

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

November 12, 2024
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Malakoutian and Councilmembers Hamilton, Lee¹, Nieuwenhuis, Stokes and Zahn²

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:02 p.m., with Mayor Robinson presiding.

Ms. Robinson said individuals are not allowed to disrupt the meeting, which includes talking out of turn or without permission, interrupting or making sounds when someone else is talking or approaching a Councilmember or City employee who is staffing the meeting. If a person disrupts the meeting, Mayor Robinson will issue a warning, end the speaker's comment time or ask the person to leave the room for the rest of the meeting. She asked everyone to express themselves without name-calling, taunting or disparaging others.

2. Roll Call; Flag Salute

City Clerk Charmaine Arredondo called the roll and all Councilmembers except Councilmember Lee were present. Ms. Arredondo noted that Mr. Lee would be joining the meeting soon. Deputy Mayor Malakoutian led the flag salute.

(a) Dutch American Heritage Day Proclamation

Councilmember Nieuwenhuis commented that recent antisemitic activities in Amsterdam were an issue of concern for him and others in the community. He said he hoped that Dutch authorities would act swiftly and decisively to resolve the situation.

Mr. Nieuwenhuis read the proclamation recognizing November 16, 2024 as Dutch American Heritage Day in Bellevue and urged the public to join in celebrating the relationship between the Netherlands and the United States and to recognize the contributions of Dutch Americans to Bellevue and our nation's history.

¹ Councilmember Lee joined at approximately 6:15 p.m., participating remotely.

² Councilmember Zahn participated remotely.

Leo van Dorp, Honorary Consul of the Netherlands, thanked the Council for the proclamation. He thanked Councilmember Nieuwenhuis for his support of the Dutch American community and thanked members of that community for their attendance at the meeting. Mr. van Dorp highlighted the shared history of the United States and the Netherlands, beginning with the arrival of Dutch people and the founding of New Amsterdam, which later became New York City.

3. Approval of Agenda

→ Deputy Mayor Malakoutian moved to approve the agenda, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-0.

4. Oral Communications

City Clerk Arredondo said the total time for oral communications is for a period not to exceed 30 minutes and topics must relate to City of Bellevue government. Persons speaking to items on the agenda will be called first and if time remains, others will be called. The presiding officer is authorized to give preference to individuals who have not spoken to the Council within the past 60 days or who are speaking to items that will come before the Council in the upcoming 60 days.

- (a) Vicki Baggette, Secretary of the Bellefield Residential Park Homeowners Association Board of Directors, said the residential development contains ponds, trails and a stream with two-unit buildings scattered over 15 acres. She said fresh flowing water has been critical in supporting the wildlife on the property. She said the current lack of water flow has resulted in pollution and invasive vegetation. She said a pump is needed to keep water flowing from the Mercer Slough. She said the pump system was put out of commission in 2020 when light rail workers accidentally broke one of the pipes and stopped water flow from the slough. She said the broken pipe was replaced and the City has control over the water flow. She said the City sent a hold harmless agreement to the HOA stating it would turn the pump back on only if the HOA took responsibility for any future damages to the system. She said the HOA did not sign the document because history has shown that many players contribute to what happens with this water conveyance. She said a culvert at the north pond allows untreated storm water from the Surrey Downs neighborhood to enter the waterway. In August, a dump occurred causing a thick, bubbling, foul-smelling substance into the north pond. City workers responded almost immediately and determined that the substance was motor oil. A temporary dam was installed to block the oil from moving into the slough. Two weeks later a City worker returned and removed the device. That employee suggested that a retention pond is needed on the south end of the Surrey Downs neighborhood to filter out heavy pollutants. Ms. Baggette said the residents of Bellefield Residential Park request that the City take the problem seriously and restore power to the pumps to allow fresh water to flow from the slough to the stream.

Mayor Robinson asked Acting City Manager Diane Carlson to follow up with the residents and report back to the Council.

