

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

January 10, 2024
6:30 p.m.

Bellevue City Hall
Room 1E-113

COMMISSIONERS PRESENT: Chair Bhargava, Vice Chair Goepple, Commissioners Cálad, Ferris, Khanloo

COMMISSIONERS REMOTE: None

COMMISSIONERS ABSENT: Commissioner Brown

STAFF PRESENT: Thara Johnson, Emil King, Department of Community Development; Matt McFarland, City Attorney's Office

COUNCIL LIAISON: Deputy Mayor Malakoutian

GUEST SPEAKERS: Madalina Calen, Elliot Weiss, Community Attributes, Inc.

RECORDING SECRETARY: Gerry Lindsay

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

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

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

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Brown.

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

A motion to approve the agenda was made by Vice Chair Goepple. The motion was seconded by Commissioner Ferris and the motion carried unanimously.

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS
(6:31 p.m.)

Deputy Mayor Malakoutian reported that at the City Council's first meeting of the year there was a discussion regarding the 2024 state legislative agenda. The Commissioners were urged to attend the Martin Luther King Jr event in Crossroads on January 15. Beginning in April, the City Council will be meeting on Tuesday evenings rather than Monday evenings. All of the city's board and commission meetings are now being recorded via video and made available to the public.

Deputy Mayor Malakoutian said at the Council's January 8 meeting there was a great

presentation regarding economic development and how Bellevue is doing compared to other cities. The Commissioners were urged to watch the video. The Council also received an update regarding all the construction activity in South Bellevue/Factoria due to an emergency situation. The mitigation plan and associated outreach was shared with the Council.

5. STAFF REPORTS

(6:36 p.m.)

A. Planning Commission Meeting Schedule

Comprehensive Planning Manager Thara Johnson took a few minutes to review the Commission's schedule of upcoming meeting dates and agenda items. It was noted that owing to the Commission's heavy workload, some meetings may need to be added in the March/April timeframe.

Thara Johnson stated that the process of filling the seat vacated by Deputy Mayor Malakoutian has begun. A lot of interest is anticipated.

With regard to the Comprehensive Plan Periodic Update, all of the draft policies will be released on January 15 and they will be posted on the Engaging Bellevue website. An open house is slated for January 20 to share information with and garner feedback from the public.

6. WRITTEN AND ORAL COMMUNICATIONS

Chair Bhargava took a moment to note that under Ordinance 6752, the topics about which the public may speak during a meeting are limited to subject matters related to the city of Bellevue government and within the powers and duties of the Planning Commission. Additional information about the new rules of decorum governing conduct of the public during meetings can be found in Ordinance 6752.

A. Written Communications

(6:43 p.m.)

Thara Johnson stated that the written communications received were included in the packet. The additional emails received after the deadline of 11 AM on the day of the meeting will be included in the next meeting's packet and comments were received from the Chamber as well as other stakeholders..

B. Oral Communications

(6:44 p.m.)

Alex Tsimerman began with a Nazi salute and called the Commissioners dirty garbage rats and asked them to recall how many times they had been called cretins and idiots. Something never seen before has happened, and that is that Deputy Mayor Malakoutian does not display the legal name "Mohamed" on the nameplate in Council chambers. By definition that is a crime.

Chair Bhargava directed Alex Tsimerman to address only topics of pertinence to the Commission.

Alex Tsimerman said it is a crime for Deputy Mayor Malakoutian not to use the full name. The

fact is the business of the city. The whole Council has approved an official person not using their legal name.

Vice Chair Goeppelle asked the record to reflect that the comments by Alex Tsimerman were in violation of Ordinance 6752. The comments did not address topics covered by the Commission, and they were belated campaigning. It is disappointing to see a continued flagrant violation of the ordinance.

Chair Bhargava agreed and apologized to the audience. Commissioner Khanloo concurred as well, noting that such comments are hard to listen to.

