

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

October 21, 2025
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Malakoutian and Councilmembers Bhargava, Hamilton, Lee, Nieuwenhuis and Sumadiwirya

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:02 p.m., with Mayor Robinson presiding. She asked everyone to be polite and respectful of others during oral communications and throughout the meeting.

2. Roll Call; Flag Salute

City Clerk Charmaine Arredondo called the roll and all Councilmembers were present. Councilmember Sumadiwirya led the flag salute.

3. Approval of Agenda

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

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

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. Ms. Arredondo said individuals are allowed to speak for up to three minutes and only three speakers are allowed to speak to any particular side of a topic. In compliance with Washington state campaign laws regarding the use of public facilities, no speaker may support or oppose a ballot measure or candidate for election.

- (a) Jessie Clawson, McCullough Hill, said the Council’s commitment to the multifamily tax exemption (MFTE) program “supercharger” incentive has paid off in a big way. She said there are 2,158 residential units either submitted or nearly ready to submit for permits in the Wilburton subarea. Of those, 368 are affordable units, which are separate from the Bellwether project on City property. She said there are currently only 253 MFTE units in Bellevue. She encouraged the Council to consider a 12-year extension for affordable units and expansion of the incentive citywide.
- (b) Valentina Vaneeva said she participated as a facilitator in a community program organized by the City’s Office of Housing. She said she talked to people who were forced to relocate to the U.S. after the Russian invasion of Ukraine in 2022. She said finding housing and jobs are the hardest challenges for immigrants. She said the definition of affordable housing is not actually affordable for many families and individuals. She encouraged the creation of gathering spaces where immigrants can speak with others in their languages and where volunteers can provide assistance and support. She suggested community navigators to help new residents learn about the community.
- (c) Jodie Alberts, Bellevue Chamber of Commerce, spoke on behalf of the Permitting, Land Use Sustainability and Housing (PLUSH) committee regarding the MFTE program. She thanked the City for its continued leadership on housing policy. She said the MFTE program is one of the most important tools to support affordability and to ensure new housing is developed. She suggested a 12-year extension option for MFTE projects to protect affordable units for a longer period of time. She requested removal of the requirement for parking subsidies in MFTE projects near high frequency transit. She suggested expanding the MFTE “supercharger” incentive citywide.
- (d) Saghar Amini, Habitat for Humanity, thanked the Office of Housing for its strong outreach and collaboration within the community. She said the level of engagement and openness to feedback from both community partners and the development community have resulted in a data-driven, forward-looking approach. She expressed support for the City’s continued efforts to strengthen the MFTE program. She expressed support for staff’s recommendation for a 2-year to 4-year lookback to ensure the program remains accountable and continues to deliver results in housing production and long-term affordability. She encouraged adoption of the 20-year exemption for home ownership projects and extension of the MFTE program to allow non-residential to residential conversions citywide. She expressed support for the MFTE “supercharger” incentive.
- (e) Annika ZumBrunnen expressed concern regarding the Bellevue College parent education program. She said there is a budget proposal to eliminate the program. She said she has been part of the program since 2017 as her two children were growing up. She has served as the chair of the parents advisory committee for the past two years. She said the program shaped her parenting, enriched her children’s early years and built a supportive community for families. She said the program is grounded in research and provides a wide range of classes for children and parents. She said she has been inspired by the dedication and professionalism of the individuals who make the program possible. She asked the Council to help preserve the program.

- (f) Pamela Johnston commented regarding King County's Public Benefit Rating System (PBRs) program created by the 1970 Open Space Taxation Act. She asked the Council to submit comments to King County to help make the program better. She thanked City staff for their comments regarding the program during the October 14 Council meeting.
- (g) Joe Kunzler expressed concern about an individual who has been sanctioned by the Public Disclosure Commission and excluded from public meetings in multiple jurisdictions. He encouraged the Council to stop allowing the individual to use oral communications as an attempt to campaign, disparage others and interfere in elections. He said he hoped the individual would be excluded from Bellevue City Council, board and commission meetings for 180 days. He thanked Councilmembers for their public service.
- (h) Alex Tsimerman opined that too many people in Bellevue have dual citizenships and work in government.