5. Reports of Community Councils, Boards, and Commissions: None.

6. Report of the City Manager: None.

7. Council Business and New Initiatives: None.

8. Consent Calendar

→ Deputy Mayor Malakoutian moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

- (a) Council Minutes
Minutes of October 15, 2024 Regular Meeting
Minutes of October 22, 2024 Regular Meeting
- (b) Motion to award Bid No. 24090 for the 2024 Water Main Replacement project to Fury Site Works, Inc., as the lowest responsive and responsible bidder, in an amount not to exceed \$5,906,995.08, plus all applicable taxes (CIP Plan W-16).
- (c) Resolution No. 10428 authorizing execution of a professional services contract with Tetra Tech, Inc., for design services on the Lakemont Boulevard Culvert Restoration - Phase 2 Project, in an amount not to exceed \$840,854.28, plus applicable taxes.
- (d) Resolution No. 10429 authorizing execution of a Memorandum of Agreement (MOA) between the City of Bellevue, Bellevue College, and King County Metro for work associated with the Bellevue College Multimodal Connection Project.
- (e) Resolution No. 10430 authorizing the execution of a Professional Services Agreement with Kimley-Horn and Associates, Inc. in the amount of \$1,907,751.42, plus all applicable taxes, for the Bellevue College Multimodal Connection Project (CIP No. PW-R-201).
- (f) Resolution No. 10431 authorizing the release of a wall easement and a signal easement on private property located at 1525 132nd Ave NE.
- (g) Resolution No. 10432 authorizing the execution of a three-year General Services Contract with All Stripes, LLC, in the amount of \$1,551,600.00, plus all applicable taxes, to provide traffic marking maintenance.

- (h) Resolution No. 10433 authorizing execution of an Interlocal Agreement for the Human Services Pooled Fund and contracts for the provision of human services using a pooled fund.
- (i) Resolution No. 10434 authorizing execution of a General Services Agreement with Premier Properties of Washington, LLC for a five-year term in an amount not to exceed \$525,000, plus all applicable taxes, to manage the rentals and operations for the Robinswood House.
- (j) Resolution No. 10435 authorizing execution of Interlocal Agreements between City of Bellevue and other cities and counties for law enforcement mutual aid for the Snowflake Lane special event.
- (k) Ordinance No. 6813 appointing Diane Carlson as City Manager and authorizing execution of the Employment Agreement between the City and Carlson that establishes the City Manager's terms and conditions of employment.

9. Public Hearings

- (a) Final Public Hearing on the Preliminary 2025-2026 Operating Budget and the 2025-2030 Capital Investment Program (CIP) Plan

City Manager Diane Carlson noted that this is the third and final public hearing regarding the Preliminary 2025-2026 Operating Budget and the 2025-2030 Capital Investment Program (CIP) Plan.

John Resha, Chief Financial Officer, recalled that the preliminary budget was initially presented to the Council on September 17 and there have been two public hearings and multiple Council discussions since that time.

→ Deputy Mayor Malakoutian moved to open the public hearing, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

City Clerk Arredondo noted that written communications received over the previous 10 days have been forwarded to the Council.

The following speakers came forward:

1. Brady Nordstrom, speaking on behalf of the Eastside Affordable Housing Coalition, thanked the Council for the increased investments in affordable housing in the budget. He expressed support for plans to update the Affordable Housing Strategy plan. He expressed support for creating the proposed Office of Housing and continuing to partner with A Regional Coalition for Housing (ARCH). He thanked the Council for the

affordable housing fee reduction program and expedited permitting efforts for projects with affordable housing.

2. Debbie Lacy, representing Eastside for All, thanked the Councilmembers who attended their community budget priorities event in September. She thanked the Council for increased human services funding and encouraged additional investments in culturally and linguistically supportive services. While her organization did not apply for direct human services funding, she is strongly supportive of the small, community-based organizations that provide critical support in culturally responsive ways.
3. Sarah Langton, Langton Public Affairs, said she is consulting staff for the Eastside Housing Roundtable, which is a broad coalition of the Eastside Affordable Housing Coalition, members of the business and development community, affordable housing development community, school districts, hospitals and others. She noted the group's engagement with the City to encourage policies and codes that advance the development of affordable housing. She expressed support for the recent Comprehensive Plan Periodic Update and the proposed Office of Housing. She thanked the Council for their work.
4. Philip Bloch, Bellevue School Board Director for Region 1, spoke on behalf of the entire Board and Bellevue School District leadership. He said the City and the school district have many shared goals and opportunities for alignment to support Bellevue youth and families. He encouraged the Council to continue strategic investments in wrap-around support to integrate the delivery of City and school services to families. He requested funding to help support youth mental health needs, affordable early education services, and capital investments in safe routes to and from schools. Mr. Bloch said the school district looks forward to continuing to expand its working relationship with the City.
5. Barbara Braun thanked the Council for their continued commitment to addressing local greenhouse gas emissions. She expressed concern that Bellevue achieved only an eight percent decrease in community-wide emissions as of 2022. She said People for Climate Action have been proposing a budget for many months that includes an additional \$10 million annually for housing decarbonization efforts and enhanced cross-town public transit services. She noted that, due to recent grants, the funding need has been reduced to \$6 million annually. She encouraged robust funding for the Energy Smart Eastside program.
6. April Stevens encouraged additional funding to support the City's commitment to reducing greenhouse gas emissions by 50 percent by 2030 and by 80 percent by 2050. However, the City and community are not on track to meet those commitments. She suggested that the City elevate sustainability work items within the budget priorities and that environmental stewardship staff report directly to the City Manager. She expressed concern that the budget does not adequately address greenhouse gas emissions from the current building stock.
7. Court Olson, representing People for Climate Action, said the group is reducing its request for increased funding to the Energy Smart Eastside program from \$5.3 million to