Jodi Alberts, vice president for government affairs for the Bellevue Chamber of Commerce, addressed the Phase I affordability analysis. The PLUSH committee represents thousands of employees in the development industry who would be responsible for building a portion of the affordable housing in Bellevue. The committee has discussed and compared mandatory and inclusionary versus voluntary and incentive programs. The goal is to have housing at all levels of affordability so the city can be an inclusive place to live and to support the anticipated growth. Given the current market conditions and the resulting development pipeline, the environment the industry must operate in must either halt or support the start of housing production. It is appreciated that the city put resources toward a study prior to implementing policy that would have great impacts on the community. It is clear that city staff and the Commission truly value transparent governance in seeking policies that work. There were, however, several holes in the report. The report in many instances does not offer comparative literature that would omit bias, although there are countless pieces of academic literature that is readily available. On page 70 of the report, a single study is cited that claims that in California incentive programs resulted in higher housing prices and lower housing production in cities without incentive programs. The fact is there are many studies that show that inclusionary programs result in reduced construction of new homes and higher rents, and that reducing the cost of producing housing or increasing the housing supply is the most effective tool for reducing rents. Several sources were provided in the comment letter submitted to the Commission. There is not enough evidence to back some of the broad claims made in the report. Some of the claims are based on variables that are not apples-to-apples comparisons. One claim on page 67 refers to a study that mandatory programs are one and a half times more likely to produce affordable housing. However, that study did not take into consideration contributions from a fee in-lieu mechanism, making the comparison less useful. One of the most important shortcomings of the report was that no one who builds housing was interviewed, which develops a one-sided narrative and oversimplified the intricacies of housing development.

Matt Roewe, an architect and development planner, and a former Seattle Planning Commissioner, noted being a fan of affordable housing, having served on the board of a non-profit housing developer, and noted currently helping the Chambers PLUSH committee advocate for a sound program for affordable housing. As the city moves into the second phase of the housing economic analysis, the inclusionary requirements and incentives for new development will be established, and that is a complicated task. The best outcome will be new criteria that is achievable by the private sector and projects that move ahead quickly to provide affordable housing. The worst outcome would be no one taking up the program and the supply of housing getting suppressed for a full development cycle. The city should fully engage with the development community in the second phase of the study. Those are the folks who will be taking the risks to achieve the goals of the policies. The city should be careful to establish incentives that are truly incentives, not just political aspirations. One program that is working well in Bellevue is the multifamily tax exemption program and the city should strive to create criteria

that works in parallel with that program. State law allows for leveraging upzoned land value to subsidize the cost of affordable units, and allows cities to create a payment-in-lieu option rather than on-site housing performance. Cities can define affordability at 80 percent of area median income, not just at 50 percent of area median income. The former might be necessary to create a viable highrise project that includes affordable housing. The tool will be an important one to consider when looking at 25- to 45-story towers in Wilburton and BelRed. The city should also seek to establish a reasonable pilot program to get the first 4000 units built, after which there should be reevaluation and tweaking as necessary.

Heidi Dean thanked the city staff and the Commissioners for advocating the recording of Commission meetings, something that is very helpful for those in the community who want to keep track of what is going on but who cannot always attend meetings. The email forwarded to the Commission from Fred McConkie, a BelRed Arts District board member and a developer, talks about the impacts to small businesses associated with the redevelopment of BelRed, noting that redevelopment equals increased retail rents that forces out small neighborhood-serving businesses. There are few places for those businesses to relocate in Bellevue, making Bellevue a less interesting place and forcing residents to drive outside the area for those services. Fred McConkie suggests a density bonus in the BelRed Arts District for developers who provide ground-level retail at 50 percent of the market rate for qualified arts businesses. Something similar should be done in other commercial districts as well, including Newport Hills, where the local shopping center has been serving the surrounding neighborhoods for many years yet which may simply be bulldozed, doing away with all the businesses. The private/public partnership with Edward Butterfield, which was heavily promoted during the 2022 neighborhoods conferences, seems to have gone silent.

Betsi Hummer stated that most of Bellevue will ultimately be upzoned, except for the apartments immediately to the west of Crossroads. Crossroads is one of the city's most dense and diverse areas, and it is a hub for crime. Those apartments have been slated to be retained at their current R-30 zoning, without any upzoning, because they are naturally occurring affordable housing. That is not fair to the city. The city's subsidized affordable housing needs to be dispersed equitably throughout the city. It is discriminatory in that every parcel in the city can be upzoned except for those, taking away the property owners rights and the flexibility being asked for throughout the city. The Commission should reconsider allowing such sites to be upzoned. With regard to the multifamily tax exemption, the program should be expanded to include existing properties that offer below-market-rate housing as a way to help independent property owners offer affordable housing without association with the King County Housing Authority. Once properties come under the authority of the King County Housing Authority, restrictions are placed on who is allowed to live in the units.