Mayor Robinson asked Mr. Tsimerman to speak to issues before the Council.

Mr. Tsimerman expressed concern about traffic safety in Bellevue.

5. Reports of Community Councils, Boards, and Commissions

- (a) Parks and Community Services Board: May-July 2025 Report
[Written information only. No presentation.]

6. Report of the City Manager

- (a) Parks and Community Services Department Reaccreditation

City Manager Diane Carlson introduced staff's update regarding the 2025 reaccreditation of the Parks and Community Services Department, which received a perfect score.

Michael Shiosaki, Director, Parks and Community Services Department, said the accreditation process provides third-party validation of the City's practices and supports data-informed decisions, continuous improvement and excellent public service. He said the department first achieved accreditation 20 years ago and has been reaccredited four times. The department is one of three agencies in the state and 231 agencies nationwide that are accredited. Other accredited City departments are Police, Utilities, Transportation and Fire.

The parks department receives accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA) and reaccreditation occurs every five years. CAPRA's 154 standards used in the evaluation encompass agency authority and responsibility, planning, organization and administration, human resources, financial management, programs and services management, facility and land use management, law enforcement and security, risk management, and evaluation and research.

Mr. Shiosaki commended Assistant Director Toni Esparza for her leadership of the reaccreditation process. He said more than 20 department staff act as leads in documenting the CAPRA standards and coordinating with other departments as needed. The CAPRA review team conducts an advance review before the site visit, which occurred this year from March 31 through April 2. The parks department received a perfect score in 2020 and 2025. The review team highlighted the department's planning, expertise, community outreach and thoroughness in its reaccreditation report. Parks and Community Services Department staff were described by the review team as highly collaborative, well-organized, innovative and efficient.

Mr. Shiosaki said there is an annual reporting requirement related to the accreditation. He thanked Councilmembers for their ongoing support.

Mayor Robinson congratulated staff on their significant efforts and achievement.

7. Council Business and New Initiatives: None.

8. Consent Calendar

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

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

- (a) Council Minutes
Minutes of October 7, 2025 Regular Meeting
- (b) Motion to approve payment of claims and payroll for the period September 1, 2025 – September 30, 2025.
- (c) Ordinance No. 6867 adopting the Newport Neighborhood Area Plan Comprehensive Plan Amendment (24-123870 AC) pursuant to the Growth Management Act, Chapter 36.70A RCW, and Chapter 35A.63 RCW; amending the Factoria Subarea Plan for conformance; providing for severability; and establishing an effective date.
- (d) Ordinance No. 6868 adopting the Downtown Subarea Plan Comprehensive Plan Amendment (25-102194-AC) pursuant to the Growth Management Act, Chapter 36.70A RCW, and Chapter 35A.63 RCW; providing for severability; and establishing an effective date.
- (e) Ordinance No. 6869 adopting the Crossroads Neighborhood Area Plan Comprehensive Plan Amendment (24-123941 AC) pursuant to the Growth Management Act, Chapter 36.70A RCW, and Chapter 35A.63 RCW; amending the Crossroads Subarea Plan, BelRed Subarea Plan, and Wilburton/NE 8th Street

Subarea Plan for consistency, conformance, and to reflect boundary changes; providing for severability; and establishing an effective date.

- (f) Ordinance No. 6870 adopting the City's 2025 amendments to the Comprehensive Plan, as separately set forth in Ordinance Nos. 6867, 6868, and 6869, pursuant to the Growth Management Act, Chapter 36.70A RCW, and Chapter 35A.63 RCW; providing for severability; and establishing an effective date.
- (g) Ordinance No. 6871 relating to speed limits; amending Chapter 11.32 of the Bellevue City Code to reduce the speed limit on 130th Avenue NE between NE Bellevue-Redmond Road and NE 24th Street from 30 mph to 25 mph; and establishing an effective date.
- (h) Ordinance No. 6872 establishing time-restricted parking along the east and west sides of 130th Ave NE between NE Spring Blvd. and NE 20th St.; authorizing the City Manager or their designee to set the parking restriction time limits, which may vary from 3-minute parking to 4-hour parking, and the hours that the time restrictions are in effect, which may be from as early as 7 a.m. to as late as 8 p.m.; and establishing an effective date.
- (i) Resolution No. 10550 authorizing execution of agreements with Coast to Coast Turf, LLC, and Musco Sports Lighting, LLC, to complete a renovation project at Robinwood Park replacing the synthetic turf fields and lighting.

