

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

March 26, 2008
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Robertson, Vice-Chair Bach, Commissioners Ferris, Mathews, Orrico, Sheffels

COMMISSIONERS ABSENT: Commissioner Lai

STAFF PRESENT: Paul Inghram, Cheryl Kuhn, Steph Hewitt, Matthews Jackson, Dan Stroh, Emil King, Department of Planning and Community Development; Arthur Sullivan, ARCH

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:32 p.m. by Chair Robertson who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Lai who was excused.

3. APPROVAL OF AGENDA

The agenda was approved by consensus.

4. STAFF REPORTS

Comprehensive Planning Manager Paul Inghram reported that the April 9 Commission meeting would be moved to April 2.

5. PUBLIC COMMENT

Mr. David Plummer, 14414 NE 14th Place, urged the Commission to reject the proposal of the staff for the medical institution district. The proposed new MI subdistrict is located in Area E of the Bel-Red/Northup subarea, which is planned and zoned for office. Hospitals are not a permitted use in office-zoned areas. The Bel-Red project steering committee recommended that the area between I-405 and the BNSF right-of-way from NE 12th north to SR-520 be retained in low-intensity office/medical office use. In addition, the steering committee did not recommend, discussion otherwise evaluate the possible location of another major hospital facility within the Bel-Red corridor, and especially in the area recommended by the staff. Neither the draft nor the FEIS for the Bel-Red project evaluated the impacts of locating a hospital facility in the area recommended by the staff. The city's subcontractors on the Bel-Red project did not evaluate or recommend inclusion of a major hospital facility in the Bel-Red corridor. There has been no traffic analysis or any other type of analysis done regarding the impacts of locating a major

hospital facility in the proposed location. Locating a major hospital in the area proposed by the staff will isolate it from the Overlake/Group Health campuses. Ample land area exists directly to the east of the Overlake/Group Health campuses to allow construction of such a facility in the area. Location of such a facility in the area would allow any new operator to construct elevated bridges across 116th Avenue NE to the Overlake/Group Health facilities. The land in the area is part of the Wilburton/NE 8th subarea and is planned and zoned for commercial and general uses and hospitals are a permitted use. The Bel-Red steering committee recommended that the area be planned for more intense medical office use and did not include a hospital facility in its recommendation for the area. Locating a hospital facility due east of the Overlake/Group Health campus is entirely consistent with the Commission's previously adopted guide for the MI district Comprehensive Plan and Land Use Code amendments. No specific proposal or application has been submitted to the city for a rezone or a change in the Comprehensive Plan to locate a hospital facility in the area proposed by the staff.

Ms. Paula Holmes, Children's Hospital/Bellevue director, thanked the Commission for its work on helping bringing to reality an ambulatory care facility in Bellevue by 2010. The hospital parameter development area DA-3 has been reviewed and found acceptable, with the exception of the floor plate and tree retention issues. A memo outlining the concerns was made available to the Commissioners. Children's is committed to providing high-quality healthcare services as close to where the families live as possible. About 20 percent of the patients of Children's live on the Eastside, and the projections are that the Eastside pediatric population will grow to about 172,000 in the next four years. By 2015 Children's will need to be able to provide about 42,000 specialty clinic visits, 15,000 urgent care visits, 5000 day surgery visits, and about 2500 sleep study visits, along with radiology and laboratory procedures. Program planning is under way with a consortium of parents, providers, planners and architects looking at how to make the best facility in Bellevue. From the parents' perspective, some of the principles highlighted include the need to reduce the total number of steps between the garage and their final destination in the hospital, assuring that exam rooms and clinical spaces are in line of site to providers, and providing a clinical environment that is as safe as possible. If the floorplate of the building is limited, meeting those principles will be a challenge.

Mr. Brian Usake(?) with NBBJ Architects outlined the site for the Commission along with a diagram of the proposed site plan showing the constraints. He explained that Children's is anticipating construction of a new facility in Bellevue in two phases, beginning with the east end of the property then moving to the west end of the property. The trees located on the northern end of the property will impact development on that part of the site if the requirement is to preserve them.

Mr. Chuck Maduell with Davis Wright Tremaine spoke on behalf of Children's Hospital. He said Children's is generally supportive of the proposed amendments relative to the MI district. Children's is concerned about the floor plate limitation of 24,000 square feet above 40 feet; program needs and site constraints would make it impossible to locate the ambulatory healthcare center on the site with those restrictions. While the hospital center and the office perimeter areas are expressly exempt from the tree retention provisions of the Land Use Code, the DA-3 zone is not but should be.

Chair Robertson asked if Children's has indicated what floor plate limit would work for them. Mr. Maduell said 24,000 square feet is too small, but work is still under way to determine what size floor plate will be needed.

Commissioner Ferris commented that the floor plate restriction above 40 feet is intended to reduce the overall bulk of the building. He suggested Children's should come to the city with a

suggestion for reducing the bulk through some means other than a floor plate restriction.