Saghar Amini congratulated Deputy Mayor Malakoutian on being elected to the City Council, elected to serve as Deputy Mayor, and being appointed to serve as liaison to the Planning Commission. The staff were also thanked for their hard work. With regard to the speaker who routinely disrupts meetings and uses obscene language, it was noted that the person's words are not targeted just at Deputy Mayor Malakoutian but at the entire community. It is offensive. The Commission was strongly urged to take action to the extent possible within the limits of free speech. Section II of Ordinance 6752 offers ways to object and exclude persons from meetings. Bellevue's motto is Diversity is Our Strength, and Alex Tsimerman has taken the opportunity to use City Hall meeting rooms as a safe space in which to assault, to offend and to target the community, and some action should be taken.

Chair Bhargava highlighted the fact that there is a fine balance between allowing for freedom of

speech and ensuring maintenance of the rules of decorum.

Pamela Johnston suggested the Commission should seek some legal understanding of First Amendment rights. Sometimes Alex Tsimerman includes some little bits of good stuff in with all the bad stuff. With regard to scheduling additional Commission meetings, the speaker stated that makes it difficult for the public, which only has so much time to read through the materials. Having additional meetings only reduces the amount of time to do so. On January 9 there was a meeting about the Bridge complex that is going in in the OMF area. It was a good meeting, but the public is still not sure what questions should be asked. The land is being made available for free from Sound Transit, but the other complexes going in will not have as much affordable housing, so they have to pay something, so there is something like a ratio. The city should consider owning the land and not just giving it away, and using the land as a resource through leases or ground banking. Turning to incrementalism, the speaker noted having recently read a document on the wicked problem of zoning. One problem for those living in a neighborhood is where things change very fast. People see all the change and do not associate it with anything good because it is too much change. When things change incrementally, neighborhood residents are better able to accept the changes. It is not known what tools the Council has to control growth other than zoning. Crossroads is going to have a whole neighborhood plan. So is Newport Hills and Factoria. Little should be done before going through the development of plans for those areas.

Commissioner Cálad took a moment to see something done about the situation being faced every single meeting during public comments. More should be known about what is protected by the First Amendment. If there is a violation occurring, an end should be put to it immediately. If the speech is in fact protected, it will have to be allowed. Thara Johnson agreed to follow up with the City Attorney's Office. The City Attorney has held a training session with the Chair and Vice Chair and it would be good to circle back to some of the things that have come up in the last couple of meetings.

Deputy Mayor Malakoutian suggested the best way to approach the issue is to allow Alex Tsimerman three minutes to speak and then to just move forward. That will prove to be the least disruptive approach.

Chair Bhargava agreed with the need for more clear guidance from the City Attorney's Office.

Thara Johnson clarified that Fred McConkie is not in fact a member of the board for the BelRed Arts District.

7. PUBLIC HEARING – None
(7:15 p.m.)

8. STUDY SESSION

A. Bellevue Housing Economic Policy Analysis Phase I Draft Report Findings
(7:15 p.m.)

Assistant Director Emil King noted that the Phase I housing analysis report had been included in the Commission's packet. Staff and the consultant team have been speaking with stakeholders about the report. The Commissioners were briefed on the Comprehensive Plan Periodic Update timeline and it was noted that the FEIS is set to be released in early February. The Wilburton work will continue to run slightly ahead of the overall Comprehensive Plan Periodic Update and

is aiming for a June adoption of the policy plan and the Land Use Code for Wilburton, and there are important policy discussions to be had about Wilburton and how to focus on housing for the area. The overall Comprehensive Plan update is on track for a September adoption date.

Continuing, Emil King said during previous discussions with the Commission about the affordability tools in the DEIS, there was mention of both voluntary and mandatory approaches relative to affordable housing. The staff were directed to go back and work with the consultant on the pros and cons of considering some mandatory affordable housing. It is a complicated issue and the Phase I background report looks at the full range of approaches the city can take relative to affordable housing. As areas are upzoned, the incentives are to be considered along with voluntary and mandatory options. The consultant has come up with a comprehensive approach that serves as a springboard for additional analysis. The report remains draft in nature and will be finalized following release of the FEIS.

