

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MINUTES

January 22, 2025
6:30 p.m.

Bellevue City Hall
Room 1E-113

COMMISSIONERS PRESENT: Chair Goepple, Vice Chair Cálad, Commissioners Ferris, Khanloo, Lu, Villaveces

COMMISSIONERS REMOTE: Commissioner Bhargava

COMMISSIONERS ABSENT: None

STAFF PRESENT: Teun Deuling, Thara Johnson, Emil King, Department of Community Development; Nick Whipple, Kirsten Mandt, Josh Steiner, Department of Development Services; Matt McFarland, City Attorney's Office

COUNCIL LIAISON: Deputy Mayor Malakoutian

GUEST SPEAKERS: Michaela Jellicoe, Community Attributes

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER
(6:32p.m.)

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

2. ROLL CALL
(6:38 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Bhargava, who joined online at 6:42 p.m.

3. APPROVAL OF AGENDA
(6:39 p.m.)

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

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS – None
(6:39 p.m.)

5. STAFF REPORTS
(6:39 p.m.)

A. Planning Commission Meeting Schedule

Senior Planner Teun Deuling took a few minutes to review the Commission's schedule of

upcoming meeting dates and agenda items.

Teun Deuling informed the Commissioners that in line with guidance from the City Clerk's Office, the City is moving away from the use of personal emails as a backup for official City of Bellevue emails for Commissioners. Any Commissioner having trouble accessing their City email should contact staff. The goal is to stop using personal emails by February, which also helps address public records requirements.

Regarding public records training, it was noted that the City offers training on public records obligations. Any Commissioners who have yet to take the required training, or anyone wanting a refresher, should contact staff.

Teun Deuling reminded the Commissioners to let staff know in advance if they will or will not be attending meetings so that a quorum can be assured.

6. WRITTEN AND ORAL COMMUNICATIONS (6:40 p.m.)

Chair Goepple 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 (6:42 p.m.)

Teun Deuling reported that all written communications received were either included in the packet or forwarded to the Commissioners directly after the packet was published. Among the comments were remarks about the Environmental Stewardship Plan Update; the Wilburton Land Use Code Amendment, focusing on affordable housing provisions, site design, and watershed and wildlife protection.

B. Oral Communications (6:44 p.m.)

Given the number of people signed up to speak, a motion to extend the public comment limit by ten minutes was made by Commissioner Ferris. The motion was seconded by Commissioner Lu and the motion carried unanimously.

There were no objections to a request made by two members of the public to combine their time for a total of six minutes.

Jazmine Smith, director of Futurewise, spoke on behalf of the Eastside Housing Roundtable, a broad coalition of employers, nonprofits, business groups, housing advocates, and both private and nonprofit housing developers. The organization is grateful for the collaboration between City

staff and the Planning Commission over the last two years in regard to the Wilburton Subarea Plan. The work has focused on aligning key areas of code-based cost reductions, utilizing a modified version of Option A, and allowing for an additional in-lieu option under a catalyst or pioneer program, and bringing all the recommendations together as a united front of affordable housing and business to envision the future of Bellevue. Futurewise supports creating more affordable housing and diverse housing types at all income levels as a shared response to Bellevue's rapid growth. The work done by the City of Bellevue is appreciated and the organization will continue to collaborate with key stakeholders on the important groundwork that might carry over to other subarea plans the City has identified. The recommendations are specifically calibrated for Wilburton in recognition of the complexity of balancing competing priorities and needs to see what can be built together. Futurewise is pleased with what has been accomplished and looks forward to continuing the collaborative work.

Patience Malaba, Executive Director of the Housing Development Consortium and Co-Chair of the Eastside Housing Roundtable, spoke in support of the recommendations outlined in a letter from the organization to the Commission that detailed a commitment to a well-calibrated affordable housing requirement for the Wilburton area. Over the past year, the Housing Development Consortium, working in partnership with the Eastside Affordable Housing Coalition within the Eastside Housing Roundtable, dedicated significant time and effort to analyze and refine the provisions in the draft code. After hundreds of hours of collaboration and thoughtful debate, the two organizations are collectively urging the Planning Commission to support and adopt the City's Option A base code, with some key modifications that are included in the letter. One key component is the preservation of the proposed ten percent set-aside at 80 percent of area median income for rental units. Also provided are options for lower income levels. For ownership units, the suggestion is for ten percent at 100 percent of area median income, and seven percent at 80 percent of area median income, to ensure coverage of the full spectrum of housing needs and affordability. The Commission was urged to work diligently on cost reduction strategies given that there are substantial cost increases stemming from the current code. Outlined are ways to target measures that reduce housing production costs before finalizing the code, including refining the open space requirements along with sidewalk and pedestrian corridor dimensions. Also included are some modifications in the amenity incentive system, and recommendations regarding the fee-in-lieu option and the catalyst program. The recommendations are not standalone options to pick from individually; rather, they form an integrated package designed to maximize Wilburton's potential to become the transit-oriented development community envisioned while meeting the city's affordability goals. It is to be viewed as a cohesive package. There is a housing crisis in the region and in the city. Bellevue has shown exceptional leadership in collaborating to address housing affordability. The outlined approach represents a bold step forward. The Commission was commended for its engagement. The City staff, the coalition, and the private sector partners were also commended for their dedication in working through complex issues and getting to a consensus point. The work will shape the city's future, but it is just the beginning of the necessary work. The Commission was urged to take the first step by adopting the complete package of recommendations in order to build a more inclusive, equitable and vibrant city.

Joe Fain, President and CEO of the Bellevue Chamber of Commerce, and proud co-chair of the

Eastside Housing Roundtable, said there have been Herculean effort put in over the last year, culminating in the recommendations. There are certainly many issues that will make both sides uneasy, which often indicates a good balance. The package includes calibrations for a fee-in-lieu approach for both residential and commercial development, and a catalyst program to ensure that commercial, but especially housing, development in the subarea can be jumpstarted. The Commission was urged to examine the details carefully and act to move forward to a public hearing by the end of the month. The City staff were thanked for their great work throughout the process.

Brady Nordstrom, Associate Director of Government Relations and Policy at the Housing Development Coalition, spoke on behalf of the Eastside Affordable Housing Coalition, which consists of more than 30 entities that develop and operate affordable housing on the Eastside, including in Bellevue. Strong support was voiced for a well-calibrated affordable housing requirement in Wilburton. There has been a monumental effort by staff, the Commission, and by the stakeholders involved for more than a year, balancing complex tradeoffs. There is a well-recognized need for affordable housing in Bellevue, including for low- and moderate-income workers, aging adults, young professionals and families. Wilburton offers one of the Eastside's most significant opportunities for affordable housing, which is integral to achieving Wilburton's vision of a vibrant, transit-oriented neighborhood. A sense of community depends on people, which is why affordable housing is so essential in Wilburton. The letter from the Eastside Housing Roundtable's has been years in the making. It offers a balanced approach, acknowledging the demand for robust private development while delivering the affordable housing needed. Continued collaborative work is needed to get it over the finish line.