9. Public Hearings: None.

10. Study Session

- (a) 2025 Affordable Housing Strategy Update

City Manager Carlson recalled that the Council adopted the Affordable Housing Strategy in 2017. The strategy identified a 10-year target for affordable housing, which was met in 2023. She said staff would provide information regarding the 2025 update to the plan that is currently underway.

Bianca Siegl, Director, Office of Housing, thanked Valentina Vaneeva, who spoke earlier during oral communications, and all the community facilitators who participated in this project.

Hannah Bahnmitter, Senior Affordable Housing Planner, said staff began working on the update to the Affordable Housing Strategy last November. It is focused on income-restricted affordable housing and includes a new affordable housing target and a seven-year implementation timeline. Staff will request Council adoption of the updated plan next January or February. Ms. Bahnmitter said the Council established a new 10-year affordable housing target of 5,700 units to guide the 2025 plan including: 1) 2,700 units for 0-30 percent AMI (area median income) households, 2) 1,450 units for 30-50 percent AMI households, and 3) 1,550 units for 50-80 percent AMI households. The targets are based on the projected need within the community.

Ms. Bahnmitter said the Affordable Housing Strategy builds on a foundation of the Comprehensive Plan and the Council's Strategic Target Areas (STAs). The plan's policy goals are: 1) affordable housing, 2) housing equity, 3) housing for unique needs, 4) housing stability, and 5) housing supply and diversity. Ms. Bahnmitter said 27 draft strategies have been categorized into one of the five policy goals. Each strategy has specific actions for implementation.

Ms. Bahnmitter said the full list of the strategies is provided in the meeting materials. The acquisition and preservation strategies are focused on both naturally occurring affordable units and income-restricted units. Many of the units created since 2017 were preservation units. Ms. Bahnmitter said the Low Income Housing Institute (LIHI) acquired the Aventine apartments to preserve and protect affordable units from being converted to market rate units and to expand affordability to new units within the building.

Ms. Bahnmitter said City and ARCH (A Regional Coalition for Housing) staff conducted a gap analysis to determine housing needs. The City is currently on a course to build or preserve approximately 3,700 affordable units over the next 10 years, or 60 percent of the 5,700 unit goal. The majority (85 percent) of the expected housing production is above the 50 percent AMI level, leaving a deficit in lower AMI households.

Ms. Bahnmitter said the public outreach process completed two phases of engagement involving approximately 300 individuals from more than 25 organizations. The first phase was focused on educational and informational events, non-traditional events and language access. The second phase focused on engaging those closest to housing issues to help assess the proposed actions. The Community Facilitator Program recruited nine community facilitators to help reach more than 150 community members through 35 listening sessions over approximately six weeks. Ms. Bahnmitter said the following themes surfaced throughout the community engagement: 1) lack of affordable housing across income levels, 2) need to reduce costs to build across income levels, 3) access and belonging are key to feeling at home in a place, 4) finding housing support is difficult and fragmented, and 5) support for people-centered solutions, inclusive design, language access and redressing past harm.

Ms. Bahnmitter said public input continues to be welcome and a public information session is planned for Thursday, November 6 at City Hall. The draft Affordable Housing Strategy will be presented to the Council in January.

Mayor Robinson thanked staff for the presentation.

Councilmember Lee thanked staff for the community outreach. He said a number of people from different countries live in Bellevue and make good salaries. However, the challenge is for the parents, who often do not speak English and depend on their children and community organizations for assistance. He asked whether adult children who might be making decisions for their parents were engaged in the community engagement process. He referred to a survey and said it is important to ask the right questions to find the right solutions. Mr. Lee said he wants to

be sure there is sufficient information and a strong foundation before the Council makes a decision to approve the updated Affordable Housing Strategy early next year.

Councilmember Hamilton thanked staff for their work to address housing needs. He said the Council, City staff and stakeholders (e.g., housing suppliers, non-profit organizations and community members) are responsible for implementing the strategy and achieving the City's affordable housing goals. He asked about the most impactful ways to leverage City resources to add more affordable housing.