Madalina Calen, senior economist with Community Attributes, an economic development consulting firm based in Seattle, noted serving as manager of the team of planners and economists that is conducting the economic policy analysis. Phase I of the two-part study looks at housing policies and programs relative to affordable housing and aims to determine the impacts of both voluntary and mandatory affordable programs on development feasibility. The first phase is more qualitative in nature and aims to set the context for the second phase by providing recommendations for policies to be studied further. The work began with an assessment of existing conditions, including the relevance to Bellevue of state, regional and local housing policies and regulations, as well as an analysis of Bellevue's current real estate market conditions and the city's existing affordable housing funding sources. From there, the focus turned to identifying the best practices for implementing and administering both voluntary and mandatory affordable housing programs. Three different policies were reviewed: voluntary incentive zoning; mandatory inclusionary zoning with a fee in-lieu; and a commercial fee in-lieu. Five jurisdictions throughout the United States were selected for secondary research. The literature review was not meant to be a comprehensive review of all studies extant on the impacts of voluntary and mandatory programs. City staff perspectives garnered from interviews for the case studies are presented as part of the report.

Phase II of the study will seek to answer one central question, namely how would the requirements of the programs that are recommended for study impact the feasibility of market-rate development. In seeking to answer the question the team will develop a financial feasibility analysis tool; will look at the different program elements and parameters; and will produce results that will summarize the financial feasibility for different development typologies under the three policy scenarios in the Phase I work. The outputs will be used to inform the LUCA focusing on increasing housing and affordable housing development in mixed use areas.

The Phase I work began in September 2023 and the overall work is to be completed by the end of May 2024. Draft reports on the existing conditions and policy implications have been delivered, and Phase II is being kicked off with a further defining of the policy scenarios to be analyzed. Phase II will involve meeting with various stakeholders having an interest in the project. In the coming months the work will progress on developing the model that will be delivered toward the end of March with a report summarizing the methodology and the results.

With regard to the existing conditions report, Madalina Calen said the team looked at the programs in Bellevue that are supporting affordable housing production. The city has a variety of programs and partnerships through which affordable housing can be funded. According to data provided by the city, there are more than 5000 income-restricted affordable housing units

currently in service. The past five years has seen the largest number of affordable units brought online; indeed, 39 percent of the city's entire affordable housing stock was delivered over the past five years, primarily due to enactment of the 2017 Affordable Housing Strategy, and the purchase of several properties in the city by the King County Housing Authority.

The existing conditions report included a review of various housing policy requirements and regulations, including HB-1220, adopted in 2021 and which requires jurisdictions to plan for an accommodate housing needs; HB-1110, a bill that seeks to increase middle housing in areas that are dedicated to single family detached housing; HB-1337, which requires GMA-planning cities like Bellevue to permit in two accessory dwelling units per lot in all urban growth areas; the Countywide Planning Policies, including the most recent update that was prompted by HB-1220; and the city's various programs, including the citywide density bonus, the mandatory inclusionary zoning program that was in effect from 1991 to 1996, the location-specific density bonuses, and the multifamily tax exemption program.

Madalina Calen shared with the Commissioners a table comparing the city's affordable housing incentive programs by type, geography, program start date and the number of income-restricted units produced by each program. It was noted that the citywide density bonus of up to 15 percent above the existing density limits in exchange for the inclusion of affordable units; to date the program has yielded 95 units. The mandatory inclusionary zoning program, which is no longer in effect, yielded 170 units by requiring all new multifamily developments having ten or more units to include ten percent of the units affordable at 80 percent of area median income; one additional market-rate unit was allowed for each affordable unit provided. The location-specific density bonus program applies only in the Downtown, BelRed, Eastgate and East Main areas; the BelRed and East Main districts include a fee in-lieu option. The voluntary multifamily tax exemption program provides a 12-year exemption from property taxes paid on the housing portion of qualifying projects in exchange for setting aside 20 percent of the units for income eligible households.