Guillermo Rivera, Housing Justice Organizer at Eastside for All, also spoke representing the Eastside Housing Equity Coalition, which includes organizations such as Indian American Community Service, the Housing Development Consortium, and the Muslim Community Network Association. Eastside for All is a racial equity and social justice organization based on the Eastside of King County. The organization amplifies the voices of underrepresented communities in councils and other decision-making bodies. The support of the Commission was requested for a well-calibrated affordable housing requirement in Wilburton. The proposed policy will help create inclusive, mixed-income communities, providing much-needed affordable options. Wilburton offers one of Bellevue's most significant opportunities for real progress on affordable housing and at a critical moment. By law, an affordable housing requirement can only be implemented during an upzone process, which is just what is currently happening. Relying solely on one incentive-based policy has not proven effective at the scale needed. Bold action is needed to avoid missing the opportunity forever. Affordable housing matters to real families who call Bellevue home, including workers and community members who contribute so much to the city.

T.J. Woosley thanked the Commissioners and the staff for their work. The Wilburton CAC work began in 2017, so to date it has been an eight-year process. Support was voiced for the comments made by previous speakers Joe Fain and Patience Malaba. The Wilburton Property Owners Group, a collaborative consortium whose members will ultimately develop in ways that will meet the goals, fully support the recommendations of the Eastside Housing Roundtable. Copies

of a letter previously submitted to the Commission were distributed to the Commissioners. It was good to hear comments made about the need to keep in mind the need for cost reductions. One of the problems with housing in general, and housing affordability for the entire area, is that much has been done that has added a huge amount of cost to development. Many of the points in the staff recommendations regarding how to proceed will increase cost and reduce the number of units built. It should be kept in mind that what is needed is balance. If amenities are wanted, they will come at the cost of a certain number of units and raise the price of housing. The speaker also noted being a representative of Briarwood Center at 120th Avenue NE and NE 12th Street, which has been family-owned since the late 1960s. Part of the staff recommendation addresses access roads there. Briarwood Center previously gave up a chunk of land on the west side for 120th Avenue NE, on the south side for BelRed Road, and on the north side for NE 12th Street. Now the talk is about taking a bit on the other side, which is not really practical. It was noted that the issue was addressed in the letter.

Jacquie Quarre, a land use attorney, spoke representing a couple of property owners in Wilburton, including T.J. Woosley, and the owner of the property near where the Sound Transit guideway crosses at the Grand Connection, the current location of the Rivian Service Center. Both property owners want to express support for the affordable housing package. Both agreed that a series of changes are needed to the LUCA to make housing feasible, even with the affordable housing package under discussion. Everything required by the code results in a cost, and if costs are too high, projects become infeasible, including affordable housing. Some of the limitations are mentioned in the letters submitted along with specific code language to address the concerns. For example, removing the local streets requirement altogether because it poses a constitutional and RCW 82.020 issue in that it is not tied to development. That should be removed. It also does not help with redeveloping and providing additional housing. There are also issues with constrained sites, including the Briarwood Center property which is bordered on three sides by public streets. The Rivian property has significant constraints from Sound Transit crossing overhead to serve the area and create transit-oriented development. Minor changes are needed to enable redevelopment in a manner consistent with what the city wants to see built. The transportation standards, sometimes called access-related standards, are also a concern for many, including the Wilburton property owners' group. There are concerns about flexible access corridor widths and other transportation standards that reduce space to build housing that is badly needed.

Yichuan Zhao, President of Imagine Housing, said the nonprofit affordable housing developer founded in and operating in Bellevue is essentially only working in Bellevue and other Eastside communities. As a member of the Eastside Housing Coalition, which helped draft the letter, and as a Bellevue resident wearing many hats, strong support was voiced for the package presented to the Commission. A lot of time was spent trying to ensure the different pieces can work together to provide housing in Wilburton, and to make it inclusive. It is important to have a well-calibrated package in order to get the housing and the inclusive community desired for Wilburton, which likely will become the city's next big neighborhood. The speaker emphasized the need to work on the issue now and to work on it quickly, because real estate development takes time. It will be a while before results are actually seen. The steps being taken are in support of the next generation, which will benefit the most. The Commission was urged to support the

letter and the package, and to work toward moving forward together.

Court Olson, a Bellevue resident and project management consultant, as well as a LEED-certified professional who has overseen commercial building design and construction in the Northwest for many years, strongly advocated that certified green building become a requirement, not merely an amenity option, for Wilburton. Specifically, all future Wilburton buildings should achieve LEED Platinum certification. That is the only way for Wilburton to have credibility as a truly sustainable neighborhood of the future, aligning with the city's aspirations. LEED Platinum demands high energy efficiency and discourages fossil fuels, such as natural gas, and that is the sort of building design needed for a sustainable future. The City should set a precedent and require it in Wilburton. LEED Gold and lesser levels have relatively modest energy requirements compared to Platinum. Some in the community, including affordable housing advocates, say that construction costs are too high to require such high energy standards or the cost of obtaining certification. However, society can no longer avoid the requirements; the buildings being constructed now will set the course for either a sustainable future or a perilous one. Without the highest standards and certified proof of them, the odds increase toward facing climate-related consequences in the coming decades. The speaker attested from personal experience that LEED certification is a tiny fraction of a commercial building's total cost. The Commission was urged to strengthen the green building certification requirements for Wilburton, making the district a model for true sustainability.

Todd Woosley, a resident of Enatai and co-owner of Briarwood Center, said the site is one of the best in the Wilburton district on which to develop. As a former member of the Transportation Commission, the amount of time invested by the Planning Commission can be appreciated. The City was thanked for the collaborative process, the best thing seen in 40 years of real estate development, in that is focused on land use and regulatory reform. Support was voiced for the finely tuned agreement presented by both affordable housing groups and the Chamber of Commerce. It is a delicate balance, and there are elements that are not easy to swallow. However, given the goal of ensuring absolutely affordable housing and increasing the total housing supply, it is a good approach if it remains as-is and includes some of the changes recommended by many. The agreement is well-calibrated, with modifications favored by many, and it should work. Bellevue in the past flirted with a mandatory inclusionary program. The program was ultimately repealed after a few years, replacing it with a voluntary program instead. The speaker noted having led the effort to repeal the mandatory program, which was counterproductive. The City determined the same and moved on to a different version. While staff said more affordable units were built during that period, they did not give the full picture. For several years under that policy, new housing could not be built because compliance costs made it infeasible. The current proposal, with certain modifications, should pass the feasibility test. As an affordable housing advocate, it can be said that the proposed approach is on the right track.

John Stout, a local architect and advocate for mixed-use and high-density housing solutions, noted having previously talked about the need for exempting residential FAR instead of just allowing unlimited FAR. Unlimited FAR essentially means there is no maximum density, but to unlock the full density of a site, one must earn large portions of extra area over the base through

an amenity trade-off system. Exempt FAR, in contrast, is typically used to attract a specific use to an area by exempting that use from any density calculation. The building is still governed by the same height, form, and design standards, but without tying that potential FAR to a bonus system that increases development costs, or essentially taxes market-rate units and raises the building cost. By way of example using the latest Wilburton code, the numbers were run for the former Rack and Road site, which lies directly adjacent to the new light rail station. Even with a relatively small floor plate, about 65 percent of what is allowed, the development would need an FAR of 17 to utilize the full zoning height in Option A. Utilizing the green building incentive, there would still be a need for 11 additional low-income units on top of the 44 mandatory affordable units, or a \$7.1 million in-lieu fee. Option B is worse, because with a 2.5 base FAR, one would need 61 affordable units to reach the allowed heights. With the average subsidy for 80 percent of area median income, versus a comparable market-rate high-rise apartment, being just over \$16,000 dollars per year, the project would be forced to subsidize over one million dollars annually, or pay a \$14 million dollar in-lieu fee at current rates. Adding fees for housing to pay for other housing can be a slippery slope. Affordable housing is needed more than ever; it is vitally important in TOD zones and for Bellevue's future. Affordable housing should be given incentives that do not punish other types of housing. Permitting should be expedited if possible, and consideration should be given to exempting FAR to avoid expensive parking requirements and maintain strong MFTE tax incentives that reduce the amount of funding needed for affordable housing. The main goal of the Comprehensive Plan and the upzone is to address the housing shortage that is driving Bellevue's high prices. Wilburton is a clean slate that can either encourage and reward housing development, attracting both low-income and market-rate developers to meet those big targets, or it can follow the same path as the Downtown, presuming extra height somehow offsets the cost burdens.

