CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MEETING MINUTES

April 23, 2014
6:30 p.m.

Lake Hills Clubhouse
15230 Lake Hills Boulevard

COMMISSIONERS PRESENT:	Chair Tebelius, Commissioners Carlson, Ferris, Hilhorst, Laing, deVadoss
COMMISSIONERS ABSENT:	Commissioner Hamlin
STAFF PRESENT:	Paul Inghram, Carol Helland, Mike Bergstrom, Department of Planning and Community Development;
GUEST SPEAKERS:	Stephanie Walter, Spiritwood resident; Chris Benis, Rental Housing Association of Washington; Deric Gruen, Bellevue College; David Hoffman, Master Builders Association
RECORDING SECRETARY:	Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:40 p.m. by Chair Tebelius who presided.

2. ROLL CALL

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

3. PUBLIC COMMENT

Ms. Mindy Garner, 16333 Lake Hills Boulevard, said the temporary ordinance regarding residential room rentals that is currently in place limits the number of unrelated persons sharing a single family to four. The ordinance should be taken one step further to require that people who rent a single home together, whether related or unrelated, should do so with a single lease agreement, with a single beginning and ending date for all. The code has been amended so that for four or fewer unrelated persons with no homeowner present, living as a single housekeeping unit is not required. That requirement should be reinstated. The Commissioners were invited to attend the next Lake Hills Neighborhood Association meeting on May 15 at 7:00 p.m.; at the meeting code compliance and mediation will be discussed.

Mr. Bart Goft, 421 155th Place SE, said at one time he served as a housing counselor in the city of New York working with the city commission on human rights and various housing agencies. The primary focus was on preventing discrimination and homelessness. The situation in Bellevue is quite different where developers are coming in and making single family homes into single room occupancies, which is out of character with the neighborhood. These are not assisted living homes where someone comes by periodically to make sure they are following the rules. The concern is that Bellevue College is not taking any responsibility in relation to

providing student housing. The college has plenty of land available on which to develop housing on the campus. He said on his block there are two homes owned by empty nesters who have invited one or two students each to share their houses; the students are supervised, things are quiet, and no one really knows they are there. Allowing developers to develop single room occupancies in single family neighborhoods, however, is treading on dangerous ground.

Ms. Nanette Fricke, 14430 SE 19th Place, read into the record an email from Margo Blacker, a Northtowne resident. Ms. Blacker pointed out that Northtowne lies to the north of the downtown between NE 12th Street and SR-520 and from Clyde Hill to I-405 and the issue there is the construction of mega houses which are changing the fabric of the neighborhood dramatically. Some houses are being used as rooming houses and the big house issue makes the rental issue worse. Northtowne will at future Commission and Council meetings share photos of the huge houses and how they are impacting the area. Northtowne is in agreement with the Spiritwood community and all the communities that are impacted by the rental problem. The emergency ordinance needs to be made permanent and every builder and the real estate community needs to be notified with regard to the laws that apply to rentals.

Mr. David Pater, 1614 144th Avenue SE, voiced his support for the work of the Commission to finalize Ordinance 6128. He said the rental economics that are driving the problem are still very much present in the region. Rents are very high and people who work for lower wages are living in the single room rentals, which is exactly what investment groups are counting on. In the Spiritwood area there is the added factor that Bellevue College is nearby. Within a one-block radius of his house, a single investment group owns four properties, and they have implemented the rooming house business model in two of them. One of the properties has been an active rooming house since Labor Day and at times the number of cars on the street is intolerable, triggering safety issues. There are constantly a large number of people going to and from the houses, making it very difficult for anyone to really track what is going on. Enforcement based on complaints will not work well. A better approach would be to have a rental registration program. The rooming houses essentially operate as multifamily uses in single family neighborhoods and an ordinance is needed to keep the use from impacting the quality of life in single family residential communities.

Ms. Alice Park, 414 154th Avenue SE, said there are several rental homes on her street that appear to have full basements, and several of the homes are being rented to a variety of different individuals. That raises questions about the upkeep of the homes and the yards. There are multiple cars associated with the homes, and some of the cars are not functioning. Recently a young woman was spotted prancing around the neighborhood in her underpants. The neighborhood is served with good bus service and that seems to be a factor in favor of the rental homes.

Ms. Dorothy Giansiracusa, 1805 155th Avenue SE, said she had questions about how the ordinance will be enforced. If the penalties will be fines, the difficulty will be in collecting fines from international companies. If the fines are not high enough, the companies will just pay them and continue renting the single rooms out.

Ms. Betsy Hummer, 14541 SE 26th Street, said the basic issue is compliance with and enforcement of the existing zoning requirements. Any changes made to city code should address the enforcement issue and keep the neighborhoods from having to be vigilant in reporting code violations. As a member of the East Bellevue Community Council, she invited all to attend the next meeting on May 6 at 6:30 p.m. where the Odle Middle School remodel will be discussed.

Mr. Ron Merck, 14824 SE 18th Place, suggested that the limit of four unrelated persons set by the emergency ordinance is arbitrary. It could easily be two or three. Ordinance 6128 reduces the number of unrelated individuals who can live together as a single family from six to four while retaining the ability for any number of related persons to live as a family. The ordinance allows more than four unrelated adults to live together if they operate in a manner that is functionally equivalent to a family. There is confusion over exactly how many persons will be allowed to live in a single family home and that should be clarified. Where single rooms are allowed to be rented out, the property owner should be required to live on the property. The Commission members should take a drive up 156th Avenue SE from Lake Hills Boulevard to the Crossroads Shopping Mall and look on both sides of the street at how many residences have been converted to uses other than single family. Some likely are now assisted living facilities, but other homes are being rented to multiple individuals, probably more than six unrelated persons. The entire Lake Hills area is being impacted.

