on additional parameters might be worth considering. Some of those sites might be zoned single family residential where allowing for duplexes and triplexes along might yield more units than the blanket density bonus.

Ms. Tanus said the 50 percent density bonus is based on the limitations of the underlying land use district and not wanting to go beyond to the next higher district. With a 50 percent bonus in an R-10 zone, up to 15 units can be built per acre, which is right at the density of the R-15 zone. To go beyond that, regardless of the criteria for any particular site, would punch through to the next higher land use district. Compatibility with the Comprehensive Plan dictates density bonus of no more than 50 percent.

Commissioner Morisseau said the position of staff was clear to her and to the other Commissioners. She pointed out that during the work on the Downtown Livability Initiative, the theme that came up time and again was flexibility. In trying to solve the affordable housing crisis, it must realized that things are getting worse and that a multipronged approach is needed. The proposed LUCA represents little more than a drop in the bucket. What the Commission is asking for is allowing for flexibility above and beyond the 50 percent density bonus. One option would be to give developers wanting more density a route for getting there. The approach that allows 50 percent on every site is very rigid. Ms. Tanus said staff would need to go back and give the issue additional consideration to see if there is a way to provide for additional flexibility. To date, staff have remained focus of not going beyond a by right 50 percent density bonus, but she

said staff was willing to take another look at it.

Commissioner Brown said the illustrations in the staff presentation were helpful in understanding what the 50 percent bonus could look like. She said she appreciated the fact that the proposed LUCA is only one lever among many the city will need to pull in order to enhance and improve the availability of affordable housing. Everything that can be done will need to be done. The by right density bonus is a very good approach in that it does not require additional review and development delays for the properties that meet the eligibility requirements. There likely are other review processes that could be used to increase flexibility. She said there was recently a story in the local news about people building tiny houses that can be sited in public spaces and church parking lots. The tiny homes are built by volunteers and once sited they give people in need roofs over their heads that is more stable than a tent. She asked if the proposed LUCA would impact the ability of church properties and non-profits to create relatively temporary communities of tiny houses to serve those in need. Ms. Tanus said the proposed LUCA addresses permanent affordable housing which under the RCW must remain in place and affordable for at least 50 years. There are other provisions in the Land Use Code that address temporary encampments, but those provisions are separate from the affordable housing provisions.

Commissioner Brown said the pandemic has created a dire need for affordable housing. Bellevue is one of the most expensive places to live in the entire country and everything the city can do should be done to ensure that people who work in Bellevue can continue to live in Bellevue. She suggested that the Commission is open to doing all it can do by way of supporting Council in making that happen.

Vice Chair Malakoutian agreed with the Commissioners who pointed out that the proposed LUCA will not fully address the need for affordable housing units in the city, but he said it is a step forward and something is better than nothing. He said the document states that the qualifying properties also exist in multifamily districts. Ms. Gallant stated that under the proposal eligibility extends across the existing single family and multifamily districts. However, in the single family districts, the only eligible properties are those controlled by religious organizations. While the proposed density bonus will add substantially more units in multifamily districts, there are some qualifying properties in single family districts that are closer to transit, located along an arterial, or which potentially have other criteria that would make them more appropriate for more substantial development. She agreed that the proposed by right density bonus does not distinguish between those cases.

Chair Moolgavkar asked Commissioner Ferris if she could support sending the proposed LUCA to a public hearing, or if she would not be able to support the proposal at all. Commissioner Ferris said she would oppose even sending it to public hearing. She clarified that she is not opposed to the specific regulations within the proposed LUCA, rather she said signing off on an approach that clearly will not produce very many affordable units will take the pressure off the city for a while. The pressure should in fact be on.

Chair Moolgavkar asked staff what it would take by way of process to further investigate the approach outlined by Commissioner Ferris. Ms. Tanus said her understanding of what Commissioner Ferris was calling for was a separate Comprehensive Plan amendment that would essentially allow parcels in single family neighborhoods that have characteristics

that make them suitable for higher densities a path to move beyond the by right 50 percent density bonus. She said that would be a separate issue apart from the proposed LUCA. If so directed, staff would step back and look at how to figure the additional work into the workplan.

Assistant City Attorney Matt McFarland explained that with Process IV land use decisions, which are legislative City Council decisions, there must be a public hearing. The real question is not whether or not the matter should be sent forward to a public hearing but whether or not another study session is needed prior to the public hearing.

Chair Moolgavkar asked if the additional issues could in fact be covered in one more study session or if several months more would be needed. Mr. McFarland said everything Commissioner Ferris said was well taken. Affordable housing is both an important and difficult subject matter, and it has been prioritized by the Council. He pointed out that there is on the table an amendment to the text of the Land Use Code to address Strategy C1. The Commission has the flexibility to not recommend sending the proposed code amendment forward to the Council. The process, however, is the process and it must focus on the C1 amendment. The letter sent to the Commission that suggested moving forward with recommending an underlying Comprehensive Plan amendment focused on taking bolder action is also well taken as another way to address the very complicated problem. That, however, would proceed under a different process. He added that the legislation adopted by the state in 2019 mandates a density bonus for religious properties, and a big part of the proposed LUCA is to comply with the state mandate.