Saghar Amini with Habitat for Humanity expressed strong support for the affordable housing requirement in Wilburton as presented in Option A, including the modifications recommended by the Eastside Housing Roundtable letter. As a member of the Housing Development Consortium, Eastside Housing Roundtable, and the Eastside Affordable Housing Coalition, Habitat for Humanity is committed to collaborating with its partners to ensure that Bellevue remains a city where people of all incomes can live and thrive. A letter from the Eastside Housing Roundtable detailing a carefully balanced approach to affordability was submitted to the Commission. It is important to note that the recommendations offer a pragmatic solution, one that should be treated as a full package rather than as discrete options to pick and choose from. There is a rare opportunity open to create a truly inclusive, transit-oriented community in Wilburton. The proposal before the Commission strikes the right balance: reducing development costs, requiring a meaningful affordability set-aside, and allowing both nonprofit and private developers the flexibility needed to maximize housing production, ensuring affordability is not just an afterthought. The Commission was urged to support the recommendations in full. The collaborative work of the City staff in creating the options should not be overlooked.

Alex Tsimmerman began with a Nazi salute and called the Commissioners dirty damn Nazi Gestapo cockroaches and then proceeded to make off-topic comments, referencing various offensive statements about the Mayor and the police.

Chair Goepple interrupted to clarify that speakers must address topics relevant to City of Bellevue government and Planning Commission duties per Ordinance 6752. The speaker was asked to stay on topic or forfeit the opportunity to continue. The speaker persisted in making unrelated remarks, eventually ending with comments about Martin Luther King Day. The Chair ended the speaker's time.

Phyllis White spoke representing concerned residents of Bellevue who want to preserve the natural resources and green spaces throughout the city. Green spaces are essential to quality of life, and they are one of the main reasons people love living in Bellevue. It is clear that thoughtful growth and development are Bellevue priorities; the same care should apply to preserving the natural resource areas that make the city unique. While considering growth in the Wilburton/NE 8th Street subarea, the unique importance of the section from 130th Avenue NE to 136th Avenue NE Street, north of NE 8th Street to Bel-Red Road should not be overlooked. The area is one of Bellevue's last remaining urban riparian corridors; it supports threatened and priority species of land and aquatic animals. It is a vital part of the Kelsey Creek watershed, and it is a critical sanctuary for the flora and fauna living there. This corridor is not just green space, it is an essential ecosystem that provides climate resilience for the city and the surrounding region. The Commission was requested to support the Washington Department of Fish and Wildlife's best available science recommendations for the area to the fullest extent possible. The wildlife supported there includes green herons, great blue herons, bald eagles, hawks, and some fish, all remnants of the once-thriving salmon population. They depend on interconnected habitats across the city, and the ecosystem provides sustainable viability for other species as well. Ongoing development has hurt the fragile system. Bellevue residents refer to green spaces as the "lungs of Bellevue."

7. PUBLIC HEARING (7:30 p.m.)

A. Objective Design Land Use Code Amendment (LUCA) to Implement House Bill 1293

A motion to open the public hearing was made by Commissioner Ferris. The motion was seconded by Commissioner Khanloo and the motion carried unanimously.

Assistant Director Nick Whipple said the Commission would be asked to make a recommendation to the City Council following the public hearing on the Objective Design Standards Land Use Code Amendment.

Code and Policy Senior Planner Kirsten Mandt reminded the Commissioners that HB 1293 was passed in 2023 with the overall goal of requiring clear and objective design standards along with a concurrent and/or consolidated permit review with no more than one public hearing. The bill also encourages jurisdictions to enact regulations that expedite affordable housing project review. Bellevue already has an administrative design review process and a consolidated process with no public meetings for design review. The City has also initiated and completed a work program to expedite review for 100 percent affordable housing projects.

There remain, however, a few items to comply with the new requirements, including making sure the design language is clearly objective and ascertainable, and verifying that the process aligns with the state law. Some minor formatting changes are also needed. The approach used began with a review of the entire code, including all standards, guidelines and processes, with an eye on identifying what to keep, what to revise and what to remove. That was followed by creating actual code revisions, removing any non-objective provisions, and reformatting consistently across all districts. Throughout the process focus was given to a few key questions: Is it objective? Has it been successfully implemented on past projects? Can the language be clearer? Anything that deviated from the baseline requirement, such as departures, exemptions and amenity bonuses, was not included in the scope.

Also included were two additional code components: the vesting language clarifying that Administrative Design Review (ADR) permits vest when a complete application is submitted; and the sign code change, which will be adopted on a later timeline and is therefore kept separate.

Kirsten Mandt noted that the Commission held two study sessions on the proposed LUCA. The October 23 session covered an overview of the bill, the methodology, and how it applies to the Downtown district. The December 11 session focused on the remainder of the draft, addressed comments, and resulted in the Commission directing staff to schedule a public hearing. With regard to public engagement, there have been staff interviews, presentations given to the Bellevue Development Committee, communications with design professionals, ongoing Planning Commission updates, and maintaining information on the City website.

The schedule calls for bringing the Commission's recommendation to the City Council early in February. Adoption is anticipated in early March if all proceeds smoothly.

The Commissioners were reminded that the decision criteria for code amendments are: 1) the amendment must be consistent with the Comprehensive Plan; 2) the amendment must enhance public health, safety, or welfare; and 3) the amendment must not be contrary to the best interest of the citizens and property owners of Bellevue.

Jessie Clawson with McCulloch Hill voiced strong support for the legislation and noted being very pleased that Bellevue, a large urban jurisdiction, is moving to comply with state law. Particular support was heralded for the vesting provision included in the draft. Currently, a project vests either when a land use permit application is approved or when a complete building permit application is submitted, which creates uncertainty after spending millions on land use application fees should there be a code change in the middle of the process. The proposal clarifies that vesting occurs upon submission of a complete ADR application, making it more predictable and fair. With regard to what is called Major Phase Development (MPD) which is required for projects that involve multiple sites or phases, per the code an MPD application must be submitted. The MPD must comply with the Land Use Code and can later impact ADR applications, which are required for individual buildings and which are required to be consistent with the MPD. Under the vesting proposal, the MPD itself would not vest, but the subsequent ADRs would. That could set up a tension where an entire site must later adhere to the Land Use

Code, but the individual ADRs can vest. The approach recently created a conflict for a Downtown project where an MPD was submitted but did not have an ADR. Given the cost and complexity of such applications, it would be beneficial to consider vesting at the MPD phase as well. The work done by the staff and the Commission is appreciated and it should be moved forward to Council.