- \$1.5 million per year. He said that lowers the group's annual budget request from \$9.8 million to \$6 million for environmental stewardship efforts. He encouraged the conversion of gas furnaces to heat pumps to help achieve the greenhouse gas emissions reduction goals.
8. Paul Bruno asked the Council to fund and implement programs that will ensure the City and community can achieve the greenhouse gas emissions reduction goals. He encouraged efforts to decarbonize small multifamily and commercial buildings with less than 20,000 square feet. He thanked the Council for their work on behalf of Bellevue residents and businesses.
 9. Irene Budlong spoke regarding the need for enhanced bus service, noting that access to light rail is not good for many residents. She said members of her household take 20-30 transit trips per week. There is only one bus near their house and the service interval ranges from 20 minutes to once per hour. Transferring to a second bus adds 20-60 minutes to the trip. Ms. Budlong said there is a light rail station four miles from her house that takes nine minutes by car but more than an hour by bus with two transfers. She suggested that cross-town bus service could be enhanced significantly with approximately \$1 million in annual funding. She said transportation is the second largest contributor to greenhouse gas emissions. She noted the need for better access to light rail stations.
 10. Alice Meng, a member of People for Climate Action, expressed concern regarding the need for additional funding to address greenhouse gas emissions. She said she commutes daily by bus from her home in the Crossroads area to her job in the Spring District. She said many of her co-workers are forced to drive to work from other parts of Bellevue and parking is challenging in the Spring District. She said many of her co-workers have indicated they would use public transit if bus service was more frequent and did not require transfers. She expressed concern about the ability to meet greenhouse gas emissions reduction targets by 2030 and 2050.
 12. Bill Westre expressed concern about the impacts of climate change and encouraged robust investments in reducing greenhouse gas emissions. He said legislation passed in 2019 requires Puget Sound Energy (PSE) to lower emissions to zero by 2045. He said that, instead of replacing coal energy with renewable resources, PSE opted to add clean energy purchases from the energy market to meet their targets. He said the cost of energy market purchases has increased significantly and the cost will likely be passed on to its electric utility customers. He said PSE missed its 2023 target by eight percent and will miss its 2024 target by 11 percent. He said it is important to act quickly to reduce emissions.
 13. Emily Chu, a senior at Bellevue High School, said she is a member of the Sustainability Ambassadors. She said she has worked to support environmental sustainability in a number of ways. She wrote a letter to The Seattle Times against Initiative 2117, which threatens to reduce crucial public transit funding, and has organized school activities to promote sustainable practices. She said the majority of greenhouse gas emissions are

caused by buildings and transportation. Ms. Chu commented on the need for more frequent cross-town bus services to connect neighborhoods, park and ride lots, and transit centers. She said taking bold climate action now brings cleaner air, lower asthma rates and reduced energy bills from efficiency upgrades. She asked the Council to accelerate the funding and implementation of the environmental stewardship plan.