The report includes an analysis of real estate market conditions in Bellevue, including multifamily housing, retail and office to provide a greater understanding of housing conditions, all to inform the Phase II work. The analysis area is citywide, but specific areas of the city will need to be reviewed as part of the Phase II work. Multifamily housing unit growth has outpaced single family growth in the city and now makes up about half of all units, an increase from 41 percent in 2000. Over the past two decades, Bellevue has almost exclusively produced multifamily housing and the absorption rate has typically been positive. As of 2023, the median effective rent per unit in Bellevue stood at \$2400, a 67 percent increase from 2000 and about \$400 higher than the median rent in King County. The multifamily vacancy rates in Bellevue have fluctuated between 3.5 percent and eight percent since 2000 and currently stands close to five percent.

The existing conditions report included a review of affordable housing funding, including funding currently used by the city and sources of funding being used by developers such as Community Development Block Grants and low-income housing tax credits. Since 2013 the city's affordable housing fund has received nearly \$57 million. Three programs account for 93 percent of the funds: housing and related services sales tax, housing fees-in-lieu, and the affordable housing contingency fund.

Madalina Calen said cities heralded in literature sources as having successful affordable housing programs include Seattle, Kirkland, Boulder, San Jose and South San Francisco. The policy implications report includes a review of the best practices from those cities, each of which is

facing affordability challenges similar to those in Bellevue.

Seattle has a voluntary incentive zoning program under which developers pay for specific amenities in exchange for extra floor area or height beyond the base amount allowed by the code. The program was adopted in 2008 and has now been phased out in all but a few areas of the city due to low participation.

South San Francisco also has a voluntary incentive zoning program. Any housing development proposing to have five or more units and incorporates at least one of the program requirements for a period of 55 years is eligible for a density bonus.

Seattle and Kirkland both have mandatory inclusionary zoning programs. Under the Seattle program developers must include affordable housing units within new development, or pay into a fund that supports the development of affordable housing. The program was adopted in 2017 and updated in 2019 and has yielded 89 units and \$246 million, 87 percent of which is associated with the residential program.

Under Kirkland's mandatory program, all developments creating four or more new dwelling units must provide at least ten percent of the units as affordable housing. The citywide inclusionary zoning requirements are different depending on the zone. The city recently developed new inclusionary requirements applicable to the area around the NE 8th Street light rail station that increases the affordable housing requirement from 10 percent to 15 percent.

Boulder and San Jose both have commercial linkage fees. The Boulder program requires new commercial development to pay a square-foot fee for the provision of affordable housing. The citywide program was implemented in 2016. The fee ranges from \$10 to \$31 per square foot depending on use and the program has raised \$12 million.

The San Jose commercial linkage fee is similar. All new non-residential projects that add gross floor area or change the use for an existing building pay a one-time impact fee. The program was adopted in 2020 and amended in 2022 to make the fee schedule more accommodating for developers. The fees are set by geographic subarea and are updated annually. The latest fees range from \$3 per square foot to \$17 per square foot depending on use and specific subarea.

Most city staff that administer the programs for the case study cities indicated their affordable housing criteria have been set at what they believe to be the bare minimum standards to ensure participation. Nearly all of the jurisdictions mentioned the importance of engaging developers when designing and implementing affordable housing programs. Some said their bare minimum requirements were set in response to concerns voiced by developers. None of the cities reported negative impacts on development activities. Some jurisdictions mentioned considering increasing their affordability requirements or levels.

Seattle and Kirkland both reported a low utilization rate for their voluntary programs, so they phased them out in favor of a mandatory approach. Some cities noted that developers typically do not go beyond the required elements of a particular housing policy.

Regular review and evaluation of affordable housing programs was highlighted as being important to make sure the programs are serving the purpose for which they were created. Markets change over time and an evaluation period should be incorporated to make adjustments as needed based on market conditions. Tracking performance data is also important element in helping cities evaluate the success of a program. Some cities noted allowing or even encouraging

developers to combine multiple housing incentive programs, but admitted that doing so makes data collection and quantifying program performance more difficult.

The funding gap analysis of the policy implications report employed a methodology that is in line with the Washington State Department of Commerce guidance for updating housing elements. It uses a range of cost-per-unit assumptions, which results in a funding gap of between \$225 million and \$615 million per year. The estimated annual average net new units is based on the housing needs target for Bellevue through 2044, broken down by area median income for the different affordable housing levels. The overall average is about 1200 units per year. The average annual production based on data provided by the city over the past five years for the different affordability levels is around 1054 units. The funding gap is calculated by multiplying the gap in affordable housing production by the cost per unit for affordable housing.