Mr. Todd Woosley with Hal Woosely Properties voiced his support for locating Children's in the Bel-Red corridor. He said while the opportunity is phenomenal, the Commission should take the time to plan it right up front. The city should invite a representative from the Redmond planning department to provide information regarding the planning effort to develop their Overlake Neighborhood Plan, particularly with regard to zoning flexibility and how to prevent non-conforming uses. Bellevue should hold a forum or two in which property owners and business managers can have the opportunity to see the progress that has been made and to provide constructive comments. Another open house should be scheduled to help increase support for the plan. The economic analysis done to show the demand for the different types of uses should be updated; it was done three years ago and centered around the notion of having light rail in the corridor.

Ms. Cindy Edens, Director of Development for Wright Runstad, said planning for the first phase of development for the Spring District is under way. It will consist of three buildings. Documents for that development will be submitted to the city concurrent with the completion of the rezone. Any affordable housing policies put into play should be applicable citywide, not just for the Bel-Red corridor. Developer contributions will serve as only one part of the overall funding package; it will take public subsidies and a variety of other funding mechanisms to meet the subarea housing goals. Regulations should err on the side of being more flexible. Affordable housing regulations should only apply to housing developments, not commercial developments, though an affordable housing bonus should be available as a voluntary incentive for commercial development. The initial work on the density incentive framework is to be applauded. There should be an additional incentive for creative stormwater retention solutions for nearby Lake Bellevue or adjacent streams. Wright Runstad will be looking closely at the base FARs and height allowances and how they relate to the maximums allowed through incentives. Too much reliance on incentives to achieve the bulk of the density can be a negative if the formulas are out of whack with the market.

6. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None

Michael Yantis, 6550 125th Avenue SE, spoke as Chair of the Human Services Commission. He noted that while the Human Services Commission has not been formally involved in the Bel-Red study process, it has been kept informed through staff briefings and by attending the joint boards and commissions meetings. The primary interest of the Commission is in the human service aspect of affordable housing. The Commission was pleased to see the steering committee establish as a goal for the area the inclusion of a variety of housing types to meet the needs of a diverse population of varied income levels. Identified housing solutions should be applicable citywide, though the Bel-Red corridor does provide excellent opportunities.

Despite good intentions, the city has not made good progress toward achieving affordable housing. Since 1996, the use of voluntary incentives has been virtually nonexistent. Statistics show the city is in fact going the wrong way toward the stated goal of improving affordable housing. Bel-Red presents an opportunity to change the course. Affordable housing is defined as housing affordable to residents without paying more than 30 percent of their total income for housing. According to the census data, 39 percent of Bellevue renters, and 25 percent of Bellevue homeowners, fall within the definition. Fully 3.6 percent of Bellevue families, five percent of individuals, and 32 percent of single female heads of households live in poverty, which is defined as an income of less than \$17,500 for a family of four. Every two years the human services division of the city conducts a needs assessment. Since 1995 the lack of

affordable housing has been rated the top problem among major problems in the city. In the telephone survey conducted for the last Needs Update, 69 percent of the respondents rated affordable housing as the top problem.

The policies for the Bel-Red subarea should include targets for very low- and low-income households. The Human Services Commission acknowledges the challenges associated with developing affordable housing. The HUD guidelines indicate that the median income in King County is \$81,400; for a family of four, 120 percent of median income, the figure used in the draft subarea policies, equates to \$97,680 for a family of four. The targets being considered for the plan are directed at moderate-income households, or higher than 80 percent of median income, rather than the low- or very low-income households. Since 39 percent of Bellevue households have incomes below \$50,000, and since nearly one-quarter have incomes of less than \$35,000, there is a crying need to address those ranges in order to be representative of people living in the city.

Mr. Yantis said it was learned earlier in the day that another affordable apartment complex, Highcroft in the Lake Hills neighborhood, is to be renovated. The result will be higher priced units costing between \$1275 and \$1330 per month and the displacement of 36 low-income families. The same company that purchased the complex recently converted another affordable apartment complex in the same neighborhood to condominiums, displacing additional families who only have until April 30 to find other affordable housing options or risk becoming homeless.

The Commission should consider stronger incentives for affordable housing. The affordable housing incentives in place since 1996 have only rarely been used. A large number of new living units have been created in the downtown since that time, but the voluntary incentives have not resulted in affordable housing development there and have met with success only minimally in other areas of the city. The Human Services Commission hopes that strong incentives, or even mandatory requirements, for affordable housing development in Bel-Red will meet with better results. The mandatory approach in use for some areas of Redmond appear to be working without stymieing development. The Bel-Red policies should call for a review of the affordable housing strategies every three years.

7. REPORTS FROM COMMISSIONERS

Chair Robertson said she received a phone call from a member of the Seattle Planning Commission who is trying to put together a group of planning commissioners from Eastside cities to attend their retreat near the end of April. She reported that she has agreed to attend on behalf of the Bellevue Planning Commission.