14. Christopher Randels, speaking on behalf of Complete Streets Bellevue, said they led a coalition of 10 organizations in July to urge an increase in funding for the Vision Zero program. He expressed appreciation for Councilmember Hamilton and Councilmember Zahn for asking staff to continue to study the implementation of a transportation benefit district (TBD) in 2025. He noted the need for significant transportation funding to address speeding, reliability and safety and encouraged the creation of a Vision Zero TBD.
15. Raghav Chaturvedi, a ninth-grader at the International School, said he is a member of the Sustainability Ambassadors program and he has organized a number of campaigns at his school (e.g., Turn Off the Lights Day, Carbon Commute Count). He thanked the City for adding environmental stewardship program staff. He encouraged the City to accelerate its efforts to reduce greenhouse gas emissions. He commented on the need for enhanced cross-town bus service and increased energy efficiency in buildings. He said it is important to act quickly to expand environmental stewardship efforts.
16. Barbara Hughes, representing the Bellevue Farmers Market, said the market is in its 21st year of providing a vibrant place where Washington's farmers can sell directly to residents and workers. She said the vendor stall fees cover approximately half of the market's operating expenses. The organization relies on donations from private individuals and local businesses to cover the remaining expenses. Ms. Hughes thanked the volunteers who donate thousands of hours and noted that many are Bellevue high school students. She said the market provides a meeting place and festive environment for the community from May through October. She said the market's music and children's education programs help to foster a sense of community. She thanked the City for its sponsorship in 2024 and requested increased funding for 2025. She said the market's music costs are estimated to exceed \$11,000 in 2025. She said special holiday markets will be held on Saturday, November 23 and on Saturday, December 21, 10:00 a.m. to 2:00 p.m.
17. Samuel Rodriguez, CEO and founder of BizDiversity, said they are a multicultural business community of approximately 1,000 members in the state, including 60 members in Bellevue. He said they are looking for more human resources and business support to assist small businesses in selling their goods and to enhance cross-cultural engagement.
18. Lalita Uppala, Executive Director for Indian American Community Services, thanked staff for considering increased funding for affordable housing. She said Bellevue has a large immigrant community, and support for organizations providing culturally and linguistically relevant services is critically needed. She encouraged additional human services funding to continue to provide comprehensive, wrap-around support for families.

Ms. Uppala said there is a dire need for mental health care, crisis services for survivors of domestic violence, youth services, and support for small businesses. She encouraged the Council to support grassroots organizations helping individuals in underrepresented communities.

19. Nicole Myers expressed concern about the recent election and the anticipated impacts on government funding, deportations and tariffs. She expressed concern that federal funding to cities and schools will be reduced. She suggested increasing the City's operating reserves and delaying certain spending decisions until there is more certainty about the state legislature's response to the changes in the federal government.
20. Warren Halverson, a Bridle Trails resident, expressed support for the preliminary budget and its funding of public safety. He urged the City to fill the 27 police officer vacancies as soon as possible. He suggested that the City ask police officers about what would help them do their jobs better. He suggested addressing the issue of police immunity and making shoplifting a crime. He suggested examining California's recent referendum to convert certain misdemeanors to felonies and to give longer sentences for certain crimes.
21. Sana David, a sophomore at Interlake High School, said she is a member of the Sustainability Ambassadors. She thanked the Council for its support of the Mobility Implementation Plan. She said she is currently working with two schools to measure the carbon footprint of student commutes, with the goal of reducing the carbon footprints of students by spreading awareness of eco-friendly travel options. She said cross-town bus service is needed to expand transit use and reduce greenhouse gas emissions. She encouraged the Council to provide more funding to implement the environmental stewardship plan more quickly.
22. Larissa Chuprina, an interpreter and translator, expressed support for affordable housing and human services funding. She said teachers of English as a second language do not have full employment and must support themselves in other ways. She expressed support for the proposed cross-cultural center.
23. Angela Phan commented on the critical role that local organizations play in supporting Bellevue's diverse communities. She said it is important to ensure that all residents have access to resources and support. She expressed concern that the current competitive grant system threatens to undermine the organization's shared mission. She suggested that it fragments resources and often creates barriers to equitable service delivery. She said it is vital to continue funding for affordable housing and rental assistance. She said the demand for human services continues to increase and she urged the Council to consider increasing funding.
24. Adam Dibba, Executive Director and founder of Africans on the Eastside, thanked the Council for the opportunities and grants they have received, which have allowed them to engage with their community. She said they provide culturally relevant food and resources to support youth and families. She said the organization would like to partner with experienced individuals who can support them in their growth and help them reach

more members of the community. Ms. Dibba requested additional funding to continue to help change lives. She thanked Eastside for All and others in the community for supporting them. She has been in Bellevue for nearly 35 years and is dedicated to the community.

25. Yuanmeng Zhao expressed support for the budget and suggested two ideas for increasing the liveliness of the downtown area. He asked the City to fund better pedestrian signaling (e.g., no vehicle turns at red lights) in the downtown and Wilburton areas. He said many people who work in Bellevue cannot afford to live here. He encouraged the Council to fund more inclusionary zoning and related developments. He said reduced traffic and pollution enhance the pedestrian environment of a city. He expressed support for the Grand Connection project.