Ms. Bahnmitter said one strategy used to date is to utilize City-owned land for the development of affordable housing. Similarly, staff is exploring ways to collocate housing with City facilities.

Councilmember Bhargava said he appreciated the aggressive affordable housing target and the community facilitator process. He said in looking at the strategies, he asked whether there was a guiding principle in considering the tradeoffs. For example, he said we want more affordable housing and we also want to achieve housing for lower AMI levels. He expressed concern about the limited amount of existing affordable housing in Bellevue that could be preserved. He thanked staff for their work.

Councilmember Nieuwenhuis expressed support for housing preservation and asked about the statement in the presentation that it requires new City processes. Ms. Bahnmitter said she was referencing an interest in coordinating with the Finance and Asset Management (FAM) Department about how to allocate resources quickly to respond to new acquisition opportunities. Ms. Siegl said some opportunities are already in place with the Housing Stability Program. She said staff is exploring flexible financial tools that would allow the City to move quickly when opportunities arise. Mr. Nieuwenhuis said it would be helpful to be able to learn about potential acquisitions before properties are listed for sale.

Responding to Mr. Nieuwenhuis, Ms. Bahnmitter said the goals and strategies do address affordable home ownership, primarily under the housing equity category. Mr. Nieuwenhuis asked staff to provide the list of 25 community organizations that participated during the public outreach process.

Councilmember Sumadiwira said she appreciated the emphasis on language access. She asked how the City is ensuring that renters, youth and underserved groups have meaningful involvement in shaping the strategies. She concurred with Councilmember Lee's comments, noting that she made decisions for her parents at a young age. She would like the City to address that issue with more intentionality.

Ms. Sumadiwira asked about engagement with Bellevue College and others regarding workforce development and housing needs. Ms. Bahnmitter said staff met with Bellevue Youth Link earlier this year and participated in a workshop during the Youth Involvement Conference. She said a Bellevue College student and a small business entrepreneur participated as community facilitators. Ms. Sumadiwira encouraged focusing on the construction workforce and on the development of housing near schools.

Deputy Mayor Malakoutian thanked staff for the presentation and expressed an interest in more information on affordable home ownership. Responding to Mr. Malakoutian, Ms. Bahnmillier said the target of 5,700 affordable housing units over the next 10 years is based on the City's needs analysis and methodology that is separate from King County's housing need allocations. She said those need allocations are very important and are reflected in the Comprehensive Plan. However, the City's methodology was used to establish a short-term target for the Affordable Housing Strategy.

Mr. Malakoutian said he appreciated the community engagement effort. Responding to Mr. Malakoutian, Ms. Bahnmillier confirmed that the strategies and actions were revised to incorporate input from the community facilitator process, including the need to improve assistance to navigate information and resources available to the public. Referring to page 14 of the presentation, Mr. Malakoutian expressed concern about the ability to meet the target. Ms. Bahnmillier said staff will bring back information regarding the expected impacts from individual actions and strategies.

Responding to Deputy Mayor Malakoutian, Ms. Bahnmillier said housing equity is focused on disparities between different identity groups, with rates of home ownership as one of the key disparities. Mr. Malakoutian suggested that the performance metric go beyond the number of units to also address the level of need within different groups. He encouraged ensuring that there is a feedback loop from the performance metrics to guide continuous improvement.

Mayor Robinson suggested using the term transit oriented community (TOC) instead of transit oriented development (TOD) because a community includes all of the support systems (e.g., grocery stores and other services, multimodal transportation, etc.). She encouraged defining community and aiming to achieve that definition around transit services.

Ms. Robinson said the goal of adding housing is to lower rental rates and housing prices. She said the entire country is approximately 10 years behind on housing production. She expressed concern that as rents decrease, developers will become less inclined to want to build housing. She suggested looking at ways to make housing development more affordable for the developer as well.

Mayor Robinson spoke to the importance of housing preservation, which preserves communities and all of their support systems. She said preservation retains the character of the neighborhood as buildings are rehabilitated and improved. She encouraged targeted outreach to workers in Bellevue and asked about the role of the Mini City Hall in this effort. She noted the need for housing at all affordability levels across the region.