8. STUDY SESSION

A. Neighborhood Character Phase II

Neighborhood Outreach Manager Cheryl Kuhn said staff have been continuing discussions with planning professionals from other cities regarding neighborhood character issues, notably FAR and how it is used, and the pitfalls and benefits of different approaches related to size and scale issues. The development and real estate professionals communities have been invited to be informed and involved in the process. The Phase I focus groups have been reengaged. There has also been contact with the media.

Ms. Kuhn said there are different ways to address size and scale. One way is through a special approval process, an approach that previously received a poor reception from the Commission

and which got a zero reception from the public. The particular size and scale issues highlighted by the public are lack of privacy and lack of sunlight. The Commission previously expressed some level of interest in pursuing development standards for housing projects over a certain size; the development standards could include things such as daylight plane requirements, second-story articulation, second-story setback, increased side setbacks, and recessed garages.

Community Involvement Coordinator Steph Hewitt explained that a daylight plane is a height limitation that, when combined with maximum height, defines the building envelope. She shared with the Commission visual examples showing how daylight plane measurements are made.

Ms. Hewitt reminded the Commission that in 2007 staff reviewed 273 development files from 2005 and 2006 and grossly calculated the floor area ratio of each file. She explained that FAR is determined by dividing the building area by the site area. She provided the Commissioners with a matrix showing the results by development zone ranging from 15 percent to 70 percent. Photo examples at different FARs were shown to the Commissioners. It was noted that more than half of the development files are over an FAR of .45.

Ms. Hewitt said in 1999 Mercer Island adopted a mega home ordinance. The three remedies used by the ordinance were FAR, side setbacks and building height. A few years ago Kirkland initiated an approach that uses FAR; it has been tweaked along the way. Mercer Island has an FAR limit of .45 for all structures on a lot; Kirkland has some square footage allowances for garages that are detached.

Ms. Kuhn said in talking to the focus group about different approaches, the neighborhood folks indicated that if the city is going to address the issues of size and scale, FAR is the easiest to understand and the most reasonable and fair approach. Of course, if the decision is made to go in that direction, there will need to be a number of other decisions made to determine how the approach should be applied. FAR can, of course, be combined with other approaches such as side setbacks and daylight plane. Some cities establish a maximum FAR but allow that limit to be exceeded for certain kinds of beneficial building practices such as larger side yard setbacks, articulated second stories and second story setbacks.

Commissioner Ferris commented that any new home that gets constructed in older neighborhoods with smaller, more modest homes is going to stand out. So even with an approach that involves FAR or bigger setbacks, people may not perceive that the original problem has been solved. Ms. Kuhn agreed but pointed out that the focus group participants and those from the public who have contacted staff have expressed no interest in having all homes in Bellevue look alike. They are, in fact, wary of any approach that would cause that to happen.

Commissioner Ferris pointed out that even with a .45 FAR restriction, people could still feel that a new home is encroaching on their light and air. Ms. Kuhn concurred. Because there are some very large lots in the city, a .45 FAR restriction could still allow for the construction of very large homes, unless other tools are used to address some of the issues voiced by the public.

Ms. Hewitt said the practice of some cities to couple increased side yard setbacks with an FAR cap has been welcomed by the neighborhoods, though the development community is not keen on that approach. The city of Los Angeles incentivizes setbacks on the second story.

Commissioner Ferris commented that 15 years ago there were complaints about new homes being built too close together. Now in places like Issaquah Highlands or Talus the homes are even closer together. There is land use planning that encourages smaller lot sizes and the preservation of open space in the neighborhoods that can be enjoyed in ways other than front,

side and back yards. Rules aimed at preserving neighborhood character may force bigger lots, which is not the right use of land, to try and maintain an FAR calculation that is not necessarily in keeping with what buyers of single family homes in new developments want. Ms. Hewitt allowed that some cities that have smaller lots allow for bumping up the allowed FAR, some as high as .70.

Chair Robertson said she is in favor of giving property owners flexibility in developing their lots. She said she is not convinced that FAR is the answer. Setbacks for very large homes and daylight plane might be a more appropriate approach to avoiding negative light and shadow impacts. If the FAR route is taken, for very small lots there should be a minimum of 3500 square feet, whichever is greater.

Commissioner Mathews said he owns and lives in a small house adjacent to a mega house that overshadows it. He said since construction of the house next door, his lawn has turned to moss and the residents of the new home look directly into his living room. Any approach that can soften those impacts should be considered. It is unlikely that any one tool will work, so it will take a combination of tools.

Commissioner Ferris suggested establishing thresholds might be the best approach. Homes constructed under a certain FAR could avoid having to go through design review. Homes over the FAR would see other criteria kick in, such as daylight planing. Good design can overcome a variety of challenges.

Answering a question asked by Commissioner Sheffels, Ms. Kuhn said some cities utilize what they call contextual FAR. The issue for Bellevue is that there is a marked disparity between house sizes in the various neighborhoods, so it would be very difficult to determine what the contextual FAR would be in those cases.