Commissioner Ferris reiterated her support for the policy. She said if staff could come to the next study session with a statement from the Council that the additional Comprehensive Plan amendment work would be done in 2022, she would support moving forward with the proposed LUCA. She stressed that she would want a commitment that that would happen.

Chair Moolgavkar allowed that the Commission cannot tell the Council what to do in terms of setting a workplan, but she asked if there could be conversations with the Council around the issue ahead of an additional study session. Ms. Tanus said there have already been and continue to be conversations with the Council about the issue of interest to Commissioner Ferris. However, staff does not have the ability to commit to working on the issue and as such could not return to the next study session with a commitment.

Commissioner Morisseau said the request of Commissioner Ferris will not by itself address the concerns raised by the Commission. Staff has not given the Commission the sense that they are absolutely sure the 50 percent density bonus is the maximum that every site can get to without moving into the next higher density category, effectively changing the zoning. She said she would like to hear staff address that issue. Ms. Tanus said it is the belief of staff that the 50 percent bonus should be the maximum by right density bonus. The by right approach does not allow for making site-specific determinations. In order to consider site-specific criteria, such as frequent transit service, being located along an arterial, and being adjacent to more intensive land use districts, a Comprehensive Plan amendment and rezone would be required. That process is already available.

Commissioner Morisseau asked how adding flexibility language to the 50 percent density bonus, allowing for a site to exceed that amount by going through an additional review

process, would change the policy the Commission is focused on addressing. Ms. Tanus said she was not sure about including a different process to allow for additional flexibility. She said if the Commission so directs, staff will look at the issue. Commissioner Morisseau said she would like staff to do that work.

Commissioner Brown said it was clear the Commission likes the fact that there is a density bonus, and agrees that complying with state law is a good thing. What the Commission does not want to see happen after passage of the proposed LUCA is the city acting like the affordable housing issue has been solved. While the proposal will create the incentives for hundreds more affordable housing units, that will not be enough to solve the problem. She asked how the Commission could emphasize that urgency. Mr. McFarland reiterated that the Commission will need to hold a public hearing. The action the Commission takes after the public hearing is up to the Commission. Part of the role of the Commission is to serve as the forum for public input, to collect that public input and then provide it to the Council in the form of a recommendation. The question to be answered is whether or not an additional study session was needed prior to the public hearing to address some of the questions that have been raised.

Commissioner Brown asked if the state legislation adopted in 2019 included a timeline by which cities must comply with the provision. Mr. McFarland stressed that the legislation does not allow cities to put in place a density bonus, it requires cities to do so. The legislation does not, however, dictate a compliance timeline. Pursuant to direction from the Council, the issue is being moved forward via the proposed LUCA. He said the position of Commissioner Ferris is that while complying with state law is necessary, more should be done while the opportunity exists to provide avenues for the development of affordable housing. Staff's position is that they feel constrained by the underlying Comprehensive Plan policies. He pointed out that one decision criterion for approving a LUCA is compliance with the Comprehensive Plan. The staff hold the view that the 50 percent density bonus is consistent with the Comprehensive Plan.

Chair Moolgavkar said it was clear to her that the Commission wants to do more but feels stymied by being told what it cannot do. She said she would like another study session scheduled before the public hearing to allow for addressing the questions that have been raised, particularly Commissioner Morisseau's question around allowing for flexibility in addition to the by right density bonus.

Commissioner Bhargava agreed that adding another study session would add value to the process.

Commissioner Morisseau also agreed to adding another study session and said she would like to have staff address at that session the work done in BelRed and Eastgate where almost 300 affordable housing units were built over a ten-year period. She said she specifically would like to know what the goal was for those areas and how far off the goal the outcome has been. If the total number of units achieved is less than the goal, some explanation of why should be offered so that the lessons learned can be applied going forward.

Commissioner Brown said she would appreciate having another study session to outline the big picture of all the ways affordable housing in the city can be achieved, and what the plan is going forward.

Vice Chair Malakoutian asked how much time staff will need to be ready to answer all the questions asked by the Commission, and what the consequence would be of pushing back the timeline. Ms. Tanus said the public hearing was tentatively on the schedule for the first meeting in June. She suggested the additional study session should be moved into that time slot, triggering the need to reschedule the public hearing. Once the Commission directs staff to schedule a public hearing, a full 30 days is needed to comply with all noticing requirements, which would push the public hearing into July. That would mean any study session with the Council would occur at the earliest in September after their August recess.

The consensus of the Commission was to schedule an additional study session prior to the public hearing.

9. OTHER BUSINESS – None
(6:54 p.m.)

10. APPROVAL OF MINUTES
(6:54 p.m.)

A. April 28, 2021

A motion to approve the minutes as submitted was made by Commissioner Morisseau. The motion was seconded by Commissioner Ferris and the motion carried unanimously.

11. CONTINUED ORAL COMMUNICATIONS – None
(6:56 p.m.)

12. EXECUTIVE SESSION – None
(6:56 p.m.)

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

Chair Moolgavkar adjourned the meeting at 7:56 p.m.



Thara Johnson
Staff to the Planning Commission

6/1/2021
Date



Radhika Moolgavkar
Chair of the Planning Commission

6/1/2021
Date