→ Deputy Mayor Malakoutian moved to close the public hearing, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

At 7:30 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:42 p.m.

10. Study Session

- (a) 2025-2026 Operating Budget and 2025-2030 Capital Improvement Program (CIP)

City Manager Diane Carlson introduced discussion regarding the 2025-2026 Operating Budget and 2025-2030 Capital Improvement Program (CIP). She said staff was seeking direction to prepare the appropriate legislation for adoption of the budget on November 19.

John Resha, Chief Financial Officer, said staff would review recent technical changes to the budget and the required legislation.

Evan Phillips, Financial Strategy and Performance Director, recalled that the Council has had eight study sessions, including three public hearings, regarding the budget and CIP Plan since July 9. He described the multiple ordinances and resolutions that will be required for Council action to adopt the budget on November 19. He highlighted minor technical adjustments to the budget regarding grant revenues and the timing of capital improvement projects. He said the budget adds Development Services and Utilities contingency appropriations as defined in the Comprehensive Financial Policies.

Mr. Resha clarified that the contingencies have been in place for some time. However, they are now defined in the Comprehensive Financial Policies and their use is more transparent.

Mr. Resha acknowledged that 2024 revenues have decreased and a significant increase is not projected for 2025 and 2026. He said the preliminary budget maintains current services and programs with a few small additions.

Mr. Resha described potential budget amendments for using Council Contingency funds for one-time investments. In the category of community event support, he noted proposals totaling \$325,000 for a cost recovery fund for fees associated with events, a cultural events and pop-ups fund to support small businesses and community activation, and a pilot program to activate City Hall for extended hours and on some Fridays and Saturdays. There is a proposal to allocate \$80,000 for Council travel and education. There is a \$100,000 proposal to provide electric vehicle (EV) charging stations at affordable housing units and Energy Smart Eastside program incentives.

Mr. Resha described a proposed additional human services investment of \$290,000 to the total \$2.5 million in funding for human services and asked the Council to prioritize youth services, rental assistance and shelters/housing. He recalled earlier public comment regarding wrap-around services and clarified that the program and staffing are still in the budget.

Mr. Resha described a proposed investment of \$100,000 for an energy capacity, needs and gap analysis.

Mayor Robinson thanked the public for all of their input throughout the process and public hearings. She commended Ms. Carlson, Mr. Resha and all staff who participated for their work on the budget. Ms. Robinson said this is a balanced, responsible and responsive budget. She expressed an interest in learning more about the requests from the Bellevue School District. She said she hopes to have more revenues next year to accomplish more of the City's objectives.

Deputy Mayor Malakoutian thanked staff for their hard work with the Council and the public. He observed there is alignment between Bellevue's values and the budget. He highlighted key priorities including environmental stewardship, human services, public safety, infrastructure and the Vision Zero program. He said it is a community centered budget and he thanked the public for their engagement in the process.

Responding to Mr. Malakoutian regarding ways to bolster the City's environmental efforts, Mr. Resha said opportunities include partnerships and grants. He said staff is always looking for new resources.

Mr. Malakoutian said he appreciated the increased funding for human services.

Councilmember Stokes thanked staff for listening to the Council and the community. He expressed support for the proposed community event allocations using one-time funds in the Council Contingency. In the area of environmental stewardship, Mr. Stokes said he believed the City is doing the best that it can and will continue to pursue key targets. Responding to Mr. Stokes, Mr. Resha commented on the proposal to expand the use of City Hall for public events, including on select weekends. Mr. Stokes expressed support for the proposal.

Councilmember Nieuwenhuis thanked everyone for their hard work and thanked the public for being so engaged in the budget process. He said he hopes to have more revenues next year, including for environmental stewardship efforts. He said he appreciated the recent presentation regarding sustainability activities. However, he noted his frustration due to the lack of clarity on

the appropriate tactics and priorities needed to achieve 2030 and 2050 greenhouse gas emissions reduction goals.

Mr. Nieuwenhuis said he appreciated the public comments regarding the need for more robust and direct cross-town bus service. He said he appreciated Mr. Halverson's comments regarding public safety and noted that he shares his view regarding the need to retain and hire police officers. He expressed support for the farmers market and arts funding, including for the KidsQuest Children's Museum. Mr. Resha said the current budget proposal for the museum provides \$10 million over the next few years. The money is held in reserve until it is identified for a specific purpose.