Alex Tsimerman began with a Nazi salute and called the Commissioners dirty damn Nazi Gestapo fascist cockroaches and mobility banditos. With regard to the issue of affordable housing, it is interesting to see a dozen businesspeople, operating with billions of dollars, talking about affordable housing. The word that comes to mind is idiot. The word can have two meanings: someone who is stupid, and someone whose IQ is close to zero. When wealthy individuals talk about affordable housing in Bellevue, they should be considered to be extremely foolish. Affordable housing has never been built in Bellevue. Those with low incomes cannot afford to live in Bellevue. There are only a hundred truly affordable apartments, and they are always full. When one becomes vacant, someone else quickly takes it. So, there is no room for low-income people, those with less than \$14,000 in annual income. Only those who work for Microsoft or Amazon making \$100,000 or more who can afford to live in Bellevue. Will the city really offer low-cost housing to high earners? That is madness and calls into question if the Commissioners are stupid or medically diagnosed idiots. Until new Councilmembers are elected who will represent people with actual knowledge, the problem will not be solved.

Heidi Dean, resident of Newport Hills, allowed not having had much time to look over the proposed LUCA. A quick glance at the documents raised a concern about how it might affect neighborhood centers, specifically Newport Hills. There is an assumption that low-income residents do not have cars, do not want to drive, or want to live in high-density housing with transit-only options. Polaris at Eastgate on Eastgate Way, which was built as an affordable housing complex, has insufficient parking, and there is frequent discussion in South Bellevue neighborhood groups about fights in the parking lot. They charge \$150 per month for a parking space to people who are low-income, and most of them do have cars, but there is not enough parking. The staff at Polaris directs tenants to park in nearby neighborhoods or at the Eastgate Park and Ride, where people are camping and engaging in unsafe activities. The tenants need to carry groceries and sometimes children or help elderly family members up and down the hill. When not enough parking is provided because it is assumed that low-income individuals do not need it, that is a problem. There is a barista working in Newcastle who grew up in Crossroads and who at twenty years old with two children would love to move back to Bellevue, but cannot afford to. The barista has remarked on the need for parking and having to walk multiple blocks with groceries and children to and from home. It should not be assumed that low-income people want to live stacked on top of each other like rats in a cage, with no place for children to play.

Nick said better transit is needed and better ways for people to get around the city. For the barista mentioned who is twenty years old, parking is a small issue given that the person cannot afford to live in Bellevue in the first place. That is the main problem, not parking or driving. The issue is affordability. There is no place in Bellevue for someone earning \$20 per hour to live and it is going to get harder every year if the city keeps building as it has done.

A motion to close the public hearing was made by Commissioner Ferris. The motion was

seconded by Commissioner Khanloo and the motion carried unanimously.

Commissioner Khanloo asked for some clarity regarding the MDP and the ADR processes. Nick Whipple noted that the issue had not previously been raised, and it is certainly something staff can look into and provide a response. There are differences in how vesting works in regard to the MDP and the ADR. Developers can request extended vesting if they have a design review associated with an MDP and meet the requirements. The issue is not addressed as part of the objective design review code amendment, which is focused on administrative design review exclusively.

Commissioner Villaveces said the key issue is to provide certainty for developers. To that end, it is important not to have processes that conflict with each other.

Commissioner Ferris voiced full support for the work done by the staff and noted being prepared to recommend moving the LUCA to the Council.

Answering a question asked by Commissioner Lu, Nick Whipple explained that the City Council wanted to expedite the permitting for 100 percent affordable housing projects. Many of the C-1 projects will benefit from that, along with future city projects seeking to provide 100 percent affordable units. The program is currently limited to 100 percent affordable housing and does not extend to partial mixes of affordability.

Commissioner Bhargava also supported moving the LUCA forward to the Council. Chair Goepple concurred.

Vice Chair Cálad thanked the staff for the work they did and also supported forwarding a recommendation to the City Council.

A motion to finding that the Objective Design Standards LUCA is consistent with the decision criteria in Land Use Code 20.30J.135, and to forward it to the City Council, was made by Commissioner Ferris. The motion was seconded by Commissioner Khanloo and the motion carried unanimously.

BREAK

(7:55 p.m. – 8:04 p.m.)

Chair Goepple asked Deputy Mayor Malakoutian to share any reports from City Council or other boards and commissions.

Deputy Mayor Malakoutian thanked the Commissioners and staff for their efforts and then shared the news that Councilmember Zahn was selected by the King County Council to fill a seat in the State House of Representatives representing District 41. On Councilmember Zahn's resignation, the Council will appoint someone to fill the vacancy. The Council will be holding a retreat at the end of this month and that will serve as an opportunity to come together and set strategies for the coming year

8. STUDY SESSION

A. Wilburton Vision Implementation Land Use Code amendment (LUCA): Inclusive TOD (8:08 p.m.)

Nick Whipple introduced Michaela Jellicoe, senior economist with Community Attributes, who has been serving as an economic analysis consultant and supporting the work for close to two years. The Commissioners were reminded of the major policy moves planned for Wilburton in the categories of cultural and community connections; future land use patterns that includes a desire to create a trail- and transit-oriented development approach featuring housing and affordable housing by using several implementation tools; and preserving open spaces and natural systems, including the significant wetlands and Sturtevant Creek that runs through the area.

Nick Whipple briefly reviewed the study session topics discussed to date. On November 6 the focus was on site organization, including block sizes, access requirements, ground-floor activation, open space, and Green Factor requirements. On December 11 attention was given to the buildings themselves, including building heights, floor-area ratio (FAR), floor plate sizes which address the bulk and mass of structures, off-street parking, and nonconforming uses and sites.

It was noted that the materials for the topic on the table included four attachments: Attachment A, a strike-draft version of the LUCA featuring Option A, the mandatory approach; Attachment B featuring Option B, the voluntary approach; Attachment C containing the staff responses to the December 11 meeting questions, which primarily involved building heights and how they align with the code; and Attachment D with a comparison of the general nonconforming provisions in BelRed versus the general nonconforming provisions proposed for Wilburton. Also in the staff memo was a link to the updated comment tracker which details all public comments and staff responses, with notes indicating items that have been addressed or viewed as inconsistent with policy from the perspective of the staff.

Nick Whipple said the purpose of the LUCA is to implement the policies adopted through two key ordinances that relate to the approximately three hundred acres served by four light rail stations and oriented around the Eastrail corridor. Bellevue recently updated its Comprehensive Plan in October, planning for at least 35,000 new housing units by 2044, 4,000 of which are slated for Wilburton over the next 20 years. The City Council also established an affordable housing target of 5700 units over a ten-year period. Of those, 1,550 units are intended to be affordable to households earning 50 to 80 percent of area median income. Wilburton is planned to accommodate about twelve percent of citywide housing growth, so it will need to produce about 177 affordable units serving the 50 to 80 percent of area median income bracket within a ten-year window. The city expects to add 70,000 jobs in total, of which about 4900 will be in Wilburton.

With the upzone there is an opportunity to leverage the value of the additional development capacity to meet city needs and realize the Wilburton vision. Wilburton is currently developed with low densities and low building heights. The upzone will enable building heights of up to 450 feet in the core of the area, with unlimited FAR for residential, an FAR of ten for commercial, and additional upzone capacity spreading out toward the neighborhoods. The action allows for increasing the supply of affordable housing and achieving other public benefits. Wilburton will have four light rail stations within easy reach and the Eastrail corridor, so it is a good place to ensure equitable access to transit.