It was agreed staff should continue to explore the FAR, daylight plane and setback options.

Chair Robertson said it would be very helpful to have a recommendation from staff.

Senior Planner Matthews Jackson turned next to the issue of the setback for mechanical equipment in the side yard setback area of single family zones. He said the current code forbids the locating of mechanical equipment in side yard setbacks, but does permit locating it within five feet of the rear setback for detached accessory structures on lots of less than 20,000 square feet. There have been complaints made regarding noise, though the code is set up to address noise issues as a nuisance.

Mr. Jackson said the focus group participants felt it would be a hardship to impose stricter rules where an existing home is built to the five-foot setback and has no other options for locating mechanical equipment. They concluded that if new rules are imposed, they should apply only to new development.

Commissioner Ferris agreed that the real issue is noise. He suggested the possibility of allowing mechanical equipment in the side yard setback if it has a lower noise level. Mr. Jackson said that idea was tossed around by staff, but no research has been done to determine how much equipment is available on the market that can meet the city's noise codes.

Commissioner Sheffels pointed out that what the equipment is installed adjacent to can act to reflect and amplify the noise. Placement of mechanical equipment is very important to avoid bothering the neighbors.

Commissioner Orrico suggested the issue is not all that large, adding that the city already has the ability to address nuisance issues such as noise.

Commissioner Ferris said it is possible to locate and install mechanical equipment in such a way as to have it be very quiet, though it costs more money. He said it would be good to know there are good solutions out there and write them into code. Ms. Kuhn agreed to bring back more information.

With regard to setbacks for guest cottages or accessory structures, Mr. Jackson said for lots less than 20,000 square feet the code allows detached accessory structures to be located within five feet of the rear and side property lines. The height of such structures is limited to 15 feet. On lots greater than 20,000 square feet, accessory structures that do not get relief from the rear yard setback must meet the underlying zoning, which is typically 20 or 25 feet. That approach could be extended to smaller lots, or other options, such as FAR, could be utilized. The traditional setbacks can be modified in PUDs, provided that open space that provides a public benefit is incorporated elsewhere.

Commissioner Mathews asked if guest cottage and ADU are the same things. Mr. Jackson said the code does not currently allow detached ADUs. Detached guest cottages are allowed. The difference is guest cottages are not offered for rent or lease. An accessory structure is any kind of structure not attached to the primary residence.

There was agreement to keep the issue simple.

Ms. Kuhn said lot assembly is another issue that has been raised. She said the city cannot prevent property owners from combining lots, but the issue can be addressed in different ways. She asked the Commission if staff should look for ways that would prevent reducing the housing stock. Seattle is considering an ordinance that would not allow lots to be combined for the purpose of reducing the total number of houses; the proposed ordinance would not allow two homes to be torn down to make way for one single large house on the combined lots. Lot assembly is not effected very much in Bellevue, and the focus group saw the issue as a non-starter.

Commissioner Ferris said where two lots are combined, the land previously required for the internal side yard setbacks is gained. One approach might be to require the transfer of the internal side yard setbacks to the external side yard setbacks, giving greater separation from adjoining lots. That would allow for the construction of a larger home without being too close to the property lines. He allowed that the approach would not help the city meet its GMA housing goals.

Ms. Hewitt said lot assemblies occur most often along shorelines.

Chair Robertson said she would not want to outlaw the practice, especially since it is not a pressing issue.

Turning to the issue of abandoned building sites, Chair Robertson asked if the city requires the posting of a bond at the time a building permit is issued that could be used. Ms. Kuhn said the city does not currently take that approach. She said abandoned sites are rare in Bellevue, but when it does happen it becomes a problem for the neighborhood. She said the building department staff has suggested the city should check on lots for which building permits expire; that is currently not done.

Chair Robertson suggested that because the issue does not come up often, it should be handled on a complaint basis.

Ms. Kuhn said the focus group expressed much more concern with houses that are left vacant for long periods of time and which become eyesores. The city receives complaints of that type on almost a weekly basis.

Mr. Jackson the focus group raised concerns about the disruption of neighborhood character that occurs when PUDs and conservation plats are located in existing single family areas with larger lots and larger setbacks. He suggested the issue should be considered as part of the larger housing update to be taken up in the next year.

Ms. Hewitt said the city has heard from citizens who say building permits run too long. Staff ran some numbers and found that the average length of time between the issuance of a new single family construction permit and the date of the final inspection and occupancy permit is about 12 months. For additions and remodels, the time span is about six months. The public complaints seems to be more related to the number of new homes going into neighborhoods, making construction an ongoing issue for the neighborhood. The city currently allows building permits to run for three years, and staff is not recommending changing that to a shorter period of time.

Ms. Kuhn said the issue of remodeling came up in the focus groups because of the limited way in which the city defines the term. If certain parameters are met, a remodel can appear to be a complete teardown and rebuild. She said to change the current approach would be problematic. Staff is recommending addressing the underlying problem, which is that remodeling hours can go on much later into the evening and on weekends, whereas new construction working hours are much more limited.

Commissioner Mathews suggested that construction is construction when it comes to noise levels and the allowed working hours should not be different for new construction versus remodeling. Ms. Kuhn said the focus group was hesitant to handicap the do-it-yourself who is making an attempt to get remodeling work done as quickly as possible and only has evenings and weekends to do it. The group did think, however, that 10:00 p.m., particularly on Saturdays and Sundays, is not reasonable.

Chair Robertson said she would not be opposed to making the hours match for new construction and remodel, especially since the ordinance is tied to construction noise. There are a number of construction tasks, such as painting, that are quiet and which should be allowed regardless of the hour.

Commissioner Ferris suggested that do-it-yourself remodeling work would be negatively impacted if not allowed to be done on Sundays. Ms. Hewitt said the focus group thought allowing work through to 6:00 p.m. would be appropriate.

Chair Robertson said she would not want to see construction work allowed to begin too early; she proposed allowing work to proceed between the hours of 9:00 a.m. and 9:00 p.m. Commissioner Ferris concurred. There was consensus to take that approach.

Ms. Kuhn said the neighborhood character issue will again be before the Commission on April 23. A community meeting to talk about the issues is slated for April 8.

B. Bel-Red Medical Institution

Land Use Director Carol Helland said the medical institution district was adopted by the city in 2005. She noted that the site on which Children's is interested in developing a facility is located just to the northeast of the established MI district. Referring to the map on page 23 of the Commission packet, she noted that the area shown as DA-1 represents the area for which work was done when Group Health wanted to co-locate on the Overlake Hospital campus, which is entirely within the MI district. DA-2 is the perimeter office district which allows for hospital and ambulatory healthcare uses. Children's has requested applying similar zoning and MI district requirements to the area shown as DA-3.

Ms. Helland reminded the Commission that in 2005 it was recognized that NE 10th Street would pass through the site, requiring Overlake and Group Health to be spread farther apart and take on more of an urban form to accommodate their programs. The Group Health ambulatory healthcare center ended up being 100 feet high. The hospital can go to 200 feet but is not currently built to that height. Similar issues apply to DA-3 given the preliminary alternative route alignment for the East Link light rail system. Accordingly, their development is going to have to be pushed more to the north.

The materials used by the Commission in 2005 to guide the development of the original MI district included the set of principles for how to accommodate medical institution districts in the city. One of the principles involves having a defined boundary, which will need to be included in the scope of the Comprehensive Plan policy amendments.

Obviously healthcare uses have a public purpose and are desired assets for any community. The public and the providers will benefit from having complimentary uses collocated on a single site. Children's will likely have a symbiotic relationship with the hospital in that the hospital has beds for overnight stays which the ambulatory center will not have. The design of the Children's facility should present a public face, and all the design principles applicable to the MI district should apply. Because such institutions generally operate as non-profits managed by boards and dependent on fundraising, the city has elected to adopt standards that allow them to vest for longer periods of time and phase their developments.

Ms. Helland said Children's has raised some timing issues. They are very interested in getting their project off to a running start, so the logical place was for them to include it in the Bel-Red work. Children's can benefit from the EIS already done for the Bel-Red plan, and the work done to evaluate one FAR and the type of development for the site. The uncertainties with the proposal involve the fact that the requested heights and floor plates were not evaluated as part of the Bel-Red work, so some add-on work is under way, funded by Children's.

Ms. Helland noted that the materials with respect to the code amendment could be found in the Commission packet beginning on page 28. She said the perimeter district language could be found on page 29, and said a new map was included on page 31. The uses are largely the same as those allowed in the DA-1 district, with the exception that the height for any hospital use north of NE 12th Street would be capped at 100 feet.

Commissioner Sheffels asked if any consideration was given to enlarging the scope to include the southwest corner area. Ms. Helland said the framework is being set up to identify in a Comprehensive Plan amendment the area that is appropriate for the MI district. When an institutional user steps forward, a rezone can be requested. The problem is that in the southwest corner there is a substation and a small medical office building, neither of which meets the definition of MI user and thus cannot accomplish the rezone that would allow for the change to the MI zoning district. The plan is to run the Comprehensive Plan and land use changes forward

at the same time.

Ms. Helland allowed that Children's has raised an issue with the tree retention provision. She identified on the map where the trees are on their site and noted that there are steep slopes there. In order to exempt them from the tree retention provision, it also appears it would be necessary to exempt them from the critical areas ordinance as well. More needs to be known about their proposed development plan.

What Children's is asking for is very similar to what Group Health received. They have requested a 100-foot height limit, and they want an unlimited floor plate. Group Health was given an unlimited floor plate, but their master plan was worked in tandem with the code amendment so it was known up front what everything would look like. Their floor plates are on the range of 50,000 square feet on the first level, and they diminish above 40 feet to roughly 35,000 square feet. The largest starting point for a floor plate in the downtown is 24,000 square feet.

Answering a question asked by Chair Robertson, Ms. Helland said a 1.0 FAR is anticipated for the site, and the proposal does not exceed that, so all of the impacts associated with traffic generation studied in the EIS would be relatively similar. The issue is one of aesthetics and is unlikely to trigger the need for a new EIS or even a supplement to the existing EIS.

Commissioner Sheffels said she assumes that the necessary rights-of-way for transit will be preserved. Ms. Helland said Children's is coordinating with Sound Transit directly and is taking all of that into consideration. Alignment preservation will be addressed through having the ultimate alignment included in the Bel-Red Comprehensive Plan.

C. Bel-Red Development Standards and Guidelines

Planning Director Dan Stroh said he thought it would be good to provide the Commission with a contextual piece to help frame some of the sustainability principles. He provided the Commissioners with copies of a memo containing ten smart growth principles espoused by the Sustainable Communities Network. Similar principles are used by a variety of organizations and they all reference mixing land uses, allowing for a wide range of uses, allowing housing throughout the district, compact building design with a higher FAR and height, flexible design and development standards, a range of housing opportunities and choices, using incentives to promote a range of affordability, the use of tools such as parking standards to help facilitate a range of housing, and walkable neighborhoods.

Mr. Stroh said some of the things in the code package that will be reviewed in the coming weeks are perhaps less obvious than others in terms of how they feed the smart growth principles. The use of on-street parking is one example. It can be used to help facilitate a pedestrian orientation. Land use incentives can be employed to help make an area more walkable. Required ground-floor retail uses activate the sidewalks and make for an interesting place. Incentives can also be employed to create different placemaking features, and design guidelines can promote a distinctive character. Preserving open space is crucial, as is stream rehabilitation, parks, and natural drainage facilities. A variety of transportation uses is important, all of which is supported by the mix and intensity of uses. Established maximum parking standards can have a big impact on choice of travel. Development decisions need to be predictable, fair, and cost effective.

Strategic Planning Manager Emil King explained that in the coming weeks the Commission will be receiving the various pieces of the subarea plan as they are developed. He noted that the six maps given to the Commission at the March 12 meeting are key framework pieces of the

development standards and design guidelines.

Mr. King said the key pieces to the signature streets map are the NE 15th/NE 16th Street transit boulevard; the 130th Avenue NE pedestrian-oriented retail street; and the two-lane green streets within the grid of the transit nodes.

Mr. King referred next to the ground floor retail map and stressed the importance of having standards for the scale and uses along the 130th Avenue NE retail street. The street should be lined with small-scale retail uses that will make it a pleasant walking environment from NE 16th Street north to NE 20th Street. The work being done by the best practices committee recognizes the importance of having uses that will activate the station areas.

Commissioner Ferris noted that the International District in Seattle has strict guidelines around small-guide retail that make it very difficult to fill spaces with tenants in new mixed use developments. It generally takes one or two big tenant anchors to make a place work.

The third map outlined the build-to lines. Mr. King explained that along the retail streets the desire is to bring the buildings up to the back of the sidewalk. The same thing applies to NE 15th Street/NE 16th Street where it goes through the nodes. Staff is working on the design and character of the light rail corridor and hopes to bring it back to the Commission on April 16.

Answering a question asked by Commissioner Bach, Mr. King said the NE 15th Street/NE 16th Street corridor was an integral part of the steering committee recommendation, as was the 130th Avenue NE pedestrian street. The concept of the green streets are integral to the recommendation of the steering committee to incorporate environmentally friendly street infrastructure.

Commissioner Bach asked to what extent the public has been invited to comment on the proposed approaches. Commissioner Mathews said there was a fair amount of representation before the steering committee by both business and property owners; several of them attended just about every meeting. Mr. Inghram added that the steering committee process involved business and property owner forums and a number of outreach activities. Since October when the package was handed off to the Commission there have been a number of board and commission meetings. There was an open house in January that was very well attended, and another open house is tentatively planned for May. He said in addition he fields a number of telephone calls from property owners who want more information about what is being planned.

Mr. King explained that the active edges map speaks to the relationship between building frontage and the street. He said it matches up consistently with where there is retail on the street, where the green streets are, and with the NE 15th Street/NE 16th Street corridor. The map envisions having some transparency entrances onto the streets to help create a sense of safety and vibrancy.

Commissioner Ferris cautioned against requiring too much of the street frontages to be retail. That can over-saturate an area and result in blank storefronts. He said a sense of separation can be achieved using height differences. It is done very well in Vancouver where the retail is concentrated on just a couple of streets, and just one block off there are landscape setbacks that make for a very pleasant walking street. Mr. King said there will be a pallet that applies to both residential and commercial uses.

Mr. King said the curbside parking map attempts to further the vision of having as much on-street parking in the nodes as possible, both for retail uses and residential areas.

Mr. King said the idea behind the restricted driveway access map is that there are certain streets, including NE 15th Street/NE 16th Street and 130th Avenue NE, where the number of curb cuts should be limited. Mr. Inghram said the code section will allow exceptions for parcels that have no other access.

With regard to affordable housing, Mr. Stroh said staff is scheduled to provide the Council with an update on April 7. At that time the Council will be given an overview of where the Commission stands. The Council will be receiving a series of updates regarding Bel-Red during the month of April.

Mr. Stroh said the Bel-Red steering committee established a context for affordable housing in the corridor but recognized that a great deal more work was needed in determining how to make it all happen.

The Commissioners were reminded that staff had earlier brought to them a series of six key issues, the first of which was whether or not the city should take some affirmative action to try to get the housing market moving in Bel-Red. The corridor currently has almost no housing and there are some barriers to bringing it about. The Commission previously concluded that the focus of the city should be on investing in the amenities that will make the corridor a more attractive environment for housing.

The second issue involved the issue of housing policy targets. Mr. Stroh said the question raised with the Commission earlier was whether or not it would be helpful to have policy targets in the subarea plan itself for how much housing should be affordable at different income levels. The Commission concluded that from a policy perspective 15 to 20 percent of the housing should be affordable at the 80 percent of median level, with an additional 15 to 40 percent affordable at the 80 to 120 percent level.

Mr. Stroh said the disappointment on the part of the Human Services Commission stems from the fact that there are no identified policy targets for affordable housing below the 80 percent level, specifically for low-income households, which is 50 percent of median income, and very low-income households, which is 30 percent of median income. From a variety of work done over the years, it is clear that the market alone, even with incentives, cannot address the low- and very low-income levels; significant direct subsidies are required. The thinking has been that the kit of new tools to be used in Bel-Red include bonus land use incentives and the multifamily tax exemption.

When the city had an inclusionary housing program in the early 1990s, the ten percent affordability requirement was set at the 80 percent of median income level. The approach included a requirement for 30 percent additional for discretionary upzones, but that too was focused at the 80 percent level.

Commissioner Mathews said he would like to see a suggested target for housing affordable at the 50 percent level. He agreed that units at that level will require some direct subsidies.

Commissioner Orrico suggested that if affordable housing targets are to be included, they should be applicable citywide and not just in the Bel-Red corridor.

Commissioner Sheffels concurred, but noted the need to begin by focusing on just Bel-Red. Once citywide policies are adopted, they will also apply to Bel-Red.

Commissioner Ferris commented that until March 24 it was city policy that projects funded by the Housing Trust Fund had to be used for the retention of existing units. The City Council has now changed that approach to allow funding new construction. There is no economic hardship for developing affordable units at the 30 and 50 percent levels; that is because the public sector kicks in low-income housing tax credits, the Housing Trust Fund and ARCH funds make up the difference for the landowner. Accordingly, there should not be an issue associated with including targets for units below 80 percent. The people who occupy those units do not look any different from anyone else in the community; they are very much a part of the community.

Chair Robertson agreed with Commissioner Ferris but said she would oppose making the provision of affordable housing units at below 80 percent a requirement. A number of housing developers are opposed to including affordable units mixed in with market-rate units, and a requirement to do so would drive them away. Clearly there is a need for affordable housing and for policies that apply citywide.

Mr. Stroh said if policy targets are adopted into the plan, the city will be tasked with measuring how well it is doing over time in meeting those targets. If the targets are not met, additional steps may need to be taken. From that perspective, having the targets could be beneficial. The Commission could decide to establish targets for Bel-Red and wait until the broader citywide discussion unfolds before acting globally. In any event, Bel-Red should be considered in the context of how the housing picture will play out citywide.

Commissioner Ferris noted that the Commission did previously discuss a target of 15 to 20 percent at or below 80 percent of median income. At the time the Commission recognized that there would need to be something akin to a sliding scale for units between 60 and 80 percent. It could be decided that the incentive system will apply only to the moderate income level and up.

Commissioner Orrico suggested another way to tackle the issue would be to weight the incentives, with bigger incentives offered for the lower income housing.

Commissioner Bach said he is not a fan of forcing the development community to provide the affordable units, but suggested that unless they are required to do so the units will not get built.

Commissioner Mathews agreed that there should be targets included for low-income units.

Commissioner Sheffels said she could agree to including target numbers provided they are not tied to the bonuses that will be aimed at getting units at 80 to 120 percent.

Referring to the countywide targets, Commissioner Ferris commented that in good times and in bad there is a percentage of the population that is earning 50 percent of the median income and below. Whether the figure is 24 percent or some other number, there is a need for affordable units.

Mr. Stroh said one approach would be to pick a target range such as 10 to 20 percent and then wait for additional feedback in the coming months before narrowing that figure down.

The Commission agreed that a policy target in the 10 to 20 percent range should be established for low-income housing at 50 percent and below, provided it is made clear the Commission does not expect the units to be provided through land use incentives or other direct developer contributions alone.

