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CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4269

AN ORDINANCE relating to the implementation of affordable housing policies; amending Bellevue City Code (Land Use Code) Section 20.50.010 and Section 20.50.024 and adding a new Section 20.20.128 to the Bellevue City Code.

WHEREAS, the City Council, for the purpose of implementing the mandatory housing element required under the Growth Management Act, Chapter 17, Laws of 1990, 1st ex. sess., which requires the City to consider the housing needs of all economic segments of the community, adopted Resolution No. 5288 on July 9, 1990 adding a new Section 21.G.125 to the Housing Element of the Comprehensive Plan relating to affordable housing policies; and

WHEREAS, the State Environmental Policy Act, Chapter 43.21C RCW, provides that housing needs are an element of the environment that must be considered by the City in approving development (WAC 197-11-444); and

WHEREAS, the Bellevue Planning Commission carefully reviewed proposed regulations to implement these affordable housing policies; and

WHEREAS, these regulations are considered a positive step toward providing affordable housing opportunities; and

WHEREAS, these affordable housing regulations are implemented to meet the obligations of the City under the State Environmental Policy Act and under the Growth Management Act, Chapter 17, Laws of 1990, 1st ex. sess.; and

WHEREAS, the rationale for permitting higher density housing through the use of affordable housing incentives is to address the affordable housing needs of workers and residents in or near Bellevue; and

WHEREAS, the City of Bellevue has complied with the State Environmental Policy Act and the City's Environmental Procedures Code; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 20.20 of the Bellevue City Code (Land Use Code) is amended by the addition of a new Section to read as follows;

20.20.128 Affordable Housing

A. Purpose: The purpose of this Section is to implement through regulations the responsibility of the City under the State Environmental

Policy Act, Chapter 43.21C RCW, and the Growth Management Act, Chapter 17, Laws of 1990, 1st ex. sess., to consider the housing needs of all economic segments of the community, and to assure that the impacts of new development will be mitigated to the extent feasible to assure an adequate affordable housing supply in the City.

B. General: This Section applies to; all new residential development (Paragraph 1); all new subdivisions (Paragraph 2) and; all rezone applications (Paragraph 3). These requirements are adopted pursuant to the authority of the State Environmental Policy Act and the review of all projects under these requirements is SEPA based.

1. Multifamily Development: At least 10% of the units in all new multifamily development proposals of ten units or greater must be affordable units. In addition, one bonus market rate unit is permitted for each affordable unit provided, up to 15% above the maximum density permitted in the underlying zoning district.

2. Subdivision Development: At least 10% of the units in all new subdivision proposals of ten lots or greater must be affordable units. In addition, one bonus market rate unit is permitted for each affordable unit provided, up to 15% above the maximum density permitted in the underlying zoning district.

3. Rezones: All rezone proposals for an increase in residential zoning density must provide that at least 10% of the units buildable under the original maximum density be affordable units and that at least 20% of the units buildable as a result of the increase in density from the original maximum density to the total number of approved units must be affordable units. In addition, one bonus market rate unit is permitted for each of the affordable units provided to meet the minimum 10% requirement of the original maximum density, up to 15% above the original maximum density.

Example: The project proponent has five acres zoned R-10 and seeks a rezone to R-30. Assuming that 150 units are ultimately approved on the site after the rezone to R-30, the affordable housing requirement is as follows;

10% of original maximum density - 5 affordable units

one bonus unit for each affordable unit provided to meet minimum 10% of original density = 5 bonus units

20% of increase in density = 20 affordable units (20% of difference between number of approved units (150) and maximum original density (50)

Total approved units =	150
Total affordable units =	25
Total bonus units =	5
Total units =	155

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The requirement to provide the affordable units will be implemented at the time of preliminary plat approval or building permit issuance and the same thresholds apply for multifamily development as in Paragraph 1, and for subdivision proposals, as in Paragraph 2. Compliance with this paragraph will satisfy the entire affordable housing requirement for the property.

A proposal to rezone property zoned Open Use is exempt from the provisions of Paragraph 3, but is subject to the provisions in Paragraph 1 and 2 at the time of development.

4. Affordable Housing Calculation: The number of required affordable housing units is determined by rounding fractional numbers to the nearest whole number and rounding up to the nearest whole number from .5. The project proponent may propose to provide alternative payments for fractional portions of units, as provided for in Paragraph E.(2)(b).

5. Duration: An agreement in a form approved by the City must be recorded with King County Department of Records and Elections requiring affordable housing units which are required by this Section to remain as affordable housing for the life of the project. This agreement shall be a covenant running with the land, binding on the assigns, heirs and successors of the applicant.

6. Low Income Units: Each low income affordable unit provided counts as two affordable units for purposes of satisfying the affordable unit requirement under paragraphs 1-3. For purposes of computing bonus market rate units under paragraphs 1-3, two bonus market rate units are permitted for each low income affordable unit provided, up to 15% above the maximum density permitted in the underlying zoning district.

7. Senior Housing: This Section applies to senior housing developments, including senior citizen dwellings and congregate care senior dwellings, but not including nursing homes. The maximum permitted density is the greater of the density permitted for units less than 600 square feet pursuant to Section 20.20.020, or 15% above the maximum density permitted in the underlying zoning district.

8. In zoning districts where density limitation is expressed as floor area ratio (FAR), density bonuses will be calculated as an equivalent FAR bonus.

9. Central Business District. The definitions of and requirements for affordable housing for projects in the Central Business District shall be as provided in the following table. This paragraph 9. shall apply to those projects which meet the affordability requirements on-site or off-site, but within the boundaries of the Central Business District, but shall not apply to those projects which elect to use an alternate payment method as authorized in Paragraph 20.20.128 E(2)(b).

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The affordable housing requirements for projects vested pursuant to a complete building permit application on file on or after the effective date of this ordinance must be targeted for households whose incomes do not exceed the following:

Number of Total Units	Median Income Level
First 250 units -	105% of median income
Second 250 units -	100% of median income
Third 250 units -	90% of median income
All subsequent units -	80% of median income

Number of Total Units shall mean the total number of housing units (affordable and otherwise) permitted to be constructed within the Central Business District and to which this Paragraph 9 shall apply. In establishing an affordable rent or sales price, Median Income Level shall be adjusted for household size, as determined by the United States Department of Housing and Urban Development for the Seattle MSA, and shall assume that no more than thirty percent of household income is used for housing expenses.

C. Dimensional Standard Modification: The following requirements of the Land Use Code may be modified through the procedures outlined in Paragraph D, to the extent necessary to accommodate affordable housing units and bonus units on-site. To the extent that the Director of Design & Development determines that affordable units cannot be feasibly constructed on-site, the provisions of Paragraph E apply.

1. Lot Coverage: The maximum percent of lot coverage may be increased by up to 5% of the total square footage over the maximum lot coverage permitted by the underlying zoning district for those properties or lots containing affordable housing units.

2. Parking Requirements: For those buildings containing affordable housing, the percent of compact parking stalls may be increased up to 75% of the total required parking in non-CBD zoning districts and up to 85% of the total required parking in CBD zoning districts. Tandem parking stalls are permitted to the extent feasible to satisfy required parking ratios.

3. Building Height: Except in Transition Areas, the maximum building height in R-10, R-15, R-20 and R-30 zoning districts may be increased by up to 6 feet for those portions of the building(s) at least 20 feet from any property line.

4. Lot Area: Lots which contain affordable housing units in single family subdivisions may be reduced by up to 15% of the minimum lot area required by the underlying zoning district provided that the density in the subdivision does not exceed 15% above the maximum permitted by the underlying zoning district.

5. Open Space. The Open and Recreation Space Requirement within a residential Planned Unit Development containing affordable housing may be reduced to 35% of gross land area. All other requirements of Section 20.30D.160 shall continue to apply.

D. Applicable Procedures

1. Dimensional Standard Modification: The City will process an application for a dimensional standard modification through the building permit review or if the project is being processed through a discretionary land use process, the dimensional standard modification may be reviewed as part of that process. In addition to the decision criteria in the section applicable to the discretionary land use decision, the Director of Design & Development must determine that the modification proposal is the minimum necessary to accommodate affordable housing units and bonus market rate units on-site.

2. Attached Housing within Subdivisions: Affordable housing duplexes on single family lots are permitted without Planned Unit Development approval provided the units are approved as part of a Subdivision proposal. In addition to the decision criteria in Section 20.45A.130, the following criteria shall apply;

a. No more than 15% of the approved lots may include attached units and only one lot may contain three dwelling units.

b. The placement and exterior design of the duplex units are comparable to and compatible with the surrounding single family development.

E. Alternative Compliance Methods

1. General: The Director of Design & Development may approve a request for satisfying all or part of the affordable housing requirement with alternative compliance methods proposed by the applicant, but only if (a) the project proponent demonstrates that the property cannot achieve reasonable expectations of permitted density (at least 80% of permitted density, without affordable housing bonuses) or; (b) the project is a mid-rise or high-rise structures; (c) the project is a rental project in the Central Business District or; (d) the project is a subdivision proposal for ten to nineteen units.

2. Alternatives: The project proponent may propose one or more of the following alternatives, and must demonstrate that any alternative compliance method achieves a result equal to or better than providing affordable housing on-site. (Housing for households whose income is less than 80% of median annual income as defined in Section 20.50.010, "Affordable Housing," of the Bellevue City Code.) Housing units provided through the alternative compliance method must be based on providing the same type of units as the units in the project which gives rise to the requirement.

a. Affordable housing units may be provided off-site provided the location chosen does not lead to undue concentration of affordable housing in any particular area of the City.

b. Alternative payments may be provided which are based on the difference between the cost of constructing a prototype affordable unit, including land costs, and the income generated by an affordable unit. The formula for alternative payments will be established by an Administrative Order. The payment obligation will be established at the time of issuance of building permits or preliminary plat approval for the project.

c. The Director of Design & Development will consider other options for satisfying the affordable housing requirement, as proposed by the project proponent.

3. Bonuses: Density bonuses will not be awarded for affordable units provided through the alternative compliance method, except that bonuses are permitted on the same site as affordable units provided off-site so long as the maximum excess density on the receiving site does not exceed 15%. In addition, density bonuses may be transferred off-site if affordable units are provided on-site but the site cannot accommodate the bonus units. The Director of Design & Development may approve off-site affordable housing duplexes on single family sites through administrative conditional use or through any other discretionary land use decision, provided the additional criteria in Paragraph D.2 are met.

Section 2. Section 20.50.010 of the Bellevue City Code (Land Use Code) is amended by the addition of the following definition:

Affordable Housing. Housing used as a household's primary residence for households whose income is less than 80% of the median annual income, adjusted for household size, as determined by the United States Department of Housing and Urban Development for the Seattle Metropolitan Statistical Area, and who pay no more than 30% of household income for housing expenses.

Affordable Housing; Low Income. Housing used as a household's primary residence for households whose income is less than 50% of the median income, adjusted for household size, as determined by the United States Department of Housing and Urban Development for the Seattle Metropolitan Statistical Area, and who pay no more than 30% of household income for housing expenses.

Section 3. Section 20.50.024 of the Bellevue City Code (Land Use Code) is amended by the addition of the following definitions to read as follows:

Household: One or more adults and their dependents who will be residing in the affordable unit. For ownership units title will be held in the name of all adults, other than specifically identified dependents.

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Housing Expenses. Housing expenses include rent plus a utility allowance, as defined in the affordable housing administrative order, for rental projects. For ownership affordable units, housing expenses include mortgage payments, property taxes, property hazard insurance and homeowners association dues.

Household Income: Household income shall include all income from all household members over the age of 18 residing in the household. Household income consists of all income that would be included as income for Federal income tax purposes (e.g. wages, interest income, etc) for household members over the age of 18. Income of dependents who reside within a household for less than 3 months of the year will not be counted toward household income.

Section 4. This ordinance shall be in force and take effect five days after passage and legal publication.

PASSED by the City Council this 8th day of July, 1991, and signed in authentication of its passage this 12th day of July, 1991.

(SEAL)

Terry Lukens, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

Richard Gidley, Deputy City Attorney

Attest:

Marie K. O'Connell, City Clerk

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