

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

May 19, 2026
6:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:00 p.m., with Mayor Malakoutian presiding.

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

2. Roll Call; Flag Salute

(a) National Safe Boating and Paddling Week Proclamation

Councilmember Robinson read the proclamation recognizing May 16-22, 2026, as National Safe Boating and Paddling Week in Bellevue. She encouraged everyone to observe safe boating practices including wearing a life jacket, taking boating safety courses and staying informed about local water conditions.

Dale Vodicka, U.S. Coast Guard Auxiliary, accepted and thanked the Council for the proclamation. He encouraged the Council to consider an ordinance requiring the use of life jackets. He suggested an ordinance requiring a sound device on all vessels, even if just a whistle you could carry in a pocket or attach to a jacket.

(b) Habitat for Humanity Seattle-King and Kittitas Counties Day Proclamation

Councilmember Sumadiwirya read the proclamation recognizing May 19, 2026, as Habitat for Humanity Seattle-King and Kittitas Counties Day in Bellevue. She encouraged everyone to celebrate Habitat for Humanity's lasting impact on families, neighborhoods and communities throughout our region.

Saghar Amini, Habitat for Humanity, accepted and thanked the Council for the proclamation. She thanked the Council for their partnership, support and shared commitment to strengthening the community and creating stability for individuals and families.

(c) Taiwanese American Heritage Week Proclamation

Deputy Mayor Hamilton read the proclamation recognizing May 10-16, 2026, as Taiwanese American Heritage Week in Bellevue. He encouraged everyone to participate in cultural and education activities to learn about Taiwanese American history and to celebrate their contributions.

Siong-iong, Formosan Association for Public Affairs, accepted and thanked the Council for the proclamation. She commented on the contributions of Taiwanese Americans in technology, medicine, education and the arts. She highlighted Bellevue's good Asian restaurants and markets. She said Taiwanese Americans bring their democratic values with them, at times to escape past oppressive governments. She thanked everyone for making Bellevue a welcoming place for Asian communities.

3. Approval of Agenda

→ Deputy Mayor Hamilton 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 Council appreciates public comments and supports everyone's right to express themselves. She said the total time allowed for oral communications is for a period not to exceed 30 minutes and topics must relate to City of Bellevue government. Individuals 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. Each speaker is allowed up to three minutes to speak and a maximum of three speakers are allowed to speak to any one side of a particular 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.

(a) Brady Nordstrom, Associate Director of Government Relations and Policy, Housing Development Consortium, commented on the multifamily tax exemption (MFTE) and HOMA (Housing Opportunities in Mixed Use Areas) regulations. He said the Eastside Housing Roundtable reached a consensus supporting the MFTE catalyst with no unit cap. This would allow the MFTE supercharger incentive to be used in HOMA areas during a temporary period before reverting back to the existing MFTE program. He asked the City to consider mandatory housing requirements and to study the implementation of pathways to expedite permitting for the first 1,500 units in the HOMA district.

- (b) Diana Leo, Vice President of Government Affairs, Bellevue Chamber of Commerce, spoke on behalf of the Chamber's PLUSH committee in support of the MFTE supercharger and opposed to the 1,500-unit cap proposed for the MFTE program.
- (c) Jessie Clawson urged the Council to move forward with a usable MFTE supercharger with no unit cap and said it must include a four-year option timeline. She expressed concern that the positive contributions of multifamily projects were not included in the City's fiscal analysis.
- (d) Dave Spanier, speaking on behalf of the Greenwich Crest Neighborhood Working Group, expressed support for the City's efforts to address homelessness. However, he expressed concern about the suitability of Newport Presbyterian Church for a safe parking program. He expressed concern regarding traffic impacts, emergency access, environmental impacts and the lack of sidewalks. He noted incidents related to the safe parking site at Lincoln Center including theft, harassment, trespassing, child endangerment and juvenile mental health crises. He encouraged the Council to request a formal staff briefing regarding the site selection process and criteria.
- (e) Grace Landau described an incident in which her seven-year old son was told by a bus driver on route 28 that he was not allowed to leave the bus with other students. When she drove downtown to find her son at the bus stop near Safeway, she could not find him.

City Clerk Arredondo encouraged Ms. Landau to email her full comments to the Council.

- (f) Brian Dixon asked how he could access wrap-around services, including housing, food and gas, as an American citizen.

Mayor Malakoutian indicated that staff would follow up with Mr. Dixon.

- (g) Carly S. opined that the previous week, Councilmembers conflated harassment with the right of assembly and freedom of speech. She said state law defines harassment as threats of physical harm and/or physical constraint or confinement. She expressed concern regarding violence in Gaza and southern Lebanon and elected officials who vote to fund the violence.

5. Reports of Boards and Commissions: None.

6. Report of City Manager: None.

7. Council Business and New Initiatives

Councilmember Sumadiwirya recommended Brenden Fripp for appointment to the Arts Commission, noting his public and private-sector experience and expertise in art.

→ Councilmember Sumadiwirya moved to appoint Brenden Fripp to the Arts Commission to serve a full term expiring on May 31, 2028. Councilmember Robinson seconded the motion.

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

8. Consent Calendar

→ Deputy Mayor Hamilton 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 item was approved:

- (a) Council Minutes
Minutes of May 5, 2026 Regular Meeting
- (b) Motion to approve payment of claims and payroll for the period April 01, 2026 - April 30, 2026.
- (c) Motion to award Bid No. 26041 for the Storm Pipe Defect Repair 2025 project to Shoreline Construction Co., as the lowest responsive and responsible bidder, in an amount not to exceed \$1,061,452, plus all applicable taxes (CIP Plan No. D-64).
- (d) Ordinance No. 6918 amending Chapters 11.23 and 11.80 of the Bellevue City Code; amending Sections 11.23.010, 11.23.022, and 11.80.020; creating new Sections 11.23.011, 11.23.012, 11.23.013, 11.23.014, 11.23.023, 11.23.050; repealing conflicting uncodified ordinances; establishing a curb pricing zone and a range of curb pricing rates; delegating authority to implement and administer this Ordinance; providing for severability; and establishing an effective date.

9. Public Hearings

- (a) Public Hearing and action on Resolution No. 10634 authorizing the execution of documents necessary to release an existing sidewalk and utility easement which has been declared surplus to the city's needs and is no longer required for providing continued public service.

City Manager Diane Carlson introduced the public hearing regarding Resolution No. 10634 authorizing the release of a sidewalk and utility easement.

Jamie Robinson, Assistant Director, Finance and Asset Management (FAM) Department, said the sidewalk and utility easement is located at 16035 Northup Way. The site is currently being developed into 15 market-rate townhomes and the existing easement will be replaced with a public access easement. The change will provide additional open space, plantings, improved lighting and a wider sidewalk and trail.

→ Deputy Mayor Hamilton moved to open the public hearing, and Councilmember Nieuwenhuis seconded the motion.

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

City Clerk Arredondo said the Council received one written comment regarding the easement.

No one came forward to comment.

→ Deputy Mayor Hamilton moved to close the public hearing, and Councilmember Nieuwenhuis seconded the motion.

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

→ Deputy Mayor Hamilton moved to approve Resolution No. 10634, and Councilmember Nieuwenhuis seconded the motion.

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

10. Study Session

(a) Sound Transit Enterprise Initiative

City Manager Carlson introduced discussion regarding Sound Transit's Enterprise Initiative to address a \$35 billion revenue gap in the Sound Transit 3 (ST3) program.

Andrew Singelakis, Director, Transportation Department, described the Sound Transit initiative as a compromise proposal in which all five Sound Transit subareas will make sacrifices. He said Bellevue staff believe the proposal is a good compromise and it funds the South Kirkland to Issaquah light rail line (4 Line). Mr. Singelakis said Bellevue staff recommends advocating for greater certainty related to the 4 Line and other components.

Lacey Jane Wolfe, Intergovernmental Policy Advisor, City Manager's Office, said staff is requesting direction to prepare a letter to the Sound Transit Board based on Bellevue's Guiding Principles for the Enterprise Initiative [Attachment A in meeting packet]. She said Sound Transit's revenue gap is due to lower than anticipated revenues, rising construction costs and continued uncertainty related to tariffs and federal funding commitments.

Sound Transit's Enterprise Initiative is a cost-cutting effort to decide by May 28 about whether to delay or reduce in scope certain project components. On March 18, Sound Transit staff released three illustrative approaches to demonstrate the magnitude of potential capital program changes. Two of those would have fully or partially deferred the 4 Line indefinitely. Ms. Wolfe said Stride bus rapid transit and the light rail cross-lake connection are not impacted by this process. The only Bellevue project affected by the compromise proposal is the South Kirkland to Issaquah link, or 4 Line.

Ms. Wolfe said Sound Transit's district is divided into five subareas and Bellevue is in the East King Subarea. Sound Transit's policies require the agency to revise its plans when forecasted costs exceed available subarea revenue and funding sources by more than five percent. Every subarea is currently falling behind that threshold, so the ST3 plan must be revised in every subarea.

The South Kirkland to Issaquah project would build two new stations in Bellevue with parking at the Kirkland and Issaquah stations. The project is currently planned for delivery by 2044. The original cost estimate of \$1.7 billion to \$1.9 billion in 2014 has increased to \$9.8 billion.

Ms. Wolfe said that on May 7, Sound Transit staff presented a proposal from Board Chair and Snohomish County Executive Dave Somers. Under the proposal, the West Seattle link would proceed without the Avalon station. The T Line to Tacoma Community College is delayed and the North Sounder would be discontinued in 2033, eight years before Everett Link begins operating. The proposal indicates that construction is not currently affordable within existing resources for the Ballard Link, South Sounder extension, and the Graham Street and Boeing Access Road infill stations.

Ms. Wolfe recalled that the Council received a presentation from Sound Transit on March 17 regarding the Enterprise Initiative. The Council directed staff to send a letter to Sound Transit based on Bellevue's guiding principles to: 1) maintain subarea equity, 2) connect Eastside cities with high-capacity transit, 3) minimize delay, 4) retain Bellevue's 4 Line stations, 5) preserve access to transit, and 6) conserve regional bus service.

Under the Sound Transit Board Chair's proposal, debt interest is regionalized across all subareas. The agency's current practice is that each subarea pays the debt interest associated with that subarea's projects. Under the proposal, contributions from each subarea would be calculated based on its proportion of total tax revenue instead of which subarea incurred the debt. The proposal maintains Eastside high-capacity transit. However, the cities of Issaquah, Kirkland and Bellevue would need to work together with Sound Transit to find \$1.4 billion in cost savings. Under the Sound Transit Board Chair's proposal, the delivery date for the 4 Line is extended from 2044 to 2050.

Ms. Wolfe said the Sound Transit Board plans to make its decision on May 28. She thanked Councilmembers for their advocacy on this issue. She said Mayor Malakoutian sent a letter on March 25 on behalf of the Council explaining the City's priorities for the Enterprise Initiative, and five Councilmembers testified during Sound Transit Board meetings. Ms. Wolfe said City staff and Sound Transit staff have been working together as well.

Ms. Wolfe said City staff feel that the East King Subarea Sound Transit Board members advocated for maintaining the 4 Line. Staff recommends sending a letter to the Board to acknowledge the preservation of the 4 Line project, advocate for an alternatives analysis timeline, provide greater certainty around whether the 4 Line and other projects could be accelerated, ensure high-quality service on existing transit and to maintain multimodal access to transit service.

Mayor Malakoutian thanked staff for the presentation and for their hard work representing Bellevue's interests.

Deputy Mayor Hamilton spoke in favor of sending the letter to reinforce Bellevue's guiding principles. He suggested requesting greater clarity regarding the defined alternatives analysis, potential acceleration of the 4 Line project and multimodal access to transit services. He encouraged emphasizing the importance of subarea equity and making it clear that Bellevue cannot support any proposal that does not reflect a strong commitment to subarea equity. Mr. Hamilton said that while the 4 Line project is preserved, elements of the plan have been removed and there is a large funding gap. He encouraged continued work to improve the Enterprise Initiative proposal. He thanked the Sound Transit Board for their work.

Responding to Councilmember Robinson, Ms. Wolfe said she was not certain but she assumes that more Issaquah commuters are traveling to Seattle than to Bellevue. Ms. Robinson said she was not confident that Issaquah commuters heading to Seattle will want to detour to Bellevue and change to another train at the East Main station to get to Seattle. She suggested that commuters will drive to the South Bellevue Park and Ride to access light rail service.

Ms. Robinson said she supports the 4 Line between East Main and Kirkland. She suggested using bus rapid transit from Issaquah and other communities to the east to reach the South Bellevue Park and Ride where riders can switch to light rail. She said she continues to support bus rapid transit on I-405. Ms. Wolfe said she believed Ms. Robinson's comments were consistent with the previous letter regarding Bellevue's guiding principles in which the City asked Sound Transit to provide more information about the tradeoffs between bus rapid transit and light rail. Ms. Wolfe said that will be studied as part of the alternatives analysis early in the design process. Councilmember Robinson said she would like to revise the current proposed letter to be clear about Bellevue's position.

Councilmember Nieuwenhuis expressed concern that Sound Transit is violating its commitment to subarea equity. Ms. Wolfe said Sound Transit's position is that the agency issues debt as a whole agency. Individual subareas do not issue their own debt. Ms. Wolfe said project costs are subject to the interest rate and construction costs at the time projects move forward, but subareas have no control over the timing of the issuance of debt. That is Sound Transit's basis for regionalizing debt interest. Ms. Wolfe said that under the current subarea equity policy, there are shared costs for operational costs, light rail vehicles and other items.

Mr. Nieuwenhuis asked about the total additional financial burden placed on the East King subarea under the new debt interest allocation plan. Ms. Wolfe said she has requested that information from Sound Transit but has not yet received it.

Councilmember Nieuwenhuis suggested including a statement in the letter indicating Bellevue's need for that information. He said the East King subarea is the second highest revenue contributor and he expressed concern about the request to subsidize other subareas.

Councilmember Nieuwenhuis asked about the analysis completed to justify the six-year delay in completing the 4 Line in one of the fastest growing corridors in the region. Ms. Wolfe said the Sound Transit Board Chair's proposal was evaluated against certain metrics including advancing regional connectivity, supporting future growth, prioritizing the passenger experience and protecting public investments with fiscal integrity. She said the timing of the delay is based on the availability of funding and when Sound Transit's debt capacity is sufficient to take on the project. She said Sound Transit will work collaboratively with the affected cities to identify the criteria for reductions in the project. Suggestions include keeping the light rail guideway within the I-90 right-of-way and foregoing parking garages. Responding to Mr. Nieuwenhuis, Mr. Singelakis acknowledged that people will drive to Bellevue to park to access light rail.

Mr. Nieuwenhuis expressed support for the additions proposed by Councilmember Robinson. He reiterated he would like the letter to request a better understanding of the financial burden on the East King subarea under the Enterprise Initiative proposal.

Councilmember Briar thanked staff for their hard work and expertise. She expressed support for Mr. Nieuwenhuis's proposed revision to the letter. Ms. Briar expressed concern regarding the six-year delay for the 4 Line project and the amount of additional funding needed. Ms. Wolfe said no design work has been completed for the project and a number of elements will be considered including bus rapid transit connections and parking.

Ms. Wolfe acknowledged Deputy Mayor Hamilton's earlier comment expressing concern that the projected additional funding needed might not be sufficient. She said Bellevue staff believe that the cities of Bellevue, Kirkland and Issaquah can find creative ways to expedite project delivery and conserve funding. She said staff would like Sound Transit to provide certainty regarding how projects could be accelerated and clear criteria for advancing delayed projects when cost savings or new funding becomes available.

Councilmember Briar expressed support for Councilmember Robinson's suggested comments.

Councilmember Bhargava concurred and encouraged efforts to identify cost saving measures. He agreed with Councilmember Nieuwenhuis's concern about subarea equity as well. Mr. Bhargava said he does not believe that the Sound Transit proposal meets the criteria for subarea equity. Ms. Wolfe opined that there is some merit to Sound Transit's argument regarding how the agency handles debt and acknowledged that the proposal is a compromise. Mr. Bhargava expressed support for sending the proposed letter and suggested a clear statement regarding the lack of clarity related to the subarea equity issue.

Mr. Bhargava said he supports the consideration of removing or revising certain 4 Line project elements. He said, however, we should not ignore the level of service needed to serve the community. He suggested stating that in the letter. He expressed concern about the total actual project cost and the effort to shift the cost-saving and value engineering effort to the cities.

Councilmember Sumadiwiryra expressed support for the letter and for the suggested revisions from her colleagues. She identified subarea equity as a top priority and noted that Eastside residents deserve to benefit from their investment in revenues. Regarding bus rapid transit versus

light rail, Ms. Sumadiwirya said it is important to keep in mind, as Councilmember Robinson suggested, how people use transit and connections to transit. Councilmember Sumadiwirya said it is important to hold Sound Transit accountable for their commitments to the region.

Mayor Malakoutian expressed support for the letter and his colleagues' suggestions. He expressed concern regarding subarea equity related to debt. Ms. Wolfe said the existing debt for light rail will be regionalized and all current and new debt interest will be shared by the five subareas.

- Councilmember Robinson moved to direct staff to prepare a letter to the Sound Transit Board based on Bellevue Guiding Principles for the Enterprise Initiative, including support for the 4 Line between Bellevue's East Main station and Kirkland, bus rapid transit between Issaquah and Bellevue/South Bellevue Park and Ride, bus rapid transit along I-405, a thorough analysis of the financial impact on Eastside taxpayers with a new debt package and a focus on catalyzing the project. Councilmember Briar seconded the motion.
- The motion carried by a vote of 7-0.

At 7:38 p.m., Mayor Malakoutian declared a break. The meeting resumed at 7:51 p.m.

(b) Proposed Japanese American Legacy Project with Isan Bellevue

City Manager Carlson introduced staff's presentation regarding a proposed project with Isan Bellevue for the new park at Main Street and 112th Avenue SE near the East Main light rail station.

Camron Parker, Assistant Director, Parks and Community Services Department, said the land was acquired by Sound Transit in 2015 and the park was constructed by Sound Transit and dedicated to the City in September 2024. He said City staff worked for several years with Isan Bellevue to evaluate potential sites for the commemorative project and confirmed the feasibility of the new park for the project.

Betsy Anderson, Senior Planner, presented photos of the 1.75-acre park site and surrounding development. The park is located on the Lake to Lake Trail and near the connection to the Eastrail. Ms. Anderson noted plans for a future RapidRide K Line stop at the park. She said the 2023-2024 budget provided funding for the City to work with Isan Bellevue to analyze the feasibility of potential sites for the commemorative project. The concept plan was completed in late 2025 and depicts a large-scale map on the park plaza identifying the locations of historic Japanese-American farms prior to World War II. A shelter structure is proposed with the potential for interpretive and artistic elements.

Ms. Anderson said Isan Bellevue has committed to raising funding for the design and construction of the project. The organization and the City have established a memorandum of understanding (MOU) to deliver the project. The City will contribute project management services and assume long-term maintenance of the project.

Susan Ulep, Capital Projects Coordinator, said staff is currently conducting a naming process for the new park, which was initiated with a presentation to the Council on March 4, 2025. At that time, the Council directed staff to proceed with public engagement related to naming the park. A public survey in the spring of 2025 solicited potential park names and staff screened those names using City policy criteria. A list of names will be submitted to the Parks and Community Services Board for consideration. Ms. Ulep said staff will return to the Council this summer to share the Board's recommendation and to request final action on the park name.

Mayor Malakoutian thanked staff for the presentation and expressed support for the project.

Councilmember Briar, liaison to the Parks and Community Services Board, thanked the Board and staff for their hard work. She expressed support for the project and observed that it is consistent with the fundamental principles of architects and planners throughout U.S. history. She said the project is a good way to honor Bellevue's past.

Councilmember Robinson expressed support for the project and suggested adding more flowering cherry trees at the site.

Councilmember Sumadiwirya expressed support for the project. She suggested that the park name reflect prominent local Japanese-Americans from the past and present.

Councilmember Bhargava thanked staff for their work and expressed support for the project. He encouraged public involvement in the design process.

Councilmember Nieuwenhuis expressed support for the project and noted that it aligns well with Bellevue's goals of celebrating local history, advancing cultural placemaking and building partnerships that enhance parks and public spaces. He thanked staff for their work and noted that the project will both educate and inspire the public. He thanked Isan Bellevue for its leadership and generosity in this partnership.

Deputy Mayor Hamilton praised the collaboration with Isan Bellevue and expressed support for the project.

Councilmember Briar said she hopes Isan Bellevue will be involved in considering the park name since it reflects their cultural history.

(c) Multifamily Tax Exemption (MFTE) Catalyst Program for Mixed Use Areas

City Manager Carlson opened discussion regarding housing opportunities in mixed use areas.

Hannah Bahnmitter, Senior Affordable Housing Planner, said staff is requesting Council direction to finalize amendments to the Multifamily Tax Exemption (MFTE) Program consistent with staff's recommendations and to prepare legislation for consideration at a future meeting.

Ms. Bahnmilller recalled that the MFTE program provides a property tax exemption to qualified properties where a certain portion of the units are set aside as affordable for the duration of the exemption. Tonight's presentation focuses on non-downtown areas subject to the Housing Opportunities in Mixed-Use Areas (HOMA) Land Use Code. The term "supercharger" refers to an exemption from a reduced affordability requirement for overlapping MFTE and land use incentives. Staff will present an option for a supercharger catalyst program within HOMA districts.

Ms. Bahnmilller said the citywide MFTE program provides a 12-year tax exemption, a new 20-year home ownership program and new provisions for commercial-to-residential conversion projects. A new 12-year supercharger option is available in the Wilburton area as well as a new 8-year tax exemption option.

When the Council reviewed the HOMA Land Use Code Amendment in late February, staff recommended that the supercharger option was not needed to offset costs. The Council directed staff to return within 90 days following an analysis of catalyst MFTE options and the fiscal impact.

Ms. Bahnmilller presented a comparison of the baseline HOMA requirements, baseline HOMA provisions with MFTE requirements, and the supercharger requirements under the 12-year MFTE program. The baseline HOMA/MFTE requirements category requires 10 percent of the units to be affordable at 65 percent of the area median income (AMI) and the supercharger requires 10 percent of the units to be affordable at 80 percent AMI.

Ms. Bahnmilller said the three key policy considerations are the City's affordable housing goals, overall housing production goals and program costs. Staff's analysis compared the existing MFTE program and the six-year catalyst option. The analysis addressed the number of affordable units to be created, cost to the City, renter savings and net developer tax savings. Ms. Bahnmilller said the analysis indicated a 12.4 percent increase (76 units) in total MFTE units, a decrease of 179 units for households earning 65 percent AMI and an increase of 255 units for households earning 80 percent AMI.

Ms. Bahnmilller said staff recommends advancing a catalyst program that includes a combination of unit and time limit requirements and would allow the supercharger option to remain in place until the earlier of 1,500 total MFTE units or six years. This would accommodate six 250-unit projects in HOMA areas. The unit limit establishes a ceiling on additional shifted and foregone taxes and incentivizes near-term development. Ms. Bahnmilller said some stakeholders suggested a four-year catalyst option, which is identified as Option B on slide 16 of the presentation. The scope of the MFTE code amendment allows for a catalyst period in HOMA areas where MFTE units double-counted toward the mandatory requirement do not require deeper affordability, provides rules for the vesting of the catalyst program and revises rules to allow the MFTE option to be used along with fee-in-lieu payments.