The high-end estimate of \$615 million per year is based on an average cost per unit of \$583,000, a number supplied by ARCH and based on recent projects. That number is higher than the figure provided by the Department of Commerce but is reflective of higher costs in Bellevue. The low-end estimate of \$225 million assumes a subsidy requirement of approximately \$214,000.

Based on the work done in Phase 1, Madalina Calen recommended moving forward in Phase 2 with three policy options: a voluntary incentive zoning program; a mandatory inclusionary zoning program applicable to residential projects that includes a fee in-lieu provision, and a commercial fee in-lieu program; and a variation of the mandatory program yet to be designed.

A meeting with stakeholders to review the Phase 2 scope of work is being planned. The attendees will be asked to weigh in on the feasibility model and the assumptions. The policy scenarios for analysis will be finalized in Phase 2. Up to four development typologies will be defined by the feasibility model as part of the Phase 2 work. The Phase 2 will also include building a pro forma model spreadsheet.

Commissioner Khanloo asked what criteria was used in selecting the five case study cities. Madalina Calen said at least one jurisdiction was selected that represents each type of program. Additionally, the cities were selected given housing conditions similar to those in Bellevue, including similar affordable housing challenges. Each of the cities selected responded to requests for interviews.

Commissioner Ferris asked why a deed-in-lieu program was not chosen whereby a developer can actually donate property. Madalina Calen said the programs chosen were determined through discussions with the city as areas of interest. Emil King allowed that the idea of a deed-in-lieu program is open for the Commission to talk about if so directed.

Commissioner Ferris allowed that while the multifamily tax exemption program appears to be successful, the issue is that the affordability of those units burns off after 12 years. It will be critical to track those units over the years so it can be seen when units will be lost. Similarly, there are some apartments the city has worked to preserve, but history shows that some of those units move away from being affordable over time. Tracking of such units is also important.

Commissioner Ferris stressed the necessity of providing housing that is suitable for families, which means multiple bedrooms. The least expensive way to build is studio units or one bedroom units. From a policy perspective, there should be a way to incentivize housing with multiple bedrooms.

Commissioner Cálad asked if developers were tapped for their views during Phase 1. Emil King explained that in laying out the scope of work the determination was made that the consultant should work primarily with the selected cities. Moving forward, there will be a lot of interaction with the development community. Commissioner Cálad stressed the need to incorporate the expertise of the development community in creating something that can actually be implemented.

Commissioner Cálad also highlighted how crucial it will be to have quantitative data in order to track the success of the programs. Madalina Calen said the quantitative phase will be Phase 2 where there will be a deep dive into the analysis. The Phase 2 work will specifically look at how the requirements of the policy scenarios will impact the feasibility of market-rate development, and that work will seek input from developers.

Vice Chair Goeppelle commented on the need to scale the tools to the city's established targets. Emil King clarified that Bellevue's 2044 housing unit target is 35,000 units. The Bellevue-specific housing needs assessment included a breakdown of the 35,000 units by the different affordability levels. King County conducted their own analysis and their numbers cited by Madalina Calen in the presentation represent their statements of need, which should not be confused with targets. Bellevue does not yet have specific affordable housing targets yet, it only has a statement of need, in addition to the statements of need from county. The Council in the spring or summer will be asked to set actual targets. The \$615 million funding gap highlighted by the consultant over a 20-year period is close to \$10 billion.

Vice Chair Goeppelle asked about Kirkland's program, specifically what their mandatory program looks at in terms of the area median income. Madalina Calen said Kirkland's degree of affordability is set between 50 percent of area median income and 80 percent of area median income. They chose that level based on their study of what is feasible for developers.

Vice Chair Goeppelle agreed with the need to come up with solutions that allow for course corrections over time based on actual facts and performance.

Chair Bhargava voiced not being convinced that the right cities had been selected. That is unfortunate given the time and money that has gone into the evaluations of those cities. However, 10 years and 231 units is just not successful enough. The scope should be broadened in a search for more insightful information about what actually drives successful outcomes. The most important thing will be to actually get something built. If the criteria and evaluations do not get the city to that outcome, if projects do not pencil out whether they be based on incentives or mandates, the units will not get built. The development community will be critical to success, and as such should be clearly involved in Phase 2.

Continuing, Chair Bhargava suggested that the strategies for the different area median income levels can be differentiated. A single solution across all levels is not needed. What works at 80 percent area median income not work at other levels, and a fee in-lieu structure might work better at 30 percent of area median income and lower. It could take a mix of policies to achieve the desired outcome. There will be a need to regularly recalibrate the programs as things like construction costs and interest rates change. What gets built will be dependent on those elements.

Chair Bhargava asked what the cost per unit of \$583,000 was based on. Emil King said it was based on numbers provided by ARCH, which primarily focuses on 60 percent of area median income and below and 30 percent of area median income and below. A deeper drilling down into those numbers is warranted.

Commissioner Khanloo pointed out that some of the data in hand could have been impacted by the pandemic, thus impacting the trends. For instance, the numbers appear to be down in 2022. Input is needed from those who develop affordable housing, but also from those who live in affordable housing units.

Commissioner Ferris agreed with the need to seek input from the development community. Whatever gets put together needs to be actually doable. It should be recognized that there is a spectrum of developers, some who want to focus on high-end, highly profitable units, and some on the other end who care a great deal about affordable housing. To some degree the information gathered needs to be weighted accordingly.

Commissioner Cálad voiced the understanding that the process of matching persons with affordable units can be very complicated, and suggested the Commission might benefit from learning more about it. Emil King said the city recently completed filling out its affordable housing team and agreed to draft a write-up as to how people get into affordable housing.

Vice Chair Goepple noted being intrigued by the commercial linkage fee in place in Boulder. That could be an approach for spreading the costs a little more broadly and flexibly. Madalina Calen said that approach definitely could be considered.

Commissioner Khanloo said it was interesting to learn lately that most of Bellevue's police officers do not live in Bellevue because they cannot afford to. The same is true for the city's first responders, and that is very concerning.

Chair Bhargava stressed the need to do everything possible to preserve the city's existing affordable housing stock. More than just being a good strategy, the approach also touches on issues of equity. Chair Bhargava also agreed with the need for affordable housing to have a diversity of housing topology in order to serve the needs of all the people.

Emil King said the topic would be before the Commission again in the spring.

****BREAK****
(8:25 p.m.)

B. Planning Commission Survey Results and Discussion (8:31 p.m.)

Thara Johnson reminded the Commissioners that a similar survey had been conducted in past years, including feedback from support staff, which the current survey did not include. Staff will provide additional feedback if requested to do so.

Thara Johnson said the first question the Commissioners were asked to comment on was about the areas where the Commission is functioning well. There was in the answers given some overlap from previous surveys. The responses noted that in general the Commissioners believe everyone from the Commissioners, the staff and the community are all well engaged and interested. There is good dialog during the meetings. The Commissioners come to meetings well prepared and ready to provide input and willing to listen to each other. A wide range of perspectives is offered based on personal expertise and backgrounds. Commissioners are respectful of the opinions of others even where there is not full agreement. The Commissioners ask good questions and offer good comments. There is a general respect and geniality among

Commissioners, and the staff appreciate the recognition and respect given by the Commissioners.

Commissioner Khanloo agreed with those findings.

Commissioner Cálad said the great thing about the Commission is the high level of respect shown for one another. There is nothing better than a robust discussion with intelligent people. At the same time, it is not wrong to bring opposing opinions to the table.

Commissioners Ferris and Goepple concurred.

Chair Bhargava agreed as well and especially agreed with the comment that the Commissioners come to meetings prepared. Much of that is a testament to the tremendous amount of work that goes on behind the scenes by the staff.

Thara Johnson said the second question was focused on looking at opportunities for improvement. The responses given included the need for the Commissioners to be clear and concise. Reaching out to staff in advance of meetings was stressed as being important, as was encouraging more diversity of opinion with public comment. The three-minute rule for public comment was mentioned as something that could be applied to the Commission's discussion as well. One comment offered was about allowing for more dialog on the Commissioners' community interests, backgrounds and experiences, and about encouraging more diversity from stakeholders that do not necessarily provide public comment. The Commissioners should reach out to staff in advance of meetings for any clarifications and to get questions answered in advance. Another suggestion made relative to streamlining Commission meetings was to allow for a full round of feedback, and then allow for additional comments only as Commissioners by a show of hands indicate they have additional comments.

Commissioner Cálad agreed with the need for more diversity of opinion with public comment. The Commission has put pressure on the staff to increase public comments but the Commissioners should themselves be encouraging the public to attend the meetings and speak up.

Vice Chair Goepple agreed with the need for the Commissioners to be clear and concise. Applying the three-minute rule to comments made by the Commissioners could also be useful for keeping meetings flowing.

Commissioner Cálad agreed that such a structure, provided it was more informal, would be a good idea.

Chair Bhargava suggested that having each Commissioner comment on the two or three things of most relevance to them would be a good approach. Having a timeline on Commissioner comments is not the right approach, but having as a guideline Commissioners being as brief as possible is a good idea.

Commissioner Cálad commented that sometimes the presentations given by staff are far too long. While the Commissioners should be concise in their comments, the staff should also. Additionally, heavy and difficult issues should not be left to the end of meetings when the Commissioners might be exhausted.

Chair Bhargava agreed with the need for the presentations to be concise, and to avoid if possible scheduling heavy discussions late in a meeting.

Commissioner Ferris said Commissioners should not feel obligated to speak during a discussion round.

Thara Johnson said the staff are aware of the need to be concise and does work with presenters to make sure that happens. Especially where there are multiple presentations in a meeting, each should be right on point and should highlight the most pertinent information.

Commissioner Khanloo said where possible it would be good for the Commissioners to have the Power Point presentations ahead of the meetings.

Commissioner Cálad agreed but allowed that that would require allowing the staff to be flexible, especially where the staff might be working on their presentations right up to the last minute. In those cases it would be helpful to at least have an outline of what is going to be addressed.

Chair Bhargava indicated having such materials by noon the day of a meeting would be helpful. Vice Chair Goepple suggested it would be better to have the information by the end of day the day before a meeting.

Thara Johnson noted that the last question was focused on ways the staff can better support the Commission. The responses indicated how appreciative the Commissioners are with the quality of materials provided by staff. There was good feedback about including more substance in the staff memos. Staff have operated on the notion of not presenting a ten-page memo on each topic, but if the Commissioners want more content in each memo, that can be accommodated. Another suggestion made was in regard to reaching out to staff outside of meetings to address questions, and Thara Johnson said staff welcomes such contacts. With the upcoming complex topics, staff may start setting up some individual briefings with Commissioners in advance of meetings.

Thara Johnson said a number of feedback was offered on how to improve the annotated agenda and agreed to work with the Chair and Vice Chair on that.

A motion to extend the meeting by 15 minutes was made by Vice Chair Goepple. The motion was seconded by Commissioner Cálad and the motion carried unanimously.

Vice Chair Goepple commented that most of the time the memos have good and sufficient information. There are inconsistencies from time to time, such as where a memo seems light on solid information, making it unclear as to what will be presented.

Chair Bhargava suggested it would be helpful to have the staff outline the pros and cons of topics ahead of the meetings, an approach that could help to actuate the discussions. Commissioner Ferris concurred.

Commissioner Khanloo agreed as well and stressed the need for staff to the degree possible outline current conditions against the possible future conditions.

9. OTHER BUSINESS – None
(9:01 p.m.)

10. APPROVAL OF MINUTES
(9:01 p.m.)

A. November 29, 2023

A motion to approve the minutes was made by Vice Chair Goepple. The motion was seconded by Commissioner Ferris and the motion carried unanimously.

B. December 13, 2023

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

11. EXECUTIVE SESSION – None
(9:02 p.m.)

12. ADJOURNMENT
(9:02 p.m.)

A motion to adjourn was made by Vice Chair Goepple. The motion was seconded by Commissioner Ferris and the motion carried unanimously.

Chair Bhargava adjourned the meeting at 9:02 p.m.



Thara Johnson
Staff to the Planning Commission

01/26/2024
Date



Vishal Bhargava
Chair of the Planning Commission

01/26/2024
Date