Turning to the role of developer contributions to affordable housing, Mr. Stroh said the

continuum runs from fully mandated to only an incentive. In previously discussing the issue, the Commission landed on the notion of a threshold bonus, making a contribution to affordable housing the bonus that must be used before graduating into being allowed to use any other bonus. The questions still unanswered is at what income levels should the threshold bonus be applied; what percent of units should be applied at the identified affordability level in order to qualify for the bonus; and should the bonuses be different for ownership versus rental units.

Commissioner Ferris said it was his understanding that state law answers several of those questions if land use is to be used as the incentive for affordability. ARCH Program Manager Arthur Sullivan said that is correct. He said the maximum is 80 percent for rental and 100 percent for ownership.

Mr. Stroh admitted that how the housing targets will be achieved is an open question. Mr. Sullivan said getting to 60 percent of median income for rental may require a bonus of five market-rate units, whereas at 80 percent it might take only two or three market-rate units. Understanding how much volume toward the overall capacity is taken up by bonus units would require some additional calculations. The variables can be fluctuated based on whether the goal is meeting a certain affordability level or a certain percentage level.

Mr. Stroh said if the base zoning potential were set at an FAR of .5 and the maximum were at 2.5, a determination that .5 of the FAR potential should be used for the threshold bonus, leaving the balance available for other bonuses, would mean that only so much can be consumed in terms of the cost of spending the threshold bonus; at each of the 70 percent, 80 percent and 90 percent levels what can be bought will differ. Staff will need to do more work with regard to the numbers and what the bonuses will buy in the context of the economics of development.

Chair Robertson said the Commission has made it clear it does not want to spend time and energy crafting something that will not be effective. The Commission wants to see new workforce housing built. What is really needed is a economic analysis.

Commissioner Ferris concurred. He pointed out that housing can most effectively deliver affordable housing. It will not be as effective to have commercial development pay money into a fund to pay for affordable housing. More of the incentives for affordable housing should be geared to the housing market.

Commissioner Sheffels noted that there are two potential projects involving housing in the Bel-Red corridor, the senior housing project and the Wright Runstad project. She suggested it might make sense to meet with representatives of those two groups to discuss how affordable housing would fit in with their plans.

Commissioner Ferris commented that the market can build to about 90 percent of median income; it is below that level that the market cannot get there profitably and where the incentives must come into play.

Motion to extend the meeting to 10:15 p.m. was made by Commissioner Ferris. Second was by Commissioner Sheffels and the motion carried unanimously.

Mr. Stroh said the staff are working on an economic analysis. Part of the exercise will look at the foregone income stream and translating it into development rights to figure out what they are worth.

With regard to the role of commercial development in providing for affordable housing units,

Mr. Stroh said commercial development will contribute to infrastructure and other amenities in the area. However, it should be eligible to use housing as a bonus on a voluntary basis.

The conclusion reached previously by the Commission regarding tools was that a variety of tools will be needed to accomplish workforce and affordable housing in the corridor. The identified tools include lower minimum parking requirements for low-income level affordable housing; use of the areawide environmental assessment; housing emphasis areas in which additional height or density might be allowed; and allowing non-traditional forms of housing. Things like direct assistance, short-term property tax exemptions, permit fee waivers, special allocations to the Housing Trust Fund, making surplus land available, and co-locating housing with other uses can be used in different ways in conjunction with the land use tools to achieve affordable housing.

With regard to alternatives to on-site affordability, Mr. Stroh said the issue applies particularly to the threshold bonus. At one end of the continuum is using the bonus only on-site, while at the other end is the notion of payments in-lieu. The Commission previously indicated a preference for units to be included on-site, but wanted to include some degree of flexibility in cases where it would not make sense to include them on-site. He said the mechanics of it all will be worked out in the Land Use Code phase.

9. NEW BUSINESS – None
10. OLD BUSINESS – None
11. APPROVAL OF MINUTES
 - A. December 6, 2007

Motion to approve the minutes as submitted was made by Commissioner Orrico. Second was by Commissioner Mathews and the motion carried unanimously.

- B. January 9, 2008

It was noted that the date on the minutes should reflect 2008 rather than 2009.

Motion to approve the minutes as corrected was made by Commissioner Orrico. Second was by Commissioner Mathews and the motion carried without dissent; Commissioner Ferris abstained from voting.

- C. January 23, 2008

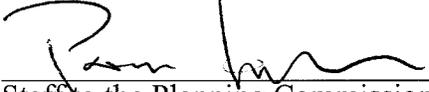
Motion to approve the minutes as submitted was made by Commissioner Orrico. Second was by Commissioner Bach and the motion carried unanimously.

- D. February 6, 2008

Motion to approve the minutes as submitted was made by Commissioner Orrico. Second was by Chair Robertson and the motion carried without dissent; Commissioner Bach abstained from voting.

12. PUBLIC COMMENT – None
13. ADJOURN

Chair Robertson adjourned the meeting at 10:14 p.m.



Staff to the Planning Commission

6/4/08
Date



Chair of the Planning Commission

4 June 2008
Date