Councilmember Nieuwenhuis said Battalion 102 has been a tremendous asset for the community and he encouraged full staffing and funding. Responding to Mr. Nieuwenhuis, Acting City Manager Carlson said the City is in active negotiations with the union, which is considering this issue. The contract expires at the end of 2024.

Mr. Nieuwenhuis said he appreciated staff tracking the memory bank list of suggestions and questions. He thanked the community for supporting human services funding. He asked his colleagues to support funding for the energy capacity study.

Councilmember Hamilton expressed support for additional human services funding, expanded use of City Hall, investments in EV charging and the Energy Smart Eastside program, the energy study proposed by Councilmember Nieuwenhuis and the overall budget. He said community members provided invaluable feedback throughout the process. He said his colleagues have invested a great deal of time in reviewing and discussing the budget. He thanked Ms. Carlson and Mr. Resha for their leadership in creating the budget. He said the budget ensures that the City will continue to operate from a stable financial foundation. He said he looks forward to discussing the creation of a transportation benefit district (TBD). He expressed support for Council action on the budget on November 19.

Councilmember Zahn expressed appreciation for all of staff's work and the public's involvement in the process. She noted that she and Councilmember Lee were currently at the National League of Cities conference. She serves on the federal advocacy committee, which discussed the potential interests and possible funding reductions under the next administration. She expressed support for using the Council Contingency Fund when needs exceed the budget. She expressed support for the idea of expanding access to and the usage of City Hall for community events. She expressed support for increased funding for human services and environmental stewardship. She highlighted a number of top priorities including human services, climate action, affordable housing, transit and the Vision Zero program.

Ms. Zahn referenced comments during the public hearing regarding the need for culturally and linguistically specific services. She suggested increasing the proposed additional investment of \$290,000.

Responding to Mayor Robinson, Toni Esparza, Assistant Director for the Parks and Community Services Department, said a culturally specific service is defined in the human services strategic

plan. Ms. Esparza said the term refers to services that are designed for a particular linguistic or cultural community and delivered by individuals in that community.

Councilmember Lee thanked Mr. Resha for a transparent process and Ms. Carlson for her leadership. Mr. Lee expressed support for the budget, which reflects the Council's priorities and values. He said he wants to be sure that Councilmembers have the opportunity for early involvement in budget discussions. He encouraged overcoming division in the country and working together.

Regarding environmental stewardship, Mr. Lee said there is a lack of funding and specific, proven solutions. He encouraged the consideration of new technologies to advance and support public safety efforts. He concurred with Councilmember Nieuwenhuis about the need to support Battalion 102. Mr. Lee said the budget process worked very well. He thanked everyone for their hard work.

Mayor Robinson said the Council has never pre-spent its Council Contingency fund. She said the Council supports the investment of \$895,000 because needs are increasing and revenues will remain relatively flat over the next year. She highlighted a number of proposed future investments to be discussed during the next Council retreat.

Responding to Councilmember Nieuwenhuis, Mr. Resha said the budget includes \$100,000 for the site analysis for the cross-cultural center.

Responding to Councilmember Hamilton about how the City responds to unanticipated needs, Ms. Carlson said the City would consider the use of reserves. Mr. Resha said the other option is to defund certain services to fund an emerging priority. He said the City is required to have relatively high reserve levels to be prepared for emergencies. Mr. Hamilton noted that the Council Contingency fund has not been used in approximately three years. He suggested that deploying the funding strategically could provide significant benefits.

Councilmember Stokes expressed support for using the Council Contingency fund, depending on the Council's preferences.

Responding to Councilmember Zahn regarding whether the Council could adjust the budget at any time, Mayor Robinson suggested discussing that issue and the Council Contingency fund at the January retreat.

Ms. Carlson said staff heard from most Councilmembers about the potential use of the Council Contingency fund. She concurred with the suggestion for ongoing discussion throughout the year to review priorities and the budget for potential adjustments.

Mayor Robinson suggested that the retreat discussion include looking at ways to generate new revenues to meet a number of needs.

Responding to Councilmember Lee, Ms. Carlson said \$100,000 will be used for the cross-cultural center site analysis involving City properties, other public properties and other options.

- Deputy Mayor Malakoutian moved to direct staff to return on November 19 with the appropriate legislation to adopt the final budget, including any adjustments to the Preliminary Budget. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

At 8:57 p.m., Mayor Robinson declared a break. The meeting resumed at 9:04 p.m.