Chair Tebelius noted that several of the Commissioners walked the Spiritwood streets prior to the meeting.

Ms. Barbara Benson, 14405 SE 17th Street, said she has lived in the Spiritwood neighborhood for 29 years but the last nine months there have been unsettling. She said she can see from her home four houses that are being used for single room rentals. The neighborhood is grateful the Council has given the issue priority and is hopeful that a permanent ordinance can be developed to halt the pervasiveness of the housing model. The current boarding and rooming house code, Land Use Code 20.20.140, is a good starting point because it states rooms can be rented out only if the home is owner occupied. That is the best way assure adherence to all regulations. The owner likely would run background checks on all potential renters, and would prevent disfiguring of houses by chopping them up into tiny sleeping quarters. The boarding and rooming house code also limits the number of unrelated renters to two. All homeowners should have some latitude in what they do with their properties, provided there are no negative impacts on the neighborhood. Two additional people can provide a nice income bump for a homeowner without attracting investors who look at single family properties as cash cows. The boarding and rooming house code includes off-street parking and health and safety regulations to protect everyone. The experience of the Spiritwood neighborhood has shown, however, that money rules over being a good neighbor. Ads on Craigslist still solicit four to six roommates, and renters come and go on month-to-month leases, while developers play hide the extra tenants and do not answer the phone when they see it is from the city's code compliance department. Permitting for another large house in the neighborhood is close to completion, so apparently the limit of four unrelated persons is not a deterrent. A lawyer for a developer recently told the *Seattle Times* that the limit is bad for the students because it means the rent will be higher. Any new single room rental code must have transparency and accountability. The neighborhood should not have to consult Craigslist to determine if there are any occupancy violations, should not have to accommodate eight cars parked in and around boarding houses, and should not have to wonder how many will be renting rooms in the nearly 8000-square-foot home that is close to completion. Bellevue has rules for home businesses in place to protect the character of the neighborhoods, and help is needed to protect the character of single family zones from single room rental business homes.

Ms. Gigi Meinig, 821 Lake Washington Boulevard, Seattle, said she previously lived in Bellevue for some 30 years, most recently in the downtown area. She said she works for the Area Agency on Aging which in 2013 served over 30,000 seniors and disabled persons in King County. By

2025 a silver tsunami is expected when more than a quarter of the population will be over the age of 60. There is a quiet crisis in housing occurring for people over 60. Currently there are more than 6700 low-income seniors who are waiting for subsidized apartments, and over 1000 seniors are homeless. The challenge for all of King County and local jurisdictions is great. An additional 936 units will need to be developed each year just to maintain the current ratio of affordable housing. Increased lifespans means that 90 percent of seniors will outlive their savings. Demographic changes of the projected magnitude will require building partnerships among government, non-profits and business to establish systematic changes via policies and incentives. The report produced by the Area Agency on Aging, housing authorities and non-profit organizations in King County describes strategies communities can take ranging from acquiring land for low-income housing development to creating incentives, funding low-income developments, and protecting the existing stock of affordable rental housing. Programs to help seniors with weatherization and with home modifications aimed at helping them age in place will be needed along with coordination with social service organizations, including the Human Services Commission. Promoting aging readiness and strategies for affordable senior housing in Bellevue's livability plan should be of utmost importance to prepare for the age wave.

Mr. Rob Crouch, 15004 NE 10th Place, said he is directly affected by a property that does not comply with the emergency ordinance. He said he is impacted by traffic and speeding in a cul-de-sac along with after-hours noise and trash. He said he opened an enforcement action but apparently nothing can be done because the ordinance is not enforceable. There are no decision makers living in the boarding houses leaving limited or no opportunities to resolve the issues directly. Accountability is what keeps single family neighborhoods together. The only course of action open to residents is calling the police, which is a waste of resources of trained professionals. He said he purchased a home in a single family neighborhood that has become much more like Greek row at the University of Washington. A permanent and enforceable ordinance is needed.

Mr. John Kappler, 14311 SE 16th Street, said the single room rental model is effectively a multifamily use in single family zones. He said Bellevue does not allow two accessory dwelling units or duplexes in single family zones, and it is unfortunate that an unintended consequence of how the zoning language is worded does not really fit how single family homes are being used. A correction is needed to protect the single family residents. The focus should be on how the homes are used, not on the type of house. Within current zoning limits, no one should be told big their houses can be. Most families with teenage kids end up with what looks like a used car lot in front of their homes, but the issue of accountability is left to the homeowner. The single room rental issue rests on the language regarding unrelated individuals and family units.

Ms. Kelly Rider, policy director for the Housing Development Consortium of King County, said the issues being faced by the Spiritwood neighborhood are a sign of the need for a diverse supply of housing stock. There are many who are looking for housing options, some of which clearly do not mesh with what the neighborhood wants. Looking forward, the city must find ways to accommodate those who are seeking housing of the type they are finding in single room rentals. The region is growing and by 2031 Bellevue is expected to have an additional 17,000 homes and an additional 53,000 jobs according to the Countywide Planning Policies. The city will need to be strategic about what it should address relative to housing. Currently 7500 households in Bellevue are paying more than 50 percent of their income for housing costs, which exceeds the federal government's guideline of 30 percent. High rental costs can lead directly to homelessness, particularly for low-income households. Strategies are needed to address homelessness, particularly strategies for housing and serving homeless individuals and families.

A diverse housing supply is also needed to serve moderate-income households.

Ms. Loretta Lopez, 13419 NE 33rd Lane, said single family zoning is essential to the strength of the community. She agreed that the single room rental issue is a use issue, not a zoning issue. The entities that are operating what in effect are businesses in single family zones should not be allowed to do so. There are regulations regarding how often delivery trucks can come to single family homes in single family neighborhoods, and the regulations are aimed at protecting the neighborhoods. The importance of maintaining single family zones throughout the city is something the city must focus on. Single family neighborhoods must be protected.

Ms. Nora Armstrong, 14716 SE 17th Street, said she is a mother with young children. She said she and her husband purchased their home because it is in a safe and quiet neighborhood. However, within a year of moving into the neighborhood the dynamics of the neighborhood began to change. The first thing noticed was that cars were lining the streets. A house just four doors away was converted without a permit into a duplex, with the upstairs being rented to a family of four or five and the downstairs being rented to kitchen workers who literally sleep on mattresses lying on the floor. Once the lack of permit was discovered, actions were taken by the city, but by then it was learned that other homes in the neighborhood were being converted to similar uses. One four-bedroom house was converted into an eight-bedroom house and rooms were rented out to single tenants. The rationale is that the rooms will be rented out to college students, but that has not been the case in every instance. The homeowners who choose to rent out rooms should be required to live on the property. There should also be close attention paid to who is renting and living in the homes.

Mr. Bart Goft, 421 155th Place SE, said the ordinance regarding single room rentals should mandate bringing into the discussions the banks holding the mortgages and the insurance companies insuring the properties. They should be told what their responsibilities are relative to what is going on in the houses. Most mortgages include clauses that require the properties to be kept in good repair and they should be required to periodically check on the properties to see how they are being used.

4. APPROVAL OF AGENDA

There was agreement in favor of the proposal made by Commissioner Ferris to delete item 8(B).

A motion to approve the agenda as amended was made by Commissioner Ferris. The motion was seconded by Commissioner Carlson and it carried unanimously.

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

6. STAFF REPORTS - None

7. RESIDENTIAL ROOM RENTALS SPEAKERS PANEL

Chair Tebelius introduced the panelists Stephanie Walter representing the Spiritwood neighborhood; Chris Benis with the Rental Housing Association of Washington; Deric Gruen with Bellevue College; and Troy Schmiel with the Master Builders Association.

Ms. Walter said a permanent ordinance with standards that are enforceable and verifiable is

needed in Bellevue to deal with the business enterprise of individual room rentals. She said Spiritwood was developed in the 1950s as part of the larger Lake Hills neighborhood in East Bellevue. It is made up of modest single family homes. In Bellevue there are many different types of families, some young, some old, and everything in between. Some homes are owned and some are rented. The Spiritwood neighborhood has enjoyed a nice character, livability and stability. A little over a year ago someone new came to the neighborhood. He befriended neighbors asking for their help in finding houses for his family members, and he was willing to pay cash for houses at or above market. It appeared the real estate recovery had come to the neighborhood, but then things changed. One of the houses purchased was a 1300-square-foot three-bedroom house that was quickly reconfigured into eight or nine bedrooms. The living room and garage were both converted into bedrooms without proper permits. When the neighborhood made the discovery, there was an investigation into the ownership of all the houses the person had purchased, and it was found that each was owned by a different LLC. It was not a person buying for family members but rather an investment group and what the neighbors had been told was not true. The investigation showed the investment group had also purchased a vacant lot in the neighborhood and building permits have been issued for a 7800-square-foot three-story house, with ten toilets and nine bedrooms with the potential for three to six more. The structure will not be a family house but rather a dormitory. The investment group plans to permanently alter Spiritwood for its own benefit without regard for the neighborhood.

Continuing, Ms. Walter said the neighborhood turned to the city for help. In meetings with city staff there were discussions of what the rules are for neighborhoods zoned as single family. It was learned the city did not have an ordinance being enforced that would prevent multiple individuals from renting rooms on an individual lease. There was no standard for rooms that could be offered for rent in a house in a single family neighborhood, and no way to verify the number of people living in a house, and no way to enforce the limits. With a dormitory under construction in the neighborhood, the residents found that no laws had been broken. When building a structure there are standards that must be met; verification is required and the standards are enforceable. The neighborhood wants to see the same elements put in place relative to individual room rentals. There is a significant financial incentive to circumvent the rules and voluntary compliance is unlikely. The experience has been unpleasant for the neighborhood with just two active individual room rental houses; it is no longer clear who the neighbors are, people move in and out frequently, there is extra noise at all hours of the day and night, and there many cars parked along the roads. Individual room rentals are not low-cost housing. If four individuals were to rent a house for $1800 per month, each would be paying $450 per month, and adding tenants would lower the rent paid by each. Individual rooms, however, rent for $600 per month no matter how many are in the house, so the landlord has incentive to add more and more renters.

The Spiritwood neighborhoods are depending on the Planning Commission to develop a permanent ordinance for individual rooms rentals with standards that are verifiable and enforceable. Family friendly neighborhoods must be protected from commercial rental enterprises. If all rental houses were to convert to the more lucrative individual room rental, there will be few places in Bellevue where a middle-income family can afford to rent a house. The city must show its commitment to protecting the single family neighborhoods, which are the cornerstone of the past and the gateway to the future.

Mr. Benis said he grew up in Bellevue and currently owns approximately 15 homes in south and east Bellevue, all of which are rented and none of which can be differentiated from an owner-occupied house. He said traditional rental housing is not the problem, nor are traditional renters.

The Rental Housing Association of Washington (RHA) is interested in the problem being faced by the Spiritwood neighborhood because it wants to avoid any collateral damage to the traditional rental housing market, which is extremely important. RHA has over 5000 members, including hundreds in the city of Bellevue. While there are individual members who have thousands of apartment units, the average member has three or fewer rental homes.

Mr. Benis voiced concern over the language of the existing ordinance relative to the functional equivalent family. He said as an attorney and volunteer for RHA he teaches classes on fair housing compliance throughout the state. He said he tells his students it is not the role of the landlord to be figuring out who is sleeping with whom, or who is in which bedroom, or who is doing who's laundry. It is not up to an individual landlord renting out a house to a group of people who have come together to slice and dice the relationship of one to another. It would be a flawed idea to require a landlord to put the living situations of potential renters under a microscope. He said one of his rental homes is rented to three brothers and two of their friends; some would say that arrangement violates the current ordinance. He said under the fair housing law his hands are tied and he cannot refuse to rent the house to such groups.

Rather than determine who is related to whom, it would be better to determine if there is a maximum capacity for a given house based on its size, and to regulation house size through the Land Use Code. If an 8000-square-foot house is too big for a given neighborhood, the code should not allow it. Unpermitted work does occur and in those cases the city must rely on neighbors to report them.

Mr. Benis said the primary objective of the RHA is to make sure renters do not have their rights impaired. If a group of people decides to live in a single home, it is not the business of the landlord to regulate it, nor is it really the business of the city.

Mr. Gruen said part of the mission of Bellevue College is to be accessible to students. Part of that accessibility includes making sure there are options for getting to the campus, both for those coming from a distance and those who live in the community. Bellevue College is an amenity for the city, and its students believe that Bellevue is a great amenity to their college experience. Bellevue's safety and beauty are one of the reasons international students are drawn to Bellevue College, and the presence of international students is important to the college and the city in that they annually contribute more than $26 million to the local economy.

Mr. Gruen suggested that no options for student housing should be cut off unintentionally. It is important to have living options near the campus; it certainly benefits the students but also benefits the community by reducing congestion on the streets. Bellevue College is working on the student housing issue but it does not have a silver bullet. The college's extremely diverse study body has very diverse housing needs; a large group of students likely would never choose to live in student housing on campus.

With regard to the proposed ordinance, Mr. Gruen said there probably are better ways to target some of the genuine issues raised by the community than imposing a roommate cap. The issues of parking, speeding, property maintenance and accountability will not be directly addressed by having a roommate cap. Residential parking zones and traffic calming approaches are much better options. Shared housing is an important element of affordability for students, many of whom do not have many options when it comes to housing choices. Some states have outlawed roommate caps, and it is illegal to specifically regulate what family units can share housing. There are multiple concerns with the issue, but while seeking to address specific concerns the

larger comprehensive planning process should not be lost sight of given that some of the work may overlap.

Mr. Schmiel said he is a Bellevue resident and a builder of single family homes. He said the building industry is being directly impacted by what the city is doing relative to single room rentals. The emergency ordinance and the enforcement that is going on have had unintended consequences. One of the key market demands currently relative to single family homes is second kitchens to accommodate an aging relative or visitors from overseas. By passing the emergency ordinance, Bellevue is now saying that cannot be done. There is a clear need to protect neighborhoods from the impacts of single room rentals, but the city must be careful not to throw the baby out with the bathwater.

Mr. Schmiel said there clearly is a market demand for single room rentals that somehow needs to be met. Not everyone can afford as an individual to rent a single family home. Bellevue College has seen a lot of growth over the last 20 years and the housing needs of the increased number of students must be met. The Land Use Code, the parking code, and the zoning code are the means for addressing the problem. He said he would be willing to sign a single family use permit that would limit the residents of the house to a single family unit absent other permitting.

Commissioner Carlson asked Mr. Benis what the problem is if the problem is not rentals or renters. Mr. Benis said the issue boils down to the renting out of individual rooms on an individual basis. If there were an ordinance requiring a single lease for a single family residence, the bulk of the problems would be solved. The proposal includes a definition of family that maintains a stable composition over time, but that does not take into account situations where married tenants decide to split up, so one is removed from the lease documents, only to get back together later and added back onto the lease. The lives of real people change over time. There should be a prohibition against renting individual rooms in single family homes in single family neighborhoods.

Answering a question asked by Commissioner Ferris, said he recently was told by Bellevue inspectors to rip out a second kitchen in a home in was building even though he had signed a single family use permit, and even though the second kitchen was in the approved plans for the home. The single family use permit is registered on the property title. Commissioner Ferris said he could support the notion of requiring the owner of any single family home having more than four bedrooms to register with the city should they decide to rent it out. That would give the city a manageable number of rentals to track. Something similar could be done for homes having more than one kitchen.

Ms. Walter said she could agree to allowing two single rooms to be rented in a single family home provided the property owner also lived in the home. She allowed that there are problems with the definition of a group living as a functional family unit, the intention is that there would be no locking doors on the individual rooms rented out. She agreed there should be a single lease, not individual leases; there should be a registration process; and there should be a requirement to provide off-street parking.

Mr. Gruen agreed with the single lease concept. For one thing that would make someone responsible and accountable.

Mr. Benis said one of the problems is that city code allows for megahouses. Zoning is used to limit building height, setbacks, parking requirements and impervious surface area, and it could

also be used to limit overall size.

Commissioner deVadoss suggested there are two elements at play: the growth of Bellevue College and the need to house the students; and apparent demand for boarding houses. He asked how much of the single room rental issue really is related to growth of the college and the college's responsibility to address the need for student housing, and how much of the demand stems from a parallel trend. Ms. Gruen said there is no reliable data with respect to those who are renting single rooms in single family homes. Some say they are students, some say they are not necessarily students. The fact that Bellevue College went through a name change and added four-year degrees has yielded the perception that the changes have been more significant than they really were. The college did experience a population increase, followed by a population decrease in terms of enrollment, but currently the college has only about a hundred four-year students. There is a demand for student housing, but the trend appears to be bigger than just Bellevue College. There is an increasing demand for affordable housing, including for smaller units and shared housing, on the Eastside. The college offers programs to encourage carpooling, ridesharing, biking and walking.

Commissioner Laing asked Ms. Walter if requiring a single lease will adequately address the problem for the Spiritwood neighborhood. Ms. Walter said she supported the notion of requiring a single lease for any group living together in a single family home, either with a single person's name on the lease or with everyone's name on the lease. Alternatively, property owners living in their own home wanting to rent out rooms for whatever reason should be allowed to rent to up to two persons, provided there is a registration process and off-street parking required.

Commissioner Laing asked Mr. Schmiel if he would support amendments to the Land Use Code that would trigger permit requirements for the kinds of conversions that are happening. Mr. Schmiel said there already are permit requirements in the code. He said he only does new construction and does not deal with rentals, but is familiar with builders who are involved in rental housing, including apodments in Seattle. Builders who are following the code should not be seen as the problem, particularly if the city is enforcing its code requirements.

Commissioner Laing said the Commission had previously heard that much of the work that occurs internally to an existing home can be done without a permit. Mr. Schmiel said that is not the case.

Commissioner Laing put on the table the notion of allowing conversions to occur under a home occupation permit in R-10 and above zones, but requiring a conditional use permit in R.7.5 and below, the lower-density single family areas. Mr. Schmiel said he would have no problem taking that approach. Mr. Gruen said he would not want to see anything put in place that would impact the home stay family program which matches international students with local families, particularly where someone would need to alter their house in some way to accommodate the international students.

Mr. Benis agreed that where individual rooms are rented out the owner of the home should live in the home, and he agreed the conditional use permit process should be used. That would make it clear who the responsible party is. The approach would also give the city the ability to talk about accommodating extended families, something which most people agree is a good thing. At the end of the day, however, there needs to be a responsible party identified.

Commissioner Laing commented that according to the use tables dormitories and boarding

houses are outright prohibited in all zones up to R-10. The code relative to home occupation permits includes criteria aimed at mitigating the potential impacts of the boarding house/rooming house use. A conditional use permit could be required for single room rentals in all zones up to R-10. Ms. Walter said the de facto dormitory being built in Spiritwood should simply not be allowed because it is not a single family use. She said she was not familiar with how the code works and all the various requirements, but at the heart of the matter is the spirit of not allowing inappropriate uses in single family neighborhoods. Where rooms are rented out in single family homes, the look and feel of what constitutes a single family use should not be visibly changed. Requiring owner occupancy is one of the best ways to achieve that result.

Commissioner Laing asked if there was support requiring a city standard-form lease in all instances of individual room rentals. Mr. Benis said the 5000 landlords he represents likely all have different rules for their leases; some have the landlord keeping up the yard while others have the tenant taking on those chores, and there are all manner permutations on that theme. A city mandated form setting forth specific requirements could easily be instituted. Something similar is used in Seattle, though it is used to address a different issue, and every tenant must be supplied with a copy of it.

Commissioner Hilhorst asked the staff to supply the Commission with information about how the city could require a builder to rip out a second kitchen as an enforcement action. Principle Planner Mike Bergstrom said he would provide a follow-up. He said it was his understanding that the issue ties back to the definition of a single family dwelling.

Commissioner Hilhorst asked what planning relative to student housing was done by Bellevue College when the business decision was made to go from a two-year to a four-year institution. Mr. Gruen explained that Bellevue College is still a community and technical college, though it has undergone a name change and has gone to a two-plus-two system under which students must first complete an AA degree before staying on for a second two years in search of a four-year degree. Those seeking four-year degrees do not proportionally represent the student body, and the bestowing of four-year degrees has not changed the college's core offerings of professional, technical and associate degrees. The college is actively addressing the issue of student housing, though any potential action is still more than two years out. College representatives have been visiting colleges around the state to identify which models work well.

Commissioner Hilhorst said what concerns the Spiritwood neighborhood is that addressing student housing does not appear to be an urgent issue for Bellevue College. Mr. Gruen said the college is committed to addressing the student housing issue. He stressed that the college also wants to work in partnership with the city and the local neighborhoods.

Commissioner deVadoss observed that there appeared to be a convergence favoring the concept of requiring a single lease but asked how the city could prevent the misuse of a single lease through subleasing. Mr. Benis said it would be necessary to treat the head tenant the same as the landlord. It might work to prohibit anyone from subleasing more than a set number of times. At the end of the day the city would have to use its authority to verify contracts and the legal relationships, and any ordinance will need to deal with that possibility. Commissioner deVadoss commented that the success of such an approach would have to rely on enforcement, which clearly is already a challenge. Mr. Benis agreed but pointed out that the city can do very little without some level of enforcement. Clearly any penalties would have to be sufficient enough to deter unwanted conduct.

Commissioner Carlson asked if the city has even ballpark data on who is actually renting single rooms in single family neighborhoods, specifically students versus non-students. Mr. Bergstrom said the city does not have any good data on that. He said there is a fine line between enforcing perceived infractions and digging into details like personal relationships. Mr. Gruen said he did not have any hard data either.

Commissioner Carlson shared the sentiment of Commissioner Hilhorst that for the Spiritwood and other neighborhoods the issue is more urgent than it appears to be for Bellevue College. He agreed that on-campus housing will not in and of itself be the ultimate solution to the problem. Requiring single leases would help but also would not be the ultimate solution. Mr. Gruen said the provision of student housing on campus would absolutely address the needs of some students and would be one part of the solution.

Chair Tebelius asked how many students currently enrolled at Bellevue College are residents of a country other than the United States. Mr. Gruen said there are currently about 1000 international students enrolled. Chair Tebelius said it was incomprehensible to her that the college would not know where those students are living given that the college must have an address for each. Mr. Gruen agreed that more could be done in terms of tracking students. Addresses are on file for every student. The college has no specific obligation to housing or find housing for its international students. The international students are an asset to the community for a variety of reasons, including economic activity. Chair Tebelius suggested that the college should have an obligation when admitting international students to provide them with an avenue to finding housing. Mr. Gruen said he would pass along that message.

Mr. Schmiel said those who are renting single rooms are no longer living with mom and dad, and they are not all international students. He suggested the college really has no obligation to tell its students where to live and to track them. Chair Tebelius agreed but suggested the college should be involved in the issue of housing when admitting a student from overseas. The college is in essence bringing someone into the community and the community has certain expectations from its neighbors. While there is not argument that international students benefit the local economy, many in the neighborhoods would prefer a safe neighborhood to having more money in the local economy.

Chair Tebelius thanked the panel members for their input.

BREAK

8. STUDY SESSION

A. Residential Room Rentals - Development of Permanent Regulations

Mr. Bergstrom briefly reviewed the regulations that are included in the interim ordinance and noted that they are to serve as the starting point for building a permanent ordinance. He also noted that the Council established a set of principles to guide the work of the Commission and he briefly reviewed them with the Commission. He stressed that the Commission was not to address policy topics related to housing affordability and availability as part of the single room rental issue.

With regard to enforcement, Mr. Bergstrom said it is easier to say an ordinance is enforceable than it is to actually enforce it. In order for something to be enforced all the way through the

process, there must be protocols followed in gathering evidence and information, and specific steps must be taken. Enforcement takes time.

Mr. Bergstrom said the issue of single room rentals is not unique to Bellevue. Staff have been looking at cities across the nation to review the ordinances they have in place; particular attention has been paid to cities that have colleges and universities on the assumption that there is a component of student demand. It was found that it is common for codes to be structured to allow any number of related persons sharing a house with some number of unrelated persons. The number of unrelated persons permitted ranges from two to six, though in some cases more than six are allowed. Some jurisdictions vary the number of allowed unrelated persons by district or by geographic area, most notably areas that are in proximity to a college or university. A rather large number of jurisdictions utilize the term "functionally equivalent family" in their ordinances. Some have a special approval requirement to exceed a certain threshold. Residential parking zones are employed by some jurisdictions to limit the number of vehicles per household that can park on the street. The issue of where the burden of compliance should rest was not identified in researching regulations from other communities, but one possible component of Bellevue's code might be to place the burden on the landlord. Garage conversion limits and requiring a registration program are topics outside the bounds of the Council's guidelines, but the Commission could include in its transmittal memo a recommendation to explore those areas.

Answering a question asked by Commissioner Carlson, Land Use Director Carol Helland suggested that the single lease option is a good idea in theory. She explained that landlords are informally required to give the city copies of their leases to demonstrate they are leasing to single individuals. Form leases are readily available, however, and often when asked landlords provided copies of leases that may or may not have had any basis in reality. Certainly leases are not documents the city controls. Those trying to break the rules can easily fabricate false leases. Those who are not trying to break the rules are clear about who the responsible person is. The city does control the permit process and other jurisdictions do have requirements for permits where a set threshold of unrelated persons living in a single home is exceeded. That would be an option for Bellevue to implement as well, though the administrative conditional use process would be better than the conditional use permit process given that the latter can be quite onerous for a single family homeowner. Criteria could be included in the permit, the same as is done for home occupation permits, that could require designating a responsible person and which could limit the number of cars and require off-street parking. The permit approach would allow for zeroing in on the impacts without having to delve into the relationships of the various people in the house.

From the audience, Mr. Benis said as a landlord if a group of folks came to him wanting to rent one of his houses, he would not want to invest the time or expense involved in obtaining a conditional use permit. He said the group of perspective renters could be directed to apply for the permit, but by the time they get the permit the house likely would no longer be for rent. On the other hand, someone looking to rent single rooms in a single family house as a business venture would be more inclined to seek the necessary permit.

Ms. Helland suggested that response indicated that requiring a permit would not be a barrier for those who are trying to do the right thing. About half of the city's housing stock, including apartments, is occupied by renters, so jumping to the conclusion that the city should implement a rental registration program would require the creation of a bureaucratic structure. Those who choose to rent a single family house for their family should be left alone, while those wanting to operate as a business by renting out single rooms in single family houses should have to meet a

higher standard.

Commissioner Ferris asked what kind of penalty for not obtaining the proper permits would be clear and large enough to serve as a deterrent. Ms. Helland said the tools already in place relative to enforcement are quite draconian. Once in the violation loop that follows an escalation period the fines can reach $500 per day from the date the violation was proven to exist. In many cases people do things to their homes they simply do not realize are not allowed, including adding a bathroom or putting a wall up in a bedroom. Where those infractions are discovered, the enforcement process kicks in, but never for the purpose of seeking a penalty. Where it is clear a property owner does not intend to comply with the rules after going through the voluntary compliance and hearing examiner steps, the fees start ticking up and often include having liens placed on the properties.

Commissioner Ferris asked if the 7800-square-foot home in Spiritwood that has been talked about is a clear violation of the single family zone. Ms. Helland said as originally proposed the house did not comply with the code; it originally was drawn up with a wall down the center and kitchens in each half, and one would have to walk outside to get into the other side, which by definition is a duplex. Duplexes are not permitted in single family zones and the permit seeker was informed that the design was not consistent with the code. Direction was given to remove the wall and the second kitchen. The city cannot allow second kitchens in luxury homes and then deny them in other homes, so it turned to stringently enforcing the single kitchen requirement. The Spiritwood home had to meet all dimensional, daylight plane and neighborhood livability requirements, and when it did it was permitted, even though it is far bigger than the small home adjacent to it.

Ms. Helland said her staff have investigated many of the Craigslist advertisements for single room rentals. While some were found to be legitimate, some were found to be questionable and were referred to the police department for investigation.

Commissioner Ferris asked Ms. Helland what suggestions she had for inclusion in an ordinance. She said she personally was not all that keen on using the term "functional equivalent of a family." It would not be easy for the city to enforce because it would require parsing relationships. While there is a very passionate group wanting the single room rental issue solved, there is an equally passionate group who would be very unhappy with the city knocking on their doors wanting to know who is living in their houses. Code enforcement officers, who are not police officers, are sent out in groups of two and often they talk with people who do not want them on their front porches and the experiences are not often pleasant. Setting thresholds and requiring permits are approaches people expect governments to engage in; the public is not expecting the government to ask if they are related to the person or persons they are sharing a house with.

Chair Tebelius suggested that if nothing is done the city will face the increasing loss of its middle class housing. That will also result in the loss of the character and soul of the city. Ms. Helland said the interim ordinance represents a brilliant way to get at the single room rental business model quickly in that it reduces the number of unrelated people who can live together from six to four. The number four was selected based in part on the demographic information that the average dwelling unit in Bellevue has 2.33 persons. The intent was that renters should have no more impact than a single family residence, and with the average at 2.33 establishing a limit of four is closer to the existing reality than six.

Councilmember Stokes noted that under the interim ordinance houses with six unrelated persons can continue to exist until July 1. The limit of four was also chosen for the interim ordinance based on the fact that dividing the average rent by that factor would make the rent for each individual affordable to those of moderate means. The threshold of four, however, destabilizes the business model approach because it reduces the overall income for the property owner.

Ms. Helland said the city conducted a very deliberate education campaign aimed at highlighting the interim ordinance. If a property owner knows they can rent their houses to only four people and that the city will be enforcing its rules, pretty soon they will get tired of having to deal with the city and will walk away from the business model. The problem is complaints must be investigated by taking very specific steps and the process takes time, particularly when property owners are uncooperative or live outside of the area. There have not been many complaints lodged about unpermitted home modifications to accommodate more people, and that could be attributable to having put the interim ordinance in place immediately.

Answering a question asked by Commissioner Hilhorst, Ms. Helland allowed that a limit of three unrelated persons could be defensible. Some jurisdictions set limits as low as two. However, setting the limit too low could put out of business the people who are trying to do the right thing.

Commissioner Laing said one of the things that drove him to leave a nice neighborhood in Seattle was a steady increase in the number of cars parked on the street as a result of accessory dwelling units and other issues. He said his sympathies lie with neighborhoods that are concerned about losing their identities. The main issue is the question of accountability and said any solution identified will have to be oriented toward the lease. There are already provisions in section 20.20.140 of the code relative to boarding/rooming houses and bed and breakfasts that move the ball in the right direction. What makes everyone uncomfortable is the definition of family but the fact remains the city defines different types of housing units based on family: single family and multifamily. Until the city is in a position to remove those differentiations from the zoning lexicon, family will continue to be a deciding factor. He agreed with Ms. Helland relative to not including functional equivalent of a family and about requiring an administrative conditional use permit. The city already outright prohibits dormitories in the R-1 through R.7.5 zones. Boarding/rooming houses share a definition with bed and breakfasts in the code, but those two uses should in fact have separate definitions. The single room rental issue is tantamount to boarding/rooming houses.

Continuing, Commissioner Laing said that from an enforcement perspective, it is harder to deal with conversions than new construction. There will be those wanting to legitimately pursue a boarding/rooming house, but the large new home being constructed in Spiritwood for the sole purpose of acting as a boarding/rooming house should be outright prohibited in single family zones given that it will be the functional equivalent of a fraternity house or dormitory. With regard to the smaller legitimate situations, a home occupation permit should be carved out for the higher density single family zones, but the use should only be allowed in the lower density single family zones through an administrative conditional use permit. The administrative conditional use permit assumes there will be impacts associated with the use that are greater than the impacts associated with an outright permitted use, and the process allows for the setting of conditions. One important condition could be a requirement to provide off-street parking for the greater of all of the bedrooms or all of the leases associated with the property.

With regard to multiple leases for a single property, the issues to be tackled include whether each has a different start and end date, the number of unrelated adults allowed per lease, and whether

there are more leases than bedrooms. The definition of boarding/rooming houses should be amended to include something about having more than one lease apply to the property. Having multiple leases on a single dwelling unit should be considered prima facie evidence that the definition of family has not been met.

Commissioner deVadoss suggested that if there were a simple way to address the issue, the city would already have done it. For that reason, the Commission should be cautious with regard to any simplistic response. The single lease approach could be a simplistic response that will not really provide any safeguards. There should be a compliance focus placed on the landlord. He said he could support lowering the interim ordinance limit of four to three. The city needs to stay true to the notion of what constitutes single family housing; to open the door relative to the single room rental issue will be a slippery slope.

Commissioner Ferris said he could support a limit of four unrelated persons but did not favor allowing more than four unrelated persons to live together if they can demonstrate they operate in the functional equivalent of a family. He said he would prefer to see a single lease with a start and end date. Parking is an issue for nearly every family with teenage kids and it would not be prudent to require off-street parking for every bedroom. Residential parking zones are in fact quite cumbersome for the people who live in the neighborhood; it is difficult for guests or family members to park in the street unless they have a visitor sticker. He agreed the landlord should be the responsible and accountable person, and there should be a clear and significant penalty that will make people want to abide by the law. He said he also would favor requiring a standard lease overlay.

Ms. Helland said the interim ordinance was drafted and implemented very quickly. Staff looked to other jurisdictions that were facing the same issue for ideas in drafting it. The notion of functional equivalent of family was something that emerged and it was felt it could fairly easily be fit in without amending a lot of sections of the code. The permitting issue for exceeding a certain threshold did not emerge as a potential option until staff began doing more extensive research into what other communities have done. Permitting is intriguing in that it allows the city to control the information and to attach conditions, such as requiring owner occupation or a registered agent living in the home. There are programs used by some cities, including Seattle, where notebooks with suggestions on how to be good landlords are handed out. The notebooks talk about how to enter into a lease, how to do background checks on potential tenants, and a lot of other useful information. Such a notebook would be a good addition to the toolkit.

Commissioner Hilhorst said she favored limiting the number of unrelated persons to three and exploring a requirement for a single lease. She said it all comes down to accountability, being neighborly, and making sure communities feel safe.

Chair Tebelius spoke against residential parking zones and suggested the Council should look at placing limits on garage conversions. She said she favored limiting the number of unrelated persons in a household to two.

Councilmember Stokes said he was encouraged by the robust conversation on the part of the panel members and the Commissioners. He said the Council will have a lot to consider once the issue gets back to it.

Chair Tebelius thanked Mr. Bergstrom for all the hard work he has put into researching what clearly is not an easy issue. She also thanked Ms. Helland.

There was consensus to take up agenda item 11 next.

11. PUBLIC COMMENT

Mr. Steve Kasner, 1015 145th Place SE, said he was thrilled the Commission had chosen to meet in East Bellevue. He said he was encouraged to hear some of the creative ideas for moving forward but remained uncomfortable that the city is racing to wrap up the matter so other things can be addressed. He pointed out that the Eastgate master plan includes a plan for housing to accommodate Bellevue College students and others, but noted that it will take ten years or more to build it and said the neighborhoods will not be able to wait that long. The issue is not just a Spiritwood issue and it is not just being driven by Bellevue College. In updating the Comprehensive Plan, the Commission needs to have a solid concept of what constitutes single family. Most new housing units will be constructed in the downtown in the coming years, but that will raise some affordability issues. Every caution should be exercised in developing a permanent ordinance; it would be better to do it right than to do it fast.

Mr. Ron Merck, 14824 SE 18th Place, said he knows of two homes in the Spiritwood area whose garages have been converted to some other use. He suggested that the majority of homes have their circuit panels located in the garages, and where conversions take place questions arise regarding what will happen when there is a fire, or how the residents of the home gain access to the circuit panel should a breaker need resetting.

Mr. Bergstrom said where responsible persons seek a permit to make revisions to their homes, all issues of ingress and egress are reviewed to make sure they meet the code requirements.

Mr. Bart Goft, 421 155th Place SE, suggested that if the city were to require a managing agent to live on the premises if the property owner does not, there could be questions raised with regard to the property tax structure given that the single family use will have turned into something different. With regard to taking ten years to build housing in the Eastgate area, he suggested that with a sufficient amount of money it would happen much quicker. In part, the single room rental issue comes down to the difference between permanent and temporary housing. For students living in college dormitory situations, where damage to the dorms occur the parents can be held responsible under their homeowners insurance.

Mr. Roger Smith, 14415 SE 7th Street, commented that he was an international student and that he was required by law to register his name and address. Bellevue College has an international student office and they know exactly who their students are and where they live. International students are highly desired by colleges because they pay much higher tuition rates. The owner of the monster house being built in Spiritwood is likely recruiting international students.

Mr. Chris Benis, Rental Housing Association, 6432 163rd Place SE, said his members are mostly concerned about predictability. He said no landlord wants to be forced into situations where they must parse the personal relationships of tenants. If the related card is played, it will be necessary to work out just how people are related.

Ms. Irene Fernanz, 1705 146th Avenue SE, said the owner of the megahouse in Spiritwood is known to own a number of other houses in Bellevue, and is known to be advertising on Craigslist which specifically are targeted at international students. The ads indicate he has at least 18 bedrooms available currently with more to come. She said the issue of unrelated people living

together as a functional family is more about having them all on the same lease and power bill than about the actual relationships of the tenants. The neighbors do not care if the individuals are related, they only want them to act related as a function of living in a house together.

Mr. John Kapler, 14311 SE 16th Street, agreed with the comments and suggestions made by Commissioner Laing. He said a group of people, whether related or unrelated, renting a house will act like a family, but groups of people renting only a portion of a house do not act like families. Where a landlord wants to rent to individuals rather than a group of people, the conditional use permit is the best way to define the conditions to address the impacts that will result.

B. Land Use Code Amendments Introduction

This agenda item was postponed to another meeting.

C. Housing Element

This agenda item was postponed to another meeting.

9. COMMITTEE REPORTS - None

10. OTHER BUSINESS

Mr. Inghram reminded the Commissioners of the May 7, 2014, joint meeting with other boards and commissions regarding diversity in the Comprehensive Plan.

12. DRAFT MINUTES REVIEW

A. February 26, 2014
B. March 12, 2014

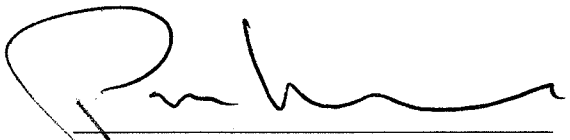
Approval of the minutes was postponed to another meeting.

13. NEXT PLANNING COMMISSION MEETING

A. May 14, 2014

14. ADJOURN

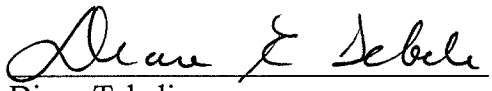
Chair Tebelius adjourned the meeting at 9:55 p.m.



6/25/2014

Paul Inghram
Staff to the Planning Commission

Date



6/25/2014

Diane Tebelius
Chair of the Planning Commission

Date

* Approved June 11, 2014