Mayor Malakoutian thanked staff for the thorough information.

Councilmember Bhargava commented on the challenge of balancing affordability and the feasibility of housing development. He said there should be a public benefit, measurable outcomes for affordability and clear predictability for developers and the public. He suggested moving forward with the four-year catalyst option because it creates housing sooner. He cautioned against a unit cap because it could create uncertainty for developers and slow down housing production. He noted the significant challenge of creating housing at deeper affordability levels. He suggested assessing the outcomes of the four-year catalyst option, if adopted, after two years and increasing incentives to drive the urgency for housing production.

Deputy Mayor Hamilton expressed support for the four-year catalyst option with no unit cap. He believes it will increase housing production sooner and at the lowest cost. He thanked everyone in the community who has provided input regarding housing development.

Responding to Councilmember Sumadiwirya, Ms. Bahnmler commented on permitting timelines. She said the average timeline for a MFTE development from application to occupancy is approximately three years. Ms. Sumadiwirya expressed support for the four-year catalyst option.

Councilmember Robinson thanked staff for their work on this complex issue. Responding to Ms. Robinson, Bianca Siegl, Director of the Office of Housing, said staff is planning to conduct an analysis to evaluate potential changes to the MFTE program as the Council considers mandatory inclusionary housing requirements.

Ms. Robinson expressed concern about setting a precedent, losing tax revenues and giving false security to the development community. She expressed support for pairing mandatory inclusionary housing with double counting in the MFTE program. She noted her goals to increase the supply of housing at affordability levels below 80 percent AMI and to avoid increasing the tax burden for residents. She said the proposal tonight does not support her goals. She said she would support the four-year catalyst option if it automatically reverts back after four years to the requirements for 10 percent of units at 80 percent AMI and 10 percent of units at 65 percent AMI. She expressed support for Councilmember Bhargava's suggested two-year evaluation. Ms. Siegl said the program would automatically sunset after four years unless changed by the Council.

Councilmember Nieuwenhuis said he appreciated everyone's expertise and compassion around housing needs. Referring to Councilmember Robinson's concern about the tax impact on residents, he noted that construction projects generate sales tax revenue.

Mr. Nieuwenhuis expressed concern that job growth continues to outpace the housing supply in Bellevue. He asked how the cap on the number of units affects whether Bellevue can remain economically competitive. Ms. Siegl said a number of major employers are committed to supporting the development of affordable housing in Bellevue. She said the unit cap under the six-year catalyst option is intended to encourage more multifamily projects to be completed more quickly.

Councilmember Nieuwenhuis expressed support for the four-year catalyst option and the two-year evaluation. He expressed concern about unit caps due to the critical need for housing and encouraged predictability for developers.

Responding to Councilmember Briar, Ms. Bahnmilller confirmed that the four-year catalyst option results in the lowest tax shift impact for property owners. Ms. Briar expressed support for the four-year catalyst option and concurred with her colleagues in favor of avoiding a unit cap.

Staff responded to questions of clarification from Mayor Malakoutian regarding the different scenarios. Ms. Bahnmilller said the primary downside of the four-year catalyst option is there is less certainty in terms of outcomes. The analysis projects fewer housing units overall but actual program participation within those four years may vary.

Mayor Malakoutian thanked everyone for their good work.

→ Councilmember Bhargava moved to direct staff to finalize amendments to the Multifamily Tax Exemption (MFTE) Program using the four-year catalyst option with no unit cap in HOMA areas outside of the downtown, for consideration and final action at a future meeting; and to establish a two-year lookback to evaluate housing production, affordability outcomes and other financial and tax impacts. Councilmember Robinson seconded the motion.

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

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 9:31 p.m., Mayor Malakoutian declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

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