(b) Initiation of Affordable Housing Strategy Update

City Manager Carlson said the 2017 Affordable Housing Strategy has provided a good roadmap for the City involving actions that support and encourage affordable housing. She said staff is seeking direction to proceed with updating the plan.

Thara Johnson, Planning Director, Community Development Department, said the current affordable housing plan includes five major strategies and 21 actions to expand affordable housing opportunities. She recalled that the Council approved the Next Right Work set of actions in 2022. She said the next plan update will cover the 2026-2032 timeframe.

Linda Abe, Affordable Housing Planning Manager, highlighted the progress in implementing the affordable housing plan. She recalled that during the last Council update in April, staff indicated that the City had met and would exceed the original target of creating or preserving 2,500 affordable units by 2027. She said Bellevue's affordable housing inventory increased by 73 percent from 2017 to 2024.

Ms. Abe said the multifamily tax exemption (MFTE) program produced 336 affordable units in nine market-rate housing developments. The City invested \$27.5 million in affordable housing initiatives and attracted more than \$540 million in private equity investment in affordable housing.

Ms. Abe said six housing projects have or will open by the end of this year: 1) Aventine Apartments with 66 affordable units serving households earning 30-50 percent of the area median income (AMI), 2) Vicino Apartments with 81 units serving households earning 50-80 percent AMI, 3) Polaris at Eastgate with 360 affordable units for households at 30-50 percent AMI, 4) Broadstone Savoie with 38 units serving households at 50-80 percent AMI, 5) Ondina Apartments with 50 units for households earning 50-80 percent AMI, and 6) Ellis at BelRed with 11 affordable units for households at 50-80 percent AMI. Ms. Abe noted that the projects are located throughout Bellevue in the Downtown, BelRed and Eastgate districts.

Ms. Abe said four churches are moving forward with implementing housing under Action C-1 of the Affordable Housing Strategy, and the affordable housing team is leading the development of affordable housing on two City-owned properties.

Hannah Bahnmitter, Senior Planner, said the City has implemented the majority of the actions in the existing strategic plan. She said the plan update will align with the recent Comprehensive

Plan Periodic Update and with the Council's priorities and strategic target areas. She said there are new investments in the 2025-2026 Preliminary Budget with many opportunities for encouraging and facilitating the development of affordable housing.

Ms. Bahnmilller said the primary objectives of the Affordable Housing Strategy update are to identify the next set of actions needed to continue to achieve housing targets and to create a seven-year implementation and monitoring plan. She said community education and input will be an important component of the update process.

Ms. Bahnmilller said a starting point affordable housing target of 5,700 affordable units by 2034 was approved by the Council in May. At that time, the Council directed staff to engage further with technical stakeholders. Affordable housing refers to units priced for households earning below 80 percent AMI. Ms. Bahnmilller said staff continued its engagement with stakeholders and held a focus group discussion to gain valuable feedback. For the 5,700 targeted units, staff recommends 2,700 units for households earning 0-30 percent AMI, 1,450 units for households earning 30-50 percent AMI, and 1,550 units for households earning 50-80 percent AMI.

Ms. Bahnmilller said Bellevue needs to double its average annual production of affordable housing units over what has been produced during the past seven years. She said more funding is needed to meet the target of 5,700 affordable housing units.

Three core elements of the update to the Affordable Housing Strategy are to build on the implementation of the existing plan, implement policy guidance and to engage representative voices. Ms. Bahnmilller described the phases of the plan update process: 1) Launch, now through March 2025, 2) Assess, April-June 2025, 3) Refine, July-September 2025, and 4) Adopt the new strategic plan, October/November 2025. She said a Council briefing will be provided in the spring. She said this process does not formally involve the Planning Commission. However, staff plans to engage with relevant boards and commissions throughout the update process.

Ms. Bahnmilller said the plan update will prioritize actions that focus on increasing the availability of income-restricted affordable housing, while also including actions to increase housing access and stability. She said the four focus areas of the update are creating units at the deepest affordability level, addressing unique and other needs (e.g., affordable home ownership, universal design, family-sized units), centering equity principles and additional over-arching priorities related to increasing the overall supply of housing, enhancing public education, and fostering partnerships.

Ms. Bahnmilller commented on the importance of the preservation of existing affordable units in the community. She said more than half of the new units counted over the past seven years involved the preservation of existing units.