At 7:35 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:47 p.m.

(b) Multifamily Tax Exemption (MFTE) Program Update

City Manager Carlson introduced staff's update regarding the Multifamily Tax Exemption (MFTE) program.

Director Siegl said staff would present recommended revisions to the MFTE program, which provides an incentive to include affordable housing units in what would otherwise be market rate housing development.

Robin Xiao, Affordable Housing Development Program Manager, said the key policy considerations of the MFTE program are affordable housing goals, housing production goals and program costs. The program provides a 12-year property tax exemption on the value of qualifying residential improvements for new multifamily properties and requires that 20 percent of the units are reserved for households earning up to 80 percent AMI. The program can be used in all areas zoned for multifamily use and certain projects and units require deeper affordability. Mr. Xiao said state law provides additional MFTE options including an 8-year tax exemption, 12-year extension and 20-year homeownership program.

The City adopted a MFTE program in 2015 and has received 11 applications totaling 472 units since that time. Of those, six projects have received their final tax exemption certificates and five are in progress. Mr. Xiao noted a 78 percent utilization rate since July 2021 when the program was updated. He presented a comparison of rental rates for 80-percent AMI units and market rate units. An 80-percent AMI household earns up to \$88,000 for a household of one and up to \$101,000 for a household of two. On average, a MFTE renter at 80 percent AMI pays \$2,227 per month, which is 26.2 percent or \$789 lower than the market rate rent. Units range from studios to three bedrooms and MFTE households earn, on average, 56 percent of the AMI. Rent increases are limited to three percent annually for MFTE units. The MFTE program is targeted at units for households earning 50-80 percent AMI.

Mr. Xiao said the goals of the 2025 MFTE program update are to: 1) address City policy and planning goals to expand MFTE options and incentivize deeper affordability, 2) address requested changes for the Wilburton area, and 3) assess the existing program to consider potential changes based on the impact of the program to date and a technical analysis of the costs and benefits. As part of the program update process, staff will evaluate new program options including a 20-year tax exemption for homeownership projects, eligibility for conversion projects (non-residential to residential), a 12-year extension and an 8-year program option for the Wilburton area. The update considers a “supercharger” program for the Wilburton area that would adjust the rules for counting MFTE units toward other affordability requirements and considers an 8-year program to incentivize the deeper affordability options available under the mandatory land use requirements.

Mr. Xiao presented a comparison of the Wilburton Land Use Code Amendment (LUCA) mandatory requirement, existing MFTE program, and the proposed supercharger option for the Wilburton area. The existing program provides a 12-year tax exemption if 10 percent of the units are priced for 80 percent AMI households and 10 percent of the units are priced for 65 percent AMI households. The proposed supercharger option provides a 12-year tax exemption and requires 20 percent of the units priced for 80 percent AMI households. The Wilburton LUCA requires permanent affordability for 10 percent of the units at 80 percent AMI, or seven percent of the units at 60 percent AMI, or five percent of the units at 50 percent AMI.

Mr. Xiao described the stakeholder engagement process involving presentations to the Bellevue Chamber of Commerce, Bellevue Development Committee, Eastside Affordable Housing Coalition and the Eastside Housing Roundtable. Individual interviews were held with developers, Habitat for Humanity, peer cities and A Regional Coalition for Housing (ARCH) staff. A number of technical workshops were held with developers to refine and inform the analysis of the program update.

The public engagement process identified general support for expanded program options and for the alignment of affordable housing standards citywide. Mr. Xiao said there was mixed feedback regarding the supercharger option. While it provides a strong incentive for market rate developers, there are concerns regarding affordability levels and whether the incentive would be applied citywide. Mr. Xiao said there was positive feedback regarding the administration of the current program. He said the supercharger option increases development feasibility to a moderate extent compared to the existing 12-year program requirements. The 8-year MFTE option requiring deeper affordability units could be a desirable tool in conjunction with the supercharger program. Regarding the 12-year extension option, Mr. Xiao said there is limited existing data on the Eastside to inform the analysis and draw general conclusions. He said deeper affordability requirements may be warranted, depending on tax and rent growth trends.

Mr. Xiao said the fiscal impact of the 2025 MFTE program resulted in \$3.5 million of exempted taxes (\$2.6 million in shifted taxes and \$900,000 in foregone taxes). He said \$1.1 million of the shifted taxes were passed to other Bellevue property taxpayers and \$122,000 of the foregone taxes would have gone directly to the City. The MFTE program reduced more than \$2.5 million in rents, a benefit of approximately 75 cents per dollar that was exempted. Under the existing 12-year MFTE program, renters receive the majority of the benefit. Under the proposed supercharger option, property owners receive the majority of the benefit.

Mr. Xiao said staff recommends the following revisions to the MFTE program: 1) adopt the 20-year exemption for homeownership projects citywide, 2) extend the program to conversion projects citywide, and 3) adopt a new 8-year option for the Wilburton area. Staff does not recommend adopting the 12-year extension option at this time and suggests reevaluating that option in the future. Staff recommends allowing the supercharger option in the Wilburton area only with an evaluation in four years of the impact. The 8-year option would require eight percent of the units at 60 percent AMI permanently and 6.5 percent of units at 50 percent AMI permanently.

The next study session for this topic will be on December 2 followed by potential code adoption by the end of the year.

Mayor Robinson said she appreciated the key policy considerations and the flexible margin for who can apply for MFTE units at 80 percent AMI. She said she has heard that if tenants use a third party to apply for MFTE units, it is harder for everyone involved, especially the landlord. She wondered whether it would be worth looking into the value of using a third party.

Ms. Robinson asked how many MFTE units would be created in the Wilburton area with the supercharger option over a four-year period. Mr. Xiao said Bellevue has gained approximately

70-80 MFTE units per year. With the supercharger option, the total could be closer to 100 units per year. Ms. Siegl noted that the recommendation for an evaluation in four years is based on the expectation that the Development Services Department will need to create a code amendment to implement other state law that affects the MFTE provisions.

Mayor Robinson expressed support for implementing the supercharger option in the Wilburton area. She said it would be interesting to have an analysis of another catalyst, perhaps after the first 400 units are created. She said if the goal is to achieve on-site development of affordable housing, a catalyst would be a good idea instead of waiting four years to evaluate the impact of the supercharger option. She expressed support for the 20-year home ownership option and for allowing the MFTE program for conversion projects. She expressed support for the 8-year MFTE option in the Wilburton area only. Ms. Robinson concurred with staff's recommendation to not adopt the 12-year extension.

Responding to Deputy Mayor Malakoutian, Mr. Xiao said that although there is a net cost to the City for the MFTE program, it responds to policy considerations for creating affordable housing and overall housing units. Mr. Xiao said some cities have 8-year MFTE programs with no affordability requirements because they are more focused on increasing the overall supply of housing.

Councilmember Sumadiwiryia thanked staff for the presentation. Responding to Ms. Sumadiwiryia, Mr. Xiao said the performance metrics include the usage of the MFTE program, the number of housing units created, tax exemption impacts on the City and the balance of benefits between renters and developers. In further response to Ms. Sumadiwiryia, Ms. Siegl confirmed that staff plans to create an online dashboard to capture the activities and effectiveness of housing initiatives and programs. Ms. Sumadiwiryia asked how housing equity will be measured and advanced, given unknown future market trends. Mr. Xiao said the program will be evaluated on an ongoing basis. Mayor Robinson noted that the program can be adjusted in response to market conditions if needed.

Councilmember Nieuwenhuis suggested expanding the supercharger option beyond the Wilburton area and evaluating the impacts and public benefit after two years instead of waiting four years. He suggested a more aggressive approach over the next two years given the critical need for housing, including workforce housing. Ms. Siegl said the current MFTE program is available citywide as a useful incentive. However, it requires deeper affordability units, which is not as appealing for developers. Mr. Nieuwenhuis acknowledged that there is a balance to consider. He encouraged considering how the City's apprenticeship program could be coordinated with the MFTE program.

Mr. Nieuwenhuis referred to staff's four recommendations and expressed support for adopting the 20-year exemption for homeownership projects citywide and extending the MFTE program to conversion projects citywide. Despite the recommendation against the 12-year extension option, he expressed his support for that tool given its success in other jurisdictions. Mr. Nieuwenhuis spoke in favor of applying the supercharger option citywide.

Councilmember Bhargava thanked staff for their proactive, collaborative approach to a very complex topic. He expressed support for the program and the recommendations for changes because he believes they will enhance the feasibility of housing development. He expressed support for the supercharger option in the Wilburton area, expansion of the MFTE program to conversion projects citywide, and the 20-year exemption for homeownership citywide. He expressed support for allowing the supercharger option citywide.

Mr. Bhargava asked about the City's tools for ensuring the development of housing units at deeper affordability levels. He suggested that a housing levy is one option. He asked staff to follow up later to this question.

Mr. Bhargava opined that the 12-year extension offers a strong incentive to preserve housing affordability while reducing the risk of units becoming market rate after 12 years. He would support including this option but suggested a deeper affordability requirement for an extension. Mayor Robinson expressed concern that such an approach would require residents to move elsewhere if they were not eligible for the deeper affordability units. Mr. Xiao said there is currently a buffer allowing households that currently qualify at 80 percent AMI to earn up to 100 percent AMI when they recertify their income annually.

Responding to Councilmember Bhargava, Mr. Xiao said developers are interested in as many options as possible, including the proposed 8-year option for the Wilburton area. Mr. Bhargava expressed support for the 8-year option.

Councilmember Hamilton complimented staff on their work to address housing affordability. He expressed appreciation for the leadership and engagement of Habitat for Humanity, Bellevue Chamber of Commerce, Eastside Affordable Housing Coalition, Eastside Housing Roundtable and others. He noted that staff did not directly interview MFTE tenants as part of the engagement effort. Mr. Xiao said staff originally considered a broader tenant engagement effort. However, given the scope of this program update and the goal of moving forward as quickly as possible for the Wilburton area, staff decided to make that a key focus of a future update. He said staff did receive input from ARCH regarding the tenant experience in general.

Mr. Hamilton expressed support for the supercharger option in the Wilburton area. He suggested using the Wilburton area as a template for process and outcomes and duplicating the careful calibration of incentives and requirements in other areas, including the BelRed subarea. He expressed support for the 8-year option. Regarding the 12-year extension option, he noted the agenda memo states that while an extension might preserve affordable units, it no longer serves as a tool for housing creation. Mr. Hamilton said housing preservation is one of the most cost-effective ways to increase the supply of housing at deeper affordability levels. Mr. Xiao agreed that preservation is critically important. However, he said the main issue is the benefit provided during that extension period compared to the value of the tax exemption provided to developers. Mr. Xiao said as apartment units age, the rents typically decrease, which could help preserve deeper affordability units.

Councilmember Hamilton encouraged consideration of adopting the 12-year extension, similar to what the City of Seattle adopted earlier this month. He said Seattle set lower AMI levels to

qualify for the extension. He opined this would provide further proof that Bellevue takes its role in supporting housing growth in the region very seriously and he encouraged keeping pace with regional partners. Mr. Hamilton expressed support for the 20-year homeownership option and the expansion of the MFTE program to include conversion projects.

Councilmember Hamilton expressed an interest in recommendations for incentivizing the creation of three-bedroom units. He said he would also like to understand the rationale for requiring MFTE designated parking stalls within one-half mile of high-frequency transit service. He said the City of Seattle does not have that requirement.

Councilmember Lee said he is opposed to a mandatory housing program. Mayor Robinson noted that mandatory inclusionary housing was already approved by the Council.

Mr. Lee said it is important for the City to work with builders and developers to meet their needs. He said they have supported the MFTE program to date. He expressed support for adopting the 20-year exemption for home ownership, extending the MFTE program to conversion projects, and adopting both the 12-year extension option and the 8-year option for Wilburton. He said the future assessment of the outcomes and benefits can guide further modifications to the project.

Responding to Councilmember Nieuwenhuis, Ms. Siegl said staff will bring back draft code language for the Council's consideration on December 2. A projected date for adoption of the changes will be discussed at that time.

11. Land Use Reports: None.
12. Other Ordinances, Resolutions, and Motions: None.
13. Written Reports: None.
14. Unfinished Business: None.
15. New Business: None.
16. Executive Session: None.
17. Adjournment

At 9:07 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw