



Development Services Department  
Environmental Coordinator  
450 110<sup>th</sup> Avenue NE  
Bellevue, WA 98009-9012

## DETERMINATION OF NON-SIGNIFICANCE

<b>PROPOSAL NAME:</b>	Increasing Affordable Housing on Faith-Owned Properties (Affordable Housing Strategy Action C-1, Phase Two) Comprehensive Plan Amendment (CPA), Land Use Code Amendment, and Area-Wide Rezone
<b>LOCATION:</b>	City-Wide
<b>FILE NUMBERS:</b>	22-105258-AC
<b>PROPONENT:</b>	Gwen Rousseau, Community Development, City of Bellevue
<b>DESCRIPTION OF PROPOSAL:</b>  Amend Comprehensive Plan policies and Land Use Map to increase capacity for affordable housing on certain faith-owned properties in single family land use districts as part of the 2022 annual CPA work program. A Land Use Code Amendment (LUCA) will follow adoption of the CPA and will include specific development regulations for qualifying development and an area-wide rezone of qualifying properties.	

The Environmental Coordinator of the City of Bellevue has determined that this proposal does not have a probable significant adverse impact upon the environment. An Environmental Impact Statement (EIS) is not required under RCW 43.21C.030(2)(C). This decision was made after the Bellevue Environmental Coordinator reviewed the completed environmental checklist and information filed with the Land Use Division of the Development Services Department. This information is available to the public on request.

This DNS is issued after using the optional DNS process in WAC 197-11-355. There is no further comment period on the DNS. Only persons who submitted written comments before the DNS was issued may appeal the decision. This DNS is only appealable as part of the City's action on the amendment to the Comprehensive Plan. In order to comply with requirements of SEPA and the State of Washington Growth Management Act for coordination of hearings, any appeal of the SEPA threshold determination herein will be considered by the Growth Management Hearings Board along with an appeal of the City Council's action.

**DATE ISSUED:** 8/25/2022

This DNS may be withdrawn at any time if the proposal is modified so as to have significant adverse environmental impacts; if there is significant new information indicating a proposals probable significant adverse environmental impacts (unless a non-exempt license has been issued if the proposal is a private project) or if the DNS was procured by misrepresentation or lack of material disclosure.

*Reilly Pittman*

**Issued By:** *Planning Manager*

**for**

**Date:** August 25, 2022

Elizabeth Stead, Environmental Coordinator  
Development Services Department

2022 Annual Final Review Comprehensive Plan Amendment Recommendation  
City Council-Initiated Amendment

**Affordable Housing Strategy Action C-1 Phase 2**

**Staff recommends approving** this proposed Comprehensive Plan Amendment (CPA) because the amendment satisfies Land Use Code decision criteria for Final Review of a City Council-initiated CPA in [LUC 20.30I.150](#). The CPA will add new policies within the Housing Element of the Comprehensive Plan to enable rezones of qualifying properties from single-family to multifamily land use districts when the qualifying property is developed with 100 percent permanent affordable housing.

**Application Number:** 22-105258 AC

**Proposal:** Affordable Housing Strategy Action C-1 Phase 2 Implementation

**Elements:** Housing and Comprehensive Land Use Plan map

Final Review is normally the second step in Bellevue's two-part plan amendment review process. However, proposed amendments initiated by City Council go straight to this step and bypass Threshold Review, as City Council's decision to initiate validates the proposal as worthy of plan amendment consideration. Final Review evaluates the merits of proposed amendments included in the annual CPA work program. The Final Review evaluation and decision process includes staff review, a Planning Commission public hearing and recommendation by resolution, and City Council action by ordinance.

**PROPOSAL**

The proposed plan amendment consists of three changes (see Attachment A). First, the proposal would add a note to the Comprehensive Land Use Plan map stating that certain qualifying properties in single-family designated areas may be reclassified through a rezone process to multifamily land use districts when developed with one hundred percent affordable housing in accordance with new policy. Second, a new Housing Element policy would provide direction on the qualifying criteria, as referenced in the map note. Third, another new Housing Element policy would direct the City to inform religious organizations about their opportunity to develop affordable housing and to connect them with resources and partners.

**Work Program and Background**

During phase one of Action C-1 Implementation, City Council adopted a CPA and Land Use Code Amendment (LUCA) providing a 50 percent by-right density bonus for certain religious, non-profit and publicly-owned property when developing permanently affordable housing. The density bonus is available to all qualifying property owners in multifamily land use districts and available only to religious organizations in single-family land use districts. Recognizing that the 50 percent density bonus would provide limited incentive for development in single-family land use districts, City Council directed staff to bring back an Action C-1 Phase 2 that would allow for development of multifamily affordable housing on certain properties owned by religious organizations in single-family land use districts to further incentivize production of affordable housing.

**OVERVIEW OF STAFF RECOMMENDATION**

This section of the report provides an overview of how this proposal satisfies the Final Review Decision Criteria for a CPA. The following section will provide a more detailed analysis. This proposal satisfies the Final Review Decision Criteria for a CPA as follows:

- ✓ *The proposed amendment is **consistent with the Comprehensive Plan** and other goals and policies of the city, the Countywide Planning Policies (CPP), the Growth Management Act and other applicable*

law because it furthers Bellevue's vision of meeting the housing needs of Bellevue's diverse population.

- ✓ The proposed amendment **addresses the interests and changed needs of the entire city** because it addresses the increased need for affordable housing in the city.
- ✓ The proposed amendment **addresses significantly changed conditions (since the last time the pertinent map or text was amended)** including a significantly changed housing market that has limited opportunities for households to afford living in Bellevue and resulting labor shortages for many essential services.
- ✓ Implicit in the proposed amendment is an expectation **of general conformance with adjacent land use and the surrounding development pattern**. This is because the qualifying criteria limit eligible properties to sites located proximate to existing multifamily and commercial land use districts. However, this CPA is not a site-specific amendment in property terms and would apply to qualifying properties across the city, so the decision criterion for development suitability does not apply to this CPA.
- ✓ The proposed amendment **demonstrates a public benefit and enhances the public health, safety and welfare** because it increases opportunities to expand Bellevue's supply of affordable housing, which will serve to increase the number of households who have convenient access to jobs, excellent schools and frequent transit service.

#### FINAL REVIEW DECISION CRITERIA

The six Final Review Decision Criteria for a proposed Comprehensive Plan Amendment are set forth in the Land Use Code in Section [20.30I.150](#). A proposal must meet all applicable criteria to be recommended for approval. For this CPA proposal, only four criteria are applicable. Based on the criteria, Community Development Department staff recommends **approval** of the proposed amendment:

Final Review Decision Criteria	Meets/ Does Not Meet
A – Obvious technical error	N/A
B1 – Consistent with Plan, other goals and policies, CPPs, GMA and other law	Meets
B2 – Addresses interests and changed needs of entire city	Meets
B3 – Addresses significantly changed conditions	Meets
B4 – Could be suitably developed	N/A
B5 – Demonstrates a public benefit	Meets

This conclusion is based on the following analysis:

**A. There exists obvious technical error in the pertinent Comprehensive Plan provision, or**

Not applicable to this proposal.

- B1. The proposed amendment is consistent with the Comprehensive Plan and other goals and policies of the city, the Countywide Planning Policies (CPP), the Growth Management Act and other applicable law; and**

**Comprehensive Plan**

This proposal is directly consistent with the following Comprehensive Plan policies:

**Land Use Element**

**LU-13.** Reduce the regional consumption of undeveloped land by facilitating redevelopment of existing developed land when appropriate.

**Housing Element**

**HO-7.** Encourage the development of affordable housing through incentives and other tools consistent with state enabling legislation.

**HO-12.** Provide incentives to encourage residential development for a range of household types and income levels in multifamily and mixed use commercial zones.

**HO-18.** Promote working partnerships with housing developers to help create a variety of housing types in the community.

**HO-21.** Address the entire spectrum of housing needs, including the need for housing affordable to very low, low, and moderate income households, through the city's affordable housing programs.

**HO-26.** Provide incentives and work in partnership with not-for-profit and for-profit developers and agencies to build permanent low- and moderate-income housing.

**HO-30.** Ensure that all affordable housing created in the city with public funds or by regulation remains affordable for the longest possible term.

**HO-34.** 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.

**Affordable Housing Strategy**

The proposed amendment advances the City's 2017 Affordable Housing Strategy to *create more affordable housing by increasing development potential on suitable land owned by public agencies, faith-based, and non-profit housing entities for affordable housing.*

**Economic Development Plan**

The proposed amendment directly advances one of the seven foundational strategies for achieving the City's desired economic outcomes namely to *encourage a variety of housing choices within the city.* The Plan states,

*After transportation, cost is consistently cited as one of the greatest challenges for business in Bellevue, **especially cost of housing for workers. A sustainable economy requires workers at all income levels, but rapid population growth in Bellevue and the region has made housing unaffordable for many residents and workers at lower income levels. Bellevue, the Eastside, and the larger Puget Sound continue to need more housing choices for diverse income levels throughout the city.***

#### **State Growth Management Act**

The proposed amendment is consistent with RCW 36.70A.540, which authorizes the City to enact or expand affordable housing incentive programs, and with RCW 36.70A.545 because the CPA would support increased density on qualifying properties owned or controlled by a religious organization when the property is developed with 100 percent permanent affordable housing.

The proposed amendment is also consistent with the Growth Management Act's [planning goals](#) for urban growth and housing including:

- (1) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.
- (4) Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

#### **Countywide Planning Policies**

The proposed amendment is consistent with the following King County Countywide Planning Policy strategies to *provide a full range of affordable, accessible, healthy, and safe housing choices to every resident in King County* and to *work to:*

- *preserve, improve, and expand their housing stock;*
- *promote fair and equitable access to housing for all people; and*
- *take actions that eliminate race-, place-, ability-, and income-based housing disparities.*

**H-7.** Collaborate with diverse partners (e.g., employers, financial institutions, philanthropic, faith, and community-based organizations) on provision of resources (e.g., funding, surplus property) and programs to meet countywide housing need.

**H-9.** Collaborate with populations most disproportionately impacted by housing cost burden in developing, implementing, and monitoring strategies that achieve the goals of this chapter. Prioritize the needs and solutions articulated by these disproportionately impacted populations.

**H-11.** Adopt policies, incentives, strategies, actions, and regulations that increase the supply of long-term income-restricted housing for extremely low-, very low-, and low-income households and households with special needs.

**H-13.** Implement strategies to overcome cost barriers to housing affordability. Strategies to do this vary but can include updating development standards and regulations, shortening permit timelines, implementing online permitting, optimizing residential densities, reducing parking requirements, and developing programs, policies, partnerships, and incentives to decrease costs to build and preserve affordable housing.

**H-15.** Increase housing choices for everyone, particularly those earning lower wages, that is co-located with, accessible to, or within a reasonable commute to major employment centers and affordable to all income levels. Ensure there are zoning ordinances and development regulations in place that allow and encourage housing production at levels that improve jobs-housing balance throughout the county across all income levels.

**H-16.** Expand the supply and range of housing types, including affordable units, at densities sufficient to maximize the benefits of transit investments throughout the county.

**H-17.** Support the development and preservation of income-restricted affordable housing that is within walking distance to planned or existing high-capacity and frequent transit.

**H-18.** Adopt inclusive planning tools and policies whose purpose is to increase the ability of all residents in jurisdictions throughout the county to live in the neighborhood of their choice, reduce disparities in access to opportunity areas, and meet the needs of the region's current and future residents by:

- a) Providing access to affordable housing to rent and own throughout the jurisdiction, with a focus on areas of high opportunity;
- b) Expanding capacity for moderate-density housing throughout the jurisdiction, especially in areas currently zoned for lower density single-family detached housing in the Urban Growth Area, and capacity for high-density housing, where appropriate, consistent with the Regional Growth Strategy;
- c) Evaluating the feasibility of, and implementing, where appropriate, inclusionary and incentive zoning to provide affordable housing; and
- d) Providing access to housing types that serve a range of household sizes, types, and incomes, including 2+ bedroom homes for families with children and/or adult roommates and accessory dwelling units, efficiency studios, and/or congregate residences for single adults.

**H-24.** Plan for residential neighborhoods that protect and promote the health and well-being of residents by supporting equitable access to parks and open space, safe pedestrian and bicycle routes, clean air, soil and water, fresh and healthy foods, high-quality education from early learning through K-12, affordable and high-quality transit options and living wage jobs and by avoiding or mitigating exposure to environmental hazards and pollutants.

The proposed amendment is consistent with the following King County Countywide Planning Policy strategies to *accommodate growth... through land use patterns and practices that create vibrant, healthy, and sustainable communities*:

**DP-2.** Prioritize housing and employment growth in cities and centers within the Urban Growth Area, where residents and workers have higher access to opportunity and high-capacity transit. Promote a pattern of compact development within the Urban Growth Area that includes housing at a range of urban densities, commercial and industrial development, and other urban facilities, including medical, governmental, institutional, and educational uses and schools, and parks and open space. The Urban Growth Area will include a mix of uses that are convenient to

and support public transportation to reduce reliance on single-occupancy vehicle travel for most daily activities.

**DP-3.** Develop and use residential, commercial, and manufacturing land efficiently in the Urban Growth Area to create healthy, vibrant, and equitable urban communities with a full range of urban services, and to protect the long-term viability of the Rural Area and Natural Resource Lands. Promote the efficient use of land within the Urban Growth Area by using methods such as:

- a) Directing concentrations of housing and employment growth to high opportunity areas like designated centers and transit station areas, consistent with the numeric goals in the Regional Growth Strategy;
- b) Encouraging compact and infill development with a mix of compatible residential, commercial, and community activities;
- c) Providing opportunities for greater housing growth closer to areas of high employment to reduce commute times;
- d) Optimizing the use of existing capacity for housing and employment;
- e) Redeveloping underutilized lands, in a manner that considers equity and mitigates displacement; and
- f) Coordinating plans for land use, transportation, schools, capital facilities and services.

**DP-4.** Focus housing growth in the Urban Growth Area within cities, designated regional centers, countywide centers, locally designated local centers, areas of high employment, and other transit supported areas to promote access to opportunity. Focus employment growth within designated regional and countywide manufacturing/industrial centers and within locally designated local centers.

**DP-5.** Reduce greenhouse gas emissions through land use strategies that promote a mix of housing, employment, and services at densities sufficient to encourage walking, bicycling, transit use, and other alternatives to auto travel, and by locating housing closer to areas of high employment.

**DP-6.** Adopt land use and community investment strategies that promote public health and address racially and environmentally disparate health outcomes and promote access to opportunity. Focus on residents with the highest needs in providing and enhancing opportunities for employment, safe and convenient daily physical activity, social connectivity, protection from exposure to harmful substances and environments, and housing in high opportunity areas.

**B2. The proposed amendment addresses the interests and changed needs of the entire city as identified in its long-range planning and policy documents; and**

The proposed amendment addresses the interests and changed needs of the entire city because it promotes *a variety of housing opportunities to meet the needs of all members of the community*. It addresses the widening gap in both the overall supply of housing and the supply of affordable housing in particular.

Over the past several years, the need for affordable housing has grown as has the city's understanding of the magnitude of that need. Bellevue, along with other King County jurisdictions, King County, and the Washington State Department of Commerce have been working to establish targets for affordable housing over the past several months. A final allocation approach has not yet been determined. However, under all proposed approaches, Bellevue's need for affordable housing has been shown to be high. Increasing capacity for affordable housing development will help Bellevue keep pace with increased housing need.

Today, 29 sites meet the proposed location and ownership criteria and qualify as eligible for rezoning. If all religious organizations owning these properties were interested in developing 100 percent permanent affordable housing, and if each site were to be developed to the maximum potential in the R-30 multifamily land use district, just over 4,300 affordable housing units could be produced if R-30 density was applied to estimate the maximum units possible.

Future analysis during the LUCA phase will establish maximum densities for these properties based on their location characteristics. Densities will likely range from R-10 to R-30, meaning that the maximum number of units possible is anticipated to be lower than 4,300. In addition, it is unlikely that every site would be developed or that every site would be developed to its maximum potential, and thus, the number of units produced will not achieve 4,300. A concerted effort is planned to inform religious organizations of their opportunity to develop affordable housing and to connect them with partners and resources to assist them with the development process.

**B3. The proposal addresses significantly changed conditions since the last time the pertinent Comprehensive Plan map or text was amended. See LUC 20.50.046 (below) for the definition of "Significantly Changed Conditions:"**

***Significantly changed conditions.*** *Demonstrating evidence of change such as*

- 1) unanticipated consequences of an adopted policy, or*
- 2) changed conditions on the subject property or its surrounding area, or*
- 3) changes related to the pertinent Plan map or text; where such change has implications of a magnitude that need to be addressed for the Comprehensive Plan to function as an integrated whole.*

Since adoption of the Affordable Housing Strategy in 2017, the inability of housing development to keep pace with job growth in Bellevue has led to competition in the housing market pushing housing prices up well beyond what low to moderate income households can afford.

*This proposed amendment would address significantly changed conditions by:*

- increasing the supply of housing affordable to low and moderate income households in Bellevue, thereby furthering income integration, opportunity for upward mobility, and reducing the number of historically marginalized people being pushed farther away from high opportunity areas; and by*
- reducing the distance workers must travel to get to work and increasing the number of households living near frequent transit, thereby minimizing traffic and greenhouse gas emission impacts.*



**B4. If a site-specific proposed amendment, the subject property is suitable for development in general conformance with adjacent land use and the surrounding development pattern, and with zoning standards under the potential zoning classifications; and**

Not applicable to this proposal.

**B5. The proposed amendment demonstrates a public benefit and enhances the public health, safety and welfare of the city.**

*The proposed amendment demonstrates a public benefit and enhances the public health, safety and welfare* because it encourages production of affordable housing in close proximity to high frequency transit resulting in triple bottom line benefits – benefits to equity, the economy and the environment.

In summary, the proposed amendment is consistent with state, region, county and City long range plans and policies; it addresses the interests and changed needs of the City; it addresses significantly changed conditions since the last pertinent plan update; and the proposed amendment demonstrates a public benefit that will enhance public health, safety and welfare for Bellevue residents for years to come. Staff therefore recommends approving the proposed amendment.

**PUBLIC NOTICE AND COMMENT**

A Notice of the Application was published in the Weekly Permit Bulletin on June 16, 2022. A courtesy notice was mailed to residents within 500 feet of the original 25 eligible properties. People signed up to receive such notices were also notified. A 14 day comment period followed, ending June 30, 2022.

The city accepts public comments throughout the CPA process. All comments, written and oral, are included in the public record for reference and for use by decision-makers. At the various steps, comments are included in their original form to the Planning Commission as attachments to staff report recommendations. They are also posted on the web site.

This proposed amendment to the Comprehensive Plan was introduced to the Planning Commission at their Study Session on June 22, 2022. A virtual information session was held on June 29 with just over 20 people in attendance. A second Study Session occurred on July 27. A Notice of Public Hearing will be posted on August 25 along with this Staff Report/Recommendation and the final SEPA threshold determination. The public hearing on this CPA is scheduled for September 14.

To date, comments have focused on the importance of:

- geographic distribution of affordable housing properties,
- streamlining permitting for affordable housing development,
- providing religious organizations with assistance in the development process, and of
- incorporating universal design and green building into affordable housing.

Neighboring residents have also expressed concerns over impacts related to privacy and potential increases in criminal activity.

**STATE ENVIRONMENTAL POLICY ACT**

The Environmental Coordinator for the City of Bellevue has determined that this proposal will not result in any probable, significant adverse environmental impacts. The City anticipates that a threshold determination of non-significance (DNS) will be issued on August 25, 2022. Following adoption of this proposed CPA and subsequent LUCA, project level SEPA review will be required for any non-exempt project proposed during the land use review process.

**NEXT STEPS**

A public hearing on the proposed amendment is scheduled for September 14 after which the Planning Commission can adopt a resolution recommending City Council take action on the proposed amendment.

**ATTACHMENTS**

Attachment A: Action C-1 Phase 2 CPA Proposed amendments

Attachment B: Action C-1 Phase 2 Qualifying Sites Map-revised

**Proposed map note amendment**

HO XX. Properties owned or controlled by religious organizations, as defined by LUC 20.20.128.B.2, and located in single family designated areas shown on the map may be reclassified to multifamily through a rezone process, subject to Part 20.30A LUC, when developed with one hundred percent permanently affordable housing in accordance with housing policy HO-xx.

**Proposed policy amendments**

HO-xx. Allow properties in single family designated areas on the Comprehensive Land Use Plan map to reclassify to multifamily when they meet all the following criteria:

1. one hundred percent of the housing being developed will be permanently affordable housing; and
2. the property is owned or controlled by a religious organization; and
3. the property is located near high capacity transportation infrastructure and services; and
4. the property is located near other multifamily residential or commercial use districts.

HO-xx. Inform and educate religious organizations about the opportunity to develop affordable housing.

# Increasing Capacity for Affordable Housing (Action C-1 Phase 2)

Religious Owned or Controlled Single-Family Sites Near High Frequency Transit and Multifamily or Commercial Districts