Nick Whipple said Option A is intended to provide clarity, consistency, and an equitable contribution to housing affordability from all projects. There would be onsite performance standards, and developers could also satisfy requirements through a land transfer. If the land is viable for building affordable units, it would be transferred to the City. A fee-in-lieu option is included as well, and developers could mix and match those methods to fulfill the requirement. Option A features higher base FARs as of right in recognition that every project has a mandatory affordable housing requirement. The set-aside requirement for rental units under Option A is ten percent at 80 percent of area median income, or a lower set-aside if the project targets deeper affordability, such as 60 percent of area median income. For sale units are proposed at 15 percent at 100 percent of area median income, although some stakeholders have asked that the number be adjusted down to ten percent.

Another component of Option A is the Pioneer Provision which is aimed at delivering near-term development in Wilburton by providing a larger 8:1 bonus for the first two hundred units built onsite. The bonus would yield eight square feet of market-rate housing for each square foot of affordable housing. Once two hundred affordable units have been built, the bonus reverts to a 4:1 ratio. The city is planning for 4,000 housing units in Wilburton, and ten percent of that is 400 affordable units. The provision would incentivize half of the projected affordable supply to appear in the near term.

Nick Whipple clarified that the previous base building height limit in the January 3 draft triggered some responses from the development community. Developers found it challenging to maximize the base FAR within a lower base height, so that restriction was removed to better support feasibility.

The key considerations for Option A are that it establishes consistent expectation and predictable outcomes. When there is a ten percent requirement, there is a better understanding of what outcomes can be achieved. The option also provides an equitable contribution to housing goals given that all projects, both commercial and residential, will contribute to housing needs in the city. There is flexibility built into the option as well, including a fee-in-lieu component and the Pioneer Provision, which is intended to support feasibility. The research indicates that mandatory programs typically yield more affordable units on average.

Option B is the voluntary approach. It is familiar to the city because it currently applies in several of the growth areas. Under Option B, developers can exceed the base floor area ratio in exchange for public benefits, with priority given to affordable housing as the first item that must

be provided by development when the base FAR is exceeded. The components also include on-site performance as a requirement along with a fee-in-lieu option. Option B features lower base FARs, but still gives properties an FAR lift, which is intended to encourage larger-scale development that would then secure additional FAR through the amenity incentive program. Under Option B, developers can exceed the base and earn bonus points, with 75 percent of those points required to be affordable housing before they can move on to other amenity options. The Pioneer Provision also applies under Option B.

One difference is that the dimensional table for Option B includes a base height requirement and much lower base FARs. The spread between the base and maximum FAR is intended to incentivize developers to maximize the FAR that is technically available to the site.

Nick Whipple said that Bellevue has a history with both mandatory and voluntary approaches. From about 1991 to 1996, the city had a mandatory affordable housing requirement that called for ten percent of the units be affordable at 80 percent of area median income for all developments of ten or more units. During that period, 404 affordable units were created. Since ten percent of total production was targeted, the implication is that approximately 4,000 units were permitted citywide, of which 404 were affordable. Of the units created, about 217 are still in service, which amounts to about 44 units per year over that four-and-a-half-year timeframe.

During that same period of time, housing growth data drawn from the Office of Financial Management and the census was used to determine the housing trends between 1990 and 2024. The housing production was reasonably steady, with some dips that align with economic cycles. The data will be shared at the upcoming public hearing. In a nutshell, the mandatory program did not appear to adversely affect overall housing production.

After 1996 the city transitioned to a voluntary, incentive-based program applicable citywide. The incentive was a modest density increase of approximately 15 percent in most districts if affordable units were provided. From 1996 to 2024, the voluntary approach produced 53 affordable units citywide, which is about two units per year on average. It is possible that a different policy might have yielded better results.

The City has implemented other voluntary approaches in specific areas. A tiered approach was introduced in BelRed in 2009 and it has produced 181 affordable units to date at a rate of about 12 units per year. The program has also generated more than \$9 million in revenue, of which roughly \$4 million was spent to purchase nearly 40 affordable units. Purchasing affordable housing outright can be very expensive. In 2017, the City introduced another voluntary model in the Downtown that uses an FAR exemption program; it has resulted in 20 affordable units to date, or about three units per year. Eastgate and East Main each have their own amenity incentive programs. However, because they are relatively new and have not aligned with recent market cycles; they have yet to see projects deliver affordable units.

Nick Whipple said the staff recommendation is Option A because it promotes more predictable, equitable outcomes that align well with the city's affordability and growth objectives for Wilburton. Predictability in turn helps the city progress toward achieving the objectives. Option

A maintains flexibility through the fee-in-lieu mechanism, which can be updated periodically, and the Pioneer Provision, which addresses near-term feasibility. Another important point is the approach's adaptability. It is simpler to relax a mandatory requirement in the future than it is to layer on one later. In Washington State, whenever the City imposes requirements on development, there must be an equivalent "lift" in capacity or value, with the city receiving some of the new value to serve the greater public benefit. Transitioning from voluntary to mandatory is more complex than scaling back a mandatory framework if conditions warrant.

Michaela Jellicoe informed the Commissioners that in support of the work Community Attributes prepared a Nexus Study to demonstrate the extent to which new development generates need or demand for affordable housing, and the proportionate impact of different types of new development on that need or demand. The approach used followed a 2015 Seattle study for their citywide upzone, which itself was modeled on similar analyses in other states. The study is customized to the city by focusing on development types that are specific to Bellevue and Wilburton.

There are four main parts to the analysis, beginning with the typical subsidy required for affordable housing, or the affordability gap. Second, is the demand for goods and services generated by new market-rate development, which translates into jobs supported by those new buildings, either directly by the businesses occupying them, or indirectly by the consumer spending of new residents. Third, is how much affordable housing is needed to accommodate households in those newly created or supported jobs. Finally, the affordability gap and the required affordable housing are used to calculate the total affordable housing subsidy from new development. The analysis indicates the maximum allowable fee or set-aside percentage.

Four development prototypes were used in the analysis, each with different assumptions about rental versus ownership and varying AMI levels. The maximum fees range from just over \$39 per square foot to about \$20 per square foot, depending on the prototype and whether it is for rental or ownership. For most prototypes, ownership generally has a higher fee than rental. For instance, in the at or below 80 percent of area median income scenario, fees range from a bit under \$40 per square foot to a little above \$20 per square foot. For the urban core prototype, the share of affordable units ranges from about 15.8 percent of the maximum below 100 percent of area median income for ownership units, and at the low-end 11.1 percent for rental units below 80 percent of area median income. The mixed-use mid-rise prototype has somewhat lower levels, 12.9 percent for ownership at the high end for ownership at below 100 percent of area median income, and 10.6 percent for rental at below 80 percent of area median income.

On the non-residential side, the maximum allowable fee is \$105.02 dollars per square foot for affordable housing below 80 percent of area median income. At 100 percent of area median income, it increases to \$107.21. It is essential to note those figures are maximum fees. The city could choose to be anywhere below the threshold, but not above.

Regarding the feasibility analysis, Michaela Jellicoe said Community Attributes has supported the work for quite some time, including feasibility modeling for potential land use changes. That modeling examines how different land use policies can affect development feasibility.

Stakeholder input has been a critical component in helping us to understand local costs, financing realities, rents, and sales prices. Current economic conditions are difficult, but they will shift over time. Long-term planning policy must be robust enough to function effectively over multiple economic cycles. The focus was on modeling general feasibility given that each project is unique and will vary depending on details like financing, market timing, and site constraints.

Nick Whipple said the Nexus Study really helps in understanding the maximum supportable fee, or the most the City can ask developers to pay in terms of contributing to affordable housing needs. Affordable housing costs money and needs to be paid for somehow, and new development is seen as one way to help address some of the need. However, it is a balancing act. The maximum supportable fee is one input; beyond that are questions about the desired outcomes. If the fees are set too low, it may be an overly attractive option for developers, so everyone will choose to pay the fee, resulting in an easy alternative rather than an equal or better alternative, and fewer affordable units located in an area that is transit-rich, very close to Eastrail, and near Downtown. Additionally, if the fee is too low, there might not be enough revenue generated, and the city would lose out on inclusivity by not being able to pool money fast enough to acquire land or build housing. If the fees are set too high, the result can be feasibility challenges, and making projects infeasible could exacerbate housing shortages and lead to economic stagnation. Careful consideration must be given to how the fees compare to neighboring jurisdictions, because Bellevue is interested in attracting development and taking advantage of light rail investments. The fees will need to be recalibrated on a recurring basis, particularly if too many developers choose the fee and the City wants more on-site performance.

Code and Policy Senior Planner Josh Steiner said the amenity incentive system is part of both Options A and B. It allows developers to exceed the base FAR by delivering specific public benefits. There are a few differences between Options A and B. Option A has a significantly higher base FAR because it mandates that affordable housing be included in base development, which is the ten percent set-aside at 80 percent of area median income. One key difference is that Option A does not include base building heights in the dimensional table, a change made based on stakeholder feedback. By contrast, Option B includes a much lower base FAR as well as a base height. Affordable housing contributions are required only when a project exceeds the base FAR or base height. Under Option B, the first 75 percent of the required amenity points must come from affordable housing, with the remaining 25 percent can be earned by providing other amenities.

Both options include FAR exemptions, which means certain amenities are excluded from a developer's total FAR calculation, benefiting both the public through the provision of amenities, and the developer since the square footage dedicated to those amenities is excluded. Up to 1.0 FAR is allowed for active uses, and affordable housing and affordable commercial spaces are also exempt.

There are 13 amenities in the amenity system: affordable housing, additional affordable housing in excess of any required amount, access and connectivity, affordable commercial space, childcare services, critical area restoration and enhancement, Eastrail corridor improvements,

family-sized housing, Grand Connection improvements, green building certification, open space, park dedication and public art.

Regarding public engagement, at its meeting on October 7 an affordable housing workshop was held with several development community members, which helped inform what is feasible in Wilburton. A full draft of the LUCA was published on January 3, which has subsequently been revised. The current Commission meeting was the third of three scheduled on the topic, and direction was sought to schedule a February 26 public hearing on the LUCA, after which the Planning Commission would issue a recommendation. Council engagement is planned for the second quarter of the year.

A motion to extend the meeting to 10:00 p.m. was made by Commissioner Ferris. The motion was seconded by Vice Chair Cálad and the motion carried unanimously.

Commissioner Lu noted that the public comments differed a fair amount from the staff position regarding the fee-in-lieu and the transportation corridor widths. More detail is needed than what was included in the written commentary.

Nick Whipple said the staff proposal is for two residential fees in-lieu: a fee of \$18 per square foot of non-exempt gross area for residential projects in the Urban Core, which is essentially the area between NE 4th Street and NE 8th Street west of Eastrail and fronting I-405 which is where unlimited residential FAR and 450-foot building heights are allowed; and \$13 per square foot for residential projects in all other area of Wilburton. Excluded is exempt FAR, including one for affordable housing itself, meaning that affordable units are not counted against the maximum FAR, nor are they assessed the fee. The staff proposal also includes one commercial fee of \$24 per square foot that applies in all of Wilburton, including all non-exempt square footage. The Eastside Housing Roundtable letter supports a fee of \$13 for residential but wants the \$13 to apply to all residential projects in every district, which would remove the Urban Core distinction in the staff proposal. For the commercial fee, they propose \$16.50, whereas staff has proposed \$24. The maximum supportable fee as noted is around \$105 per square foot. Staff arrived at the proposed figures by looking at the maximum in the Nexus Study, area surveys of fees charged in Seattle, Redmond, and Kirkland, and the desire to preserve a genuine choice for developers, either on-site performance or fee-in-lieu.

At the October 7 Wilburton stakeholder meeting, which was attended by the Housing Development Consortium, Futurewise, non-profit housing developers, market-rate developers, and other stakeholders outlined a range of perspectives. Some of the initial feedback coalesced around trying to figure out the gap between affordable rent and market rate rent. Staff took a look at that formula and ran the numbers, which is how the two fees for residential were determined.

Commissioner Lu voiced support for being consistent across in terms of the residential fee. The city already struggles on the commercial side and having a high fee there and disincentivizing commercial would be a loss for the area. If the desire is to build a community where people can walk to areas of interest, there should be less of a tax on the commercial component. It would be preferable to err on the side of production rather than on nothing at all.

With regard to the differences in the transportation corridors, Nick Whipple said the staff strongly support the LUCA as proposed in terms of widths, and reasons for doing so and how the approach compares with other areas where access corridors are required have previously been shared. Staff have heard the concerns around the cost drivers, and has heard from the Commission an interest in trying to balance things out. So, with that in mind, staff are planning to provide an opportunity for the Commission to reach a decision at the public hearing. To that end, staff will be laying out the issues clearly in the agenda memo. The staff do have some concerns about some of the sidewalk widths that have been suggested in terms of wanting to ensure they align with basic standards for development. Staff will offer a recommendation at the public hearing.

Commissioner Lu called attention to the attachment regarding nonconformity relative to BelRed. The BelRed approach allows for an easy-to-calculate path forward and it should be applied across the board. Nick Whipple allowed that staff did take another look at the nonconforming piece and subsequently amended the draft to incorporate the BelRed thresholds and expanded on some options. Some stakeholder feedback indicating that that hits the mark was received.

Commissioner Ferris voiced appreciation for the staff reaching out to as many stakeholders as possible seeking recommendations. With regard to the fee-in-lieu, and specifically about buying or preserving existing affordable units, the question asked was if the fee in-lieu would potentially be used to support lower-income affordable housing by nonprofit developers trying to develop at 30 percent to 50 percent of area median income, which is virtually impossible from a market perspective. Nick Whipple said the fees generated can be directed toward affordable units in a variety of ways, including the example in the question. Commissioner Ferris commented that the need at the lower-income levels is huge, and the market is not going to produce it. The only way it will be produced is through subsidies from the City, and it would seem like the fee-in-lieu is a potential source for subsidies.

Commissioner Ferris referred to the letter from the coalition and said parts of it are concerning. There will be only one shot to do it right; it will be almost impossible to make things more restrictive later on. The proposal is very good in terms of both the fees and the in-lieu aspect. There have been some compromises included that are from the coalition that may not be optimal. To have development happen, both market rate and commercial, it will be all about finding the balance that makes the most sense. The proposal brought forward by the staff comes the closest to the mark of making it really work. There will need to be a calibration done down the line if development does not happen, but if the bar is set too high from the start, the City will not be able to bring it back later on.

Commissioner Khanloo asked if choosing Options A or B will be left to the developers, or if the City will make that choice. Nick Whipple said at the end of the process, the Council will adopt one option or the other for Wilburton. Commissioner Khanloo asked about the possible outcomes of allowing the developers to choose between the two based on the market. Nick Whipple said the two options lead to two different outcomes in terms of the production of affordable housing. From the start, the options were portrayed as being distinct and it was noted that one or the other

would be chosen. There is a lot more benefit to having certainty in regard to what applies in the district. It would be very challenging to administer if allowing the market to decide.

Commissioner Villaveces said it is good to see parties with typically opposing interests aligned toward the same goal. There is no one perfect solution, so it has been necessary to make compromises. The City should listen carefully to what they are saying as it might be the right approach. Given that favor has been shown for the mandatory approach, there will be affordable housing developed. It is encouraging to see the consensus. The fees can be calibrated as needed down the road.

Commissioner Villaveces stressed the need to avoid losing sight of the big vision for Wilburton in terms of public space relative to Eastrail and the Grand Connection. Everything possible should be done to encourage and prioritize prominent connections to those amenities from all projects.

Answering a question asked by Commissioner Villaveces, Nick Whipple explained that the unlimited FAR applies only to residential development in the Urban Core and Mixed Use-Highrise districts. FAR caps apply everywhere else. With regard to the example recently provided regarding a tower project on NE 8th Street seeking an FAR of 17, where an FAR of 8 is the base for the site, the challenge lies in how costly it is to earn up to the much higher FAR. The small site also lacks space on which to land some of the amenity options that take physical space to deliver. Removal of the base FAR is one to support that, though it is really more applicable to large sites. Adjusting the green building incentive upward, and providing for a few use space amenities, such as childcare service, affordable commercial space and public art, are options that are geared toward smaller sites. The bonus for being one of the first in can also help achieve a higher FAR.

Commissioner Bhargava commended the staff and the stakeholders for working together to reach agreement across a lot of competing priorities. The fee in-lieu must be taken seriously since it could either create cost-prohibitive situations or contribute to desired outcomes. The approach is pegged to a 2015 study in Seattle, but economic conditions have changed significantly since then in the region. It is anyone's guess what will happen going forward, so it is completely fair to say that the city is addressing an approach that will apply to a timeframe that no one can predict. The truth is that there is a crisis in the city, and what is needed is an approach that will create conditions that are most conducive to new projects and the emergence of affordable housing. It is important that there is agreement among the various stakeholders. The staff were asked to outline the non-residential fee-in-lieu and specifically comment about the changed conditions since 2015. It might make more sense to put in place an approach that is applicable to current conditions and hold open the possibility of making adjustments as needed going forward on an annual or fixed schedule.

Michaela Jellicoe clarified that the actual data from 2015 was not used in the study; only the approach was used in developing the math behind how the fees are calculated. The data used in the study are current and specific to Bellevue.

Nick Whipple said the Nexus and Proportionality Study shows a clear need for affordable housing generated by commercial development. It is important that new commercial projects help address the need. Attention was given to what other jurisdictions are doing in terms of how much they charge per square foot. The feasibility study clarified that in the current climate commercial development is challenged by interest rates and the overall demand for office space. The staff proposal is \$24, but staff are interested and intrigued by the work done by the Roundtable relative to the fee; there is a desire to better understand their analysis. Staff also looked at revenue projections based on anticipated growth, and there is a desire to grasp the implications of adjusting the fee. Their comment letter is being taken very seriously; it will be brought back with a more detailed staff analysis to better inform the Commission's discussion.

Commissioner Bhargava asked what potential downsides and challenges might flow from setting the fee at less than \$16.50 from the perspective of key stakeholders and the Eastside Housing Roundtable. Nick Whipple said generally speaking, when calibrating the fee, the aim is to ensure that commercial activity is not deterred. The desire is to see Wilburton develop as envisioned. One of the objectives is placing people closer to jobs. On the other hand, there is also a need to balance housing growth with maintaining a healthy ratio of jobs to housing. That balance is reflected in how the code and fees are structured. There are also differences between commercial and residential base FARs; the base FARs are lower for commercial development to guide the market somewhat more toward housing. There is also competitiveness to keep in mind. The city's job growth targets are substantial and there is a need to avoid setting an overly high fee that might discourage development. Stakeholder input is necessary as part of the balancing act.

Commissioner Bhargava asked what the Roundtable's recommendations were in regard to the catalyst program. Nick Whipple said a fuller analysis is yet to be made. It is an interesting idea to support near-term development in Wilburton. The catalyst provision is not currently included in the staff proposal. The roundtable's proposal would allow the first 800,000 square feet of commercial development to skip the affordability requirement entirely. That is about one-third of the projected office buildout in Wilburton. Staff are examining what the trade-off looks like in terms of the city's significant affordable housing needs, some 5,700 units over about ten years, the majority of which fall below the 50 percent of area median income mark. Many jobs generated by commercial development will be at or near those wage levels, so what is fair and equitable must be given consideration.

Commissioner Bhargava noted looking forward to the additional analysis, while voicing support for a nudge in favor of encouraging development without a fee structure that is too high, and thinking about the catalyst project through that lens.

Vice Chair Cálad referred to Attachment C and the recommendation to maintain ten-foot sidewalks throughout the Wilburton area. The map associated with the Downtown LUC Part 20.25A outlines varying street grid widths based on traffic flow and context. It appears from what the staff have said that every street in Wilburton, regardless of traffic needs, would have a uniform ten-foot sidewalk width across the board regardless of a street's characteristics. Nick Whipple said that is the staff proposal.

Vice Chair Cálad said it makes no sense to apply the same standard to all streets regardless of their needs. The staff recommendation references such things as allowing space for outdoor dining and retail without requiring additional setbacks. Even though the issue has been discussed several times, and even though there has been feedback from the public, the staff have decided not to adopt a different approach.

Nick Whipple confirmed that statement, adding that the desire is to give all of the other commissions the opportunity to vote on the approach. The commissions are free to hold views that different from the staff recommendation. Options will be provided that more closely reflect what the stakeholders are seeking, and the Commission will be asked to vote as well.

Vice Chair Cálad pointed out that the staff recommendation does not include anything related to how the proposal supports the city's goal of producing housing. The proposal is instead motivated by a need for outdoor dining. Stakeholders have said that such a requirement would make it more difficult to produce as many housing units as possible. A member of the public mentioned having to give up chunks of their property under the proposal. The blanket requirement for local streets allegedly violates RCW 82, something that should be reviewed.

Vice Chair Cálad said the clear push is for Option A, because Option B is a bridge to nowhere. It is very complex and not a realistic choice for many. Everything has been adjusted to guide everyone toward Option A. It is disappointing that a better argument was not made in regard to Option B.

Vice Chair Cálad said the great thing is that, despite the divisions in the city, the country, and everywhere, the experts, who are the people who will pay the fees and those who will be spending the money, have reached a shared recommendation that they believe will provide an equitable opportunity for everyone to participate in. That must be supported. It is concerning that even with agreements in place and after much hard work the staff are choosing not to adopt the suggestions of the Housing Development Consortium, Eastside Housing Roundtable, Eastside for All, and other nonprofit and for-profit developers. That is a mistake.

Nick Whipple noted that the draft is in its fourth version, and most would agree that things have come a long way in terms of including advice and recommendations from the Commission and the stakeholders. There will be an opportunity for the Commission to provide recommendations on elements of the letter at the public hearing. Staff do have concerns about some of the standards suggested in the letter in that they may be inconsistent with what the Transportation Design Manual would normally require. That is an additional factor for consideration. Regarding the legal risks of local streets, an attorney did address the point in the comment tracker, where the City's response on that legal argument can also be read.

Chair Goepple said the proposal is generally excellent and noted an inclination to support the staff recommendation for Option A. However, more analysis of the fee-in-lieu is needed. The Eastside Housing Roundtable's recommendations deserve additional study as well. It is certainly a positive sign to see various groups come together with a unified proposal. However, their opinion is not representative of all the interests the City must consider. Developers and

affordable housing matter greatly, but so do livability and safety. When looking at ideas like code-based cost reductions, staff should maintain an independent perspective on issues of livability and safety. There has been talk about the 51-foot-wide flexible access corridor. While not in favor of shrinking sidewalks to six feet, which is too narrow, eight-foot sidewalks or a slightly narrower planting strip might be feasible. It may take only minor adjustments to address some of the concerns. The City should avoid going so far as to simply ignore the important considerations of safety and livability.

With regard to ownership affordability aspects of the program, Chair Goepple allowed not having a good sense of effectiveness relative to rental affordability, or how cost-effective it is to impose ownership mandates. It may be more expensive to generate affordable housing that way. Steps need to be taken to ensure that any associated public benefit will remain public and not become a private windfall for the first owner who could later resell at a high price.

Nick Whipple said additional details can be provided at the public hearing. One of the city's key goals is to increase affordable homeownership opportunities. The approach is already in use elsewhere in the city and is a program ARCH is very familiar with. An owner can build equity, but it remains capped by the affordability rules. When sold, the owner gets to keep their share of the equity for the time they owned the home, but the resale must go to a buyer with qualifying income. Thus, the units remain affordable. ARCH oversees the process.

Commissioner Lu commented that each decision point represents a trade-off. Essentially there is a need to determine how much livability can be adjusted in the pursuit of affordability. Support was voiced in favor of prioritizing affordability if that will grant the city the cascading benefits of larger-scale, targeted affordable housing production, and a ripple effect on commercial development.

Commissioner Lu allowed that conditions change over time. One macro issue to keep in mind is what may happen at the state level, where an increase in regulations has been seen. There is a bill on rent control currently before the legislature. There is a need to maintain flexibility in the code to allow for possible new state legislation.

Commissioner Lu also pointed out that job growth can far outpace the ability of the city to build housing capacity. It is simpler for an employer to move people into already-available office space than for the city to create housing capacity at the same speed. In just the last month Snowflake, Databricks and Walmart have all moved into downtown Bellevue. In studying the letter from the Eastside Housing Roundtable and the staff's suggestions, the Commission should emphasize affordability, flexibility, and speed in addressing housing capacity.

Commissioner Ferris noted that the letter from the Eastside Housing Coalition was submitted at essentially the last minute. Consideration should be given to adding an additional study session to the Commission's calendar before the public hearing to allow staff the opportunity to fully analyze the letter and the suggestions. There is a lot to unpack. Giving staff the time to dive deeply into these points might put the Commission in a better position in making recommendations.

Commissioner Khanloo added that after staff reviews the letter, staff should help the Commissioners understand the logic behind their recommendations and clarify the pros and cons of adopting certain changes. While consensus has been reached by many, the perspectives of staff need to be fully understood. The tradeoffs of going with \$15 instead of \$18 should be clear to everyone, especially if doing so could jeopardize reaching the housing goals.

Commissioner Khanloo also stressed the need to focus on public safety as a priority. Emergency vehicles must always be facilitated in reaching places in time in order to protect lives. If affordable housing lacks the necessary public safety or livability elements because of decisions made, those decisions were bad decisions.

Commissioner Khanloo remarked on the experience of going by the Polaris development to pick up a refugee family. The issue is there is virtually no place to pull over or park even briefly, making it necessary to circle the building multiple times. That is one example where housing is produced, but livability may be compromised.

Nick Whipple said staff have already engaged with members of the Roundtable, including a call prior to the meeting seeking to gain a clearer understanding of their proposal. Staff are confident that there will be additional meetings with them to gather stakeholder input and to decide if changes to the current LUCA draft are needed. Staff will present their analysis at the public hearing.

Regarding the transportation standards, Commissioner Villaveces said the wider the corridors, the less building area there is. That is one trade-off. Five feet is the minimum needed for a wheelchair to turn around. A six-foot sidewalk will not be sufficient in the Wilburton area; ten-foot sidewalks would be appropriate. It is true, however, that there is no one solution for every street. There should be a hierarchy developed with wider sidewalks on certain streets, possibly allowing for narrower sidewalks on back-of-house corridors. One approach might be to require larger ground-level setbacks to allow for maintain a wider sidewalk, possibly with an overhang, to avoid losing too much building area in the provision of public space. Where possible, compromises should be made.

As for code-specific items, Commissioner Villaveces noted that the Pioneer Provision states that after two hundred dwelling units of affordable housing have earned bonus points, no additional bonus points can be earned by any project. That raises vesting questions. A project could be underway, submit a permit, and discover a week later that someone else obtained the bonus first. There should be clarity as to the vesting date, perhaps at intake, not at issuance.

Commissioner Villaveces pointed out that a lot of bonus points for allowed for public art, tied to the appraised value. Public art decisions may not be finalized until much later in a project's timeline. Additionally, a rotating public art exhibit could complicate the appraisal process.

Regarding mechanical equipment that must be located below grade or on the roof, Commissioner Villaveces noted that there is language that allows for extending the height of a building to cover

the equipment. With a limit of 450 total building height, there might be a case to be made for placing mechanical systems in the middle of the building, reducing the distribution distances. The code should allow for that approach with an associated floor-area bonus.

Commissioner Bhargava stressed the need to keep in mind just what the proposal for the mandatory approach might mean. If six months ago someone would have said the city would be looking at a mandatory ten percent affordable housing requirement that would be aligned with stakeholders and recommended by staff, it would have been a huge win. It is important to recognize how significant that will be for the city over the next twenty years. The details matter, but the bigger picture needs to be kept in mind.

Regarding safety and costs, Commissioner Bhargava suggested the City should value-engineer down to the essentials to create incentives for development, but not at the expense of safety. The standards that ensure people's well-being must be kept in mind before optimizing for cost.

Vice Chair Cálad stressed that in none of the attachments is there any direct response about RCW 82. Also referenced was a comment from a member of the public cautioning against costly mandates while also requiring housing units to be priced low. The staff should be encouraged to continue looking at cost-reduction strategies that will allow the city to address the housing crisis effectively.

Chair Goepple asked if an additional study session could be fit into the agenda for the February 12 meeting ahead of the February 26 public hearing. Nick Whipple said middle housing is on the schedule for February 12, which is a very high priority with a state deadline of June 30, 2025. That discussion will be quite dense. The issue of different schedule options can be taken offline. The Commission has the option of holding the public hearing and then adding additional study sessions before making a decision.

A motion to schedule the public hearing for February 26 was made by Commissioner Ferris. The motion was seconded by Commissioner Khanloo and the motion carried unanimously.

9. OTHER BUSINESS – None
(9:54 p.m.)

10. APPROVAL OF MINUTES – None
(9:54 p.m.)

11. EXECUTIVE SESSION – None
(9:54 p.m.)

12. ADJOURNMENT
(9:54 p.m.)

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

Chair Goepppele adjourned the meeting at 9:54 p.m.