Ms. Bahnmilller said the objectives of the community engagement process will be to provide information on affordable housing, create opportunities to inform the update of the strategic plan, and elevate diverse and underrepresented voices through specific recommendations.

Ms. Johnson requested Council direction to initiate the update to the Affordable Housing Strategy.

→ Deputy Mayor Malakoutian moved to direct staff to initiate an update to the Affordable Housing Strategy, to include recommendations on the next set of affordable housing actions for the 2026-2032 timeframe. Councilmember Stokes seconded the motion.

Councilmember Zahn commended the six projects completed or nearly completed this year. She is happy to see that the City is achieving its housing targets. She said she appreciated including affordable housing home ownership as a component of the overall strategy. She encouraged the continued focus on increasing housing at transit-oriented development (TOD) nodes.

She suggested partnering with the Bellevue School District to address housing needs. She said the National League of Cities recently published a housing supply accelerator playbook, which might provide new tools in use or being studied by other cities. She said it is important to include community-based organizations, including cultural navigator programs, in the outreach and update process.

Ms. Zahn said she liked seeing the inclusion of universal design and suggested including sustainable design as well.

Responding to Ms. Zahn, Ms. Johnson said staff continues to explore opportunities to collaborate with other City programs and community groups in the public outreach efforts.

Councilmember Stokes expressed support for moving forward to update the plan. He recalled that in 2016-2017, the City collaborated with King County and others to preserve affordable housing at Highland Village, which has a large Hispanic population. He said that success highlighted the need for a strategic plan.

Responding to Mr. Stokes, Ms. Bahn Miller said staff has identified some strategies to advance next year as the update moves forward, including revisions to the MFTE program. She said the state legislature established two new tax incentives related to commercial properties and under-utilized parking lots.

Councilmember Hamilton said he appreciated his colleagues' comments. He thanked staff for the update regarding the implementation of the Affordable Housing Strategy to date and for their community engagement activities. He suggested that goals should be ambitious but reasonably achievable. He noted the importance of a continued high level of engagement with housing providers to both update and implement the plan.

Councilmember Nieuwenhuis expressed support for updating the plan. Responding to Mr. Nieuwenhuis, Ms. Johnson said the housing targets are based on the City's 2022 Housing Needs Assessment and not on King County's figures regarding housing capacity. In further response to Mr. Nieuwenhuis, Ms. Johnson said that providing units for households earning below 50 percent AMI will need to be subsidized by state and federal funding.

Ms. BahnMiller said the estimated cost of subsidizing the 2,700 units for households earning below 30 percent AMI is approximately \$2 billion, which would involve both City dollars and funding from other sources. Councilmember Nieuwenhuis expressed concern about the ability to provide adequate City funding.

Mr. Nieuwenhuis thanked staff for the significant progress to date. He said he hears concerns from the development community about the costs related to certain regulations for multifamily housing. He would like an analysis of the regulations to identify opportunities to eliminate and/or streamline the requirements. He asked how the City can further incentivize housing developers.

Deputy Mayor Malakoutian said he appreciated everyone's input. He congratulated Ms. Johnson on her selection as planning director.

Mr. Malakoutian said he is pleased that the City is meeting its affordable housing targets. He suggested innovative thinking in how to track and report on progress, including the creation of a dashboard to provide information for the community. He expressed an interest in reviewing all of the feedback from the community, including developers. He suggested tracking whether affordable housing efforts are reducing homelessness and/or the need for rental assistance.

Mr. Nieuwenhuis suggested that the City might want to consider creating a Housing Commission.

Mayor Robinson said that is another good topic for the Council retreat. She commended the significant progress under the Affordable Housing Strategy while acknowledging that the need is much larger than the availability of affordable housing. She expressed support for creating the Office of Housing to leverage the use of City-owned properties.

Ms. Robinson suggested connecting the Council's state and federal legislative agendas with the City's affordable housing policies. She expressed concern that there might be an effort to impose a property tax exemption that would supersede the City's MFTE program, which is working well. She said it will be important to assess the effectiveness of the strategies and actions on an annual basis.

→ The motion carried by a vote of 7-0.

11. Land Use: None.

12. Other Ordinances, Resolutions, and Motions: None.

13. Written Reports

(a) Intergovernmental Affairs Monthly Update

14. Unfinished Business: None.

15. New Business: None.

16. Executive Session: None.

17. Adjournment

At 9:55 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw